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**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**DOCKET NO. 13 0198 -EI
FLORIDA POWER & LIGHT COMPANY**

**IN RE: PETITION FOR PRUDENCE
DETERMINATION REGARDING NEW PIPELINE
SYSTEM**

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DIRECT TESTIMONY & EXHIBITS OF:

HEATHER C. STUBBLEFIELD

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **FLORIDA POWER & LIGHT COMPANY**

3 **PETITION FOR PRUDENCE DETERMINATION**

4 **REGARDING NEW PIPELINE SYSTEM**

5 **DIRECT TESTIMONY OF HEATHER C. STUBBLEFIELD**

6 **DOCKET NO. 13 _____-EI**

7 **JULY 26, 2013**

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1 I. INTRODUCTION

2

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

4 A. My name is Heather C. Stubblefield. My business address is Florida Power &
5 Light Company, 700 Universe Boulevard, Juno Beach, Florida 33408.

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

7 A. I am employed by Florida Power & Light Company ("FPL" or the "Company")
8 as Manager of Project Development in the Energy Marketing and Trading
9 ("EMT") Business Unit.

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

11 A. In my current position, I am responsible for evaluating gas transportation
12 alternatives for FPL's system requirements. This includes evaluating proposals
13 from pipeline companies, negotiating terms and conditions, and executing
14 transportation agreements that are in the best interest of FPL's customers.

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

16 A. I graduated from Auburn University with a Bachelor of Arts degree in Business
17 Administration in 1986. I joined Sonat Corporation (now Kinder Morgan, Inc.)
18 in 1988, where I held various positions in Human Resources, Internal Auditing
19 and the Sonat Marketing Company. In 2003, I joined FPL Group Resources as
20 the Director of Marketing for liquefied natural gas ("LNG") initiatives. In 2005,
21 I joined the EMT Business Unit of FPL.

22 **Q. Are you sponsoring any exhibits in this case?**

23 A. Yes. I am sponsoring the following exhibits attached to my direct testimony:

- 1 • HCS-1 FPL’s Request for Proposals
- 2 • HCS-2 Executed Precedent Agreement with Sabal Trail
- 3 Transmission, LLC (Confidential)
- 4 • HCS-3 Executed Precedent Agreement with Florida Southeast
- 5 Connection, LLC (Confidential)

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

7 A. The purpose of my testimony is to present and explain the natural gas
8 transportation Request for Proposals (“RFP”) issued by FPL to meet its system
9 gas requirements beginning in May 2017, the process FPL used to evaluate the
10 proposals submitted in response to the RFP, and the proposals that were selected
11 from that evaluation process as most cost-effectively meeting FPL’s natural gas
12 transportation requirements.

13 **Q. Please summarize your testimony.**

14 A. FPL issued an RFP for firm gas transportation on December 19, 2012. The
15 purpose of the RFP was to determine the best transportation alternative to meet
16 the needs of FPL’s future system requirements beginning in 2017 and which
17 provided maximum benefits to FPL’s customers. FPL requested that the
18 respondents submit proposals based on a firm gas transportation commitment for
19 400,000 million Btu per day (“MMBtu/d”) beginning May 1, 2017, increasing to
20 600,000 MMBtu/d on May 1, 2020. FPL also requested that respondents
21 accommodate FPL’s potential need for additional quantities (“Optional
22 Quantities”) of up to 400,000 MMBtu/d in the period beyond 2020. The RFP
23 sought proposals for one or both of two distinct projects: the Upstream Pipeline

1 Project (hereafter referred to as the “Northern Pipeline Project”) which will
2 originate in Alabama and extend to Central Florida and the Downstream Pipeline
3 Project (hereafter referred to as the “Southern Pipeline Project”) which will
4 originate at the terminus of the Northern Pipeline Project and terminate at FPL’s
5 Martin Clean Energy Center in Martin County, Florida (“Martin plant”). The
6 division of the pipeline into these projects was based on feedback received from
7 a number of pipeline companies during the development of the RFP. These
8 companies were interested in more flexibility in meeting Florida’s, as well as
9 FPL’s, future gas transportation requirements. FPL developed and publicized an
10 RFP website that provided information about the RFP and allowed interested
11 parties to access the RFP documents. Throughout the process, FPL responded to
12 numerous inquiries via the website, email, phone, and in person to ensure
13 interested parties were able to ask questions and get clarifications on the RFP
14 prior to the due date of April 3, 2013 (“Proposal Due Date”).

15
16 FPL received five (5) Northern Pipeline Project proposals and one (1) Southern
17 Pipeline Project proposal. In addition, FPL considered three (3) self-build
18 alternatives for the Southern Pipeline Project. Of the proposals received, only
19 one (1) Northern Pipeline Project proposal and one (1) Southern Pipeline Project
20 proposal, both from the same entity, had significant deficiencies and failed to
21 meet the Minimum Requirements for evaluation including the requirement to
22 provide a binding proposal. FPL provided this entity the opportunity to provide
23 conforming proposals, but the entity elected not to make the necessary

1 modifications required for FPL to consider these proposals in the evaluation
2 process. FPL's evaluation of the remaining four (4) Northern Pipeline Project
3 proposals and the three (3) FPL self-build alternatives consisted of an economic
4 evaluation, performed by FPL's Resource Assessment & Planning Department
5 ("RAP"), and a non-economic evaluation. The economic analysis was
6 performed on every potential combination of projects by taking each Northern
7 Pipeline Project and matching it with each Southern Pipeline Project (each
8 combination is referred to as a "Combined Project"). In total, twelve (12)
9 Combined Projects were evaluated. The non-economic evaluation was based on
10 a comparative analysis of each individual project with respect to a number of
11 attributes that could not be measured in the economic analysis. Based on the
12 evaluation process, FPL selected the Combined Project that provided the highest
13 overall value as the winning project.

14
15 Once the winning Combined Project was selected, FPL worked with the winning
16 project sponsors to execute a Precedent Agreement for each pipeline project.
17 FPL was able to enter into a mutually agreeable Precedent Agreement, under
18 similar terms and conditions as the draft Precedent Agreement provided in the
19 RFP, with Sabal Trail Transmission, LLC ("Sabal Trail") for the Northern
20 Pipeline Project. The FPL Hybrid Alternative was determined to be the most
21 cost-effective alternative for the Southern Pipeline Project. FPL executed a
22 Precedent Agreement with an affiliate, Florida Southeast Connection, LLC
23 ("FSC"), on substantially the same terms as the Sabal Trail Precedent

1 Agreement. The executed Precedent Agreements are attached to my testimony
2 as Exhibits HCS-2 and HCS-3.

3
4 **II. DESCRIPTION OF FPL'S RFP**

5
6 **Q. Please describe the purpose of FPL's RFP.**

7 A. FPL issued the RFP for the purpose of identifying and negotiating a firm gas
8 transportation contract to meet FPL's increased gas transportation needs
9 beginning in 2017 and to improve gas supply and transportation diversity. As
10 discussed by FPL witness Forrest, Florida's growing reliance on natural gas to
11 meet the state's electric generation needs supports the investment in new gas
12 infrastructure to expand access to competitive and diverse supplies and services
13 and to enhance the reliability of future gas deliveries into the state. Therefore, the
14 RFP expressed FPL's strong preference for proposals that provided new natural
15 gas infrastructure that was geographically diverse from the two major pipelines
16 currently serving peninsular Florida.

17 **Q. Why did FPL elect to separate the pipeline into two distinct pipeline**
18 **projects?**

19 A. The RFP requested proposals for one or both of two distinct projects to
20 encourage participation and provide respondents more flexibility in meeting
21 Florida's, as well as FPL's, future gas transportation requirements. These
22 projects were identified in the RFP as the Upstream and Downstream Pipeline
23 Projects (a map is provided in Section I.B. of Exhibit HCS-1), but FPL decided

1 for clarity to refer to them respectively as the Northern Pipeline Project and
2 Southern Pipeline Project:

3
4 **Northern Pipeline Project** - The Northern Pipeline Project will deliver reliable
5 gas supplies into the heart of Florida's growing natural gas market. The pipeline
6 will originate at Transcontinental Gas Pipeline Company, LLC ("Transco")
7 Station 85 in Choctaw County, Alabama where it will interconnect with Transco,
8 Midcontinent Express Pipeline, LLC, and Gulf South Pipeline Company, LP.
9 The pipeline will terminate in Osceola County, Florida. FPL requested that
10 proposals for the Northern Pipeline Project include interconnections with
11 Gulfstream Natural Gas System, LLC ("Gulfstream") and Florida Gas
12 Transmission Company, LLC ("FGT") at or near the termination point of the
13 Northern Pipeline Project in Osceola County to create a natural gas supply
14 pooling point and market hub ("Central Florida Hub") that will provide
15 additional gas supply reliability and diversity to the growing Florida market.

16
17 **Southern Pipeline Project** – The Southern Pipeline Project will originate at the
18 terminus of the Northern Pipeline Project in Osceola County, Florida and will
19 terminate at FPL's Martin plant. The pipeline will provide for deliveries to
20 FPL's Martin plant as well as into FPL's pipeline lateral which serves FPL's
21 Riviera Beach Next Generation Clean Energy Center in Palm Beach County,
22 Florida.

1 **Q. Why did FPL require the Northern Pipeline Project to include a Central**
2 **Florida Hub?**

3 A. As discussed in more detail in the testimony of FPL witness Sexton, the
4 Central Florida Hub will substantially enhance the reliability of Florida's
5 natural gas infrastructure. Interconnecting the Northern Pipeline Project, the
6 Southern Pipeline Project, FGT and Gulfstream, will facilitate the flow of gas
7 among these pipelines in the event of a disruption or loss of any of these
8 pipelines upstream of the Central Florida Hub (see map provided in Section
9 I.B. of Exhibit HCS-1).

10 **Q. What are the gas transportation quantities that FPL required in the RFP?**

11 A. FPL requested a firm gas transportation quantity of 400,000 MMBtu/d
12 beginning May 1, 2017 increasing to 600,000 MMBtu/d beginning May 1, 2020
13 based on FPL's analyses of its future gas transportation requirements.

14 **Q. Please explain the gas transportation pricing requirements of the RFP.**

15 A. The RFP allowed respondents to submit proposals with either a fixed demand
16 charge ("Fixed Price Proposal") or an adjustable demand charge ("Alternative
17 Price Proposal"). FPL expressed a strong preference for a Fixed Price Proposal
18 because this alternative provides pricing security and protects customers from
19 potential cost overruns. Because pipeline developers have significant cost
20 exposure during the period between the execution of the Precedent Agreement
21 and the in-service date of the project, respondents could also elect to submit an
22 Alternative Pricing Proposal that allowed the respondent to adjust the demand
23 charge based on the movement of various pipeline cost-related indices selected

1 by the respondent. An Alternative Price Proposal could include one or more
2 published indices that would allow the respondent to adjust the demand charge
3 based on the performance of these indices during the period prior to the in-
4 service date of the pipeline. The demand charge then would be fixed for the
5 term of the gas transportation agreement. In addition, respondents providing an
6 Alternative Price Proposal were required to provide a cap on the demand charge
7 that would limit FPL's exposure to variances in the published indices.

8 **Q. How does the RFP address FPL's gas transportation requirements beyond**
9 **2020?**

10 A. To provide for future generation expansions beyond 2020, FPL requested the
11 ability to secure incremental Optional Quantities beyond the initial 600,000
12 MMBtu/d firm commitment. FPL requested the right, but not the obligation, to
13 elect an initial Optional Quantity of up to 200,000 MMBtu/d on or before
14 January 1, 2020 and a second Optional Quantity of up to 200,000 MMBtu/d on
15 or before January 1, 2024. For each Optional Quantity, the requested pipeline
16 in-service date must be at least forty-eight (48) months but no later than sixty
17 (60) months after the date FPL makes the election. Because FPL is not obligated
18 to take these quantities, FPL will remain free to evaluate all available
19 alternatives to ensure FPL selects the best overall transportation alternative for
20 FPL's incremental gas transportation requirements.

21 **Q. What were the Minimum Requirements provided in the RFP?**

22 A. The RFP provided FPL's requirements for submitting proposals to ensure all
23 respondents provided the information necessary for the evaluation process

1 (“Minimum Requirements”). These Minimum Requirements included a
2 Proposal Due Date of April 3, 2013, and a requirement that each respondent
3 complete and submit the fifteen forms included in the RFP. In addition,
4 respondents were required to adhere to the pricing, quantity, and project
5 specifications included in the RFP which included providing firm pricing (in
6 the form of a Fixed Price Proposal or an Alternative Price Proposal with a
7 cap). Finally, each respondent was required to meet the completion security
8 obligations provided in the Precedent Agreements and to hold the proposal
9 open and valid for one hundred and twenty (120) days from the Proposal Due
10 Date. The RFP stated that FPL retained the right to reject a proposal that did
11 not meet these Minimum Requirements. A comprehensive description of the
12 Minimum Requirements can be found in Section III.E. of the RFP provided as
13 Exhibit HCS-1.

14 **Q. Why did FPL elect to include draft Precedent Agreements with the RFP?**

15 A. One of the most time consuming aspects of completing a transaction for gas
16 transportation capacity is the negotiation and execution of a Precedent
17 Agreement. While parties may agree on the basic commercial terms of a
18 transaction (e.g. price and quantity), they often fail to reach agreement when
19 they begin to document the more complex terms of the transaction in the form
20 of a Precedent Agreement. In order to minimize any misunderstanding about
21 FPL’s expectations as to the terms and conditions FPL desired in a Precedent
22 Agreement, FPL provided a draft Precedent Agreement for both the Northern
23 Pipeline Project and the Southern Pipeline Project for respondents to review

1 prior to electing whether or not to participate in the RFP process. The draft
2 Precedent Agreement provided very specific terms and conditions intended to
3 protect FPL and its customers from exposure due to project delays. Parties
4 submitting proposals were required to review the draft Precedent Agreements
5 and document any proposed changes to the agreements in redline format. FPL
6 reviewed all revisions submitted and considered them as part of the non-
7 economic evaluation process. These redlined agreements served as the basis
8 for final negotiations which accelerated the process of completing and
9 executing agreements once the winning proposals were selected.

10 **Q. Did FPL review the RFP with the FPSC prior to issuing the RFP?**

11 A. The RFP was reviewed with FPSC Staff at a publicly noticed meeting in
12 Tallahassee on November 26, 2012. The meeting was attended by potential
13 respondents, market participants and representatives of customer groups,
14 including the Office of Public Counsel. The attendees were provided the
15 opportunity to ask questions and provide feedback to FPL on the RFP. At the
16 conclusion of the meeting, FPL was informed that FPSC Staff had no objection
17 to FPL releasing the RFP.

18 **Q. How did FPL publicize the RFP?**

19 A. FPL issued the RFP on December 19, 2012. Over a two-week period between
20 December 19, 2012 and January 3, 2013, FPL published advertisements
21 announcing the RFP on three separate occasions in *Platts Gas Daily* which is
22 one of the most widely distributed natural gas industry publications. In addition,
23 FPL issued a press release to announce the RFP. The press release included

1 information on how to access the RFP website. To ensure that those parties who
2 had previously expressed an interest in the RFP were notified, emails with the
3 FPL press release and RFP website link were sent directly to those companies.
4 Over one hundred and seventy (170) individuals from more than one hundred
5 and twenty (120) companies, including ten (10) major pipeline companies,
6 accessed the RFP website and downloaded the RFP documents.

7 **Q. Did FPL hold a workshop to respond to potential questions on the RFP?**

8 A. Yes. The RFP website posted a notice that FPL would host an RFP Pre-
9 Proposal Workshop at the Hilton Garden Inn in Palm Beach Gardens, Florida on
10 January 16, 2013 from 10:00 am until Noon. Seventy-five (75) people
11 representing over forty (40) companies attended the workshop. FPL began the
12 workshop with a brief presentation that described the major points and
13 requirements of the RFP before opening the meeting for questions. FPL
14 responded to numerous questions from the nine (9) pipeline companies and
15 others in attendance. Once FPL had responded to all questions, the workshop
16 was concluded.

17 **Q. Did FPL provide additional opportunities for interested parties to ask**
18 **questions or seek clarification on the RFP?**

19 A. Yes. In addition to the workshop, interested parties were provided the option of
20 submitting questions via an email address posted on the RFP website. FPL
21 responded to these questions by posting the questions and FPL's responses on
22 the RFP website for the benefit of all interested parties.
23

1 **Q. Were interested parties allowed to contact FPL directly if they had**
2 **questions on the RFP?**

3 A. Yes. Initially, all interested parties were directed to use the RFP email link on
4 the website to submit questions to FPL. However, effective February 1, 2013,
5 FPL posted notice on the website that interested parties could contact FPL
6 directly with questions in the event they had proposal-specific questions they did
7 not want published on the website due to the commercially sensitive nature of
8 the question. That notice prompted numerous discussions, by phone or in
9 person, between FPL and a number of parties, including most of the major
10 southeast pipeline companies.

11 **Q. Please explain the role of FPL's outside consultant in the RFP process.**

12 A. FPL engaged Tim Sexton of Gas Supply Consulting, Inc. to assist in the
13 preparation of the RFP and the evaluation of proposals. Mr. Sexton worked
14 collaboratively with FPL during the evaluation process as FPL performed the
15 non-economic and economic evaluation of each proposal. Mr. Sexton is filing
16 testimony which addresses his involvement in the RFP process.

17 **Q. Please describe the FPL team that was involved in the RFP process.**

18 A. EMT was the lead in the RFP development and evaluation process with support
19 from RAP. No one from the commercial team responsible for developing the
20 FPL self-build alternatives participated in the development of the RFP or in the
21 evaluation process.

22

23

III. RFP EVALUATION PROCESS

Q. Please summarize the proposals received.

A. FPL received six (6) proposals from five (5) entities including five (5) Northern Pipeline Project proposals and one (1) Southern Pipeline Project proposal. Two of the entities submitting Northern Pipeline Project proposals elected to include more than one pricing and/or quantity scenario for consideration. Several of the proposals were submitted by entities comprised of more than one pipeline company and/or included a lease arrangement on an existing pipeline. This resulted in a total of eight (8) major pipeline companies participating, either directly or indirectly through a lease agreement, in the RFP. These proposals represent involvement by all the major pipeline companies currently operating in the Southeast. In addition, FPL considered three self-build alternatives for the Southern Pipeline Project.

Q. Did all of the proposals meet FPL's Minimum Requirements as outlined in the RFP?

A. No. After an initial review, it was determined that two entities had submitted proposals with minor deficiencies related to the security obligations. These entities were contacted and agreed to modify their proposals to meet the security requirements. In addition, these entities had each submitted at least one scenario which did not meet the pricing and/or quantity requirements of the RFP. These entities were notified and elected not to conform these scenarios since they had also submitted compliant scenarios for consideration.

1 FPL also received a proposal for the Northern Pipeline Project and a proposal for
2 the Southern Pipeline Project, both submitted by the same entity, which included
3 significant deficiencies. These proposals included non-firm, indicative pricing,
4 were non-binding, and were not submitted with the appropriate bid bond as
5 required by the RFP. FPL contacted that entity in an effort to reconcile the
6 deficiencies in the proposals and qualify them for evaluation. The entity
7 subsequently confirmed that it was not willing to address the deficiencies.
8 Therefore, these proposals were excluded from consideration.

9 **Q. Was FPL satisfied with the quality of the compliant proposals that were**
10 **received?**

11 A. Yes. FPL was impressed with the tremendous effort that was made by each of
12 the respondents to meet FPL's future gas transportation needs. The proposals
13 were well organized and included the specific and very detailed information
14 requested by FPL in the RFP. The quality of these proposals made it very easy
15 for FPL to complete the evaluation process, and each of the respondents was
16 extremely helpful and responsive when contacted by FPL throughout the
17 evaluation process.

18 **Q. Please describe the Northern Pipeline Project proposals that FPL**
19 **evaluated.**

20 A. All of the proposals included new, greenfield pipelines for all or a majority of
21 the route. Several of the proposals included a lease or some other arrangement
22 for use of existing facilities outside the State of Florida. FPL received several
23 Fixed Price Proposals and a number of Alternative Price Proposals representing

1 a wide range of potential transportation costs.

2 **Q. Please describe the Southern Pipeline Project proposals that FPL evaluated.**

3 A. FPL provided three (3) pipeline design alternatives for the Southern Pipeline
4 Project. These alternatives consisted of (i) a project consisting entirely of 30-
5 inch pipeline ("FPL 30-Inch Alternative"), (ii) a hybrid consisting of both 30-
6 inch and 36-inch pipeline ("FPL Hybrid Alternative"), and (iii) a project
7 consisting entirely of 36-inch pipeline alternative ("FPL 36-Inch Alternative").
8 The pricing for all of the FPL alternatives was on a Fixed Price basis for the
9 optional quantities, as well as the initial quantities. No other proposals for either
10 the Northern Pipeline or Southern Pipeline Projects contained this valuable
11 feature.

12 **Q. How did FPL begin the evaluation process?**

13 A. Once FPL completed the review of the Minimum Requirements, FPL began to
14 review the proposals, including the FPL self-build alternatives, to determine if
15 there were any questions or clarifications that needed to be addressed prior to
16 FPL beginning the evaluation process. Based on this initial review, FPL
17 prepared a written list of questions for each respondent. Each respondent
18 answered the questions in writing, and, if additional questions arose or further
19 clarifications were necessary, FPL followed up by telephone or email.

20 **Q. What were the main components of FPL's evaluation process?**

21 A. The evaluation of each proposal and the FPL self-build alternatives consisted of
22 an economic evaluation and a non-economic evaluation. As presented in the
23 testimony of FPL witness Enjamio, the economic evaluation consisted of forty

1 (40) year cumulative present value revenue requirements (“CPVRR”) analysis
2 based on the pricing of each proposal. For Fixed Price Proposals, the fixed
3 demand charge was used in the evaluation. For Alternative Price Proposals, FPL
4 analyzed the proposed indices to determine the “most likely price” based on the
5 past performance of each index. If it was determined that the “most likely price”
6 would exceed the price cap, the price cap was determined to be the “most likely
7 price.” The final demand charge used in the evaluation for the Alternative Price
8 Proposals was then calculated based on averaging (i) the price provided (ii) the
9 “most likely price,” and (iii) the price cap. For both the Fixed Price Proposals
10 and the Alternative Price Proposals, FPL used the estimates provided by the
11 respondents for the variable transportation costs and fuel.

12 **Q. What was the process for preparing the cost information for the economic**
13 **evaluation?**

14 A. The economic evaluation was based on modeling that determines the CPVRR
15 for FPL’s overall power-supply system with the various Combined Projects. To
16 model the system, both the Northern Pipeline and Southern Pipeline Projects
17 must be included to simulate system performance (i.e., the receipt of the gas at
18 Station 85 via the Northern Pipeline Project and the delivery of the gas via the
19 Southern Pipeline Project to FPL’s Martin plant). Therefore, FPL prepared the
20 economic data by matching each of the four (4) Northern Pipeline Projects
21 (designated by a number from one (1) to four (4)) with each of the three (3)
22 Southern Pipeline Projects (designated as Ai, Aii, and Aiii) to create the total of
23 twelve (12) Combined Projects.

1 **Q. Was RAP provided the actual company names associated with each coded**
2 **Combined Project?**

3 A. No. As explained by FPL witness Enjamio, RAP was neither provided nor had
4 access to the company names of the respondents, including the FPL self-build
5 alternatives, during the initial economic evaluation process.

6 **Q. Please explain how FPL conducted the non-economic analysis.**

7 A. The non-economic analysis was based on a number of factors set forth in the
8 RFP (Section IV.C. of Exhibit HSC-1). The most important non-economic
9 factor highlighted by FPL was the strong preference for new, independently
10 routed onshore pipeline infrastructure. This preference was based on the
11 reliability advantages described by FPL witness Forrest, as well as the potential
12 to increase competition. FPL worked with FPL witness Sexton to develop a
13 matrix that outlined the potential non-economic benefits and assigned each
14 benefit a relative importance of "High" or "Low" based on FPL's assessment of
15 the potential impact to reliability, security and price. Each proposal was then
16 evaluated against the matrix and a check was given to each benefit which was
17 provided in the proposal. For both the Northern Pipeline Project and the
18 Southern Pipeline Project, all projects either provided or adequately addressed
19 the majority of the benefits with little distinction among the projects.

20 **Q. Please explain how the non-economic analysis was used in the overall**
21 **evaluation of each proposal.**

22 A. The purpose of the non-economic evaluation was to determine if there were
23 significant non-economic differences between the proposals. If there had been

1 significant differences, this non-economic analysis could have been used to
2 distinguish between two or more projects with extremely close economic
3 evaluations. As it turned out, however, all of the proposals FPL received would
4 substantially meet FPL's objectives including the addition of an independently
5 routed third pipeline that would improve the reliability and diversity of gas
6 transportation into Florida. Therefore, the relatively minor differences noted
7 during the non-economic evaluation were not significant enough to overcome
8 the substantial differences resulting from the economic evaluation, and the
9 economic results dominated the decision process.

10 **Q. Did FPL meet with any of the bidders to discuss their proposals?**

11 A. Yes. In fact, FPL met with all of the bidders who met the Minimum
12 Requirements of the RFP. These meetings were conducted midway through the
13 evaluation process to allow FPL to follow-up on outstanding questions and to
14 give each bidder the opportunity to present the benefits of their project. In
15 addition, FPL informed each bidder that this meeting would provide the
16 opportunity for the bidder to improve the price or terms of the proposal prior to
17 FPL's final evaluation.

18 **Q. Did any bidders provide revised proposals?**

19 A. Yes. Several bidders elected to improve their original price, contractual terms or
20 both. These modifications were included in the final evaluation process.

21 **Q. What were the results of the evaluation process?**

22 A. As discussed in the testimony of FPL witness Enjamio, Combined Project 1
23 which included the Sabal Trail project, submitted by Spectra Energy Corp., as

1 the Northern Pipeline Project and the FPL Hybrid Alternative as the Southern
2 Pipeline Project provided savings of \$580 million to \$1,356 million CPVRR.
3 Because the economic evaluation resulted in such a large cost saving for
4 Combined Project 1, the minor differences in the non-economic benefits among
5 the proposals did not impact the final selection.

6 **Q. How did FPL determine that the FPL Hybrid Alternative is priced at**
7 **“market,” considering that there was no other Southern Pipeline Project**
8 **proposal that met the Minimum Requirements of the RFP?**

9 A. Although the only Southern Pipeline Project proposal received from a third party
10 did not meet the Minimum Requirements of the RFP, FPL elected to run the
11 CPVRR analysis on the non-firm, indicative pricing of that proposal for
12 comparison against the FPL self-build alternatives. As presented in the
13 testimony of FPL witness Enjamio, all three (3) FPL self-build alternatives
14 provided savings of \$69 million to \$105 million CPVRR when compared to the
15 indicative pricing under this non-compliant proposal. Based on my experience
16 in the industry, had the respondent that submitted this non-compliant proposal
17 been willing to quote prices that were firm or tied to observable indices as
18 required by the RFP, those prices would have been at least as high as the non-
19 firm, indicative prices and likely would have been higher. In addition, FPL
20 witness Sexton has determined that the cost per mile to FPL for the FPL Hybrid
21 Alternative is approximately the same as the cost per mile for the most favorable
22 Northern Pipeline Project proposal. Mr. Sexton concludes that, because of the
23 robust competition for the Northern Pipeline Project, this comparison provides

1 additional assurance that the rates for the FPL Hybrid Alternative are reasonable.
2 Finally, I note that the non-compliant proposal contained significant
3 modifications to the draft Precedent Agreement which were unacceptable and
4 would have resulted in significant cost exposure to FPL. The FPL Hybrid
5 Alternative proposal accepted the majority of the terms and conditions included
6 in the RFP's draft Precedent Agreement.
7

8 IV. WINNING PROJECTS

9

10 **Q. Please describe the winning Northern Pipeline Project.**

11 A. Sabal Trail was selected as the winning Northern Pipeline Project. Spectra
12 Energy Corp. submitted the Sabal Trail proposal and negotiated the Precedent
13 Agreement with FPL. As discussed by FPL witness Forrest, after the Precedent
14 Agreement negotiations were completed, Sabal Trail became a joint venture of
15 subsidiaries of Spectra Energy Corp. and NextEra Energy. Sabal Trail will be an
16 interstate pipeline regulated by the Federal Energy Regulatory Commission
17 ("FERC"). The pipeline consists of a capacity lease on Transco from Transco's
18 Station 85 near Butler, Alabama to Transco's Station 105 near Hillabee,
19 Alabama and four hundred and sixty-five (465) miles of greenfield pipeline from
20 Transco's Station 105 to the interconnection with the FPL Hybrid Alternative in
21 Osceola County, Florida. The capacity lease is fully integrated into the Sabal
22 Trail pipeline and will allow FPL to access the receipt points requested in the
23 RFP. In addition, as a result of the Transco lease, FPL will have the ability to
24 access additional supply sources delivered into Transco's Zone 4 (Mississippi,

1 Alabama, and Georgia) from the Marcellus Shale and other growing production
2 areas. The Sabal Trail project is expandable to over one (1) billion cubic feet per
3 day ("Bcf/d") of pipeline capacity to serve markets in Alabama, Georgia and
4 Florida.

5 **Q. Has FPL executed a firm transportation agreement with Sabal Trail?**

6 A. Yes. FPL has executed a Precedent Agreement (provided as Exhibit HCS-2)
7 with Sabal Trail which outlines the terms of the firm transportation transaction
8 for 400,000 MMBtu/d beginning on May 1, 2017 and increasing to 600,000
9 MMBtu/d beginning on May 1, 2020. The Precedent Agreement includes
10 provisions to ensure that FPL and its customers are compensated if the project is
11 delayed due to events that are within Sabal Trail's control and provides FPL the
12 right to terminate for extended delays. In addition, the Precedent Agreement
13 provides FPL the option to purchase optional quantities of gas transportation
14 capacity based on an established formula.

15 **Q. Please describe the winning Southern Pipeline Project.**

16 A. The FPL Hybrid Alternative, now referred to as the FSC project, will be a
17 FERC-regulated interstate pipeline and will consist of seventy-seven (77) miles
18 of 36-inch pipeline and forty-nine (49) miles of 30-inch pipeline. As discussed
19 in the testimony of FPL witness Forrest, it will be owned and operated by FSC,
20 an affiliate of FPL. The pipeline originates at the terminus of Sabal Trail in
21 Osceola County, Florida and terminates at FPL's Martin plant. The pipeline is
22 expandable to over one (1) Bcf/d of delivery capability to serve FPL and any
23 other interested shippers.

1 **Q. Has FPL executed a firm transportation agreement with FSC?**

2 A. Yes. FPL has executed a Precedent Agreement (provided as Exhibit HCS-3) on
3 substantially the same terms and conditions as Sabal Trail.

4 **Q. Is there a defined process for other customers interested in one or both of**
5 **these projects to secure gas transportation capacity?**

6 A. Yes. FERC jurisdictional pipelines are required to conduct an open season to
7 determine if there are other parties interested in securing gas transportation
8 capacity. The open season requirement applies to any new pipeline project or
9 any major expansion of an existing pipeline. The open season must be
10 conducted before the pipeline files its FERC certificate application. Open
11 seasons are usually publicly announced via industry publications such as *Platt's*
12 *Gas Daily* and posted on the pipeline's website. Both Sabal Trail and FSC are
13 expected to conduct open seasons in the period between August 2013 and
14 October 2013. After being placed in service, FERC open access pipelines
15 continue to provide services as requested by customers either through direct
16 negotiations or through additional open seasons associated with future
17 expansions.

18 **Q. Does this conclude your testimony?**

19 A. Yes.

20

21

22

23

Florida Power & Light Company's

Firm Gas Transportation Request for Proposals

December 19, 2012



Florida Power & Light Company's Firm Gas Transportation Request for Proposals

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I. INTRODUCTION

A. Purpose

Florida Power & Light Company ("FPL") issues this Request for Proposals ("RFP") for the purpose of identifying and negotiating a firm gas transportation contract to meet a portion of FPL's increased gas transportation needs beginning in 2017 and to improve gas supply and transportation diversity. FPL is requesting a firm gas transportation quantity of 400,000 MMBtu/day beginning May 1, 2017 and an additional quantity of 200,000 MMBtu/day beginning May 1, 2020. FPL strongly prefers that this gas transportation capacity be provided via a new pipeline that is geographically diverse from the two major pipelines currently serving the state of Florida. FPL is also seeking the ability to request additional optional quantities of up to 400,000 MMBtu/day in the period beyond 2020. This RFP breaks the pipeline project into two distinct segments to encourage participation and provide bidders ("Respondents") more flexibility in meeting Florida's, as well as FPL's, future gas transportation requirements. These segments, which are discussed in greater detail below, are identified and referred to in this document as the Upstream Pipeline Project and the Downstream Pipeline Project. The central Florida location chosen as the demarcation point between the Upstream Pipeline Project and the Downstream Pipeline Project is based on feedback received from the gas pipeline industry as well as other Florida gas transportation customers. This location is intended to create a natural gas supply pooling point and market hub ("Central Florida Hub") that will provide additional gas supply reliability and diversity to the growing Florida market. The Downstream Pipeline Project will connect to the Upstream Pipeline Project within the Central Florida Hub providing FPL access to this new gas supply source as well as the market liquidity created by the proposed Central Florida Hub. Florida's growing reliance on natural gas to meet the state's electric generation needs supports the investment in new gas infrastructure to expand access to competitive supplies and services and to enhance the reliability of future gas deliveries into the state. Therefore, FPL has a strong preference for Upstream Pipeline Projects and Downstream Pipeline Projects that provide new, geographically diverse pipeline infrastructure.

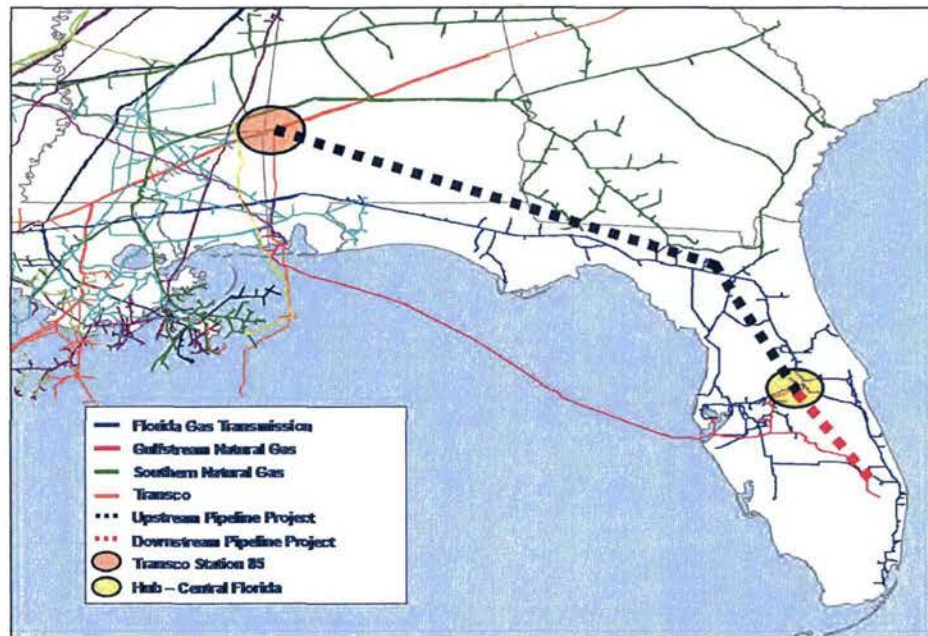
B. Overview of the Request for Proposals

Respondents are invited to provide bids (each a "Proposal") for one or both of the following Pipeline Project Segments (see representative maps below of the Pipeline Project Segments and the Central Florida Hub):

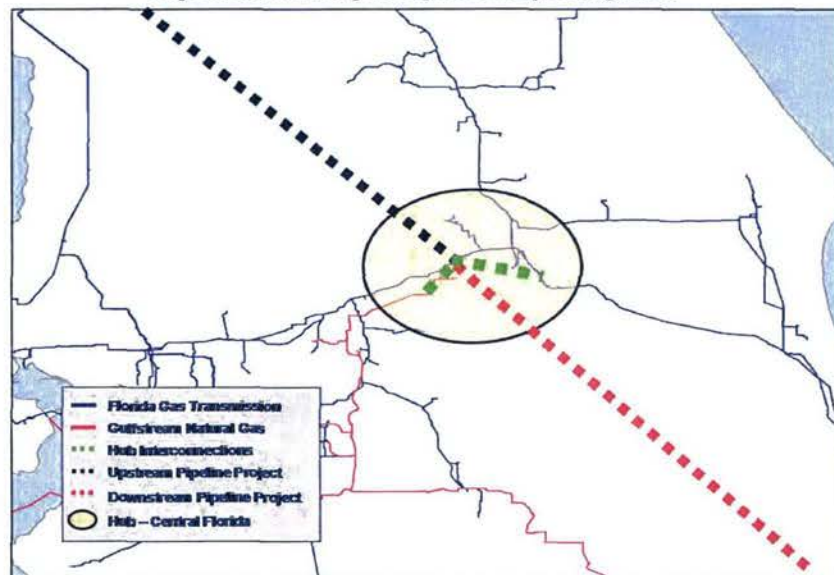
1. **Upstream Pipeline Project:** Originating in the vicinity of Transcontinental Gas Pipeline Company, LLC ("Transco") station 85 located in Choctaw County, Alabama ("Station 85")

and terminating at an interconnection with the Downstream Pipeline Project in Osceola County, Florida at 28 15'39.70" N, 81 33' 24.68" W ("Central Florida Interconnection"). (See Appendix A.)

2. **Downstream Pipeline Project:** Originating at the Central Florida Interconnection and terminating at FPL's Martin Plant located in Martin County, Florida ("Martin Plant"). (See Appendix B.)



Representative Map of Pipeline Project Segments



Representative Map of Central Florida Hub

FPL has selected the Transco Station 85 supply location because of the proximity of this location to two large diameter pipelines, Midcontinent Express Pipeline, LLC ("Midcontinent") and Gulf South Pipeline Company, LP ("Gulf South"). Direct interconnections with these pipelines will provide access to onshore shale supplies. In addition, this location provides access to the Transco pipeline which can access both traditional and shale gas supplies. The selection of this location is based on FPL's plan to enhance the reliability and diversity of FPL's gas supply portfolio. This supply location will allow FPL to access both traditional onshore and offshore gas supplies, as well as rapidly expanding unconventional onshore shale gas supplies which are less subject to disruptions resulting from tropical weather events. Recognizing that further pipeline interconnections have the potential to provide flexibility and added supply security, preference will be given to proposals that include bidirectional interconnections with Florida Gas Transmission Company ("FGT") and Gulfstream Natural Gas System, LLC ("Gulfstream") or other third party interstate pipelines at other locations (collectively, the "Bidirectional Interconnections").

FPL will entertain Proposals for firm gas transportation contracts with a term of twenty-five (25) years. In addition, to protect FPL and its customers from future rate increases, FPL is requesting unilateral extension rights for up to three successive periods of five years each. FPL strongly prefers that Respondents submit Proposals with a unit transportation rate consisting of (i) a fixed demand/reservation charge per MMBtu of capacity, (ii) a fixed commodity/usage charge per MMBtu transported, (iii) a listing of projected surcharges with an estimate of the rate applicable to each surcharge, and (iv) an estimated fuel retention percentage ("Fixed Price Proposal") for the term of the contract. However, FPL will consider other pricing alternatives ("Alternative Price Proposal"). All Alternative Price Proposals must include (a) a demand/reservation charge (subject to the pricing adjustments provided by the Respondent), (b) a fixed commodity/usage charge, (c) a listing of projected surcharges with an estimate of the rate applicable to each surcharge and (d) an estimated fuel retention percentage. In addition, Alternative Price Proposals must include a cap on the demand/reservation charge FPL would pay under the Proposal. **Alternative Price Proposals submitted without a cap will be rejected.**

Because the project will be large and complex, and because timely completion is critical to FPL and its customers, FPL has established Completion Security requirements (as described in Section II.E). FPL will only consider Proposals from Respondents that agree to provide the required Completion Security.

Although pricing is a significant component of the evaluation, economic attributes alone will not be the sole factor in determining which Upstream Pipeline Project Proposal and which Downstream Pipeline Project Proposal

provide the greatest overall benefit to FPL and its customers (the "Winning Proposal(s)"). To determine the overall benefit to FPL customers, FPL will also evaluate non-economic attributes such as each project's ability to increase the diversity and reliability of FPL's existing transportation service portfolio, including the extent to which the project will provide direct access to expanded supply alternatives. Detailed non-economic evaluation criteria are included in Section IV.C. of this RFP.

FPL has engaged Gas Supply Consulting, Inc. ("Consultant") to work with FPL on the preparation and design of the RFP and throughout the evaluation and selection process.

II. INFORMATION FOR RESPONDENTS

A. Project Specifications

The Project Specifications for each of the Pipeline Project Segments are provided in the Appendices:

- 1) Appendix A - Upstream Pipeline Project
- 2) Appendix B - Downstream Pipeline Project

B. Proposals

Proposals should identify and describe in sufficient detail all key physical, technological, contractual, regulatory, environmental and legal aspects of the Proposal.

Proposals must confirm that the price includes all capital costs to construct, and all costs to operate and maintain, any pipeline and laterals(s) necessary to deliver the full, proposed quantities at the required pressure to the Primary Delivery Point and the Bidirectional Interconnections. Proposals cannot be contingent on Respondent securing additional gas transportation contracts to proceed with the pipeline project, or on current shippers exercising or not exercising an option to turn back capacity. Proposals cannot be contingent on FPL making changes to or extending the term of any of FPL's existing gas transportation contracts.

Proposals must affirmatively acknowledge (as provided on Form #15 in Appendix C) a commitment by the Respondent to assume the obligations set forth in Section II.C.

Proposals are required to meet certain minimum requirements described more fully in Section III.E., "Minimum Requirements."

Notwithstanding anything to the contrary herein, FPL shall have the right to contact any company, individual or governmental authorities directly to

address any questions it may have with respect to applicable licensing, permitting, or governmental authorizations relevant to the Proposal.

C. Respondent Obligations

1) Regulatory Compliance

Respondents are responsible for acquiring in a timely manner and maintaining compliance with all licenses, permits, and other regulatory approvals (including without limitation environmental) that will be required by applicable current or future national, state, or local government laws, regulations, ordinances or other governmental actions to successfully implement the Proposal.

FPL will cooperate with the selected Respondent to provide information or such other assistance as may reasonably be necessary for the Respondent to satisfy licensing and regulatory requirements.

The selected Respondent, at its expense, shall cooperate with FPL to provide information and such other assistance, as deemed necessary by FPL in its sole discretion, to support and assist FPL in obtaining regulatory approval from any regulatory agencies, including but not limited to the required approval of the Florida Public Service Commission ("FPSC") and any other FPL regulatory proceedings related (a) to this RFP, (b) to any natural gas (pipeline, measurement, compression, etc.) facilities constructed by FPL in association with the Upstream Pipeline Project and/or Downstream Pipeline Project, and/or (c) to any end-use generation facilities the Project will serve. Such assistance shall specifically include, but not be limited to, joint filings and/or participation in proceedings before such regulatory agencies.

2) Project Execution

Respondents will be responsible for ensuring that the implementation of any and all parts of the Proposal are carried out in a timely manner in full compliance with any changes, modifications, or additions to laws, regulations, ordinances, licenses, permits, and other regulatory approvals (including but not limited to environmental) that affect the Proposal. Unless otherwise provided for in an Alternative Price Proposal, Respondents, and not FPL, shall bear any price or cost risk associated with any changes, modifications, or additions, or with respect to changes in the market price for materials.

3) Project Funding and Costs

Respondents will be responsible for all financing activities related to the Proposal and for any engineering, design, procurement, and construction of

any facility necessary for the Respondent to perform fully its obligations consistent with its Proposal. The cost to build a pipeline project of this size will be substantial and the completion schedule is critical. One or more affiliates of NextEra Energy, Inc. will be prepared to discuss financial involvement in support of a Proposal. NextEra Energy, Inc. affiliates have no obligation for financial involvement of any kind and any such financial involvement would only be made pursuant to definitive documentation entered into in the sole discretion of NextEra Energy, Inc.

D. Schedule

FPL envisions that the schedule for the RFP process will be as described in Appendix D, "Schedule of Milestones for Firm Gas Transportation RFP Process." FPL reserves the right to change this schedule at its sole discretion. If a schedule change occurs before the Proposal Due Date and Time, notice will be posted on the RFP website (see Section III.F.).

In addition and as further described in Form #4 of Appendix C, Respondent must provide a Gantt Chart or Project Schedule for completing the proposed project as well as the identified Major Milestones.

E. Completion Security

The Completion Security (consisting of Initial Security and Critical Milestone Security) secures the risk associated with a Respondent's failure to timely construct the pipeline facilities necessary to provide FPL the firm gas transportation services, as set forth in the Respondent's Proposal.

- 1) Initial Security requirement:
The Respondent with the Winning Proposal for the Upstream Pipeline Project must provide Initial Security of two hundred million dollars (\$200,000,000) in the form as specified in the Precedent Agreement. The Respondent with the Winning Proposal for the Downstream Pipeline Project must provide Initial Security of one hundred million dollars (\$100,000,000) in the form as specified in the Precedent Agreement.
- 2) Initial Security must be posted upon execution of the Precedent Agreement and remain in place up to and including the date the pipeline is placed into service.
- 3) During the facility construction period, the selected Respondent must provide evidence that the proposed project meets the Major Milestones identified in Form #4 of Appendix C as critical milestones ("Critical Milestones"). Failure to meet these Critical Milestones will result in Critical Milestone Security requirements (as specified in Section 9 of the Precedent Agreement). Failure to

meet the Critical Milestone Security requirements could result in termination of the Precedent Agreement, forfeiture of the Completion Security and other penalties (see Section 10 of the Precedent Agreement).

III. DEVELOPING AND SUBMITTING YOUR PROPOSAL

A. FPL's RFP Contact Person

All Proposals submitted in response to this RFP, and all inquiries or communications regarding the RFP, are to be directed to FPL's RFP Contact Person. FPL's RFP Contact Person information is provided below:

Heather Stubblefield
EMT/JB
Florida Power & Light Company
700 Universe Blvd.
Juno Beach, FL 33408
e-mail: 2012FPLGASTRANSPORTATIONRFP@FPL.COM

FPL will provide notice on the RFP website (as described in Section III.F.) in the event of a change or update to this contact information.

B. Bid Bond and RFP Evaluation Fee

For a Proposal to be evaluated, a Respondent must furnish FPL on or before the Proposal Due Date and Time, a Bid Bond in the amount of two million dollars (\$2,000,000) in the form of a letter(s) of credit to guarantee Respondent's obligations. Such letter(s) of credit must be provided on the terms referenced in Form #10 included in Appendix C of the RFP and issued by a financial institution having assets of at least ten billion dollars (\$10,000,000,000) with a minimum "A" long-term, senior, unsecured debt rating (or, if unavailable, corporate issuer rating discounted one notch) from Standard & Poor's Corporation or "A2" from Moody's Investors Service Inc. Such Bid Bond is subject to forfeiture in the event: (1) Respondent makes any material misrepresentation in connection with submitting a Proposal pursuant to this RFP; (2) Respondent's Proposal does not remain open and valid for the required term specified in Section III.E.6. herein; (3) Respondent with the Winning Proposal fails to provide the additional information requested by FPL as provided in Form #9 of Appendix C; (4) Respondent challenges the RFP process or otherwise violates the provisions specified in Section III.E.4. herein; or (5) Respondent, if selected as the Winning Proposal, is unwilling or unable to enter into a Precedent Agreement on the terms included in Respondent's Proposal or to provide the Initial Security. Bid Bonds must remain in place until FPL has selected the Winning Proposals or has cancelled the RFP. Prior to FPL releasing the Bid Bond, the Respondent must execute a waiver

of the right to challenge (consistent with the Disclaimer Requirement provided in Section III.E.4. herein) the RFP process and/or results. Failure to execute such waiver will result in forfeiture of the Bid Bond. The Respondents with the Winning Proposals will be required to maintain the Bid Bond until the Precedent Agreement is executed and the Initial Security has been provided.

In addition, a non-refundable check in the amount of twenty-five thousand dollars (\$25,000) payable to "Florida Power & Light Company" must be submitted to FPL's RFP Contact Person on the Proposal Due Date and Time ("RFP Evaluation Fee"). If more than one Proposal for the same Pipeline Project Alternative is submitted by a Respondent, a separate, non-refundable RFP Evaluation Fee must accompany each additional Proposal. For clarity, a Proposal which includes both a Fixed Price and an Alternative Price is considered one Proposal for the purpose of the RFP Evaluation Fee. In addition, a Respondent submitting a Proposal for both the Upstream Pipeline Project and the Downstream Pipeline Project will only be required to provide one Evaluation Fee. Proposals deemed ineligible or otherwise non-responsive after an initial review will not be evaluated further and seventy-five percent (75%) of the RFP Evaluation Fee will be refunded and the Bid Bond covering such Proposal will be released.

C. Pre-Proposal Workshop

FPL will hold a Pre-Proposal Workshop in Juno Beach, Florida on January 16, 2013 at a location to be provided at a later date, beginning at 10:00 AM Eastern Time. The workshop will conclude by 12:00 PM Eastern Time. The purpose of the workshop is to assist Respondents in understanding the submittal requirements. Please check the RFP website for additional details on the Pre-Proposal Workshop location.

D. Confidentiality

FPL will take reasonable precautions and use reasonable efforts to protect proprietary and confidential information contained in a Proposal, provided that such information is clearly identified by the Respondent as Proprietary and Confidential on each page(s) on which the information appears.

To clearly identify confidential information, the Respondent must (1) stamp each such page with the label "Confidential Information" and (2) highlight/shade the specific confidential information contained on the pages stamped "Confidential Information". (A blanket statement that an entire Proposal is proprietary and confidential will not be considered clear identification.) Information that is marked as confidential by Respondent but which is in the public domain shall not be required to be treated by FPL as confidential.

Notwithstanding the foregoing, FPL shall disclose Confidential Information in the event that it determines, in its sole discretion, that disclosure is necessary in order to comply with any applicable law, order, regulation, ruling, subpoena, or order of the FPSC or other governmental authority or tribunal with competent jurisdiction. Such disclosure may include, but is not limited to, production of Confidential Information to the FPSC and to parties in legal and regulatory proceedings conducted to consider and to approve the project which is the subject of this RFP.

In the event that FPL is requested or required to disclose any Confidential Information in connection with a FPSC proceeding, FPL agrees to request confidential classification and will, to the extent practicable, provide prior notice to the Respondent when Confidential Information has been requested so that such entity may, if it chooses and to the extent practicable, seek an appropriate protective order subject to protections available under the Florida Statutes, Florida Administrative Code, and Florida Rules of Civil Procedure.

With respect to any disclosure made by FPL pursuant to the foregoing paragraphs, FPL will furnish only that portion of the Confidential Information that FPL determines in its sole discretion to be consistent with the scope of the subpoena, demand, or request.

Notwithstanding the foregoing confidentiality requirements, FPL may share the proprietary and confidential information contained in a Proposal with its employees, lenders, counsel, accountants, consultants, or advisors who have a need to know such information and have agreed to keep such terms confidential.

E. Minimum Requirements

The Respondent acknowledges that each Proposal must satisfy all of the Minimum Requirements listed below. **Failure of a Proposal to satisfy the Minimum Requirements will be grounds for rejecting that Proposal.**

1) Proposal Submission Requirements

All Proposals must be received by the FPL RFP Contact Person by 3:00 p.m. Eastern Time on April 3, 2013 (the "Proposal Due Date and Time"). Each Respondent must submit four (4) bound hard copies and five (5) electronic copies (CD) that contain, in Portable Document Format (PDF), all of the fifteen (15) forms (provided in Appendix C) and any attachments necessary to provide the information requested in these forms. In addition, all documents created in Microsoft® Office format must also be provided in the appropriate format (Word, Excel

and/or PowerPoint). The Bid Bond and the RFP Evaluation Fee must also be received on or before the Proposal Due Date and Time.

All forms included in Appendix C must be completed and the information requested on these forms must be submitted either on the form or provided as an attachment. FPL may, but is under no obligation to, contact a Respondent to request that omitted or incomplete information be provided. Any attempt by a Respondent to disclaim generally the terms and conditions of this RFP without stating specific exceptions or modifications and alternative language will be grounds for determining a Proposal to be incomplete, and therefore ineligible.

2) Price and Project Specifications

FPL has a strong preference for Fixed Price Proposals, but FPL will consider other pricing alternatives. Respondent must complete Form #1-A (Upstream Pipeline Project) or Form #1-B (Downstream Pipeline Project) by providing a Fixed Price and/or an Alternative Price for the Contract Quantity. In the event Respondent proposes an Alternative Price, Respondent must include appropriate attachments to the appropriate Form #1 with the pricing information including a detailed explanation of any proposed pricing adjustment mechanism and the calculation of such mechanism which will allow FPL to evaluate the Proposal. All pricing adjustment mechanisms must be based on independent, verifiable indices upon which FPL can base its evaluation. Respondent must include, in Microsoft® Office Excel format, five (5) years of historical performance of such indices. The Alternative Price Proposals must also include a cap on the demand/ reservation charge which will allow FPL to determine the potential risk and exposure to FPL's customers. **All Alternative Price Proposals submitted without a cap will be rejected.**

All Proposals must be for the Project Specifications outlined in the applicable Appendix (A or B).

Proposals must not be contingent on Respondent securing additional gas transportation contracts to proceed with the pipeline project, or on current shippers exercising or not exercising an option to turn back capacity. Proposals should not be contingent on FPL amending or extending any of FPL's existing gas transportation contracts.

3) Completion Security

Respondent must agree to provide the security outlined in Section 9 of the Precedent Agreement.

4) Disclaimer Requirement

To ensure the integrity of the RFP process and to provide all Respondents with fair assurance that if they are selected as the Winning Proposal they will not become involved in a legal dispute, the results of the RFP process as determined by FPL in its sole discretion shall be final and binding in all respects on all Respondents. For the collective interest of all Respondents with respect to the finality of the RFP process and in consideration of the confidential information disclosed and opportunity to participate in this RFP process, Respondent further agrees not to assert, in any regulatory, judicial, FERC, state public utilities commission or any other forum, any claim or complaint regarding or related to the conduct or result of the RFP process. Without limiting the foregoing, the Respondent specifically agrees not to seek from any regulatory agency or any court any order, judgment, or decree that (i) the Respondent's bid was the "lowest" or "best" bid, (ii) the Respondent is or should be chosen as the Winning Proposal in the process, (iii) FPL erred in the evaluation of the price, terms, or conditions of the Respondent's bid or any other bid as compared to the Winning Proposal, or (iv) FPL otherwise exercised its discretion or conducted the RFP process in an inappropriate manner.

5) Financial Viability

In responding to Form #9, Respondent must provide the following:

- a) Respondent must provide information and a detailed description of the financing utilized by Respondent (or Parent/Affiliate) for the last three large-scale energy transmission projects constructed; and
- b) Respondent must provide the basic capital structure Respondent will use to finance its Proposal.

6) Binding Nature of Proposal

Proposal(s) must remain valid for one hundred twenty (120) days from the Proposal Due Date and Time and cannot be modified, except to be withdrawn in full, modified in response to a modification of FPL information or requirements, or modified at the request of FPL. Clarifications requested by FPL are not considered modifications of the FPL information or requirements. **Proposal(s) must be certified by an officer of Respondent who is authorized to bind Respondent with respect to the Proposal (Form #15 included in Appendix C). Proposals not certified by an officer of the Respondent are not eligible for evaluation and will be rejected.**

F. Questions and Completion of the Proposal

Respondents are to follow all instructions contained in this RFP and provide all information requested in the RFP and on the forms presented and discussed in Appendix C. Respondents also are expected to provide supporting documentation, and answer any follow-up questions from FPL during the evaluation process, as requested. FPL has no obligation to evaluate incomplete or vague Proposals.

Questions posed by potential Respondents to FPL should be submitted via email to: 2012FPLGASTRANSPORTATIONRFP@FPL.COM. The questions and FPL's responses to the questions will be posted on the website for the benefit of all Respondents. FPL will protect, to the extent permitted by law, the identity of Respondents by redacting their identifying company information from all FPL website postings.

IV. OVERVIEW OF PROPOSAL EVALUATION PROCESS

The objective of the RFP is to solicit Proposals that allow FPL to assess the best gas transportation project. A summary description of the evaluation process is provided below.

A. Initial Screening

Proposals will be reviewed for compliance with the Minimum Requirements set forth in Section III.E. of this RFP. Those Proposals determined to be eligible will advance in the evaluation. FPL reserves the right to request additional information from an individual Respondent that may help in FPL's evaluation of Respondent's proposal(s). A refund of seventy-five percent (75%) of the RFP Evaluation Fee will be made to a Respondent whose Proposal is determined to be ineligible and the Bid Bond will be released.

B. Economic Evaluation of Proposals

Proposals found to be eligible will be evaluated based upon their economic impact on FPL's customers, as determined by a computation of each proposal's impact on FPL's Cumulative Present Value of Revenue Requirements ("CPVRR") over a forty (40) year term. In determining the CPVRR, FPL will consider the effects of the Proposal on FPL's generation system, based on the Respondent's Fixed Price. For Alternative Price Proposals, FPL will perform the CPVRR evaluation based on a range of assumptions and the cap to determine the overall impact on FPL's generation system. To the extent Respondent provides the three unilateral extension periods described in Section I.B. herein, Respondent's pricing will be used for the CPVRR evaluation assuming Respondent has provided pricing for the entire forty (40) year evaluation period. In the absence of

such extension periods, FPL will assume in the CPVRR evaluation that Respondent's pricing increases at a rate of two and one-half percent (2.5%) per year for years twenty-six (26) through forty (40) (based on Respondent's initial pricing in 2017). Pricing provided on the optional quantities as provided in Section 5 of the Precedent Agreement and on Form # 12 of Appendix C may also be incorporated into the CPVRR analysis for future gas transportation requirements.

C. Non-Economic Evaluation of Proposals

The non-economic evaluation of Proposals will include a number of factors related to reliability, introduction of competitive services, rate and service stability, operational flexibility, and Respondent's creditworthiness and mark-up of the Precedent Agreement. These factors include, but are not limited to, the following:

1) New Pipeline Infrastructure

FPL has a strong preference that Proposals be for new, independently routed onshore pipeline infrastructure. In order to expand access to competitive supplies and services and to enhance the overall reliability of gas deliveries in Florida, FPL would prefer the proposed projects be able to operate independently without relying on any existing pipeline facilities currently operating in Florida and avoid co-location with pipeline facilities currently providing direct delivery service to peninsular Florida. Co-location could expose the state and FPL to multiple pipeline interruptions if a significant event occurs in the right-of-way ("ROW") of the co-located pipelines. FPL understands that there may be regulatory or environmental conditions which could require a proposed pipeline project to utilize sections of existing pipeline ROW to facilitate the permitting process, but FPL prefers that Respondent's initial design exclude co-location as described above with the exception of interconnection locations and congested urban areas. In addition, the introduction of new pipeline infrastructure by a new entrant will provide a competitive alternative for Florida's growing gas transportation requirements.

2) Acceptance of FPL's Contractual Provisions

A portion of the non-economic evaluation will be based on Respondent's acceptance of the provisions included in the Precedent Agreement and the incorporation, as appropriate, of such provisions into Respondent's proposed form of Service Agreement, Negotiated Rate Agreement, and tariff.

3) Additional Non-Economic Factors

- a) Contractual mechanism allowing FPL to contract for future capacity at the calculated incremental cost-based transportation rate (Respondent must provide information to validate the proposed pipeline's expansion capability and cost.)
- b) Ability to expand the proposed pipeline with minimal environmental impact and cost under a condensed approval schedule (e.g., larger pipe allowing for compression-only expansions). Respondent must provide examples of the future expansion capability including the design capacity, the facilities required, and the associated capital cost.
- c) Additional Primary Receipt Points and/or access to additional alternate firm receipt points with available capacity
- d) Additional Bidirectional Interconnections with FGT, Gulfstream or any other gas transmission pipeline(s)
- e) Additional Delivery Interconnections at existing FPL plant locations
- f) Flexibility for FPL to change Primary Receipt Points and/or Primary Delivery Points with minimal notice and with no change in rate
- g) Opportunity for FPL to utilize alternative flexible receipt and delivery point nominations on a secondary basis and with no change in rate
- h) Access to additional supply and/or service alternatives other than those available at the Primary Receipt Points or Bidirectional Interconnections
- i) Favorable pipeline tariff provisions
- j) Flexibility for FPL to utilize hourly flow rates above five percent (5%) per hour
- k) Level of flexibility provided by the Hub Wheeling Service included in Upstream Pipeline Project Proposals

D. Final Selection

FPL's evaluation may result in a short list(s) for one or both of the Pipeline Project Segments based on an initial economic evaluation and evaluation of the non-economic factors. FPL may, if it deems appropriate, request a best and final offer from those Respondents on one or both of the short lists. The final selection of the Winning Proposal for the Upstream Pipeline Project and the Winning Proposal for the Downstream Pipeline Project will

be based on which combination of Proposals provides the greatest overall benefit for FPL and its customers. FPL reserves the right not to select any Proposal or to modify or cancel the RFP process at any time.

V. Important Notices

The following notices should be reviewed by Respondent's legal counsel prior to responding to this RFP.

FPL reserves the right to (1) accept a Proposal other than the lowest-priced Proposal, (2) waive or work with a Respondent to resolve a non-compliance issue that FPL determines does not have a material effect on the overall Proposal, (3) modify or cancel the RFP at any point during the RFP process, (4) reject any or all proposals, or (5) select a "self build" alternative (i.e. a project owned and operated by a NextEra Energy, Inc. company) in lieu of a Winning Proposal for the Downstream Pipeline Project. The self-build alternative will be evaluated consistently with third party projects.

This RFP is not an offer to enter into a contract and is not open for acceptance. It is a solicitation of exclusive firm offers of fixed duration from Respondents. Nothing in this RFP or any communication associated with this RFP shall be taken as constituting an offer or representation between FPL and any other party. Neither issuance of this RFP, nor the entry of FPL into negotiations with any Respondent will be deemed to create any commitment or obligation on the part of FPL to enter into a binding agreement with any Respondent. To ensure the integrity of the RFP process and to provide all Respondents with fair assurance that if they are selected as the Winning Proposal they will not become involved in a legal dispute, the results of the RFP process as determined by FPL in its sole discretion shall be final and binding in all respects on all Respondents.

DISCLAIMER OF REPRESENTATIONS: FPL makes no representations or warranties regarding the completeness of the information contained in this RFP and does not purport that this RFP contains all of the information needed for potential Bidders to determine whether to submit proposals. NEITHER FPL, NOR ITS DIRECTORS, MANAGEMENT, ATTORNEYS, EMPLOYEES, AGENTS, CONSULTANTS OR CONTRACTORS HAVE MADE, WILL MAKE, OR WILL BE DEEMED TO MAKE OR HAVE MADE, ANY CURRENT OR FUTURE REPRESENTATION, PROMISE OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, RELIABILITY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THE RFP OR ANY OTHER INFORMATION PROVIDED TO BIDDERS OR POTENTIAL BIDDERS.

GOVERNING LAW: THIS RFP SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS RFP.

WAIVER OF DAMAGES: FPL SHALL NOT BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE AND WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF FPL, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. UNDER NO CIRCUMSTANCES SHALL FPL, ITS DIRECTORS, MANAGEMENT, ATTORNEYS, EMPLOYEES, AGENTS, CONSULTANTS OR CONTRACTORS, BE LIABLE TO ANY BIDDER FOR ANY DAMAGES RESULTING FROM DISCLOSURE OF BIDDER'S CONFIDENTIAL INFORMATION OR FOR ANY ACT OR OMISSION RESULTING FROM OR ARISING UNDER THIS RFP.

APPENDIX A

UPSTREAM PIPELINE PROJECT

Project Specifications: FPL is requesting a maximum daily quantity ("MDQ") of 400,000 MMBtu/day beginning May 1, 2017 and an incremental MDQ of 200,000 MMBtu/day beginning May 1, 2020 for a total of 600,000 MMBtu/day ("Contract Quantity"). All Proposals must provide for receipt of the Contract Quantity at the following Primary Receipt Points, although access to diverse supply points in addition to the Primary Receipt Points will be reflected positively in FPL's evaluation. The Primary Delivery Point for all quantities will be the interconnection with the Downstream Pipeline Project at the Central Florida Interconnection.

- 1) Expected Commencement Date: May 1, 2017
- 2) Contract Quantity: 600,000 MMBtu/day
 - a) MDQ = 400,000 MMBtu/d beginning May 1, 2017
 - b) MDQ = 600,000 MMBtu/d beginning May 1, 2020
- 3) Optional Quantities: FPL has the right but not the obligation on or before January 1, 2020 to elect up to an additional quantity of 200,000 MMBtu/day ("Initial Optional Quantity") at a fixed or formulaic price. FPL's requested in-service date for such quantity must be at least forty-eight (48) months but no later than sixty (60) months after the date FPL exercises the option for the Initial Optional Quantity. In addition, FPL has the right but not the obligation on or before January 1, 2024 to elect up to an incremental quantity of 200,000 MMBtu/day ("Second Optional Quantity") at a fixed or formulaic price. FPL's requested in-service date for such quantity must be at least forty-eight (48) months but no later than sixty (60) months after the date FPL exercises the option for the Second Optional Quantity.
- 4) Primary Term: 25 year term beginning May 1, 2017 and ending on April 30, 2042
- 5) Primary Delivery Point: Downstream Pipeline Project at the Central Florida Interconnection
 - a) Respondent's Proposal must include direct Bidirectional Interconnections (with sufficient pressure and facilities to effectuate receipts and deliveries of the lesser of the Certificated Capacity of the Upstream Pipeline and the interconnecting pipeline) with (i) FGT's thirty (30) inch mainline pipeline in Osceola County, Florida south of FGT's St. Petersburg Lateral ("Principal FGT Interconnection") and (ii) with either of (A) Gulfstream's twenty-four (24) inch pipeline in Osceola or Polk County, Florida or (B) Gulfstream's thirty (30) inch pipeline located in Polk County, Florida ("Principal Gulfstream Interconnection").
 - b) The Downstream Pipeline Project has been directed to use the Central Florida Interconnection as the initial interconnection point with the Upstream Pipeline Project. Once the Winning Proposals are determined, the Upstream Pipeline Project and the Downstream Pipeline Project may work together to determine if an alternate interconnection location is preferred.

APPENDIX A

UPSTREAM PIPELINE PROJECT

- 6) Hub Wheeling Service: Respondent's Proposal must include a wheeling service ("Hub Wheeling Service") at the Central Florida Hub between the Upstream Pipeline Project, the Downstream Pipeline Project, the Principal FGT Interconnection, and the Principal Gulfstream Interconnection (collectively the "Hub Interconnections") at a defined tariff rate based on minimal variable cost.
- 7) Hourly Delivery Rights: 5% of MDQ per hour
The Upstream Pipeline Project must contractually guarantee (through an Operational Balancing Agreement or other binding agreement with the Downstream Pipeline Project) FPL's firm hourly delivery rights of 5% of the MDQ per hour at the Central Florida Interconnection.
- 8) Delivery Pressure at Primary Delivery Point: 1400 psig
(For evaluation purposes, this pressure has been provided as an indication of the maximum pressure which may be required.)
- 9) Primary Receipt Points: (a) Transco Station 85, (b) Midcontinent Express Pipeline, LLC ("Midcontinent") located at or in the vicinity of Transco's Station 85, and (c) Gulf South Pipeline Company, LP ("Gulf South") along Gulf South's Southeast Expansion located at or in the vicinity of Transco's Station 85. Each interconnection must be sized at the maximum design capacity ("Certificated Capacity") of Respondent's proposed pipeline project.
- 10) Additional Bidirectional Interconnections: Preference will be given to Proposals that include additional Bidirectional Interconnections. As such, Respondents are encouraged to include additional Bidirectional Interconnections at locations where the proposed pipeline project intersects FGT, Gulfstream or any other gas transmission pipeline(s).
- 11) If selected, Respondent agrees (a) to work with the Downstream Pipeline Project to enter into the agreements necessary to facilitate the Downstream Pipeline Project's interconnection at the Central Florida Interconnection; and (b) to cooperate with selected Downstream Pipeline Project as required to ensure the timeliness of the overall project.

APPENDIX B

DOWNSTREAM PIPELINE PROJECT

Project Specifications: FPL is requesting a maximum daily quantity ("MDQ") of 400,000 MMBtu/day beginning May 1, 2017 and an incremental MDQ of 200,000 MMBtu/day beginning May 1, 2020 for a total of 600,000 MMBtu/day ("Contract Quantity"). All Proposals must provide for receipt of the Contract Quantity at the Primary Receipt Point. The Primary Delivery Point for all quantities will be the Martin Plant.

- 1) Expected Commencement Date: May 1, 2017
- 2) Contract Quantity: 600,000 MMBtu/day
 - a) MDQ = 400,000 MMBtu/day beginning May 1, 2017
 - b) MDQ = 600,000 MMBtu/day beginning May 1, 2020
- 3) Optional Quantities: FPL has the right but not the obligation on or before January 1, 2020 to elect up to an additional quantity of 200,000 MMBtu/day ("Initial Optional Quantity") at a fixed or formulaic price. FPL's requested in-service date for such quantity must be at least forty-eight (48) months but no later than sixty (60) months after the date FPL exercises the option for the Initial Optional Quantity. In addition, FPL has the right but not the obligation on or before January 1, 2024 to elect up to an incremental quantity of 200,000 MMBtu/day ("Second Optional Quantity") at a fixed or formulaic price. FPL's requested in-service date for such quantity must be at least forty-eight (48) months but no later than sixty (60) months after the date FPL exercises the option for the Second Optional Quantity.
- 4) Primary Term: 25 year term beginning May 1, 2017 and ending on April 30, 2042
- 5) Primary Delivery Point: FPL's Martin Plant
- 6) Hourly Delivery Rights: 5% of MDQ per hour
(Please note that in order to ensure that the Downstream Pipeline Project can meet FPL's required Hourly Delivery Rights of 5% of MDQ per hour at the Martin Plant, the Upstream Pipeline Project must contractually guarantee (through an Operational Balancing Agreement or other binding agreement with the Downstream Pipeline Project) FPL's firm hourly delivery rights of 5% of the MDQ per hour at the interconnection between the Upstream Pipeline Project and the Downstream Pipeline Project. As such, the Downstream Pipeline Project will have the right to call upon receipts from the Upstream Pipeline Project at Hourly Delivery Rights of 5% of FPL's proposed MDQ as necessary to match hourly receipts with hourly deliveries.)
- 7) Delivery Pressure at Primary Delivery Point: 850 psig
(For evaluation purposes, this pressure has been provided as an indication of the maximum pressure which may be required.)

APPENDIX B

DOWNSTREAM PIPELINE PROJECT

- 8) Primary Receipt Point: Upstream Pipeline Project at the Central Florida Interconnection
 - a) Because the design of the Central Florida Hub is dependent on the Upstream Pipeline Project, the Downstream Pipeline Project must use the Central Florida Interconnection as the basis for the initial design of the interconnection with the Upstream Pipeline Project. Once the Winning Proposals are determined, the Upstream Pipeline Project and the Downstream Pipeline Project may work together to determine if an alternate interconnection location is preferred.
 - b) The interconnection must be sized at Certificated Capacity of Respondent's proposed pipeline project.
- 9) Additional Bidirectional Interconnections: Preference will be given to Proposals that include additional Bidirectional Interconnections. As such, Respondents are encouraged to include additional Bidirectional Interconnections at locations where the proposed pipeline project intersects FGT, Gulfstream or any other gas transmission pipeline(s).
- 10) If selected, Respondent agrees (a) to work with the Upstream Pipeline Project to enter into the agreements necessary to facilitate Downstream Pipeline Project's interconnection at the Central Florida Interconnection; and (b) to cooperate with selected Upstream Pipeline Project as required to ensure the timeliness of the overall project.

APPENDIX C

Forms to be Completed for Each Proposal

Forms to be Completed for Each Proposal

A. Overview of the Required Fifteen (15) Forms

There are fifteen (15) forms that all Respondents must complete and return to FPL's Firm Gas Transportation RFP Contact Person on the Proposal Due Date and Time. Respondent should complete each form and provide the requested information directly on the form in the spaces or boxes provided. Each form must include a Company Name, a Proposal Name, and the appropriate Pipeline Project Alternative (Upstream Pipeline Project or Downstream Pipeline Project). For those forms requesting attachments or if Respondent has additional information to provide in response to a particular form, Respondent should provide this information as an attachment to the form (which is clearly labeled with the form name, form number and page number). All information must be provided in form and substance satisfactory to FPL in its sole discretion. These completed forms and attachments will comprise a Respondent's Proposal. **If a Respondent is submitting more than one Proposal, a separate set of forms and attachments must be completed for each Proposal.** These fifteen (15) forms are described in the remainder of this Appendix C. Respondent may include additional pages or materials as attachments to these required forms and/or the Proposal.

The Respondent must submit four (4) bound hard copies of the Proposal and five (5) electronic copies (CD) that contain, in Portable Document Format (PDF), the completed fifteen (15) forms and any attachments necessary to provide the information requested in these forms. In addition, all documents created in Microsoft® Office must also be provided in the appropriate Microsoft® Office format (Word, Excel or PowerPoint). Respondent must also include documentation of the Bid Bond and a check for the RFP Evaluation Fee.

FPL will take reasonable precautions and use reasonable efforts to protect proprietary and confidential information contained in a Proposal, provided that such information is clearly identified by the Respondent as Proprietary and Confidential on each page(s) on which the information appears. (Please refer to Section III.D. of the RFP for a complete description of Confidentiality procedures.)

B. Form # 1: Proposal Pricing

Respondents must complete Form #1-A (Upstream Pipeline Project) or Form #1-B (Downstream Pipeline Project) with the project pricing (Fixed Price and/or Alternative Price) for the specified term of twenty-five (25) years.

If submitting a Fixed Price, Respondents must provide a unit price consisting of (i) a fixed demand/reservation charge per MMBtu of capacity, (ii) a fixed commodity/usage charge, (iii) a listing of projected surcharges with an estimate of the rate applicable to each surcharge, and (iv) an estimated fuel retention percentage.

Although a Fixed Price per MMBtu is strongly preferred, FPL will consider an Alternative Price Proposal consisting of (1) a demand/reservation charge (subject to the pricing adjustments provided by the Respondent and subject to a cap which must be provided by the Respondent), (2) a fixed commodity/usage charge, (3) a listing of projected surcharges with an estimate of the rate applicable to each surcharge and (4) an estimated fuel retention percentage. In the event Respondent wishes to submit an Alternative Price Proposal, Respondent must complete the appropriate pages of Form #1 (including any necessary attachments) with the pricing information including a detailed explanation of any proposed pricing adjustment mechanism and the calculation of such mechanism which will allow FPL to evaluate the Proposal. All pricing adjustment mechanisms must be based on independent, verifiable indices upon which FPL can base its evaluation. Respondent must include, in Microsoft® Office Excel format, five (5) years of historical performance of such indices. All Alternative Price Proposals must also include a cap on the demand/reservation charge which will allow FPL to determine the limit of the potential risk and exposure to FPL's customers. **All Alternative Price Proposals submitted without a cap will be rejected.**

Form # 2: Executive Summary of the Proposal

Respondents must provide, in Microsoft® Office PowerPoint presentation format, a summary of the Proposal and information on the Respondent. This executive summary must include a detailed list of the specific features of the Proposal that the Respondent would like for FPL to consider as part of the non-economic evaluation of the Proposal. The Respondent must also attach readable and detailed maps of the project which show detailed pipeline route information, including all interconnections, and the requested project information. In addition, Respondent must provide a list of facilities to be installed and a detailed cost estimate illustrating the projected capital expenditures (in 2017 dollars) required to complete the project.

Form # 3: Financial Information

To mitigate risk, FPL will examine the Respondent's and, if applicable, the Respondent's parent or affiliate ("Parent/Affiliate") guarantor's credit/corporate profile and financial guarantees.

If a Respondent will be relying on any Parent/Affiliate guarantees, the Respondent shall also include a description of the corporate relationship

between the Respondent and the guarantor and provide a description regarding the proposed guarantor's willingness to guarantee the Respondent's obligations and the terms of the guarantee.

Respondent must also include audited financial statements for the last three years for the Respondent and, if the Respondent is relying on any Parent/Affiliate guarantees, for the guarantor. In the event that audited financial statements are not available then the Respondent's Chief Financial Officer, or equivalent corporate officer, must attest that such financial statements have been professionally prepared and provide an accurate representation of the financial condition of the Respondent and Respondent's guarantor, if applicable.

E. Form # 4: Major Milestones and Completion Security

The Respondent must provide the projected completion dates for the Major Milestones that are identified in Form #4 and are associated with issues impacting the ability of the Respondent to commence service on the Expected Commencement Date. In addition, the Respondent must provide a Gantt chart or project schedule for completing the proposed pipeline project as well as for completing each identified Major Milestone. Those Major Milestones designated as "Critical Milestones" on Form #4 will be tied to Respondent's Completion Security (which consists of Initial Security and Critical Milestone Security). The Major Milestones provided are based on a Federal Energy Regulatory Commission ("FERC") jurisdictional project. If Respondent is planning to construct the proposed project under the jurisdiction of a different regulatory authority, Respondent should revise each Major Milestone and Critical Milestone as appropriate for such certification. **Failure to meet these Critical Milestones will result in Critical Milestone Security requirements (as specified in Section 9 of the Precedent Agreement). Failure to meet the Critical Milestone Security requirements could result in termination of the Precedent Agreement, forfeiture of the Completion Security and other penalties (as specified in Section 10 of the Precedent Agreement).**

In order to assure FPL that Respondent is capable of providing the required Initial Security requirement of two hundred million dollars (\$200,000,000) for an Upstream Pipeline Project or one hundred million dollars (\$100,000,000) for a Downstream Pipeline Project, Respondent must provide a detailed explanation of Respondent's plan to provide the Initial Security, including the type(s) of security which will be provided.

Form # 5: Respondent's Experience

Respondent (or Parent/Affiliate) should demonstrate experience siting, permitting, constructing and operating large scale energy transmission projects. Respondent should provide a list of the last three major energy

transmission projects constructed by the Respondent (or Parent/Affiliate). For each project cited, Respondent should include a detailed description of the scope, timing and cost of the project. In addition, Respondent should also indicate whether or not each project was completed on time and within budget and should provide a detailed explanation of the cause for any late or over-budget projects.

Form # 6: Identification and Qualifications of Entities

The Respondent must provide information for each entity (construction, engineering, environmental, etc.) that will provide goods and/or services associated with the Proposal as to such entity's corporate structure, qualifications and experience in the design, construction, permitting or operation of the project.

Form # 7: Permits, Licenses and Regulatory Approvals & Right-of-Way ("ROW") Acquisition Experience

The Respondent must identify all material applicable (national, state, county, and local) permits, licenses, approvals or other authorizations (including environmental) necessary to construct or operate the proposed pipeline facilities. Provide a matrix indicating the specific authorizations needed and estimated time frame for receiving such authorizations, along with the rationale used to estimate such time frames. Identify any significant issues (including environmental) that could postpone or curtail any portion of Respondent's project and provide strategies for overcoming such issues. Also identify any pending or previous legal action(s) with any federal, state, or local agency or other entity from which Respondent expects that authorizations would be required for the project.

The Respondent must also provide information on Respondent's (or Parent's/Affiliate's) experience in obtaining and securing ROW for previous projects. This should include detailed information on Respondent's (or Parent's/Affiliate's) experience in Florida. If Respondent (or Parent/Affiliate) does not have ROW experience in Florida, Respondent should include other relevant ROW experience. Respondent should also provide a ROW plan for the proposed pipeline project. This plan should identify any significant issues that could delay securing the ROW for any portion of Respondent's project and provide strategies for overcoming such issues. Identify as well any pending or previous legal action(s) with any federal, state, or local agency or entity from which Respondent expects that ROW acquisition would be required for the project.

Form # 8: Public Outreach Program

The Respondent must describe the public outreach activities that are planned to address potential project concerns that might be raised from the public and non-governmental organizations and the proposed level of commitment to cooperate with FPL on such matters.

Form # 9: Financing

The Respondent must provide the following documentation of Respondent's capabilities to obtain all financing required for development, construction, and operation of any facilities associated with the Proposal:

- (i) information and a detailed description of the financing utilized by Respondent (or Parent/Affiliate) for the last three large-scale energy transmission projects constructed by Respondent (or Parent/Affiliate); and
- (ii) the basic capital structure Respondent will use to finance their Proposal.

In addition, the Respondent acknowledges that if selected as the Winning Proposal, Respondent will be required to provide additional detail including, but not limited to, the following:

1. Sources and amounts of funding by source identifying the type and characteristics of the debt and/or equity to be used;
2. Interest rate assumptions and source of such assumptions;
3. If available, current rating agency reports and historical reports for the last five (5) years (must include Standard & Poor's Corporation and either Moody's Investors Services Inc. or Fitch Ratings Ltd.);
4. Copies of all prospectuses, road-show documents, and credit agreements associated with project financings and/or credit facilities;
5. Descriptions and terms for debt service reserve and/or construction accounts; and
6. Monthly statements verifying compliance with any and all financial covenants that have been made with respect to financing or otherwise with respect to any investment in the project.

Failure of Respondent with the Winning Proposal to provide the additional information requested by FPL in a timely manner or to provide accurate information could result in forfeiture of all or part of Respondent's Bid Bond.

Form #10: Bid Bond

Respondent should review FPL's Bid Bond requirements with legal counsel prior to submitting the two million dollar (\$2,000,000) Bid Bond to FPL. Respondent's Bid Bond must be in substantially the same form as reference in Form #10 and issued by a financial institution having assets of at least ten billion dollars (\$10,000,000,000) with a minimum "A" senior unsecured debt rating (or, if unavailable, corporate issuer rating discounted one notch) from Standard & Poor's Corporation or "A2" from Moody's Investors Service Inc.

Form # 11: Respondent's Acceptance of or Modification to FPL's Contractual Provisions

All Respondents must review the draft Precedent Agreement with their legal counsel and then complete and return this form as part of their Proposal submittal. On this form, the Respondent must either indicate that (i) Respondent has no proposed modifications to the terms and conditions and would be willing to include such terms and conditions in the tariff or execute an agreement or agreements (Precedent Agreement, Service Agreement and Negotiated Rate Agreement as applicable) which include these terms and conditions without material modification or (ii) Respondent has made material modifications to terms and conditions proposed by FPL. In the event that one or more modifications are made to the Precedent Agreement, then for each modification, the Respondent must present their desired revised language in redline format. To the extent that Respondent elects to move a provision out of FPL's proposed Precedent Agreement into Respondent's proposed Service Agreement, Negotiated Rate Agreement, or tariff, Respondent should indicate the new location of such provision. Respondent's acceptance of the provisions included in the Precedent Agreement and the incorporation, as appropriate, of such provisions into Respondent's proposed form of Service Agreement, Negotiated Rate Agreement, or tariff will be considered by FPL as part of its non-economic evaluation of the Proposals.

Form # 12: Optional Quantities

To determine the pricing for future generation expansions, Respondent must provide, as a Minimum Requirement, a fixed price or a mechanism for pricing Optional Quantities beyond 2020. FPL has designated these quantities as the Initial Optional Quantity and the Second Optional Quantity (collectively the "Optional Quantities").

(1) Initial Optional Quantity: FPL has the right, but not the obligation, to elect an Initial Optional Quantity of up to 200,000 MMBtu/day. FPL must elect the Initial Optional Quantity on or before January 1, 2020, and FPL's requested in-service date for the Initial Optional Quantity must be at

least forty-eight (48) months but no later than sixty (60) months after the date FPL exercises the option.

(2) Second Optional Quantity: FPL has the right, but not the obligation, to elect a Second Optional Quantity of up to 200,000 MMBtu/day. FPL must elect the Second Optional Quantity on or before January 1, 2024, and FPL's requested in-service date for the Second Optional Quantity must be at least forty-eight (48) months but no later than sixty (60) months after the date FPL exercises the option.

Form # 13: Tariff

All Respondents must provide a searchable, electronic copy of the proposed tariff. Web addresses will not be accepted.

Form # 14: Respondent Exceptions to RFP

All Respondents must review the RFP with their legal counsel and then complete and return the Respondent's exceptions, if any, to the RFP form as part of their Proposal submittals. On this form, the Respondent must either indicate that (i) they take no exceptions to any of the terms, conditions, or other facets of the RFP; or (ii) that they do take exception(s) to the RFP. In the case in which one or more exceptions are taken to the RFP, then for each exception, the Respondent must present their desired alternative and present a written explanation of the exception. **FPL will not consider proposed exceptions to the RFP's Minimum Requirements.**

P. Form # 15: Proposal Certification

All Respondents must review the Proposal Certification with their legal counsel and then complete and return the Proposal Certification form as part of their Proposal submittal. An officer who is authorized to bind the Respondent with respect to the Proposal must certify that: (i) all of the information submitted in Respondent's Proposal to FPL is complete and accurate, the pricing includes all applicable costs for the Proposal for the full term of service, and Respondent agrees to assume the obligations set forth in Section II.C. of the RFP; (ii) the terms, conditions, and other facets of the RFP and the Precedent Agreement are acceptable, except as specifically noted by the Respondent on Form #11 and Form #14; (iii) it is acceptable to Respondent to provide the Completion Security (including both the Initial Security and the Critical Milestone Security) described in Section 9 of the Precedent Agreement, and there are no pending legal or civil actions or other circumstances that would affect the ability of the Respondent and/or its guarantor to maintain this security; (iv) there are no pending legal or civil actions or other circumstances that would affect the ability of the Respondent and/or its guarantor to maintain the financial ratings provided in Form #3; (v) the Proposal has been submitted in the legal name of the entity which would

be bound by any resulting contract or the entity which will serve as guarantor under the contract in the event that the project company has not yet been established; (vi) Respondent agrees to the Disclaimer Requirement provided in III.E.4. of the RFP; and (vii) the Proposal is firm and will remain open for one hundred twenty (120) days from the Proposal Due Date and Time.

A copy of this form must be included in each of the four (4) bound hard copies of the Proposal and each must contain the original signature of an officer of the Respondent.

***Florida Power & Light Company's
Firm Gas Transportation Request for Proposal***

Form #1-A: Project Pricing – Upstream Pipeline Project

Company Name: _____ Pipeline Project Alternative: Upstream
Proposal Name: _____

FPL is seeking pricing for an MDQ consisting of 400,000 MMBtu/day beginning May 1, 2017 and 200,000 MMBtu/day beginning May 1, 2020 for a term of 25 years through April 30, 2042. Although a Fixed Price per MMBtu is strongly preferred, FPL will consider other pricing alternatives.

- 1) **Fixed Price:** To submit a Fixed Price⁽¹⁾ Proposal, please complete the table below:

Upstream Pipeline Project	400,000 MMBtu/day 5/1/2017	200,000 MMBtu/day 5/1/2020	Units
Fixed Demand/Reservation Charge:			\$/MMBtu/day
Fixed Commodity/Usage Charge:			\$/MMBtu/day
Estimated Surcharges (include list and projected estimate of each):			\$/MMBtu/day
Estimated Fuel Retention %:			%

- 2) **Alternative Price:** For Alternative Price⁽¹⁾ Proposals, Respondent must provide the following, including any attachments which may be necessary to provide a detailed explanation of any proposed pricing adjustment mechanism and the calculation of such mechanism which will allow FPL to evaluate the Proposal. All pricing adjustment mechanisms must be based on independent, verifiable indices upon which FPL can base its evaluation. Respondent must include, in Microsoft® Office Excel format, five (5) years of historical performance of such indices. These Proposals must also include a cap on the demand/reservation charge which will allow FPL to determine the potential risk and exposure to FPL's customers. **All Alternative Price Proposals submitted without a cap will be rejected.**

Upstream Pipeline Project	400,000 MMBtu/day 5/1/2017	200,000 MMBtu/day 5/1/2020	Units
Demand/Reservation Charge:	Attach detailed explanation of pricing adjustment mechanisms and calculation (including 5 years of historical performance of any indices used in pricing mechanism)		\$/MMBtu/day
Cap on Demand/Reservation Charge:			\$/MMBtu/day
Fixed Commodity/Usage Charge:			\$/MMBtu/day
Estimated Surcharges (include list and projected estimate of each):			\$/MMBtu/day
Estimated Fuel Retention %:			%

**Florida Power & Light Company's
Firm Gas Transportation Request for Proposal**

Form #1-A: Project Pricing – Upstream Pipeline Project

Company Name: _____ Pipeline Project Alternative: Upstream
Proposal Name: _____

3) Please complete the table below with Respondent's proposed interconnection capacities:

Upstream Pipeline Project	Effective May 1, 2017 (MMBtu/day)	Effective May 1, 2020 (MMBtu/day)
Primary Receipt Points⁽²⁾ (in the vicinity of Transco Station 85):		
Transco Station 85		
Midcontinent		
Gulf South		
Primary Delivery Point: Central Florida Interconnection		
Required Bidirectional Interconnections (see Appendix A):		
Principle FGT Interconnection		
Principle Gulfstream Interconnection		
Please provide a list and the capacity of each additional Receipt Point, Delivery Point and Bidirectional Interconnection and indicate for each such point whether the point will be available for use by FPL as a primary or alternate point under the terms and at the rates specified within Respondent's Proposal.		

- 4) Please provide a detailed description of the Hub Wheeling Service (including rates) which will be provided by Respondent.
- 5) Please indicate hourly delivery rights at Primary Delivery Point (minimum of 5% of MDQ per hour).

1. Respondent confirms that Respondent's price includes all capital costs to construct, and all costs to operate and maintain any pipeline laterals(s) necessary to deliver the full, proposed quantities at the required pressures to the Primary Delivery Points. Proposal is not contingent on Respondent securing additional gas transportation contracts to proceed with the pipeline project, or on current shippers exercising or not exercising an option to turn back capacity.
2. Each Primary Receipt Point interconnection must be sized at the maximum design capacity of proposed pipeline project.

***Florida Power & Light Company's
Firm Gas Transportation Request for Proposal***

Form #1-B: Project Pricing – Downstream Pipeline Project

Company Name: _____ Pipeline Project Alternative: Downstream
Proposal Name: _____

FPL is seeking pricing for an MDQ consisting of 400,000 MMBtu/day beginning May 1, 2017 and 200,000 MMBtu/day beginning May 1, 2020 for a term of 25 years ending April 30, 2042. Although a Fixed Price per MMBtu is strongly preferred, FPL will consider other pricing alternatives.

- 1) **Fixed Price:** To submit a Fixed Price⁽¹⁾ Proposal, please complete the table below:

Downstream Pipeline Project	400,000 MMBtu/day 5/1/2017	200,000 MMBtu/day 5/1/2020	Units
Fixed Demand/Reservation Charge:			\$/MMBtu/day
Fixed Commodity/Usage Charge:			\$/MMBtu/day
Estimated Surcharges (include list and projected estimate of each):			\$/MMBtu/day
Estimated Fuel Retention %:			%

- 2) **Alternative Price:** For Alternative Price⁽¹⁾ Proposals, Respondent must provide the following, including any attachments which may be necessary to provide a detailed explanation of any proposed pricing adjustment mechanism and the calculation of such mechanism which will allow FPL to evaluate the Proposal. All pricing adjustment mechanisms must be based on independent, verifiable indices upon which FPL can base its evaluation. Respondent must include, in Microsoft® Office Excel format, five (5) years of historical performance of such indices. These Proposals must also include a cap on the demand/reservation charge which will allow FPL to determine the potential risk and exposure to FPL's customers. **All Alternative Price Proposals submitted without a cap will be rejected.**

Downstream Pipeline Project	400,000 MMBtu/day 5/1/2017	200,000 MMBtu/day 5/1/2020	Units
Demand/Reservation Charge:	Attach detailed explanation of pricing adjustment mechanisms and calculation (including 5 years of historical performance of any indices used in pricing mechanism)		\$/MMBtu/day
Cap on Demand/Reservation Charge:			\$/MMBtu/day
Fixed Commodity/Usage Charge:			\$/MMBtu/day
Estimated Surcharges (include list and projected estimate of each):			\$/MMBtu/day
Estimated Fuel Retention %:			%

***Florida Power & Light Company's
Firm Gas Transportation Request for Proposal***

Form #I-B: Project Pricing –Downstream Pipeline Project

Company Name: _____ Pipeline Project Alternative: Downstream
Proposal Name: _____

3) Please complete the table below with Respondent's proposed interconnection capacities:

Downstream Pipeline Project	Effective May 1, 2017 (MMBtu/day)	Effective May 1, 2020 (MMBtu/day)
Primary Receipt Point⁽²⁾: Central Florida Interconnection		
Primary Delivery Point: Martin Plant		
Bidirectional Interconnections: Please provide a list and the capacity of each additional Receipt Point, Delivery Point and Bidirectional Point and indicate for each point whether the point will be available for use by FPL as a primary or alternate point under the terms and at the rates specified within Respondent's Proposal.		

4) Please indicate hourly delivery rights at Primary Delivery Point (minimum of 5% of MDQ per hour).

- Respondent confirms that Respondent's price includes all capital costs to construct, and all costs to operate and maintain any pipeline laterals(s) necessary to deliver the full, proposed quantities at the required pressures to the Primary Delivery Points. Proposal is not contingent on Respondent securing additional gas transportation contracts to proceed with the pipeline project, or on current shippers exercising or not exercising an option to turn back capacity.
- Each Primary Receipt Point interconnection must be sized at the maximum design capacity of proposed pipeline project.

***Florida Power & Light Company's
Firm Gas Transportation Request for Proposal***

Form #2: Executive Summary of the Proposal

Company Name: _____ Pipeline Project Alternative: _____
Proposal Name: _____

Please provide (as an attachment to this form) a Microsoft® Office PowerPoint presentation summarizing the Proposal including information about the Respondent. This executive summary must include a list of the significant non-economic features of the Proposal that the Respondent would like for FPL to consider in the non-economic evaluation of the Proposal. The presentation should include readable and detailed maps of the project showing the pipeline route including all interconnections. The presentation should also include:

- 1) A brief summary of the Proposal
- 2) A list of significant non-economic features of the Proposal (a list of potential features can be found in Section IV.C. of the RFP)
- 3) Total estimated capital cost (in 2017 dollars) of the proposed pipeline with a general breakdown of costs by facility category (i.e., pipeline, compression costs by station, cost of interconnect facilities at each interconnection, etc.) and facility location. If there are incremental capital costs that will be incurred to add the additional 200,000 MMBtu/day in 2020, please provide a separate breakdown of those costs.
- 4) Description of proposed pipeline facilities including pipeline mileage, pipeline diameter and pipeline maximum allowable operating pressure (MAOP), proposed design capacity in 2017 and 2020.
- 5) Total compression horsepower (including number of stations, location of stations and horsepower at each station)
- 6) List of Bidirectional Interconnections with proposed meter station receipt and delivery capacities and minimum measurable design receipt and/or delivery quantities.
- 7) List of receipt-only interconnections with proposed meter station capacities and minimum measurable design receipt capacities.
- 8) List of delivery-only interconnections with proposed meter station capacities and minimum measurable design delivery capacities.

***Florida Power & Light Company's
Firm Gas Transportation Request for Proposal***

Form #3: Financial Information

Company Name: _____ Pipeline Project Alternative: _____
Proposal Name: _____

- 1) Respondent's Legal Name: _____
- 2) Physical Address: _____

- 3) RFP Contact Person:
Name: _____
Position Title: _____
Telephone: _____
E-Mail: _____
- 4) Financial/Credit Contact Person:
Name: _____
Position Title: _____
Telephone: _____
E-Mail: _____
- 5) Federal Tax Identification Number: _____
- 6) Respondent is (check all that apply):

<input type="checkbox"/> Corporation	<input type="checkbox"/> Sole Proprietorship
<input type="checkbox"/> Partnership	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Joint Venture	<input type="checkbox"/> Limited Liability Partnership
	<input type="checkbox"/> Other (attach description)
- 7) State or country in which Respondent is incorporated or organized:

***Florida Power & Light Company's
Firm Gas Transportation Request for Proposal***

Form #3: Financial Information

Company Name: _____ Pipeline Project Alternative: _____
Proposal Name: _____

8) Respondent Information:

a) Corporate Bond Ratings: _____ Sources: _____

9) (If applicable) Parent/Affiliate Guarantor Information:

a) Name of Parent/Affiliate guarantor: _____

b) Corporate Bond Ratings: _____ Sources: _____

- 10) If Respondent is relying on any Parent/Affiliate guarantees, use the space below to describe the corporate relationship between the Respondent and the guarantor. Also, provide a statement regarding the proposed guarantor's willingness to guarantee the Respondent's obligation pursuant to the form of guarantee that is to be attached to the Precedent Agreement.

- 11) Provide audited financial statements for the last two years for the Respondent and, if applicable, the proposed guarantor. In the event that audited financial statements are not available then the Respondent's Chief Financial Officer, or equivalent corporate officer, must attest that such financial statement have been professionally prepared and provide an accurate representation of the financial condition of the Respondent or Respondent's guarantor.

**Florida Power & Light Company's
Firm Gas Transportation Request for Proposal**

Form #4: Major Milestones and Completion Security

Company Name: _____ Pipeline Project Alternative: _____
Proposal Name: _____

- 1) Major Milestones: Respondent must complete the chart below detailing the Major Milestone dates associated with the significant issues impacting the ability of the Respondent to commence service on the Expected Commencement Date. In addition, the Respondent must attach a Gantt chart or project schedule for completing the proposed pipeline project as well as for completing each identified Major Milestone. Those milestones designated as "Critical Milestones" will be tied to Respondent's Completion Security (which consists of Initial Security and Critical Milestone Security). The Major Milestones listed are based on a FERC jurisdictional project. If Respondent is planning to construct the proposed project under a different regulatory authority, Respondent should revise each Major Milestone and Critical Milestone as appropriate for such certification. **Failure to meet Critical Milestones will result in Critical Milestone Security requirements (as specified in Section 9 of the Precedent Agreement). Failure to meet the Critical Milestone Security requirements could result in termination of the Precedent Agreement, forfeiture of the Completion Security and other penalties (see Section 10 of the Precedent Agreement).**

	Major Milestones	Critical Milestones	Projected Completion Date
a.	FERC Pre-Filing Process Request Submitted		
b.	FERC Certificate Application Filed	X	
c.	Other Federal Applications Filed		
d.	Environmental Permits Applications Filed		
e.	FERC Preliminary Determination		
f.	FERC Certificate Granted	X	
g.	Granted Other Federal Authorizations		
h.	Granted all Environmental Permits		
i.	Long Term Financing Closed		
j.	Engineering Contracts Executed		
k.	Construction Contracts Executed		
l.	Execution of Transporter's Pipe Contract	X	
m.	Execution of Compressor Contracts		
n.	Acquisition of all rights of way and other surface rights required to construct and operate the pipeline project		
o.	All Authorizations Required to Start Construction Issued		
p.	Construction Starts	X	
q.	Major Equipment Deliveries (specify all)		
r.	Interconnection Agreements Executed		
s.	Expected Commencement Date	X	5/1/2017

*Florida Power & Light Company's
Firm Gas Transportation Request for Proposal*

Form #4: Major Milestones and Completion Security

Company Name: _____ Pipeline Project Alternative: _____
Proposal Name: _____

- 2) In order to meet the Completion Security requirements, Respondent must describe Respondent's plan to provide the required Initial Security of two hundred million dollars (\$200,000,000) for the Upstream Pipeline Project or one hundred million dollars (\$100,000,000) for the Downstream Pipeline Project, including the type(s) of security which will be provided. Acceptable forms of Initial Security include cash in USD, a Letter of Credit, and/or a Guaranty from an entity with an Investment Grade Credit Rating as defined in the Precedent Agreement. **All information should be provided as an attachment to this form.**

*Florida Power & Light Company's
Firm Gas Transportation Request for Proposal*

Form #5: Respondent's Experience

Company Name: _____ Pipeline Project Alternative: _____
Proposal Name: _____

Respondent's Experience: Respondent (or Parent/Affiliate) should demonstrate experience siting, permitting, constructing and operating large scale, energy transmission projects. Respondent should provide a list of the last three major energy transmission projects constructed by the Respondent (or Parent/Affiliate). For each project, Respondent should include a detailed description of the scope, timing and cost of the project. In addition, Respondent should also indicate whether or not each project was completed on time and within budget and should provide a detailed explanation of the cause for any late or over-budget projects. **All information should be provided as an attachment to this form.**

*Florida Power & Light Company's
Firm Gas Transportation Request for Proposal*

Form #6: Identification and Qualification of Entities

Company Name: _____ Pipeline Project Alternative: _____
Proposal Name: _____

Identification and Qualification of Entities: Provide information for each entity (construction, engineering, environmental, etc.) that will provide goods and/or services associated with the Proposal as to such entity's corporate structure, qualifications and experience in the design, construction, permitting or operation of the project. **All information should be provided as an attachment to this form.**

*Florida Power & Light Company's
Firm Gas Transportation Request for Proposal*

Form #7: Permits, Licenses and Regulatory Approvals & ROW Acquisition Experience

Company Name: _____ Pipeline Project Alternative: _____
Proposal Name: _____

1. **Permits, Licenses and Regulatory Approvals:** Identify all material applicable (national, state, county, and local) permits, licenses, approvals or other authorizations (including environmental) necessary to construct or operate the proposed pipeline facilities. Provide a matrix indicating the specific authorizations needed and estimated time frame for receiving such authorizations, along with the rationale used to estimate such time frames. Identify any significant issues (including environmental) that could postpone or curtail any portion of Respondent's project and provide strategies for overcoming such issues. Also identify any pending or previous legal action(s) with any federal, state, or local agency or other entity from which Respondent expects that authorizations would be required for the project. **All information should be provided as an attachment to this form.**

2. **ROW Acquisition Experience:** Provide Respondent's (or Parent's/Affiliate's) experience in obtaining and securing ROW for previous projects. This should include detailed information on Respondent's (or Parent's/ Affiliate's) experience in Florida. If Respondent (or Parent/Affiliate) does not have ROW experience in Florida, Respondent should include other relevant ROW experience. Respondent should also provide a ROW plan for the proposed pipeline project. This plan should identify any significant issues that could delay securing the ROW for any portion of Respondent's project and provide strategies for overcoming such issues. Identify as well any pending or previous legal action(s) with any federal, state, or local agency or entity from which Respondent expects that ROW acquisition would be required for the project. **All information should be provided as an attachment to this form.**

*Florida Power & Light Company's
Firm Gas Transportation Request for Proposal*

Form #8: Public Outreach Program

Company Name: _____ Pipeline Project Alternative: _____
Proposal Name: _____

Public Outreach Program: Describe the public outreach activities that are planned to address potential project concerns that might be raised from the public and non-governmental organizations and the proposed level of commitment to cooperate with FPL on such matters. **All information should be provided as an attachment to this form.**

*Florida Power & Light Company's
Firm Gas Transportation Request for Proposal*

Form #9: Financing

Company Name: _____ Pipeline Project Alternative: _____
Proposal Name: _____

Financing Plan: Respondent must provide the following documentation of Respondent's capabilities to obtain all financing required for development, construction, and operation of any facilities associated with the Proposal. **This documentation should be included as an attachment to this form and must include:**

- (1) Information and a detailed description of the financing utilized by Respondent (or Parent/Affiliate) for the last three large-scale energy transmission projects constructed by Respondent (or Parent/Affiliate).
- (2) The basic capital structure Respondent will use to finance the Proposal.

In addition, the Respondent acknowledges that if selected as the Winning Proposal, Respondent will be required to provide further detail including, but not limited to, the following:

- i Sources and amounts of funding by source, identifying the type and characteristics of the debt and/or equity to be used;
- ii Interest rate assumptions and source of such assumptions;
- iii If available, current rating agency reports and historical reports for the last five (5) years (must include Standard & Poor's Corporation and either Moody's Investors Service Inc. or Fitch Ratings Ltd.);
- iv Copies of all prospectuses, road-show documents, and credit agreements associated with project financings and/or credit facilities;
- v Descriptions and terms for debt service reserve and/or construction accounts; and
- vi Monthly statements verifying compliance with any and all financial covenants that have been made by Respondent with respect to financing or otherwise with respect to any investment in the project.

Failure of Respondent with the Winning Proposal to provide the additional information requested by FPL in a timely manner or to provide accurate information could result in forfeiture of all or part of Respondent's Bid Bond.

***Florida Power & Light Company's
Firm Gas Transportation Request for Proposal***

Form #10: Bid Bond

Company Name: _____ Pipeline Project Alternative: _____
Proposal Name: _____

Respondent should review FPL's attached Bid Bond with legal counsel prior to submitting the two million dollar (\$2,000,000) Bid Bond to FPL. Respondent's Bid Bond must be in substantially the same form as the Letter of Credit provided as Exhibit C to the Precedent Agreement (as provided in Appendices E-1 and E-2) and must be issued by a financial institution having assets of at least ten billion dollars (\$10,000,000,000) with a minimum "A" long-term, senior, unsecured debt rating (or, if unavailable, corporate issuer rating discounted one notch) from Standard & Poor's Corporation or "A2" from Moody's Investors Service Inc.

***Florida Power & Light Company's
Firm Gas Transportation Request for Proposal***

Form #11: Respondent Acceptance of or Modifications to FPL's Contractual Provisions

Company Name: _____ Pipeline Project Alternative: _____
Proposal Name: _____

- 1) With regard to the applicable Precedent Agreement(s) provided as Appendix E-1 (Upstream Pipeline Project) and Appendix E-2 (Downstream Pipeline Project), the Respondent has no proposed modifications to the terms and conditions and would be willing to include such terms and conditions in the tariff or execute an agreement or agreements (Precedent Agreement, Service Agreement and Negotiated Rate Agreement as applicable) which include these terms and conditions without material modification (Check One):

_____ Agrees _____ Disagrees

- 2) If the answer to item (1) above is "Disagrees," please attach a redline copy of the Precedent Agreement which includes Respondent's proposed modifications.

***Florida Power & Light Company's
Firm Gas Transportation Request for Proposal***

Form #12: Optional Quantities

Company Name: _____ Pipeline Project Alternative: _____
Proposal Name: _____

To determine the pricing for future generation expansions, Respondent must provide, as a Minimum Requirement, a fixed price or other pricing mechanism for pricing Optional Quantities beyond 2020. As provided in the Precedent Agreement and detailed below, FPL has designated these quantities as the Initial Optional Quantity and the Second Optional Quantity. **All information should be provided as an attachment to this form.**

Initial Optional Quantity:

FPL has the right, but not the obligation, to elect an Initial Optional Quantity of up to 200,000 MMBtu/day. FPL must elect the Initial Optional Quantity on or before January 1, 2020, and FPL's requested in-service date for the Initial Optional Quantity must be at least forty-eight (48) months but no later than sixty (60) months after the date FPL exercises the option.

Second Optional Quantity:

FPL has the right, but not the obligation, to elect a Second Optional Quantity of up to 200,000 MMBtu/day. FPL must elect the Second Optional Quantity on or before January 1, 2024, and FPL's requested in-service date for the Second Optional Quantity must be at least forty-eight (48) months but no later than sixty (60) months after the date FPL exercises the option.

*Florida Power & Light Company's
Firm Gas Transportation Request for Proposal*

Form #13: Tariff

Company Name: _____ Pipeline Project Alternative: _____
Proposal Name: _____

Tariff: Please provide a searchable, electronic copy (web address is not sufficient) of the proposed pipeline tariff supporting Respondent's proposed pipeline project.

***Florida Power & Light Company's
Firm Gas Transportation Request for Proposal***

Form #14: Respondent Exceptions to RFP

Company Name: _____ Pipeline Project Alternative: _____
Proposal Name: _____

* Note: FPL will not consider proposed exceptions to the RFP's Minimum Requirements.

- 1) With regard to this Proposal, the Respondent takes no exception to terms, conditions, or other facets of the RFP (Check One):

_____ Agrees _____ Disagrees

- 2) If the answer to item (1) above is "Disagrees," then for each term, condition, or other facet of the RFP which the Respondent takes an exception to, use the space below to:

- a) identify the language (citing page and paragraph) in the RFP for which an exception is made; and,
- b) provide written explanation of Respondent's exception.

***Florida Power & Light Company's
Firm Gas Transportation Request for Proposal***

Form #15: Proposal Certification

Company Name: _____ Pipeline Project Alternative: _____
Proposal Name: _____

The undersigned certifies that:

- 1) all of the information submitted in this Proposal to FPL is complete and accurate, the pricing includes all applicable charges under the Proposal for the full term of service, and Respondent agrees to assume the obligations set forth in Section II.C. of the RFP;
- 2) the terms, conditions, and other facets of the RFP and the Precedent Agreement are acceptable, except as specifically noted on Forms #11 and #14;
- 3) it is acceptable to Respondent to provide the Completion Security (including both the Initial Security and the Critical Milestone Security) as described in Section 9 of the Precedent Agreement, and there are no pending legal or civil actions that would affect the ability of the Respondent and/or its guarantor to maintain this security;
- 4) there are no pending legal or civil actions or other circumstances that would affect the ability of the Respondent and/or its guarantor to maintain the financial ratings provided in Form # 3;
- 5) the Proposal has been submitted in the legal name of the entity which would be bound by any resulting contract or the entity which will serve as guarantor under the contract in the event that the project company has not yet been established;
- 6) Respondent agrees to the Disclaimer Requirement provided in III.E.4. of the RFP; and
- 7) the Proposal is firm and will remain open for one hundred twenty (120) days from the Proposal Due Date and Time.

Name of Legal Entity: _____
State of Incorporation: _____
Business Address: _____
Name of Person Certifying Proposal: _____
Title: _____
Date: _____
Telephone: _____
Signature:* _____

(*An officer who is authorized to bind Respondent with respect to this Proposal must sign a copy of this form and an original signed copy must be included in each of the four (4) bound hard copies of the Proposal)

APPENDIX D

Schedule of Milestones for RFP Process

Note: The below dates are goals, however all dates are subject to change at FPL's sole discretion to accommodate unforeseen delays or required procedural actions. If a schedule change occurs before the Proposal Due Date and Time, notice will be posted on the RFP website.

Milestone	Tentative Date
<ul style="list-style-type: none">• Release RFP Document	December 19, 2012
<ul style="list-style-type: none">• Pre-Proposal Workshop	January 16, 2013
<ul style="list-style-type: none">• Proposals Due	April 3, 2013
<ul style="list-style-type: none">• Target Date for Execution of Definitive Agreement(s)	July 15, 2013

APPENDIX E-1

UPSTREAM PIPELINE PROJECT PRECEDENT AGREEMENT

by and between

[_____]

and

FLORIDA POWER & LIGHT COMPANY

Dated:

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PRECEDENT AGREEMENT

This PRECEDENT AGREEMENT along with Attachments 1 and 2 and Exhibits A-E (hereinafter the "**Precedent Agreement**") is made and entered into as of this ____ day of _____, by and between _____ ("**Transporter**"), and Florida Power & Light Company, a Florida corporation ("**Shipper**"). Transporter and Shipper are sometimes referred to herein individually as a "**Party**" or collectively as the "**Parties**."

WITNESSETH

WHEREAS, Transporter proposes to construct a new natural gas pipeline system consisting of [TRANSPORTER TO INSERT DESCRIPTION OF PROPOSED PROJECT] originating in the vicinity of, Transco Station 85 and interconnecting with the Transco, Midcontinent, and Gulf South pipelines and terminating at, and interconnecting to, the Downstream Pipeline Project located in Osceola County, Florida (the "**Primary Delivery Point**"), designed to provide Shipper firm transportation service detailed herein (hereafter referred to as the "**Upstream Pipeline Project**"); and

WHEREAS, Transporter is willing to construct the Upstream Pipeline Project and to provide to Shipper the firm transportation service detailed herein (the "**FT Service**"), and Shipper is willing to enter into a standard form of firm transportation service agreement (the "**Service Agreement**") and a negotiated rate agreement (the "**Negotiated Rate Agreement**") in order to contract for such FT Service.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, such consideration to be provided specifically in support of the discretionary rights set forth herein, the receipt and sufficiency of all of which are hereby acknowledged by both Parties, and intending to be legally bound, Transporter and Shipper agree to the following:

1. Definitions:

As used in this Precedent Agreement the following terms shall have the following meanings:

- 1.1 **Affiliate** shall mean in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of at least 50% (fifty percent) of the voting power of the entity or person.
- 1.2 **Alternate Delivery Points** shall be as defined in Section 8.2.3.
- 1.3 **Annual Charge Adjustment** or **ACA** shall be as defined in Attachment 1, Paragraph 4.
- 1.4 **Automatic Extension** shall be as defined in Section 4.1.3.

- 1.5 **Bidirectional Interconnections** shall be as defined in Section 8.2.2.
- 1.6 **Business Day(s)** shall mean a day on which commercial banks are open for business in Florida and New York.
- 1.7 **Certificated Capacity** shall mean the capacity specified in Transporter's FERC Certificate Application and in no event less than the amount set forth in this Precedent Agreement as detailed herein.
- 1.8 **Commencement Date** shall be as defined in Section 3.
- 1.9 **Completion Security** shall be as defined in Section 9.
- 1.10 **Critical Milestone(s)** shall mean one or more of the Major Milestones designated as "Critical Milestones" in Exhibit E hereto.
- 1.11 **Critical Milestone Security** shall mean cash in USD or a Letter of Credit in an amount as may be adjusted from time to time in accordance with Section 9.2.
- 1.12 **Delay Damages** shall be as defined in Section 10.1.
- 1.13 **Delay Election** shall be as defined in Section 10.1.
- 1.14 **Delay Notice** shall be as defined in Section 10.1.
- 1.15 **Discounted Rate** shall be as specified in Attachment 1, Paragraph 3(a).
- 1.16 **Downstream Pipeline Project** shall mean the pipeline originating at a proposed interconnection with the Upstream Pipeline Project in Osceola County, Florida at 28 15'39.70" N, 81 33' 24.68" W and terminating at Shipper's Martin Plant.
- 1.17 **Expected Commencement Date** shall be as defined in Section 3.
- 1.18 **FERC** shall mean the Federal Energy Regulatory Commission.
- 1.19 **FERC Certificate** shall mean a certificate of public convenience and necessity from the FERC approving the Upstream Pipeline Project as detailed in this Precedent Agreement.
- 1.20 **FERC Certificate Application** shall mean the application for the FERC Certificate filed by the Transporter with FERC for authorization to construct, own and operate the Upstream Pipeline Project as detailed in this Precedent Agreement.
- 1.21 **FERC Certificate Notice** shall mean a written notice provided by Transporter to

Shipper upon Transporter's acceptance of the FERC Certificate.

- 1.22 **FERC Pre-Filing Process Request** shall mean the application necessary to initiate the FERC process leading toward filing of the FERC Certificate Application.
- 1.23 **FGT** shall mean Florida Gas Transmission Company, LLC.
- 1.24 **Foundation Shipper** shall mean an initial shipper on the Upstream Pipeline Project that subscribes to at least 100,000 MMBtu/day in the initial open-season.
- 1.25 **FPL Generation Plant Site Locations** shall mean any electric generation facility owned and operated by Florida Power & Light Company.
- 1.26 **FPSC** shall mean the Florida Public Service Commission.
- 1.27 **FPSC Order** shall mean a final non-appealable order from the FPSC acceptable to Shipper, in Shipper's sole discretion, that Shipper may recover from its customers all payments to be made for FT Service under this Precedent Agreement, the Service Agreement, the Negotiated Rate Agreement or otherwise and all payments made for firm transportation service under the Downstream Pipeline Project agreements.
- 1.28 **FT Service** shall mean the firm transportation service provided by Transporter to Shipper as specified herein.
- 1.29 **FT Service Rate** shall mean the rate applicable to the FT Service for the Primary Term and for any extensions.
- 1.30 **Fuel Cost Recovery Clause** shall mean the fuel and purchased power cost recovery clause established by the FPSC, or any modification or replacement therefor.
- 1.31 **Gas Day** shall be as defined by the North American Energy Standards Board (currently beginning at 9:00 AM and ending at 9:00 AM central clock time).
- 1.32 **Guarantor** shall mean any entity with an Investment Grade Credit Rating that guarantees, in substantially the same form attached as Exhibit D, the Transporter's performance under this Precedent Agreement or the Service Agreement (and any extension thereof).
- 1.33 **Gulfstream** shall mean Gulfstream Natural Gas System L.L.C.
- 1.34 **Gulf South** shall mean Gulf South Pipeline Company, LP.
- 1.35 **Hub Interconnections** shall be as defined in Section 4.5.

- 1.36 **Hub Wheeling Service** shall be as defined in Section 4.5.
- 1.37 **Initial Optional Quantity** shall be as defined in Section 5.1.
- 1.38 **Initial Security** shall mean cash in USD, a Letter of Credit or a guaranty from a Guarantor in the amount of \$200,000,000.00.
- 1.39 **Investment Grade Credit Rating** shall mean a credit rating for a Party's or the Party's Guarantor's long-term, senior, unsecured debt not supported by third party credit enhancements (or, in the event the Party or Party's Guarantor, has no long-term, senior, unsecured debt, then such Party's, or Party's Guarantor's, long-term issuer rating) of Baa2 or higher from Moody's and of BBB or higher from S&P (in the event such Party, or Party's Guarantor, is rated differently by S&P and Moody's, the lowest rating shall apply).
- 1.40 **Letter of Credit** shall mean an irrevocable standby letter of credit issued by a Qualified Financial Institution in substantially the same form attached as Exhibit C.
- 1.41 **Major Milestone(s)** shall mean that (or those) Upstream Pipeline Project-related aspect(s) impacting on the ability of Transporter to commence service on the Commencement Date and shall be as specified in Exhibit E hereto.
- 1.42 **Martin Plant** shall mean Shipper's Martin Plant located in Martin County, Florida.
- 1.43 **Midcontinent** shall mean Midcontinent Express Pipeline, LLC.
- 1.44 **MDQ** shall mean maximum daily quantity of 400,000 MMBtu per day effective May 1, 2017 increasing to 600,000 MMBtu per day effective May 1, 2020.
- 1.45 **MMBtu** shall mean one million British thermal units, which is equivalent to one dekatherm.
- 1.46 **Moody's** shall mean Moody's Investors Service, Inc.
- 1.47 **Negotiated Rate Agreement** shall mean a negotiated rate letter or agreement in a form and in substance substantially the same as that attached hereto as Exhibit B.
- 1.48 **Negotiated Reservation Rate** means the reservation rate (in dollars per MMBtu per day) to be charged by Transporter in accordance with the Negotiated Rate Agreement.
- 1.49 **Open Season** shall be as defined in Section 4.3.

- 1.50 **Open Season Adjustment** shall be as defined in Attachment 1, Paragraph 2(a)(ii).
- 1.51 **Party** or **Parties** shall have the meaning in the introductory paragraph of this Agreement.
- 1.52 **Primary Delivery Point** shall be as defined as the Downstream Pipeline Project in Osceola County, Florida at 28 15'39.70" N, 81 33' 24.68" W.
- 1.53 **Primary Receipt Point(s)** shall be as defined in 8.2.1.
- 1.54 **Primary Term** shall be as defined in Section 4.1.3.
- 1.55 **Principal FGT Interconnection** shall be as defined in Section 8.2.2(a).
- 1.56 **Principal Gulfstream Interconnection** shall be as defined in Section 8.2.2(b).
- 1.57 **Progress Reports** shall be as defined in Section 8.3.3.
- 1.58 **Projected Completion Date** shall be the projected completion date specified for each Major Milestone in Exhibit E hereto.
- 1.59 **Qualified Financial Institution** shall mean a financial institution, bank or trust company (that is not an affiliate of the Transporter) organized under the laws of the United States, having assets of at least \$10 billion with a minimum "A" senior unsecured debt rating (or, if unavailable, corporate issuer rating discounted one notch) from S&P or "A2" from Moody's.
- 1.60 **Rate Adjustment** shall be as defined in Section 10.1.
- 1.61 **Recourse Rate(s)** shall be those rates specified in the Transporter's Tariff.
- 1.62 **RFP** shall mean Florida Power & Light Company's Firm Gas Transportation Request for Proposals, dated December 19, 2012.
- 1.63 **Schedule** shall be as defined in Section 8.3.
- 1.64 **Second Optional Quantity** shall be as defined in Section 5.2.
- 1.65 **Service Agreement** shall mean a firm transportation service agreement under Transporter's Rate Schedule FT in a form and in substance substantially the same as that attached hereto as Exhibit A.
- 1.66 **Shipper** shall have the meaning in the introductory paragraph of this Agreement.
- 1.67 **S&P** shall mean Standard & Poor's Corporation.

- 1.68 **Station 85** shall mean Transco's Station 85 in Transco Zone 4 located in Choctaw County, Alabama.
- 1.69 **Transco** shall mean Transcontinental Gas Pipe Line Company LLC.
- 1.70 **Transco Zone 4** shall be as defined in Transco's FERC tariff.
- 1.71 **Transporter** shall have the meaning in the introductory paragraph of this Agreement.
- 1.72 **Transporter Approvals** shall be as defined in Section 2.1.
- 1.73 **Transporter Compressor Contract** shall mean a binding contractual commitment to buy all compressor(s) and compressor-related equipment which Transporter believes is commercially reasonably required to construct and complete the Upstream Pipeline Project.
- 1.74 **Transporter Pipe Contract** shall mean a binding contractual commitment to buy all pipe which Transporter believes is commercially reasonably required to construct and complete the Upstream Pipeline Project.
- 1.75 **Transporter's Rate Schedule FT** shall mean the rate schedule available for firm transportation of natural gas by Transporter pursuant to the Transporter's Tariff.
- 1.76 **Transporter's Tariff** shall mean the FERC gas tariff applicable to the Transporter's Rate Schedule FT.
- 1.77 **Upstream Pipeline Project** shall be the Transporter's pipeline as defined in the first recital of this Precedent Agreement.

2. Transporter Approvals.

- 2.1 Upon execution of this Agreement, Transporter agrees to proceed using commercially reasonable efforts:
 - 2.1.1 to obtain from all governmental and regulatory authorities having federal, state and local jurisdiction over the Upstream Pipeline Project all permits, authorizations, and/or exemptions, including, without limitation, the FERC Certificate and environmental permits, that are necessary for Transporter to:
 - (a) construct, own, operate, and maintain the Upstream Pipeline Project facilities required to provide the FT Service for Shipper contemplated herein;
 - (b) provide the FT Service for Shipper contemplated herein; and

- (c) perform its obligations as contemplated in this Precedent Agreement and in the Service Agreement (collectively the “**Transporter Approvals**”).
- 2.1.2 to file and prosecute expeditiously any and all applications for such Transporter Approvals (including, without limitation, the FERC Certificate) as well as any supplements or amendments thereto in a timeframe that enables Transporter to complete the Upstream Pipeline Project and to commence full deliveries pursuant to the FT Service on or before the Expected Commencement Date.
- 2.1.3 to provide periodic reports and have periodic meetings, at mutually agreed intervals of no less than once each quarter, to update Shipper as to the status of Transporter Approvals.
- 2.1.4 to advise Shipper of Transporter’s planned community, public relations, regulatory, and legislative activities, if any.
- 2.1.5 to respond promptly to Shipper’s reasonable requests for information regarding the Transporter Approvals.
- 2.1.6 to provide to Shipper copies of reports filed with the FERC contemporaneously with such filing, including such reports as required by Section 8.3 of this Precedent Agreement.
- 2.1.7 to include in the FERC Certificate Application a description of the interconnection facilities required at the Primary Receipt Points, Primary Delivery Point, the Bidirectional Interconnections, and, if applicable, the Alternate Delivery Points.
- 2.1.8 to notify Shipper promptly in writing when Transporter has received or obtained the FERC Certificate, as contemplated in this Section 2.
- 2.2 If the FERC Certificate is without material modification from the as-filed FERC Certificate Application, Transporter shall confirm in writing to Shipper that such certificate is acceptable to Transporter and such FERC Certificate shall be accepted by Transporter. In the event that such FERC Certificate contains material modifications from the as-filed FERC Certificate Application, the Parties shall use commercially reasonable efforts to obtain revisions to such FERC Certificate or other accommodations that would cause the FERC Certificate to be reasonably acceptable to both Parties and that maintain the relative commercial, legal and economic benefits and positions of, and risks and burdens to, the Parties as reasonably anticipated in or to be derived from this Precedent Agreement as of the date first set forth above. Once such acceptable revisions to the FERC Certificate are obtained, Transporter shall accept such FERC Certificate and such FERC Certificate upon acceptance shall be deemed to have been accepted without material modification.
- 2.3 Shipper shall be permitted to intervene or otherwise participate in proceedings at the

FERC related to the Upstream Pipeline Project, including without limitation the FERC Certificate Application and after service commences under the Service Agreement. Transporter agrees to support and cooperate with the efforts of Shipper to obtain any governmental and regulatory approvals for any facilities that will be constructed by Shipper, or Shipper's Affiliate, as a result of or in connection with the Upstream Pipeline Project. In addition, Transporter agrees to support and cooperate with the efforts of the Downstream Pipeline Project to obtain any governmental and regulatory approvals; furthermore, Transporter agrees to coordinate with the Downstream Pipeline Project, using commercially reasonable efforts, on all applicable filings, permits, applications, etc. in an effort to ensure expeditious completion of both pipeline projects.

2.4 If Transporter becomes aware:

- 2.4.1 of any problem, issue or other matter that could adversely impact Transporter's ability to achieve the Expected Commencement Date; or
- 2.4.2 that the issuance (or lack thereof) of any Transporter Approvals (including, without limitation, the FERC Certificate) is reasonably likely to delay the Commencement Date beyond the Expected Commencement Date,

then Transporter shall promptly provide to Shipper a written plan detailing the activities or sequence of events Transporter shall implement to complete the Upstream Pipeline Project on or before the Expected Commencement Date and shall promptly implement such plan.

- 2.5 In the event Transporter believes that the Expected Commencement Date will be delayed, Transporter must notify Shipper of the reason for such delay as soon as practicable and provide Shipper notice of the date on which the Commencement Date is anticipated to occur.

3. **Commencement Date.**

The "**Expected Commencement Date**" for the FT Service is **May 1, 2017**. Upon completion of the Upstream Pipeline Project facilities, authorization from the FERC to place such facilities in service for the MDQ, and completion of the Primary Receipt Points, Primary Delivery Points, and Bidirectional Interconnections, Transporter shall notify Shipper that the Upstream Pipeline Project shall be placed in service for the MDQ and performance under the Service Agreement shall commence; provided, however, that in the event that Transporter notifies Shipper that service may commence on a date prior to the Expected Commencement Date, actual service shall commence on a date selected by Shipper that is no later than the Expected Commencement Date (the in-service date shall be the "**Commencement Date**").

4. **Service Agreement and Rates.**

- 4.1 To effectuate the FT Service contemplated herein, Shipper and Transporter shall execute the Service Agreement and, if applicable, the Negotiated Rate Agreement within thirty (30) days of acceptance by Transporter of the FERC Certificate without material

modification from the as-filed FERC Certificate Application (or in the event of a material modification, in conformance with Section 2.2). Without limiting the generality of the foregoing requirement, the Service Agreement shall specify, among other provisions as set forth on Exhibit A:

- 4.1.1 an MDQ of 400,000 MMBtu per day effective as of the Commencement Date increasing to an MDQ of 600,000 MMBtu per day effective May 1, 2020, provided, fuel shall be retained pursuant to the then current Transporter's Tariff as applicable to the Transporter's Rate Schedule FT (subject to the cap on fuel included in Attachment 1, Paragraph 7);

(a) If Transporter does not have a FERC approved Rate Schedule FT Tariff, and a draft Tariff was provided in response to FPL's RFP, Transporter shall notify Shipper in the event of a material modification to the draft Tariff prior to filing such Tariff as part of the FERC Certificate Application, and in the event of a material modification of such Tariff as part of the FERC Certificate, such modification is subject to conformance with Section 2.2;
- 4.1.2 flexible hourly flow rates with the right to nominate at any level between a minimum hourly quantity of zero (0) MMBtu per hour and a maximum hourly quantity of 20,000 MMBtu per hour (provided that the sum total of gas flowing during any Gas Day does not exceed the MDQ) effective as of the Commencement Date and 30,000 MMBtu per hour effective May 1, 2020;
- 4.1.3 a primary term of twenty-five (25) years (the "**Primary Term**"), effective as of the Commencement Date, which Primary Term shall be extended automatically for up to three (3) successive periods of five (5) years each (the "**Automatic Extension**"), unless Shipper provides written notice to Transporter of its election not to extend the term at least one (1) year prior to the end of the Primary Term or extension period then in effect;
- 4.1.4 that, upon the expiration of the Primary Term or, if there shall be any extensions, upon the expiration of the final extension, and upon the expiration of each roll-over period under Transporter's Tariff, Shipper hereby has a contractual right-of-first-refusal, which shall be stated in the Negotiated Rate Agreement, to retain the full amount of capacity, or any increment thereof, stated in this Precedent Agreement, which right shall be governed by the then-applicable provisions of Transporter's Tariff;
- 4.1.5 a designation that the Primary Receipt Points would be located at or upstream of Transco Station 85, and the Primary Delivery Point would be located in Osceola County, Florida;
- 4.1.6 a minimum delivery pressure of [1400 psig];
- 4.1.7 Shipper shall have the right to accept receipts and make deliveries of any

portion of its contract MDQ on a secondary basis at any receipt and delivery point on Transporter's system at no change in rate and subject only to available meter capacity so long as such alternative points are within Shipper's contract path; this right shall enable Shipper to allocate its MDQ or any portion thereof to Primary Receipt and Delivery Points and/or secondary receipt and delivery points at any quantities elected by Shipper on such day;

4.1.8 Shipper shall have the right to segment its capacity into separate parts provided that the segments do not overlap and provided that Shipper's MDQ is not exceeded on any individual segment; and

4.1.9 Service pursuant to the Service Agreement shall commence on the Commencement Date.

4.2 Transporter confirms that, as set forth in the Service Agreement, Shipper shall have no reimbursement obligation to Transporter pursuant to Transporter's Tariff with regard to the Upstream Pipeline Project or the provision of FT Service as described herein, including, without limitation, with regard to those facilities described in Section 8.2, hereof; provided, that the reimbursement obligations as set forth in Transporter's Tariff may apply with regard to any interconnections or other facilities that may be added in the future at the request of Shipper, either solely or in conjunction with third-party shippers. During the Primary Term and each extension, Shipper shall pay Transporter for the FT Service only the rates elected pursuant to this Section 4.2, and such rates shall reflect the following principles:

4.2.1 Transporter shall provide promptly the FERC Certificate Notice and Shipper shall have the one-time option, exercisable upon written notice to Transporter within thirty (30) days following its receipt of the FERC Certificate Notice, to elect to pay as the FT Service Rate:

(a) Transporter's maximum Recourse Rates, transportation charges, surcharges and fuel applicable to the FT Service for the Primary Term and each extension, as such maximum Recourse Rates, transportation charges, surcharges and fuel are amended or revised from time to time, and as are reflected in Transporter's Tariff; or

(b) the rate as specified in the whole of Exhibit B which rate shall include: (1) either the Negotiated Reservation Rate or the Discounted Rate; (2) the fuel retention as stated in Transporter's Tariff as applicable to the Transporter's Rate Schedule FT (subject to the cap on fuel included in Exhibit B); and (3) the effect of rate reductions pursuant to Exhibit B and only those costs, fees, charges, surcharges, or other expenses that are referenced in Exhibit B.

4.3 Within sixty (60) days following execution of this Precedent Agreement, Transporter shall hold an open season seeking additional third-party commitments for firm transportation capacity on Transporter's Upstream Pipeline Project ("**Open Season**"). If,

as a result of this required Open Season or any additional Open Season conducted prior to the Commencement Date, Transporter executes precedent agreements with third party shippers such that the total contracted capacity of the Upstream Pipeline Project will exceed 400,000 MMBtu/day on any date between the Commencement Date and May 1, 2020 and/or 600,000 MMBtu/d as of May 1, 2020 (in aggregate for all participating shippers including Shipper), Transporter shall reduce the Negotiated Reservation Rate according to the Open Season Adjustment as provided in the Attachment 1, Paragraph 2.

- 4.4 The Parties agree that Shipper, pursuant to this Precedent Agreement, is a Foundation Shipper of the Upstream Pipeline Project. Although Transporter may contract with other shippers or Foundation Shippers during the initial open season, Transporter agrees that Shipper's FT Service Rate will not exceed the rate for firm transportation service offered to any other shipper or Foundation Shipper. Moreover, to the extent that Transporter offers a Negotiated Reservation Rate, Discounted Rate, or Recourse Rate to any other shipper that is more favorable than Shipper's Negotiated Reservation Rate, Transporter must offer to provide the more favorable rate to Shipper as further set forth in Exhibit B.
- 4.5 Transporter shall provide a wheeling service ("**Hub Wheeling Service**") between the Upstream Pipeline Project, the Downstream Pipeline Project, the Principal FGT Interconnection, and the Principal Gulfstream Interconnection (collectively the "**Hub Interconnections**") which will allow shippers, including without limitation Shipper, to (a) receive all or any portion of the Transporter's Certificated Capacity (unless limited by the Certificated Capacity of the interconnecting pipeline) from any of the Hub Interconnections (shippers shall have the right to allocate such receipts in any combination among the Hub Interconnections) and (b) transport and deliver such quantity to any of the Hub Interconnections (shippers shall have the right to allocate such receipts in any combination among the Hub Interconnections). The Hub Wheeling Service will be filed with FERC as a rate schedule as part of Transporter's Tariff and shall be provided to shippers at a defined tariff rate that is designed to collect only actual, incremental variable cost.

5. **Optional Quantity.**

- 5.1 In addition to and not in limitation of the MDQ, Shipper has the right but not the obligation on or before January 1, 2020 to elect up to an additional quantity of 200,000 MMBtu/day ("**Initial Optional Quantity**") at the fixed or formulaic price submitted by the Transporter pursuant to the RFP. Shipper's requested in-service date for such quantity must be at least forty-eight (48) months but no later than sixty (60) months after the date Shipper exercises the option for the Initial Optional Quantity. Deliveries of the Initial Optional Quantity will be at flexible hourly flow rates with the right to nominate at any level between a minimum hourly quantity of zero (0) MMBtu per hour and a maximum hourly quantity (in MMBtu per hour) calculated as equal to five percent (5%) of the elected Initial Optional Quantity (in MMBtu per day) provided that the sum total of gas flowing during any Gas Day does not exceed the Initial Optional Quantity.
- 5.2 Shipper has the right, but not the obligation, on or before January 1, 2024, to elect up to

an incremental quantity of 200,000 MMBtu/day (“**Second Optional Quantity**”) at the fixed or formulaic price submitted by Transporter pursuant to the RFP. Shipper’s requested in-service date for such quantity must be at least forty-eight (48) months but no later than sixty (60) months after the date Shipper exercises the option for the Second Optional Quantity. Deliveries of the Second Optional Quantity will be at flexible hourly flow rates with the right to nominate at any level between a minimum hourly quantity of zero (0) MMBtu per hour and a maximum hourly quantity (in MMBtu per hour) calculated as equal to five percent (5%) of the elected Second Optional Quantity (in MMBtu/day) provided that the sum total of gas flowing during any Gas Day does not exceed the Second Optional Quantity.

6. Conditions Precedent.

Commencement of FT Service under the Service Agreement and Transporter’s and Shipper’s rights and obligations under this Precedent Agreement, other than those rights and obligations under this Precedent Agreement that are expressly not made subject to the satisfaction or waiver of some or all of the following conditions, are expressly made subject to satisfaction or waiver of all of the following conditions:

6.1 Shipper shall have received or finalized:

- 6.1.1 approval of the Precedent Agreement by Shipper’s management on or before [DATE],
- 6.1.2 the FPSC Order on or before [DATE],
- 6.1.3 written confirmation from Transporter on or before [DATE] that Transporter has filed the FERC Pre-Filing Process Request.
- 6.1.4 notification, on or before [DATE], from the Downstream Pipeline Project sponsor that the project has received all necessary governmental and regulatory approvals required to construct, own, operate, and maintain the Downstream Pipeline Project in order to provide transportation service to Shipper, and
- 6.1.5 written confirmation from Transporter on or before [DATE] that Transporter has accepted the FERC Certificate.

6.2 Only Shipper shall have the right to waive the conditions precedent set forth in Section 6.1. If Shipper shall waive any such conditions precedent, each such waiver shall also apply to and be binding upon Transporter.

6.3 Transporter shall have received the FERC Certificate without material modification from the as-filed FERC Certificate Application (or in the event of a material modification, in conformance with Section 2.2) on or before [Date]. Only Transporter shall have the right to waive the condition precedent set forth in this Section 6.3. If Transporter shall waive

such condition precedent, such waiver shall also apply to and be binding upon Shipper.

- 6.4 If any condition precedent set forth in Sections 6.1 and 6.3 has not been fully satisfied or waived by Shipper or Transporter, respectively, on or before the applicable date specified therein, then in any and all such cases, Shipper or Transporter, as the case may be, may thereafter terminate this Precedent Agreement by giving thirty (30) days prior written notice to the other Party of its intention to terminate. Such termination shall be without liability therefor or further liabilities or performance obligations hereunder or under the Service Agreement; provided that if such condition precedent is satisfied or waived within such thirty (30) day notice period, then the termination notice and termination will be deemed rescinded and will be of no force or effect.

7. Diligent Construction.

- 7.1 Upon acceptance of the FERC Certificate and the satisfaction of any applicable conditions precedent set forth therein (and provided that all conditions precedent set forth in Section 6 have been satisfied or waived), Transporter shall:
- 7.1.1 proceed diligently to construct the Upstream Pipeline Project facilities, the Primary Receipt Points, Primary Delivery Point, and Bidirectional Interconnections (and any other facilities authorized pursuant to the FERC Certificate and necessary to provide the service contemplated herein), and
 - 7.1.2 shall take all such other necessary action, if any, not contemplated within the FERC Certificate in a manner that shall enable Transporter to implement the FT Service under the Service Agreement on or before the Expected Commencement Date.
 - 7.1.3 Transporter shall proceed in a timely manner with the necessary acquisition of materials, supplies, properties, rights-of-way, and any other preparations necessary to implement, by the Expected Commencement Date, the FT Service under the Service Agreement as contemplated herein (including, without limitation, any actions necessary to satisfy any applicable conditions set forth in the FERC Certificate).
 - 7.1.4 Transporter shall also proceed in a timely manner to enter into the Transporter Pipe Contract(s) and the Transporter Compressor Contract(s) by the date set forth on Exhibit E.
 - 7.1.5 Transporter shall be required to begin construction of the Upstream Pipeline Project (which project shall include, without limitation, the design, construction, installation, ownership, operation, and maintenance at Transporter's expense of the necessary facilities at the Primary Receipt Points, Primary Delivery Point, and the Bi-directional Interconnections, which includes the Hub Interconnections) as soon as practicable after receiving FERC's authorization to commence construction.

- 7.2 Notwithstanding anything in this Precedent Agreement to the contrary, any delay in such construction or implementation as a result of Transporter's waiting for any such condition precedent in Section 6 above to be satisfied or waived shall not excuse Transporter's obligation to deliver the FT Service on the Expected Commencement Date.

8. **Design, Construction and Project Delay.**

- 8.1 Subject to the terms and conditions of this Precedent Agreement (provided that the obligations set forth in this Section 8.1 shall not be subject to satisfaction or waiver of the conditions precedent set forth in Section 6.1), Transporter and Shipper agree to the following procedures for design and construction of all of the facilities necessary for the Upstream Pipeline Project:

8.1.1 Transporter will promptly and diligently undertake the design of the Upstream Pipeline Project facilities and any other preparatory actions necessary for Transporter to complete and file its FERC Pre-Filing Process Request by the date set forth in Exhibit E and file its FERC Certificate Application by the date set forth in Exhibit E (and Transporter shall notify Shipper in writing of each promptly after the occurrence of same);

8.1.2 Transporter shall respond to FERC promptly and diligently in connection with the FERC Pre-Filing Process Request and shall prosecute diligently its FERC Certificate Application in a manner that should permit the issuance by the FERC of an order granting the FERC Certificate by the date set forth in Exhibit E.

8.1.3 Transporter shall diligently and in a timely manner undertake all FERC filings required following receipt of the FERC Certificate.

- 8.2 In connection with the implementation of the FT Service, Transporter further agrees to enter into the following interconnection agreements (and to provide Shipper with written notice upon the execution of the same) which provide for the completion of construction of the interconnection facilities on or before the Expected Commencement Date and to maintain the effectiveness of such interconnections in order to ensure, free of conditions, that the associated facilities are properly built and maintained for the Primary Term and any extension thereof:

8.2.1 Primary Receipt Points: All of the primary receipt point interconnections described in Section 8.2.1(a), (b) and (c) shall be referred to collectively as the "**Primary Receipt Points**". Each of the Primary Receipt Points shall be designed to enable the designated pipeline to deliver, and the Upstream Pipeline Project to receive, a quantity of gas up to and including the Certificated Capacity of the Upstream Pipeline Project.

- (a) Midcontinent by [Date], pursuant to which Midcontinent and Transporter agree to construct, or cause to be constructed, and operate a new receipt point

interconnection between Midcontinent's facilities and Transporter's facilities, at or upstream of Midcontinent's interconnection with Transco Station 85;

- (b) Gulf South by **[Date]**, pursuant to which Gulf South and Transporter agree to construct, or cause to be constructed, and operate a new receipt point interconnection between Gulf South's facilities and Transporter's facilities, at or upstream of Gulf South's interconnection with Transco Station 85; and
- (c) Transco by **[Date]**, pursuant to which Transco and Transporter agree to construct, or cause to be constructed, and operate a new receipt point interconnection between Transco's facilities and Transporter's facilities at Transco Station 85.

8.2.2 All of the interconnections described in Section 8.2.2(a), (b) and (c) shall be referred to collectively as the **"Bidirectional Interconnections."** Each Bidirectional Interconnection shall be designed to enable the Upstream Pipeline Project to deliver and/or receive a quantity of gas up to and including the Certificated Capacity of the Upstream Pipeline Project and shall include all pipeline laterals, measurement and custody transfer facilities, and compression facilities required to effectuate such receipts and deliveries. The Bidirectional Interconnections are in addition to Transporter's Primary Receipt Points and Primary Delivery Point.

- (a) FGT by **[Date]**, pursuant to which FGT and Transporter agree to construct, or cause to be constructed, and operate a new bidirectional interconnection between FGT's thirty (30) inch mainline facilities in Osceola County, Florida and Transporter's facilities (**"Principal FGT Interconnection"**);
- (b) Gulfstream by **[Date]**, pursuant to which Gulfstream and Transporter agree to construct, or cause to be constructed, and operate a new bidirectional interconnection between Gulfstream's twenty-four (24) inch mainline or thirty (30) inch mainline facilities in Polk County, Florida and Transporter's facilities (**"Principal Gulfstream Interconnection"**); and
- (c) Those locations where Transporter's Upstream Pipeline Project intersects with FGT, Gulfstream, or any other interstate pipeline that have been proposed by Transporter in the RFP and are requested as Bidirectional Interconnections by the Shipper. [*Specific point information to be inserted by Transporter if applicable.*]

8.2.3 Delivery Points: The Delivery Points listed in Section 8.2.3(a) and (b) shall be designed to enable the Upstream Pipeline Project to deliver a quantity up to the Certificated Capacity of the Upstream Pipeline Project unless otherwise agreed by the parties.

- (a) Primary Delivery Point: Downstream Pipeline Project by **[Date]**, pursuant to which FPL and Transporter agree that Transporter will construct, or cause to be constructed, and operate a new delivery interconnection between the Downstream Pipeline Project facilities located in Osceola County, Florida and Transporter's facilities; and
 - (b) Alternate Delivery Points: FPL Generation Plant Site Locations and/or any other identified delivery locations by **[Date]**, pursuant to which Shipper and Transporter agree that Transporter will construct, or cause to be constructed, and operate a new delivery interconnection between Shipper's facilities and Transporter's facilities at such site(s) which will allow Transporter to deliver an agreed upon quantity to such location. *[Specific point information to be inserted by Transporter if applicable.]*
- 8.3 Transporter shall submit to Shipper an integrated Upstream Pipeline Project schedule, including without limitation details of Transporter's plan to meet Major Milestones (the "**Schedule**"), for Shipper's review within sixty (60) days of the execution of this Precedent Agreement. The Schedule shall be reasonably acceptable to Shipper and shall identify key licensing, permitting, purchasing, construction, start-up, and testing milestone dates and activities. Transporter shall notify Shipper of any changes in the Schedule within ten (10) days after such changes are determined. Transporter shall submit progress reports to Shipper, such reports to be:
 - 8.3.1 substantially similar to reports provided to the FERC (or in such other form as Shipper may reasonably request),
 - 8.3.2 submitted every calendar month until the Commencement Date or the earlier termination of this Precedent Agreement, and
 - 8.3.3 consistent with the requirements of Section 2.1.6, hereof (the "**Progress Reports**").

Progress Reports shall, at a minimum, include a detailed explanation of progress made towards the Major Milestones. Progress Reports shall detail any expected delays in achieving any of the Major Milestones by their respective Projected Completion Dates, and in the event that a Major Milestone is not achieved by its Projected Completion Date to the reasonable satisfaction of the Shipper, the Transporter shall immediately provide an updated Progress Report further detailing the reasons for the delay and what remedial measures have and are being taken to return the Upstream Pipeline Project to schedule.
- 8.4 Shipper shall have the right to monitor the construction, start-up, and testing of the Upstream Pipeline Project facilities, either on-site or off-site. Shipper's technical review and inspections of the Upstream Pipeline Project facilities and resulting requests, if any, shall not be construed as an endorsement of the design thereof or as any warranty as to the safety, durability, or reliability of the Upstream Pipeline Project.

9. **Completion Security.**

9.1 Concurrent with the execution of this Precedent Agreement, Transporter shall post two hundred million dollars (US \$200,000,000.00) with the Shipper in the form of a guaranty from a Guarantor, Letter of Credit or cash (the "**Initial Security**"). The Initial Security and any subsequently posted Critical Milestone Security (collectively, "**Completion Security**") shall remain with the Shipper until the commencement of FT Service. Upon commencement of FT Service, any Completion Security that has not otherwise been retained in accordance with Section 9.2 or Section 10 shall be returned by Shipper to Transporter. Completion Security that is provided in cash by Transporter to Shipper shall be held by Shipper in an interest bearing account selected by Shipper, in Shipper's reasonably exercised discretion. All interest that accrues on the Completion Security shall be held in the account until such time as the Completion Security and any such accrued interest are returned to the Transporter in accordance with this Section 9.1 or are retained by Shipper in accordance with Section 9.2 or Section 10.

9.2 In the event that any Critical Milestone has not been achieved within twenty (20) days after its Projected Completion Date, Transporter shall post, for each such missed Critical Milestone, additional security in the amount of seventy five million dollars (US \$75,000,000.00) in the form of a Letter of Credit or cash (the "**Critical Milestone Security**") within three (3) Business Days.

9.2.1 If Transporter achieves the Projected Completion Date for the next subsequent Critical Milestone, Shipper shall release the Critical Milestone Security posted by Transporter for the prior missed Critical Milestone(s) within twenty (20) days after the Projected Completion Date.

9.2.2 In the event that Transporter fails to achieve the Projected Completion Date for any Critical Milestone such that Transporter is required to post additional Critical Milestone Security in accordance with Section 9.2, and one hundred and eighty (180) days has passed since that Projected Completion Date without achieving the applicable Critical Milestone, Shipper may exercise any and all rights and remedies available to Shipper pursuant to Section 10.

10. **Shipper's Rights and Remedies in the Event of Transporter Delay.**

10.1 If Transporter fails to place the Upstream Pipeline Project facilities in service and provide for the MDQ, the Primary Receipt Points, the Primary Delivery Point, and the Bidirectional Interconnections by the Expected Commencement Date, then Shipper shall provide written notice to Transporter of the existence of a Shipper Delay (a "**Delay Notice**") and, at Transporter's election (a "**Delay Election**"), either (i) the Negotiated Reservation Rate will be subject to adjustment (a "**Rate Adjustment**") as provided in Attachment 1 (and Transporter shall provide Shipper a revised Negotiated Rate Agreement with the applicable rate reduction commensurate with Transporter's delay), or (ii) Shipper shall be entitled to draw upon the Completion Security for liquidated damages ("**Delay Damages**") as provided for in Attachment 2. Transporter will provide

Shipper with its Delay Election within five (5) Business Days of Shipper's Delay Notice. Transporter's failure to provide the Delay Election within such time period shall constitute a waiver of the election and Shipper may elect the Rate Adjustment or the Delay Damages by written notice to Transporter.

10.2 Notwithstanding Section 10.1, failure by the Transporter to:

- 10.2.1 maintain at any and all times valid and sufficient Completion Security in accordance with this Precedent Agreement;
- 10.2.2 increase the amount of Completion Security in accordance with Section 9.2;
- 10.2.3 achieve a Critical Milestone within hundred and eighty (180) days after its Projected Completion Date; or
- 10.2.4 achieve the Commencement Date within six (6) months of the Expected Commencement Date,

shall each be grounds for Shipper to:

- (a) terminate this Precedent Agreement without liability to Transporter therefor and without any further liabilities or performance obligations to Transporter hereunder;
- (b) retain without encumbrance, draw upon (as it chooses) and own outright as liquidated damages any existing Completion Security, whether such Completion Security is in the form of cash or a Letter of Credit; and/or
- (c) seek any remedy against Transporter that is available in equity or law and any remedy against Guarantor under the guaranty.

11. Survival of Provisions

Except for Sections 4.1.3, 4.1.4, 5, 11, 15, 19.4, 19.6, and 19.7, which shall survive any termination of this Precedent Agreement, this Precedent Agreement shall terminate in accordance with its express terms. Except as contemplated by the preceding sentence, on the Commencement Date (if any) and, thereafter, Transporter's and Shipper's rights and obligations related to the FT Service contemplated herein shall be as set forth in the Service Agreement, Negotiated Rate Agreement, and Transporter's Tariff.

12. Shipper Representations.

Shipper represents and warrants that:

- 12.1 it is duly organized and validly existing under the laws of the State of Florida and has all requisite legal power and authority to execute this Precedent Agreement and carry out the terms, conditions and provisions thereof;

- 12.2 this Precedent Agreement constitutes the valid, legal and binding obligation of Shipper, enforceable in accordance with the terms hereof;
- 12.3 there are no actions, suits or proceedings pending or, to Shipper's knowledge, threatened against or affecting Shipper before any Court or administrative body that would materially adversely affect the ability of Shipper to meet and carry out its obligations hereunder; and
- 12.4 the execution and delivery by Shipper of this Precedent Agreement has been duly authorized by all requisite corporate action (it being understood that Shipper may seek the authorizations set forth in Section 6.1 after the date hereof).

13. Transporter Representations.

Transporter represents and warrants that

- 13.1 it is duly organized and validly existing under the laws of the State of [] and has all requisite legal power and authority to execute this Precedent Agreement and carry out the terms, conditions and provisions thereof;
- 13.2 this Precedent Agreement constitutes the valid, legal and binding obligation of Transporter, enforceable in accordance with the terms hereof;
- 13.3 the execution, delivery, and performance by Transporter of this Precedent Agreement has been duly authorized by all requisite corporate or partnership action; and
- 13.4 except for the receipt of the Transporter Approvals, there are no actions, suits or proceedings pending or, to Transporter's knowledge, threatened against or affecting Transporter that might adversely affect the ability of Transporter to meet and carry out its obligations hereunder.

14. Assignment.

- 14.1 Any company that succeeds by purchase, merger, or consolidation to substantially all of the assets and properties of Transporter or Shipper will be entitled to the rights and will be subject to the obligations of its predecessor in title under this Precedent Agreement. Otherwise, neither Shipper nor Transporter may assign any of its rights or obligations under this Precedent Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing and upon thirty (30) day's prior written notice, no consent shall be required for:

- 14.1.1 Any assignment of this Precedent Agreement by Transporter or Shipper to any lender as collateral security for obligations under the financing documents entered into with such lender and, with respect to Transporter, in

connection with financing the costs of the Upstream Pipeline Project. In order to facilitate such financing, Transporter or Shipper, as appropriate, shall execute such consent, provided, such lender's request shall not materially adversely affect any of Transporter's or Shipper's rights, benefits, risks and obligations under this Precedent Agreement. Transporter or Shipper, as appropriate, shall reimburse the other Party for the reasonable and documented expenses (including without limitation fees and expenses of counsel) incurred by such Party in the preparation, negotiation, execution and delivery of such consent, agreement or similar documents.

14.1.2 Any permanent assignment by Shipper of any or all of its rights, interests and obligations hereunder (including without limitation a permanent release of capacity pursuant to Transporter's Tariff) to a third party; provided, such permanent assignment is in compliance with all necessary FERC regulatory authorizations for providing service to a different shipper; and, provided further, that such third party or its Guarantor must comply with the Investment Grade Credit Rating.

14.1.3 Any permanent assignment by Shipper of all or part of its rights, interests and obligations under this Precedent Agreement to any Affiliate(s) of Shipper; provided, such permanent assignment is in compliance with all necessary FERC regulatory authorizations for providing service to a different shipper and, provided further, if such Affiliate fails to have an Investment Grade Credit Rating, then Shipper shall guarantee all of the obligations of such Affiliate under this Precedent Agreement for the Primary Term.

15. No Third-Party Beneficiaries.

Nothing herein expressed or implied is intended or shall be constructed to confer upon or give to any person not a Party hereto any rights, remedies, or obligations under or by reason of this Precedent Agreement.

16. Agreed as between the Parties.

Each and every provision of this Precedent Agreement shall be considered as fully understood and agreed to by the parties and shall not be construed against either Party as a result of the preparations or drafting thereof. It is expressly agreed that no consideration shall be given or presumption made on the basis of who drafted this Precedent Agreement or any specific provision hereof.

17. Notices.

Any notice, request, demand, statement, or bill provided for in this Precedent Agreement, or any notice that either Party desires to give to the other, must be in writing and will be considered duly delivered when received by registered or certified mail or nationally recognized overnight courier service to the other Party's address set forth below:

17.1 Transporter:

17.2 Shipper:

Florida Power & Light Company
700 Universe Blvd. [EMT/JB]
Juno Beach, Florida, 33408
Attn: Vice President, Energy Marketing & Trading
Phone: 561/694-3510

With additional copy to:
Florida Power & Light Company
700 Universe Blvd. [EMT/JB]
Juno Beach, Florida, 33408
Attn: EMT Contract Administration
Phone: 561/691-7886
Facsimile: 561/625-7567
Electronic Mail: emtcontracts@fpl.com

or at such other address as either Party designates by written notice. Routine communications including, without limitation, monthly statements, will be considered duly delivered when delivered by (i) registered, certified, or ordinary mail, (ii) facsimile, or (iii) electronic mail.

18. Entire Agreement.

The terms and provisions contained in this Precedent Agreement constitute the entire agreement of the Parties, and there are no prior or contemporaneous agreements, understandings, warranties, representations, covenants, obligations, promises, assurances, or conditions precedent or subsequent or otherwise, except those expressly set out in this Precedent Agreement.

19. Miscellaneous Provisions.

- 19.1 No modification of the terms and provisions of this Precedent Agreement shall be effective unless contained in writing and executed by both Transporter and Shipper.
- 19.2 This Precedent Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement.
- 19.3 This Precedent Agreement shall become effective on the date first written above and shall continue in effect until terminated pursuant to the terms and conditions herein.
- 19.4 THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS PRECEDENT AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE

AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

- 19.5 If a court of competent jurisdiction declares any provision of this Precedent Agreement unenforceable, then that provision shall be severed from this Precedent Agreement, which shall otherwise remain in full force and effect and be construed as if it did not contain the severed provision; provided, however, that if severing such provision from this Precedent Agreement has a material adverse effect on the rights or obligations of either Party as set forth in this Precedent Agreement, then the Parties agree to negotiate in good faith replacement terms that are consistent with the court's declaration or directive and that maintain the relative commercial, legal and economic benefits and positions of, and risks and burdens to, the Parties as reasonably anticipated in or to be derived from this Precedent Agreement as of the date first set forth above.
- 19.6 THIS AGREEMENT SHALL BE INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA, WITHOUT REGARD FOR ANY CONFLICT OF LAW RULES THAT MAY REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION. EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA, OR, IF SUCH COURT DECLINES TO EXERCISE OR DOES NOT HAVE JURISDICTION, IN THE COURTS OF THE STATE OF FLORIDA LOCATED IN PALM BEACH COUNTY, AND TO SERVICE OF PROCESS BY CERTIFIED MAIL, DELIVERED TO THE PARTY AT THE ADDRESS SET FORTH ABOVE. IN ADDITION, EACH PARTY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE FOR ANY SUCH SUIT, ACTION OR PROCEEDING

RELATING TO THIS PRECEDENT AGREEMENT, WAIVES ANY CLAIM THAT SUCH SUIT, ACTION OR PROCEEDING RELATING TO THIS PRECEDENT AGREEMENT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM, AND FURTHER WAIVES THE RIGHT TO OBJECT, WITH RESPECT TO SUCH SUIT, ACTION OR PROCEEDING RELATING TO THIS PRECEDENT AGREEMENT, THAT SUCH COURT DOES NOT HAVE JURISDICTION OVER IT.

- 19.7 EACH PARTY HERETO EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY JUDICIAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO THE OTHER PARTY'S ENTERING INTO THIS AGREEMENT.

[signature page follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Precedent Agreement to be duly executed by their duly authorized officers as of the day and year first above written.

[TRANSPORTER]

FLORIDA POWER & LIGHT COMPANY

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTACHMENT 1
TERMS AND CONDITIONS FOR INCLUSION IN TRANSPORTER'S FORM OF
SERVICE AGREEMENT, NEGOTIATED RATE AGREEMENT, AND/OR TARIFF

Transporter shall incorporate each of the following provisions into either the form of Service Agreement (attached as Exhibit A to the Precedent Agreement), Negotiated Rate Agreement (attached as Exhibit B to the Precedent Agreement) or Transporter's Tariff.

1) Rate Adjustment:

If Transporter fails to have the Upstream Pipeline Project facilities in service and provide for the MDQ, the Primary Receipt Points, the Primary Delivery Point, and the Bidirectional Interconnections by the Expected Commencement Date, then Shipper's Negotiated Reservation Rate for the total MDQ shall be reduced by: (a) \$0.01 per MMBtu if the Commencement Date occurs on or after June 1, 2017 but before July 1, 2017; (b) \$0.02 per MMBtu if the Commencement Date occurs on or after July 1, 2017 but before August 1, 2017; (c) \$0.03 per MMBtu if the Commencement Date occurs on or after August 1, 2017 but before September 1, 2017; (d) \$0.04 per MMBtu if the Commencement Date occurs on or after September 1, 2017 but before October 1, 2017; or (e) \$0.05 per MMBtu if the Commencement Date occurs on or after October 1, 2017.

2) Open Season Adjustment:

- a. If, as a result of any Open Season conducted prior to the Commencement Date, Transporter executes precedent agreements with third party shippers such that the total contracted capacity of the Upstream Pipeline Project will exceed 400,000 MMBtu/day on any date between the Commencement Date and May 1, 2020 and/or 600,000 MMBtu/d as of May 1, 2020 (in aggregate for all participating shippers including Shipper), Transporter shall reduce the Negotiated Reservation Rate such that Shipper's rate shall be equal to the lower of:
 - i. the overall Recourse Rate for the project that results from such expansion or
 - ii. the Negotiated Reservation Rate less a calculated rate adjustment based on the results of the Open Season (the "**Open Season Adjustment**") as set forth below in Section (b).
- b. With respect to the mechanism for determining the Open Season Adjustment, Transporter shall specify from one of the following:
 - i. Respondent Proposed Open Season Adjustment Mechanism: Respondent has the option to insert a proposed mechanism by which the Open Season Adjustment would be calculated in the event that the project is expanded via the Open Season process. This proposed mechanism must include a

verifiable calculation by which the Open Season Adjustment would be calculated.

- ii. Default Open Season Adjustment Mechanism: In the event that Respondent elects not to propose an alternate mechanism to calculate the Open Season Adjustment, the Open Season Adjustment shall be equal to \$0.025/MMBtu/day for each incremental 20,000 MMBtu/day by which Transporter's project is expanded in excess of 400,000 MMBtu/day on any date between the Commencement Date and May 1, 2020 and/or 600,000 MMBtu/day as of May 1, 2020.

3) FERC Approval of Negotiated Rate:

If, at any time, the FERC disallows, modifies, or conditions approval of any material term or terms of the Negotiated Reservation Rate, then, upon written notification from either Party to the other, the Negotiated Reservation Rate shall not apply to service under the Service Agreement and in lieu of such Negotiated Reservation Rate, Transporter shall charge and Shipper shall pay, during the Primary Term and each extension period, a rate that is the lower of

- a. the rate that is discounted to the level of the Negotiated Reservation Rate (the "**Discounted Rate**") or
- b. Transporter's tariff recourse rate applicable to Shipper's service as in effect from time to time. In the event FERC requires Transporter to implement recourse rates on a levelized basis that are lower than the Discounted Rate, then the Discounted Rate shall be lowered such that it will be equal to such recourse rate on a levelized basis as required by FERC.

4) Surcharges:

Shipper shall be subject to payment of any applicable Annual Charge Adjustment ("**ACA**") surcharges and/or other FERC approved generally applicable surcharges, in each case only to the extent mandated by a governmental authority and as specified in the Transporter's Tariff, provided that in no event shall such surcharges be designed to recover costs of a type included in Transporter's recourse reservation rate (*i.e.*, Shipper shall not be subject to any surcharge that may be adopted in the future that is designed to recover costs of a type included in Transporter's recourse reservation rate).

5) Most Favored Nations:

If, at any time during the Primary Term or any extension period, (i) Transporter offers or provides, directly or indirectly, to any other shipper, an FT Service Rate (whether negotiated, discounted or otherwise) or rate cap for any service for firm transportation of natural gas that would result in a rate that is lower than the applicable Negotiated Reservation Rate being charged to Shipper, or (ii) Transporter's Recourse Rate for FT Service in Transporter's Tariff would result in a rate that is lower than the applicable Negotiated Reservation Rate being

charged to Shipper, then Transporter shall offer to lower the rate paid by Shipper under the Negotiated Rate Agreement to the same rate or rate cap to Shipper, on the same quantity not to exceed the MDQ and for the same term for which such rate or rate cap is being provided to such other shipper. Transporter shall provide prompt written notice to Shipper whenever Transporter has offered or provided any other shipper a rate that is lower than the rate being charged to Shipper, and any rate or rate cap accepted by Shipper shall be effective as of the earlier of the date that such service or rate cap is offered or provided to another shipper.

6) Term and Automatic Extension:

A primary term of twenty-five (25) years shall be extended automatically for up to three successive periods of five (5) years unless Shipper provides written notice to Transporter of its election not to extend the term at least one (1) year prior to the end of the Primary Term or extension period then in effect. In addition, upon the expiration of each roll-over period under Transporter's Tariff, Shipper hereby has a contractual right-of-first-refusal to retain the full amount of capacity, or any increment thereof, stated in the Service Agreement or Negotiated Rate Agreement dated [_____], which right shall be governed by the then-applicable provisions of Transporter's Tariff.

7) Fuel Cap:

Fuel retention will be capped at _____%.

8) Expansions:

Transporter further agrees that Shipper, as a Foundation Shipper, shall have the right to cause Transporter to construct expansion capacity, including but not limited to the Initial Optional Quantity and Second Optional Quantity, and to acquire such expansion capacity at a mutually agreed rate.

9) Moratorium:

Transporter and Shipper agree that the terms and conditions of service under the Transporter's Tariff shall not be subject to change, unless such change is mandated by FERC, by Transporter during the term of the Service Agreement (including any extension periods or any rollover periods) without prior written consent from Shipper.

ATTACHMENT 2
DAILY LIQUIDATED DAMAGES PURSUANT TO SECTION 10.1

If Transporter fails to have the Upstream Pipeline Project facilities in service and provide for the MDQ, the Primary Receipt Points, the Primary Delivery Point, and the Bidirectional Interconnections by the Expected Commencement Date, then Shipper shall be entitled to draw upon the Completion Security for Delay Damages as follows: (a) \$500,000 per day if the Commencement Date occurs on or after June 1, 2017, but before July 1, 2017; and (b) \$700,000 per day if the Commencement Date occurs on or after July 1, 2017, but before October 31, 2017.

EXHIBIT A

Respondent should attach a completed and executable standard form of Service Agreement with all appropriate exhibits/attachments.

EXHIBIT B

Respondent should attach a completed and executable form of Negotiated Rate Agreement.

EXHIBIT C
[ISSUING BANK] IRREVOCABLE STANDBY LETTER OF CREDIT
DATE OF ISSUANCE:
[_____, 20__]

[Beneficiary name] ("Beneficiary")
[Address]
Attention: [Contact Person]

Re: [Issuing Bank name] Irrevocable Standby Letter of Credit No. _____

Sirs/Mesdames:

[Issuing Bank name] (the "Bank") hereby establishes in favor of Beneficiary this Irrevocable Standby Letter of Credit No. _____ (the "Letter of Credit") for the account of [_____] [(insert Beneficiary's address)] [and _____, (insert address of any other Account [Party/ies])] (the "Account [Party/ies]"), effective immediately and expiring on the date determined as specified in numbered paragraph 5 and paragraph 6 below.

The Bank has been informed that this Letter of Credit is issued pursuant to the terms of that certain Precedent Agreement [dated/made/entered into/effective as of] _____, 20__ (as amended from time to time, the "Agreement").

1. Stated Amount. The maximum amount available for drawing by Beneficiary under this Letter of Credit shall be [insert written dollar amount] United States Dollars (US\$[insert numeric dollar amount]) (such amount, as the same may be reduced from time to time as a result of draws made pursuant to the provisions of this Letter of Credit, referred to herein as the "Stated Amount").

2. Drawings. A drawing hereunder may be made by Beneficiary on any Business Day on or prior to the date this Letter of Credit expires by delivering to the Bank, at any time during its business hours on such Business Day, at [insert the Bank's address] (or at such other address as may be designated by written notice delivered by the Bank to Beneficiary as contemplated by numbered paragraph 9 below), a copy of this Letter of Credit together with (i) a Draw Certificate executed by an authorized person substantially in the form of Attachment A hereto (the "Draw Certificate"), appropriately completed and signed by Beneficiary's authorized officer (signing as such) and (ii) Beneficiary's draft substantially in the form of Attachment B hereto (the "Draft"), appropriately completed and signed by Beneficiary's authorized officer (signed as such). Partial drawings and multiple presentations may be made under this Letter of Credit. Draw Certificates and Drafts under this Letter of Credit may be presented by Beneficiary by means of facsimile or original documents sent by overnight delivery or courier to the Bank at the Bank's address set forth above, Attention: _____ (or at such other address as may be designated by

written notice delivered to Beneficiary as contemplated by numbered paragraph 9 below). In the event of a presentation by facsimile transmission, the original of such documents need not be sent to the Bank.

3. **Time and Method for Payment.** The Bank hereby agrees to honor a drawing hereunder made in compliance with this Letter of Credit by transferring in immediately available funds the amount specified in the Draft delivered to the Bank in connection with such drawing to such account at such bank in the United States as Beneficiary may specify in Beneficiary's Draw Certificate. If the Draw Certificate is presented to the Bank at such address by 12:00 noon, [New York or other location within the US] time on any Business Day, payment will be made not later than the Bank's close of business on third succeeding business day and if such Draw Certificate is so presented to the Bank after 12:00 noon, [New York or other other location within the US] time on any Business Day, payment will be made on the fourth succeeding Business Day. In clarification, the Bank agrees to honor the Draw Certificate as specified in the preceding sentences, without regard to the truth or falsity of the assertions made therein.

4. **Non-Conforming Demands.** If a demand for payment made by Beneficiary hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, the Bank shall give Beneficiary prompt notice that the demand for payment was not effectuated in accordance with the terms and conditions of this Letter of Credit, stating the reasons therefor and that the Bank will upon Beneficiary's instructions hold any documents at Beneficiary's disposal or return the same to Beneficiary. Upon being notified that the demand for payment was not effectuated in conformity with this Letter of Credit, Beneficiary may correct any such non-conforming demand.

5. **Expiration.** This Letter of Credit shall automatically expire at the close of business on the date on which the Bank receives a Cancellation Certificate in the form of Attachment C hereto executed by Beneficiary's authorized officer and sent along with the original of this Letter of Credit and all amendments (if any).

6. **Initial Period and Automatic Rollover.** The initial period of this Letter of Credit shall terminate on [insert the first anniversary of the issuance date] (the "Initial Expiration Date"). The Letter of Credit shall be automatically extended without amendment for one (1) year periods from the Initial Expiration Date or any future expiration date, unless at least sixty (60) days prior to any such expiration date the Bank sends Beneficiary notice by registered mail or courier at Beneficiary's address first shown (or such other address as may be designated by Beneficiary as contemplated by numbered paragraph 9 below) that the Bank elects not to consider this Letter of Credit extended for any such additional one year period.

7. **Business Day.** As used herein, "Business Day" shall mean any day on which commercial banks are not authorized or required to close in the State of [New York – or other location within the US], and inter-bank payments can be effected on the Fedwire system.

8. **Governing Law.** THIS LETTER OF CREDIT IS GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF [NEW YORK or other state within the US], AND, EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN, TO THE INTERNATIONAL STANDBY PRACTICES, ICC PUBLICATION NO. 590 (THE "ISP98"), AND IN THE EVENT OF ANY CONFLICT, THE LAWS OF THE STATE OF NEW YORK WILL CONTROL, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.

9. **Notices.** All communications to Beneficiary in respect of this Letter of Credit shall be in writing and shall be delivered to the address first shown for Beneficiary above or such other address as may from time to time be designated by Beneficiary in a written notice to the Bank. All documents to be presented to the Bank hereunder and all other communications to the Bank in respect of this Letter of Credit, which other communications shall be in writing, shall be delivered to the address for the Bank indicated above, or such other address as may from time to time be designated by the Bank in a written notice to Beneficiary.

10. **Irrevocability.** This Letter of Credit is irrevocable.

11. **Complete Agreement.** This Letter of Credit sets forth in full the Bank's undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein, except for the ISP98 and Attachment A, Attachment B and Attachment C hereto and the notices referred to herein and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except as set forth above.

* * *

Sincerely,
[ISSUING BANK]

By: _____
Title: _____
Address: _____

**ATTACHMENT A
FORM OF DRAW CERTIFICATE**

The undersigned hereby certifies to [Issuing Bank] ("Issuer"), with reference to Irrevocable Letter of Credit No. _____ (the "Letter of Credit") issued by Issuer in favor of the undersigned ("Beneficiary"), as follows:

(1) The person signing this certificate on behalf of undersigned is the _____ of Beneficiary and is duly authorized by Beneficiary to execute and deliver this Certificate on behalf of Beneficiary.

(2) Beneficiary hereby makes demand against the Letter of Credit by Beneficiary's presentation of the draft accompanying this Certificate, for payment of _____ U.S. dollars (US\$ _____), which amount, when aggregated together with any additional amount that has not been drawn under the Letter of Credit, is not in excess of the Stated Amount (as in effect of the date hereof).

(3) Beneficiary is entitled to draw under the Letter of Credit an amount equal to \$ _____ pursuant to the terms and conditions of that certain Precedent Agreement [dated/made/entered into/effective as of] _____, 20__ (the "Agreement"), as a result of:

[Applicant's failure to renew or replace the Letter of Credit at least sixty (60) calendar days prior to the currently applicable expiration date for the Letter of Credit]

[Applicant's failure to provide Beneficiary with a Letter of Credit or additional security as required pursuant to the provisions of the Agreement within any applicable grace period provided in the Agreement]

[the occurrence and continuation of an Event of Default (as defined in the Agreement) by Applicant]

[Beneficiary otherwise having the right to draw upon any Performance Assurance (as defined in the Agreement) of Applicant pursuant to the terms of the Agreement].

(4) Issuer are hereby directed to make payment of the requested drawing to: (insert wire instructions)

Beneficiary Name and Address:

(5) Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Letter of Credit.

[BENEFICIARY]

By:
Title:
Date:

ATTACHMENT B
DRAWING UNDER IRREVOCABLE LETTER OF CREDIT NO. _____

Date:

PAY TO: [BENEFICIARY]

U.S.\$ _____

**FOR VALUE RECEIVED AND CHARGE TO THE ACCOUNT OF
LETTER OF CREDIT NO. _____.**

[BENEFICIARY]

By:

Title:

Date:

ATTACHMENT C
CANCELLATION CERTIFICATE

Irrevocable Letter of Credit No. _____

The undersigned, being authorized to execute and deliver this certificate on behalf of [insert name of Beneficiary] ("Beneficiary"), hereby certifies on behalf of Beneficiary to [insert name of Issuing Bank] ("Issuer"), with reference to Irrevocable Letter of Credit No. _____ issued by Issuer to Beneficiary (the "Letter of Credit"), that all obligations of the Account [Party/ies], under the Agreement have been fulfilled.

Pursuant to Section 5 thereof, the Letter of Credit shall expire upon Issuer's receipt of this certificate.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Letter of Credit.

[BENEFICIARY]

By:

Title:

Date:

EXHIBIT D

FORM OF GUARANTY

GUARANTY

THIS GUARANTY (this "**Guaranty**"), dated as of _____, ____ (the "**Effective Date**"), is made by *[INSERT GUARANTOR'S NAME IN ALL CAPS]* ("**Guarantor**"), in favor of Florida Power & Light Company ("**FPL**").

RECITALS:

- A. WHEREAS, FPL and Guarantor's indirect, wholly-owned subsidiary [*Transporter*] ("**Obligor**") have entered into, or concurrently herewith are entering into, that certain Precedent Agreement [dated/made/entered into/effective as of] _____, 20__ (the "**Agreement**"); and
- B. WHEREAS, Guarantor will directly or indirectly benefit from the Agreement between Obligor and FPL;

NOW THEREFORE, in consideration of the foregoing premises and as an inducement for FPL's execution, delivery and performance of the Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor hereby agrees for the benefit of FPL as follows:

* * *

1. **GUARANTY**. Subject to the terms and provisions hereof, Guarantor hereby absolutely and irrevocably guarantees the timely payment when due of all obligations owing by Obligor to FPL arising pursuant to the Agreement on or after the Effective Date (the "**Obligations**"). This Guaranty shall constitute a guarantee of payment and not of collection. The liability of Guarantor under this Guaranty shall be subject to the following limitations:
 - a. Notwithstanding anything herein or in the Agreement to the contrary, the maximum aggregate obligation and liability of Guarantor under this Guaranty, and the maximum recovery from Guarantor under this Guaranty, shall in no event exceed _____ [*spell out the dollar amount*] U.S. Dollars (U.S. \$ _____) (the "**Maximum Recovery Amount**").
 - b. The obligation and liability of Guarantor under this Guaranty is specifically limited to payments expressly required to be made under the Agreement, as well as costs of collection and enforcement of this Guaranty (including attorney's fees) to the extent reasonably and actually incurred by the FPL (subject in all instances, to the limitations imposed by the Maximum Recovery Amount as specified in Section 1(a) above). Except as otherwise provided in the Agreement, Guarantor

shall not be liable for or obligated to pay any consequential, indirect, incidental, lost profit, special, exemplary, punitive, equitable or tort damages.

2. **DEMANDS AND PAYMENT.**

- a. If Obligor fails to pay any Obligation to FPL when such Obligation is due and owing under the Agreement (an "**Overdue Obligation**"), FPL may present a written demand to Guarantor calling for Guarantor's payment of such Overdue Obligation pursuant to this Guaranty (a "**Payment Demand**").
- b. Guarantor's obligation hereunder to pay any particular Overdue Obligation(s) to FPL is conditioned upon Guarantor's receipt of a Payment Demand from FPL satisfying the following requirements: (i) such Payment Demand must identify the specific Overdue Obligation(s) covered by such demand, the specific date(s) upon which such Overdue Obligation(s) became due and owing under the Agreement, and the specific provision(s) of the Agreement pursuant to which such Overdue Obligation(s) became due and owing; (ii) such Payment Demand must be delivered to Guarantor in accordance with Section 9 below; and (iii) the specific Overdue Obligation(s) addressed by such Payment Demand must remain due and unpaid at the time of such delivery to Guarantor.
- c. After issuing a Payment Demand in accordance with the requirements specified in Section 2(b) above, FPL shall not be required to issue any further notices or make any further demands with respect to the Overdue Obligation(s) specified in that Payment Demand, and Guarantor shall be required to make payment with respect to the Overdue Obligation(s) specified in that Payment Demand within five (5) Business Days after Guarantor receives such demand. As used herein, the term "**Business Day**" shall mean all weekdays (*i.e.*, Monday through Friday) other than any weekdays during which commercial banks or financial institutions are authorized to be closed to the public in the State of Florida or the State of New York.

3. **REPRESENTATIONS AND WARRANTIES.** Guarantor represents and warrants that:

- a. it is a corporation duly organized and validly existing under the laws of the State of Florida and has the corporate power and authority to execute, deliver and carry out the terms and provisions of the Guaranty;

- b. no authorization, approval, consent or order of, or registration or filing with, any court or other governmental body having jurisdiction over Guarantor is required on the part of Guarantor for the execution and delivery of this Guaranty; and
 - c. this Guaranty constitutes a valid and legally binding agreement of Guarantor, enforceable against Guarantor in accordance with the terms hereof, except as the enforceability thereof may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.
4. **RESERVATION OF CERTAIN DEFENSES.** Without limiting Guarantor's own defenses and rights hereunder, Guarantor reserves to itself all rights, setoffs, counterclaims and other defenses to which Obligor is or may be entitled arising from or out of the Agreement, except for defenses (if any) based upon the bankruptcy, insolvency, dissolution or liquidation of Obligor or any lack of power or authority of Obligor to enter into and/or perform the Agreement.
5. **AMENDMENT OF GUARANTY.** No term or provision of this Guaranty shall be amended, modified, altered, waived or supplemented except in a writing signed by Guarantor and FPL.
6. **WAIVERS AND CONSENTS.** Subject to and in accordance with the terms and provisions of this Guaranty:
- a. Except as required in Section 2 above, Guarantor hereby waives (i) notice of acceptance of this Guaranty; (ii) presentment and demand concerning the liabilities of Guarantor; and (iii) any right to require that any action or proceeding be brought against Obligor or any other person, or to require that FPL seek enforcement of any performance against Obligor or any other person, prior to any action against Guarantor under the terms hereof.
 - b. No delay by FPL in the exercise of (or failure by FPL to exercise) any rights hereunder shall operate as a waiver of such rights, a waiver of any other rights or a release of Guarantor from its obligations hereunder (with the understanding, however, that the foregoing shall not be deemed to constitute a waiver by Guarantor of any rights or defenses which Guarantor may at any time have pursuant to or in connection with any applicable statutes of limitation).
 - c. Without notice to or the consent of Guarantor, and without impairing or releasing Guarantor's obligations under this Guaranty, FPL may: (i) change the manner, place or terms for payment of all or any of the Obligations (including renewals,

extensions or other alterations of the Obligations); (ii) release Obligor or any person (other than Guarantor) from liability for payment of all or any of the Obligations; or (iii) receive, substitute, surrender, exchange or release any collateral or other security for any or all of the Obligations.

7. **REINSTATEMENT.** Guarantor agrees that this Guaranty shall continue to be effective or shall be reinstated, as the case may be, if all or any part of any payment made hereunder is at any time avoided or rescinded or must otherwise be restored or repaid by FPL as a result of the bankruptcy or insolvency of Obligor, all as though such payments had not been made.
8. **TERMINATION.** . This Guaranty and the Guarantor's obligations hereunder will remain in full force and effect until all obligations and liabilities of Guarantor hereunder have been paid and satisfied in full.
9. **NOTICE.** Any Payment Demand, notice, request, instruction, correspondence or other document to be given hereunder (herein collectively called "**Notice**") by FPL to Guarantor, or by Guarantor to FPL, as applicable, shall be in writing and may be delivered either by (i) U.S. certified mail with postage prepaid and return receipt requested, or (ii) recognized nationwide courier service with delivery receipt requested, in either case to be delivered to the following address (or to such other U.S. address as may be specified via Notice provided by Guarantor or FPL, as applicable, to the other in accordance with the requirements of this Section 9):

<u>TO GUARANTOR:</u> *	<u>TO FPL:</u>
	Florida Power & Light Company 700 Universe Blvd. [EMT/JB] Juno Beach, Florida, 33408 <u>Attn:</u> _____
[Tel: () ____ - ____ -- for use in connection with courier deliveries]	[Tel: (____) ____ - ____ -- for use in connection with courier deliveries]

Any Notice given in accordance with this Section 9 will (i) if delivered during the recipient's normal business hours on any given Business Day, be deemed received by the designated recipient on such date, and (ii) if not delivered during the recipient's normal business hours on any given Business Day, be deemed received by the designated recipient at the start of the recipient's normal business hours on the next Business Day after such delivery.

10. **MISCELLANEOUS.**

- a. This Guaranty shall in all respects be governed by, and construed in accordance with, the law of the State of Florida, without regard to principles of conflicts of laws thereunder.
- b. This Guaranty shall be binding upon Guarantor and its successors and permitted assigns and inure to the benefit of and be enforceable by FPL and its successors and permitted assigns. Guarantor may not assign this Guaranty in part or in whole without the prior written consent of FPL. FPL may not assign its rights or benefits under this Guaranty in part or in whole without the prior written consent of Guarantor.
- c. This Guaranty embodies the entire agreement and understanding between Guarantor and FPL and supersedes all prior agreements and understandings relating to the subject matter hereof.
- d. The headings in this Guaranty are for purposes of reference only, and shall not affect the meaning hereof. Words importing the singular number hereunder shall include the plural number and vice versa, and any pronouns used herein shall be deemed to cover all genders. The term "person" as used herein means any individual, corporation, partnership, joint venture, limited liability company, association, joint-stock company, trust, unincorporated association, or government (or any agency or political subdivision thereof).
- e. Wherever possible, any provision in this Guaranty which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any one jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.
- f. FPL (by its acceptance of this Guaranty) and Guarantor each hereby irrevocably:
 - (i) consents and submits to the exclusive jurisdiction of the United States District Court for the Southern District of Florida, or if that court does not have subject matter jurisdiction, to the exclusive jurisdiction of the state court of the State of Florida, Palm Beach County (without prejudice to the right of any party to remove to the United States District Court for the Southern District of Florida) for the purposes of any suit, action or other proceeding arising out of this Guaranty or the subject matter hereof or any of the transactions contemplated hereby brought by FPL, Guarantor or their respective successors or assigns; and (ii) waives (to the fullest extent permitted by applicable law) and agrees not to assert any claim that

it is not personally subject to the jurisdiction of the above-named courts, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Guaranty or the subject matter hereof may not be enforced in or by such court.

- g. FPL (BY ITS ACCEPTANCE OF THIS GUARANTY) AND GUARANTOR EACH HEREBY IRREVOCABLY, INTENTIONALLY AND VOLUNTARILY WAIVES THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING BASED ON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH, THIS GUARANTY OR THE AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PERSON RELATING HERETO OR THERETO. THIS PROVISION IS A MATERIAL INDUCEMENT TO GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY.

* * *

IN WITNESS WHEREOF, the Guarantor has executed this Guaranty on _____, 20__, but it is effective as of the Effective Date.

GUARANTOR

By: _____

Name: _____

Title: _____

EXHIBIT E

Transporter has established the following Projected Completion Dates for the Major Milestones associated with the critical issues impacting the ability of Transporter to commence service on the Expected Commencement Date. In accordance with Section 7(C), Transporter must provide regular Progress Reports to Shipper detailing Transporter's progress toward each Major Milestone. Those Major Milestones designated as "Critical Milestones" will be tied to Respondent's Completion Security. Failure to meet any of the Critical Milestones could result in a requirement for Transporter to post additional Completion Security and, under certain conditions described in the Precedent Agreement, termination of the Precedent Agreement and forfeiture of the Completion Security.

	Major Milestones	Critical Milestones	Projected Completion Date
a.	FERC Pre-Filing Process Request		
b.	FERC Certificate Application Filed	X	
c.	Other Federal Applications Filed		
d.	Environmental Permits Applications Filed		
e.	FERC Preliminary Determination		
f.	Granted FERC Certificate	X	
g.	Granted Other Federal Authorizations		
h.	Granted all Environmental Permits		
i.	Long Term Financing Closed		
j.	Engineering Contracts Executed		
k.	Construction Contracts Executed		
l.	Execution of Transporter Pipe Contract(s)	X	
m.	Execution of Transporter Compressor Contract(s)		
n.	Acquisition of all right-of-way and other surface rights required to construct and operate the pipeline project		
o.	All Authorizations Required to Start Construction Issued		
p.	Construction Starts	X	
q.	Major Equipment Deliveries (specify all)		
r.	Interconnection Agreements Executed		
s.	Expected Commencement Date	X	5/1/2017

APPENDIX E-2

DOWNSTREAM PIPELINE PROJECT PRECEDENT AGREEMENT

by and between

[_____]

and

FLORIDA POWER & LIGHT COMPANY

Dated:

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PRECEDENT AGREEMENT

This PRECEDENT AGREEMENT along with Attachments 1 and 2 and Exhibits A-E (hereinafter the "**Precedent Agreement**") is made and entered into as of this ____ day of _____, by and between _____ ("**Transporter**"), and Florida Power & Light Company, a Florida corporation ("**Shipper**"). Transporter and Shipper are sometimes referred to herein individually as a "**Party**" or collectively as the "**Parties**."

WITNESSETH

WHEREAS, Transporter proposes to construct a new natural gas pipeline system consisting of [TRANSPORTER TO INSERT DESCRIPTION OF PROPOSED PROJECT] originating at the terminus of the Upstream Pipeline Project in Osceola County, Florida and terminating at Shipper's Martin Plant located in Martin County, Florida, designed to provide Shipper firm transportation service detailed herein (hereafter referred to as the "**Downstream Pipeline Project**"); and

WHEREAS, Transporter is willing to construct the Downstream Pipeline Project and to provide to Shipper the firm transportation service detailed herein (the "**FT Service**"), and Shipper is willing to enter into a standard form of firm transportation service agreement (the "**Service Agreement**") and a negotiated rate agreement (the "**Negotiated Rate Agreement**") in order to contract for such FT Service.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, such consideration to be provided specifically in support of the discretionary rights set forth herein, the receipt and sufficiency of all of which are hereby acknowledged by both Parties, and intending to be legally bound, Transporter and Shipper agree to the following:

1. Definitions:

As used in this Precedent Agreement the following terms shall have the following meanings:

- 1.1 **Affiliate** shall mean in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of at least 50% (fifty percent) of the voting power of the entity or person.
- 1.2 **Alternate Points** shall be as defined in Section 8.2.3.
- 1.3 **Annual Charge Adjustment** or **ACA** shall be as defined in Attachment 1, Paragraph 4.
- 1.4 **Automatic Extension** shall be as defined in Section 4.1.3.

- 1.5 **Business Day(s)** shall mean a day on which commercial banks are open for business in Florida and New York.
- 1.6 **Certificated Capacity** shall mean the capacity specified in Transporter's FERC Certificate Application and in no event less than the amount set forth in this Precedent Agreement as detailed herein.
- 1.7 **Commencement Date** shall be as defined in Section 3.
- 1.8 **Completion Security** shall be as defined in Section 9.
- 1.9 **Critical Milestone(s)** shall mean one or more of the Major Milestones designated as "Critical Milestones" in Exhibit E hereto.
- 1.10 **Critical Milestone Security** shall mean cash in USD or a Letter of Credit in an amount as may be adjusted from time to time in accordance with Section 9.2.
- 1.11 **Delay Damages** shall be as defined in Section 10.1.
- 1.12 **Delay Election** shall be as defined in Section 10.1.
- 1.13 **Delay Notice** shall be as defined in Section 10.1.
- 1.14 **Discounted Rate** shall be as specified in Attachment 1, Paragraph 3(a).
- 1.15 **Downstream Pipeline Project** shall mean the pipeline originating at a proposed interconnection with the Upstream Pipeline Project in Osceola County, Florida at 28 15'39.70" N, 81 33' 24.68" W and terminating at Shipper's Martin Plant.
- 1.16 **Expected Commencement Date** shall be as defined in Section 3.
- 1.17 **FERC** shall mean the Federal Energy Regulatory Commission.
- 1.18 **FERC Certificate** shall mean a certificate of public convenience and necessity from the FERC approving the Downstream Pipeline Project as detailed in this Precedent Agreement.
- 1.19 **FERC Certificate Application** shall mean the application for the FERC Certificate filed by the Transporter with FERC for authorization to construct, own and operate the Downstream Pipeline Project as detailed in this Precedent Agreement.
- 1.20 **FERC Certificate Notice** shall mean a written notice provided by Transporter to Shipper upon Transporter's acceptance of the FERC Certificate.

- 1.21 **FERC Pre-Filing Process Request** shall mean the application necessary to initiate the FERC process leading toward filing of the FERC Certificate Application.
- 1.22 **Foundation Shipper** shall mean an initial shipper on the Downstream Pipeline Project that subscribes to at least 100,000 MMBtu/day in the initial open-season.
- 1.23 **FPL Generation Plant Site Locations** shall mean any electric generation facility owned and operated by Florida Power & Light Company.
- 1.24 **FPSC** shall mean the Florida Public Service Commission.
- 1.25 **FPSC Order** shall mean a final non-appealable order from the FPSC acceptable to Shipper, in Shipper's sole discretion, that Shipper may recover from its customers all payments to be made for FT Service under this Precedent Agreement, the Service Agreement, the Negotiated Rate Agreement or otherwise and all payments made for firm transportation service under the Downstream Pipeline Project agreements.
- 1.26 **FT Service** shall mean the firm transportation service provided by Transporter to Shipper as specified herein.
- 1.27 **FT Service Rate** shall mean the rate applicable to the FT Service for the Primary Term and for any extensions.
- 1.28 **Fuel Cost Recovery Clause** shall mean the fuel and purchased power cost recovery clause established by the FPSC, or any modification or replacement therefor.
- 1.29 **Gas Day** shall be as defined by the North American Energy Standards Board (currently beginning at 9:00 AM and ending at 9:00 AM central clock time).
- 1.30 **Guarantor** shall mean any entity with an Investment Grade Credit Rating that guarantees, in substantially the same form attached as Exhibit D, the Transporter's performance under this Precedent Agreement or the Service Agreement (and any extension thereof).
- 1.31 **Initial Optional Quantity** shall be as defined in Section 5.1.
- 1.32 **Initial Security** shall mean cash in USD, a Letter of Credit or a guaranty from a Guarantor in the amount of \$100,000,000.00.
- 1.33 **Investment Grade Credit Rating** shall mean a credit rating for a Party's or the Party's Guarantor's long-term, senior, unsecured debt not supported by third party credit enhancements (or, in the event the Party or Party's Guarantor, has no long-term, senior, unsecured debt, then such Party's, or Party's Guarantor's, long-term

issuer rating) of Baa2 or higher from Moody's and of BBB or higher from S&P (in the event such Party, or Party's Guarantor, is rated differently by S&P and Moody's, the lowest rating shall apply).

- 1.34 **Letter of Credit** shall mean an irrevocable standby letter of credit issued by a Qualified Financial Institution in substantially the same form attached as Exhibit C.
- 1.35 **Major Milestone(s)** shall mean that (or those) Downstream Pipeline Project-related aspect(s) impacting on the ability of Transporter to commence service on the Commencement Date and shall be as specified in Exhibit E hereto.
- 1.36 **Martin Plant** shall mean Shipper's Martin Plant located in Martin County, Florida.
- 1.37 **MDQ** shall mean maximum daily quantity of 400,000 MMBtu per day effective May 1, 2017 increasing to 600,000 MMBtu per day effective May 1, 2020.
- 1.38 **MMBtu** shall mean one million British thermal units, which is equivalent to one dekatherm.
- 1.39 **Moody's** shall mean Moody's Investors Service, Inc.
- 1.40 **Negotiated Rate Agreement** shall mean a negotiated rate letter or agreement in a form and in substance substantially the same as that attached hereto as Exhibit B.
- 1.41 **Negotiated Reservation Rate** means the reservation rate (in dollars per MMBtu per day) to be charged by Transporter in accordance with the Negotiated Rate Agreement.
- 1.42 **Open Season** shall be as defined in Section 4.3.
- 1.43 **Open Season Adjustment** shall be as defined in Attachment 1, Paragraph 2(a)(ii).
- 1.44 **Party** or **Parties** shall have the meaning in the introductory paragraph of this Agreement.
- 1.45 **Primary Delivery Point** shall be as defined Shipper's Martin Plant and Shipper's Riviera Lateral.
- 1.46 **Primary Receipt Point** shall be as defined in 8.2.1.
- 1.47 **Primary Term** shall be as defined in Section 4.1.3.
- 1.48 **Progress Reports** shall be as defined in Section 8.3.3.

- 1.49 **Projected Completion Date** shall be the projected completion date specified for each Major Milestone in Exhibit E hereto.
- 1.50 **Qualified Financial Institution** shall mean a financial institution, bank or trust company (that is not an affiliate of the Transporter) organized under the laws of the United States, having assets of at least \$10 billion with a minimum "A" senior unsecured debt rating (or, if unavailable, corporate issuer rating discounted one notch) from S&P or "A2" from Moody's.
- 1.51 **Rate Adjustment** shall be as defined in Section 10.1.
- 1.52 **Recourse Rate(s)** shall be those rates specified in the Transporter's Tariff.
- 1.53 **RFP** shall mean Florida Power & Light Company's Firm Gas Transportation Request for Proposals, dated December 19, 2012.
- 1.54 **Riviera Lateral** shall mean Shipper's pipeline lateral origination at Martin Plant and extending to Shipper's Riviera Plant in Palm Beach County, Florida.
- 1.55 **Schedule** shall be as defined in Section 8.3.
- 1.56 **Second Optional Quantity** shall be as defined in Section 5.2.
- 1.57 **Service Agreement** shall mean a firm transportation service agreement under Transporter's Rate Schedule FT in a form and in substance substantially the same as that attached hereto as Exhibit A.
- 1.58 **Shipper** shall have the meaning in the introductory paragraph of this Agreement.
- 1.59 **S&P** shall mean Standard & Poor's Corporation.
- 1.60 **Station 85** shall mean Transco's Station 85 in Transco Zone 4 located in Choctaw County, Alabama.
- 1.61 **Transco** shall mean Transcontinental Gas Pipe Line Company LLC.
- 1.62 **Transco Zone 4** shall be as defined in Transco's FERC tariff.
- 1.63 **Transporter** shall have the meaning in the introductory paragraph of this Agreement.
- 1.64 **Transporter Approvals** shall be as defined in Section 2.1.
- 1.65 **Transporter Compressor Contract** shall mean a binding contractual commitment to buy all compressor(s) and compressor-related equipment which

Transporter believes is commercially reasonably required to construct and complete the Downstream Pipeline Project.

- 1.66 **Transporter Pipe Contract** shall mean a binding contractual commitment to buy all pipe which Transporter believes is commercially reasonably required to construct and complete the Downstream Pipeline Project.
- 1.67 **Transporter's Rate Schedule FT** shall mean the rate schedule available for firm transportation of natural gas by Transporter pursuant to the Transporter's Tariff.
- 1.68 **Transporter's Tariff** shall mean the FERC gas tariff applicable to the Transporter's Rate Schedule FT.
- 1.69 **Upstream Pipeline Project** shall mean the pipeline originating in the vicinity of Transco Station 85 and interconnecting with the Downstream Pipeline Project in Osceola County, Florida at 28 15'39.70" N, 81 33' 24.68" W.

2. Transporter Approvals.

- 2.1 Upon execution of this Agreement, Transporter agrees to proceed using commercially reasonable efforts:
 - 2.1.1 to obtain from all governmental and regulatory authorities having federal, state and local jurisdiction over the Downstream Pipeline Project all permits, authorizations, and/or exemptions, including, without limitation, the FERC Certificate and environmental permits, that are necessary for Transporter to:
 - (a) construct, own, operate, and maintain the Downstream Pipeline Project facilities required to provide the FT Service for Shipper contemplated herein;
 - (b) provide the FT Service for Shipper contemplated herein; and
 - (c) perform its obligations as contemplated in this Precedent Agreement and in the Service Agreement (collectively the "**Transporter Approvals**").
 - 2.1.2 to file and prosecute expeditiously any and all applications for such Transporter Approvals (including, without limitation, the FERC Certificate) as well as any supplements or amendments thereto in a timeframe that enables Transporter to complete the Downstream Pipeline Project and to commence full deliveries pursuant to the FT Service on or before the Expected Commencement Date.
 - 2.1.3 to provide periodic reports and have periodic meetings, at mutually agreed intervals of no less than once each quarter, to update Shipper as to the status of Transporter Approvals.
 - 2.1.4 to advise Shipper of Transporter's planned community, public relations,

regulatory, and legislative activities, if any.

- 2.1.5 to respond promptly to Shipper's reasonable requests for information regarding the Transporter Approvals.
 - 2.1.6 to provide to Shipper copies of reports filed with the FERC contemporaneously with such filing, including such reports as required by Section 8.3 of this Precedent Agreement.
 - 2.1.7 to include in the FERC Certificate Application a description of the interconnection facilities required at the Primary Receipt Point, Primary Delivery Points, and, if applicable, the Alternate Points.
 - 2.1.8 to notify Shipper promptly in writing when Transporter has received or obtained the FERC Certificate, as contemplated in this Section 2.
- 2.2 If the FERC Certificate is without material modification from the as-filed FERC Certificate Application, Transporter shall confirm in writing to Shipper that such certificate is acceptable to Transporter and such FERC Certificate shall be accepted by Transporter. In the event that such FERC Certificate contains material modifications from the as-filed FERC Certificate Application, the Parties shall use commercially reasonable efforts to obtain revisions to such FERC Certificate or other accommodations that would cause the FERC Certificate to be reasonably acceptable to both Parties and that maintain the relative commercial, legal and economic benefits and positions of, and risks and burdens to, the Parties as reasonably anticipated in or to be derived from this Precedent Agreement as of the date first set forth above. Once such acceptable revisions to the FERC Certificate are obtained, Transporter shall accept such FERC Certificate and such FERC Certificate upon acceptance shall be deemed to have been accepted without material modification.
- 2.3 Shipper shall be permitted to intervene or otherwise participate in proceedings at the FERC related to the Downstream Pipeline Project, including without limitation the FERC Certificate Application and after service commences under the Service Agreement. Transporter agrees to support and cooperate with the efforts of Shipper to obtain any governmental and regulatory approvals for any facilities that will be constructed by Shipper, or Shipper's Affiliate, as a result of or in connection with the Downstream Pipeline Project. In addition, Transporter agrees to support and cooperate with the efforts of the Upstream Pipeline Project to obtain any governmental and regulatory approvals; furthermore, Transporter agrees to coordinate with the Upstream Pipeline Project, using commercially reasonable efforts, on all applicable filings, permits, applications, etc. in an effort to ensure expeditious completion of both pipeline projects.
- 2.4 If Transporter becomes aware:
- 2.4.1 of any problem, issue or other matter that could adversely impact Transporter's ability to achieve the Expected Commencement Date; or

- 2.4.2 that the issuance (or lack thereof) of any Transporter Approvals (including, without limitation, the FERC Certificate) is reasonably likely to delay the Commencement Date beyond the Expected Commencement Date,

then Transporter shall promptly provide to Shipper a written plan detailing the activities or sequence of events Transporter shall implement to complete the Downstream Pipeline Project on or before the Expected Commencement Date and shall promptly implement such plan.

- 2.5 In the event Transporter believes that the Expected Commencement Date will be delayed, Transporter must notify Shipper of the reason for such delay as soon as practicable and provide Shipper notice of the date on which the Commencement Date is anticipated to occur.

3. Commencement Date.

The “**Expected Commencement Date**” for the FT Service is **May 1, 2017**. Upon completion of the Downstream Pipeline Project facilities, authorization from the FERC to place such facilities in service for the MDQ, and completion of the Primary Receipt Point and Primary Delivery Points, Transporter shall notify Shipper that the Downstream Pipeline Project shall be placed in service for the MDQ and performance under the Service Agreement shall commence; provided, however, that in the event that Transporter notifies Shipper that service may commence on a date prior to the Expected Commencement Date, actual service shall commence on a date selected by Shipper that is no later than the Expected Commencement Date (the in-service date shall be the “**Commencement Date**”).

4. Service Agreement and Rates.

- 4.1 To effectuate the FT Service contemplated herein, Shipper and Transporter shall execute the Service Agreement and, if applicable, the Negotiated Rate Agreement within thirty (30) days of acceptance by Transporter of the FERC Certificate without material modification from the as-filed FERC Certificate Application (or in the event of a material modification, in conformance with Section 2.2). Without limiting the generality of the foregoing requirement, the Service Agreement shall specify, among other provisions as set forth on Exhibit A:

- 4.1.1 an MDQ of 400,000 MMBtu per day effective as of the Commencement Date increasing to an MDQ of 600,000 MMBtu per day effective May 1, 2020, provided, fuel shall be retained pursuant to the then current Transporter's Tariff as applicable to the Transporter's Rate Schedule FT (subject to the cap on fuel included in Attachment 1, Paragraph 7);

(a) If Transporter does not have a FERC approved Rate Schedule FT Tariff, and a draft Tariff was provided in response to FPL's RFP, Transporter shall notify Shipper in the event of a material modification to the draft Tariff prior to filing such Tariff as part of the FERC Certificate Application, and in the

event of a material modification of such Tariff as part of the FERC Certificate, such modification is subject to conformance with Section 2.2;

- 4.1.2 flexible hourly flow rates with the right to nominate at any level between a minimum hourly quantity of zero (0) MMBtu per hour and a maximum hourly quantity of 20,000 MMBtu per hour (provided that the sum total of gas flowing during any Gas Day does not exceed the MDQ) effective as of the Commencement Date and 30,000 MMBtu per hour effective May 1, 2020;
 - 4.1.3 a primary term of twenty-five (25) years (the “**Primary Term**”), effective as of the Commencement Date, which Primary Term shall be extended automatically for up to three (3) successive periods of five (5) years each (the “**Automatic Extension**”), unless Shipper provides written notice to Transporter of its election not to extend the term at least one (1) year prior to the end of the Primary Term or extension period then in effect;
 - 4.1.4 that, upon the expiration of the Primary Term or, if there shall be any extensions, upon the expiration of the final extension, and upon the expiration of each roll-over period under Transporter’s Tariff, Shipper hereby has a contractual right-of-first-refusal, which shall be stated in the Negotiated Rate Agreement, to retain the full amount of capacity, or any increment thereof, stated in this Precedent Agreement, which right shall be governed by the then-applicable provisions of Transporter’s Tariff;
 - 4.1.5 a designation that the Primary Receipt Point would be located at the Upstream Pipeline Project, and the Primary Delivery Points would be Shipper’s Martin Plant and Riviera Lateral;
 - 4.1.6 a minimum delivery pressure of [850 psig];
 - 4.1.7 Shipper shall have the right to accept receipts and make deliveries of any portion of its contract MDQ on a secondary basis at any receipt and delivery point on Transporter’s system at no change in rate and subject only to available meter capacity so long as such alternative points are within Shipper’s contract path; this right shall enable Shipper to allocate its MDQ or any portion thereof to Primary Receipt and Delivery Points and/or secondary receipt and delivery points at any quantities elected by Shipper on such day;
 - 4.1.8 Shipper shall have the right to segment its capacity into separate parts provided that the segments do not overlap and provided that Shipper’s MDQ is not exceeded on any individual segment; and
 - 4.1.9 Service pursuant to the Service Agreement shall commence on the Commencement Date.
- 4.2 Transporter confirms that, as set forth in the Service Agreement, Shipper shall have no

reimbursement obligation to Transporter pursuant to Transporter's Tariff with regard to the Downstream Pipeline Project or the provision of FT Service as described herein, including, without limitation, with regard to those facilities described in Section 8.2, hereof; provided, that the reimbursement obligations as set forth in Transporter's Tariff may apply with regard to any interconnections or other facilities that may be added in the future at the request of Shipper, either solely or in conjunction with third-party shippers. During the Primary Term and each extension, Shipper shall pay Transporter for the FT Service only the rates elected pursuant to this Section 4.2, and such rates shall reflect the following principles:

- 4.2.1 Transporter shall provide promptly the FERC Certificate Notice and Shipper shall have the one-time option, exercisable upon written notice to Transporter within thirty (30) days following its receipt of the FERC Certificate Notice, to elect to pay as the FT Service Rate:
- (a) Transporter's maximum Recourse Rates, transportation charges, surcharges and fuel applicable to the FT Service for the Primary Term and each extension, as such maximum Recourse Rates, transportation charges, surcharges and fuel are amended or revised from time to time, and as are reflected in Transporter's Tariff; or
 - (b) the rate as specified in the whole of Exhibit B which rate shall include: (1) either the Negotiated Reservation Rate or the Discounted Rate; (2) the fuel retention as stated in Transporter's Tariff as applicable to the Transporter's Rate Schedule FT (subject to the cap on fuel included in Exhibit B); and (3) the effect of rate reductions pursuant to Exhibit B and only those costs, fees, charges, surcharges, or other expenses that are referenced in Exhibit B.
- 4.3 Within sixty (60) days following execution of this Precedent Agreement, Transporter shall hold an open season seeking additional third-party commitments for firm transportation capacity on Transporter's Downstream Pipeline Project ("**Open Season**"). If, as a result of this required Open Season or any additional Open Season conducted prior to the Commencement Date, Transporter executes precedent agreements with third party shippers such that the total contracted capacity of the Downstream Pipeline Project will exceed 400,000 MMBtu/day on any date between the Commencement Date and May 1, 2020 and/or 600,000 MMBtu/d as of May 1, 2020 (in aggregate for all participating shippers including Shipper), Transporter shall reduce the Negotiated Reservation Rate according to the Open Season Adjustment as provided in the Attachment 1, Paragraph 2.
- 4.4 The Parties agree that Shipper, pursuant to this Precedent Agreement, is a Foundation Shipper of the Downstream Pipeline Project. Although Transporter may contract with other shippers or Foundation Shippers during the initial open season, Transporter agrees that Shipper's FT Service Rate will not exceed the rate for firm transportation service offered to any other shipper or Foundation Shipper. Moreover, to the extent that Transporter offers a Negotiated Reservation Rate, Discounted Rate, or Recourse Rate to any other shipper that is more favorable than Shipper's Negotiated Reservation Rate,

Transporter must offer to provide the more favorable rate to Shipper as further set forth in Exhibit B.

5. Optional Quantity.

- 5.1 In addition to and not in limitation of the MDQ, Shipper has the right but not the obligation on or before January 1, 2020 to elect up to an additional quantity of 200,000 MMBtu/day ("**Initial Optional Quantity**") at the fixed or formulaic price submitted by the Transporter pursuant to the RFP. Shipper's requested in-service date for such quantity must be at least forty-eight (48) months but no later than sixty (60) months after the date Shipper exercises the option for the Initial Optional Quantity. Deliveries of the Initial Optional Quantity will be at flexible hourly flow rates with the right to nominate at any level between a minimum hourly quantity of zero (0) MMBtu per hour and a maximum hourly quantity (in MMBtu per hour) calculated as equal to five percent (5%) of the elected Initial Optional Quantity (in MMBtu per day) provided that the sum total of gas flowing during any Gas Day does not exceed the Initial Optional Quantity.
- 5.2 Shipper has the right, but not the obligation, on or before January 1, 2024, to elect up to an incremental quantity of 200,000 MMBtu/day ("**Second Optional Quantity**") at the fixed or formulaic price submitted by Transporter pursuant to the RFP. Shipper's requested in-service date for such quantity must be at least forty-eight (48) months but no later than sixty (60) months after the date Shipper exercises the option for the Second Optional Quantity. Deliveries of the Second Optional Quantity will be at flexible hourly flow rates with the right to nominate at any level between a minimum hourly quantity of zero (0) MMBtu per hour and a maximum hourly quantity (in MMBtu per hour) calculated as equal to five percent (5%) of the elected Second Optional Quantity (in MMBtu/day) provided that the sum total of gas flowing during any Gas Day does not exceed the Second Optional Quantity.

6. Conditions Precedent.

Commencement of FT Service under the Service Agreement and Transporter's and Shipper's rights and obligations under this Precedent Agreement, other than those rights and obligations under this Precedent Agreement that are expressly not made subject to the satisfaction or waiver of some or all of the following conditions, are expressly made subject to satisfaction or waiver of all of the following conditions:

- 6.1 Shipper shall have received or finalized:
- 6.1.1 approval of the Precedent Agreement by Shipper's management on or before [DATE],
 - 6.1.2 the FPSC Order on or before [DATE],
 - 6.1.3 written confirmation from Transporter on or before [DATE] that Transporter has filed the FERC Pre-Filing Process Request.

- 6.1.4 notification, on or before [DATE], from the Upstream Pipeline Project sponsor that the project has received all necessary governmental and regulatory approvals required to construct, own, operate, and maintain the Upstream Pipeline Project in order to provide transportation service to Shipper, and
- 6.1.5 written confirmation from Transporter on or before [DATE] that Transporter has accepted the FERC Certificate.
- 6.2 Only Shipper shall have the right to waive the conditions precedent set forth in Section 6.1. If Shipper shall waive any such conditions precedent, each such waiver shall also apply to and be binding upon Transporter.
- 6.3 Transporter shall have received the FERC Certificate without material modification from the as-filed FERC Certificate Application (or in the event of a material modification, in conformance with Section 2.2) on or before [Date]. Only Transporter shall have the right to waive the condition precedent set forth in this Section 6.3. If Transporter shall waive such condition precedent, such waiver shall also apply to and be binding upon Shipper.
- 6.4 If any condition precedent set forth in Sections 6.1 and 6.3 has not been fully satisfied or waived by Shipper or Transporter, respectively, on or before the applicable date specified therein, then in any and all such cases, Shipper or Transporter, as the case may be, may thereafter terminate this Precedent Agreement by giving thirty (30) days prior written notice to the other Party of its intention to terminate. Such termination shall be without liability therefor or further liabilities or performance obligations hereunder or under the Service Agreement; provided that if such condition precedent is satisfied or waived within such thirty (30) day notice period, then the termination notice and termination will be deemed rescinded and will be of no force or effect.
- 7. **Diligent Construction.**
- 7.1 Upon acceptance of the FERC Certificate and the satisfaction of any applicable conditions precedent set forth therein (and provided that all conditions precedent set forth in Section 6 have been satisfied or waived), Transporter shall:
 - 7.1.1 proceed diligently to construct the Downstream Pipeline Project facilities, the Primary Receipt Point, and Primary Delivery Points (and any other facilities authorized pursuant to the FERC Certificate and necessary to provide the service contemplated herein), and
 - 7.1.2 shall take all such other necessary action, if any, not contemplated within the FERC Certificate in a manner that shall enable Transporter to implement the FT Service under the Service Agreement on or before the Expected Commencement Date.
 - 7.1.3 Transporter shall proceed in a timely manner with the necessary acquisition

of materials, supplies, properties, rights-of-way, and any other preparations necessary to implement, by the Expected Commencement Date, the FT Service under the Service Agreement as contemplated herein (including, without limitation, any actions necessary to satisfy any applicable conditions set forth in the FERC Certificate).

- 7.1.4 Transporter shall also proceed in a timely manner to enter into the Transporter Pipe Contract(s) and the Transporter Compressor Contract(s) by the date set forth on Exhibit E.
 - 7.1.5 Transporter shall be required to begin construction of the Downstream Pipeline Project (which project shall include, without limitation, the design, construction, installation, ownership, operation, and maintenance at Transporter's expense of the necessary facilities at the Primary Receipt Point, and Primary Delivery Points as soon as practicable after receiving FERC's authorization to commence construction.
- 7.2 Notwithstanding anything in this Precedent Agreement to the contrary, any delay in such construction or implementation as a result of Transporter's waiting for any such condition precedent in Section 6 above to be satisfied or waived shall not excuse Transporter's obligation to deliver the FT Service on the Expected Commencement Date.

8. Design, Construction and Project Delay.

- 8.1 Subject to the terms and conditions of this Precedent Agreement (provided that the obligations set forth in this Section 8.1 shall not be subject to satisfaction or waiver of the conditions precedent set forth in Section 6.1), Transporter and Shipper agree to the following procedures for design and construction of all of the facilities necessary for the Downstream Pipeline Project:
- 8.1.1 Transporter will promptly and diligently undertake the design of the Downstream Pipeline Project facilities and any other preparatory actions necessary for Transporter to complete and file its FERC Pre-Filing Process Request by the date set forth in Exhibit E and file its FERC Certificate Application by the date set forth in Exhibit E (and Transporter shall notify Shipper in writing of each promptly after the occurrence of same);
 - 8.1.2 Transporter shall respond to FERC promptly and diligently in connection with the FERC Pre-Filing Process Request and shall prosecute diligently its FERC Certificate Application in a manner that should permit the issuance by the FERC of an order granting the FERC Certificate by the date set forth in Exhibit E.
 - 8.1.3 Transporter shall diligently and in a timely manner undertake all FERC filings required following receipt of the FERC Certificate.

- 8.2 In connection with the implementation of the FT Service, Transporter further agrees to enter into the following interconnection agreements (and to provide Shipper with written notice upon the execution of the same) which provide for the completion of construction of the interconnection facilities on or before the Expected Commencement Date and to maintain the effectiveness of such interconnections in order to ensure, free of conditions, that the associated facilities are properly built and maintained for the Primary Term and any extension thereof:
- 8.2.1 Primary Receipt Point: Upstream Pipeline Project by [DATE], pursuant to which Upstream Pipeline Project and Transporter agree to construct, or cause to be constructed, and operate a new receipt point interconnection between the Upstream Pipeline Project's facilities and Transporter's facilities in Osceola County, Florida. The Primary Receipt Point shall be designed to enable the Upstream Pipeline Project to deliver, and the Downstream Pipeline Project to receive, a quantity of gas up to and including the Certificated Capacity of the Downstream Pipeline Project.
- 8.2.2 Primary Delivery Points: Shipper's Martin Plant and Riviera Lateral located in Martin County, Florida. The Primary Delivery Points shall be designed to enable the Downstream Pipeline Project to deliver a quantity up to the Certificated Capacity of the Downstream Pipeline Project unless otherwise agreed by the parties.
- 8.2.3 Alternate Points: FPL Generation Plant Site Locations and/or any other identified delivery and/or receipt point locations by [Date], pursuant to which Shipper and Transporter agree that Transporter will construct, or cause to be constructed, and operate a new delivery and/or receipt interconnection between Transporter's facilities and either Shipper's facilities or a third-party's facilities which will allow Transporter to deliver and/or receive an agreed upon quantity to such location. *[Specific point information to be inserted by Transporter if applicable.]*
- 8.3 Transporter shall submit to Shipper an integrated Downstream Pipeline Project schedule, including without limitation details of Transporter's plan to meet Major Milestones (the "**Schedule**"), for Shipper's review within sixty (60) days of the execution of this Precedent Agreement. The Schedule shall be reasonably acceptable to Shipper and shall identify key licensing, permitting, purchasing, construction, start-up, and testing milestone dates and activities. Transporter shall notify Shipper of any changes in the Schedule within ten (10) days after such changes are determined. Transporter shall submit progress reports to Shipper, such reports to be:
- 8.3.1 substantially similar to reports provided to the FERC (or in such other form as Shipper may reasonably request),
- 8.3.2 submitted every calendar month until the Commencement Date or the earlier termination of this Precedent Agreement, and

- 8.3.3 consistent with the requirements of Section 2.1.6, hereof (the “**Progress Reports**”).

Progress Reports shall, at a minimum, include a detailed explanation of progress made towards the Major Milestones. Progress Reports shall detail any expected delays in achieving any of the Major Milestones by their respective Projected Completion Dates, and in the event that a Major Milestone is not achieved by its Projected Completion Date to the reasonable satisfaction of the Shipper, the Transporter shall immediately provide an updated Progress Report further detailing the reasons for the delay and what remedial measures have and are being taken to return the Downstream Pipeline Project to schedule.

- 8.4 Shipper shall have the right to monitor the construction, start-up, and testing of the Downstream Pipeline Project facilities, either on-site or off-site. Shipper’s technical review and inspections of the Downstream Pipeline Project facilities and resulting requests, if any, shall not be construed as an endorsement of the design thereof or as any warranty as to the safety, durability, or reliability of the Downstream Pipeline Project.

9. **Completion Security.**

- 9.1 Concurrent with the execution of this Precedent Agreement, Transporter shall post one hundred million dollars (US \$100,000,000.00) with the Shipper in the form of a guaranty from a Guarantor, Letter of Credit or cash (the “**Initial Security**”). The Initial Security and any subsequently posted Critical Milestone Security (collectively, “**Completion Security**”) shall remain with the Shipper until the commencement of FT Service. Upon commencement of FT Service, any Completion Security that has not otherwise been retained in accordance with Section 9.2 or Section 10 shall be returned by Shipper to Transporter. Completion Security that is provided in cash by Transporter to Shipper shall be held by Shipper in an interest bearing account selected by Shipper, in Shipper’s reasonably exercised discretion. All interest that accrues on the Completion Security shall be held in the account until such time as the Completion Security and any such accrued interest are returned to the Transporter in accordance with this Section 9.1 or are retained by Shipper in accordance with Section 9.2 or Section 10.
- 9.2 In the event that any Critical Milestone has not been achieved within twenty (20) days after its Projected Completion Date, Transporter shall post, for each such missed Critical Milestone, additional security in the amount of thirty seven million five hundred thousand dollars (US \$37,500,000.00) in the form of a Letter of Credit or cash (the “**Critical Milestone Security**”) within three (3) Business Days.
- 9.2.1 If Transporter achieves the Projected Completion Date for the next subsequent Critical Milestone, Shipper shall release the Critical Milestone Security posted by Transporter for the prior missed Critical Milestone(s) within twenty (20) days after the Projected Completion Date.

- 9.2.2 In the event that Transporter fails to achieve the Projected Completion Date for any Critical Milestone such that Transporter is required to post additional Critical Milestone Security in accordance with Section 9.2, and one hundred and eighty (180) days has passed since that Projected Completion Date without achieving the applicable Critical Milestone, Shipper may exercise any and all rights and remedies available to Shipper pursuant to Section 10.

10. Shipper's Rights and Remedies in the Event of Transporter Delay.

- 10.1 If (a) Transporter fails to place the Downstream Pipeline Project facilities in service and provide for the MDQ, the Primary Receipt Point, and the Primary Delivery Points by the Expected Commencement Date, and (b) Shipper determines that, on or before the Expected Commencement Date, the Upstream Pipeline Project will be in service and capable of making deliveries to the Downstream Pipeline Project, then (c) Shipper shall provide written notice to Transporter of the existence of a Shipper Delay (a "**Delay Notice**") and, at Transporter's election (a "**Delay Election**"), either (i) the Negotiated Reservation Rate will be subject to adjustment (a "**Rate Adjustment**") as provided in Attachment 1 (and Transporter shall provide Shipper a revised Negotiated Rate Agreement with the applicable rate reduction commensurate with Transporter's delay), or (ii) Shipper shall be entitled to draw upon the Completion Security for liquidated damages ("**Delay Damages**") as provided for in Attachment 2. Transporter will provide Shipper with its Delay Election within five (5) Business Days of Shipper's Delay Notice. Transporter's failure to provide the Delay Election within such time period shall constitute a waiver of the election and Shipper may elect the Rate Adjustment or the Delay Damages by written notice to Transporter. In the event the Upstream Pipeline Project is not placed in service by the Expected Commencement Date, Transporter shall be excused from such Delay Damages until such time as the Upstream Pipeline Project is placed in service and capable of making deliveries to the Downstream Pipeline Project.

- 10.2 Notwithstanding Section 10.1, failure by the Transporter to:

- 10.2.1 maintain at any and all times valid and sufficient Completion Security in accordance with this Precedent Agreement;
- 10.2.2 increase the amount of Completion Security in accordance with Section 9.2;
- 10.2.3 achieve a Critical Milestone within hundred and eighty (180) days after its Projected Completion Date; or
- 10.2.4 achieve the Commencement Date within six (6) months of the Expected Commencement Date,

shall each be grounds for Shipper to:

- (a) terminate this Precedent Agreement without liability to Transporter therefor and without any further liabilities or performance obligations to Transporter hereunder;

- (b) retain without encumbrance, draw upon (as it chooses) and own outright as liquidated damages any existing Completion Security, whether such Completion Security is in the form of cash or a Letter of Credit; and/or
- (c) seek any remedy against Transporter that is available in equity or law and any remedy against Guarantor under the guaranty.

11. Survival of Provisions

Except for Sections 4.1.3, 4.1.4, 5, 11, 15, 19.4, 19.6 and 19.7, which shall survive any termination of this Precedent Agreement, this Precedent Agreement shall terminate in accordance with its express terms. Except as contemplated by the preceding sentence, on the Commencement Date (if any) and, thereafter, Transporter's and Shipper's rights and obligations related to the FT Service contemplated herein shall be as set forth in the Service Agreement, Negotiated Rate Agreement, and Transporter's Tariff.

12. Shipper Representations.

Shipper represents and warrants that:

- 12.1 it is duly organized and validly existing under the laws of the State of Florida and has all requisite legal power and authority to execute this Precedent Agreement and carry out the terms, conditions and provisions thereof;
- 12.2 this Precedent Agreement constitutes the valid, legal and binding obligation of Shipper, enforceable in accordance with the terms hereof;
- 12.3 there are no actions, suits or proceedings pending or, to Shipper's knowledge, threatened against or affecting Shipper before any Court or administrative body that would materially adversely affect the ability of Shipper to meet and carry out its obligations hereunder; and
- 12.4 the execution and delivery by Shipper of this Precedent Agreement has been duly authorized by all requisite corporate action (it being understood that Shipper may seek the authorizations set forth in Section 6.1 after the date hereof).

13. Transporter Representations.

Transporter represents and warrants that

- 13.1 it is duly organized and validly existing under the laws of the State of [] and has all requisite legal power and authority to execute this Precedent Agreement and carry out the terms, conditions and provisions thereof;
- 13.2 this Precedent Agreement constitutes the valid, legal and binding obligation of Transporter, enforceable in accordance with the terms hereof;

- 13.3 the execution, delivery, and performance by Transporter of this Precedent Agreement has been duly authorized by all requisite corporate or partnership action; and
- 13.4 except for the receipt of the Transporter Approvals, there are no actions, suits or proceedings pending or, to Transporter's knowledge, threatened against or affecting Transporter that might adversely affect the ability of Transporter to meet and carry out its obligations hereunder.

14. Assignment.

- 14.1 Any company that succeeds by purchase, merger, or consolidation to substantially all of the assets and properties of Transporter or Shipper will be entitled to the rights and will be subject to the obligations of its predecessor in title under this Precedent Agreement. Otherwise, neither Shipper nor Transporter may assign any of its rights or obligations under this Precedent Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing and upon thirty (30) day's prior written notice, no consent shall be required for:

- 14.1.1 Any assignment of this Precedent Agreement by Transporter or Shipper to any lender as collateral security for obligations under the financing documents entered into with such lender and, with respect to Transporter, in connection with financing the costs of the Downstream Pipeline Project. In order to facilitate such financing, Transporter or Shipper, as appropriate, shall execute such consent, provided, such lender's request shall not materially adversely affect any of Transporter's or Shipper's rights, benefits, risks and obligations under this Precedent Agreement. Transporter or Shipper, as appropriate, shall reimburse the other Party for the reasonable and documented expenses (including without limitation fees and expenses of counsel) incurred by such Party in the preparation, negotiation, execution and delivery of such consent, agreement or similar documents.

- 14.1.2 Any permanent assignment by Shipper of any or all of its rights, interests and obligations hereunder (including without limitation a permanent release of capacity pursuant to Transporter's Tariff) to a third party; provided, such permanent assignment is in compliance with all necessary FERC regulatory authorizations for providing service to a different shipper; and, provided further, that such third party or its Guarantor must comply with the Investment Grade Credit Rating.

- 14.1.3 Any permanent assignment by Shipper of all or part of its rights, interests and obligations under this Precedent Agreement to any Affiliate(s) of Shipper; provided, such permanent assignment is in compliance with all necessary FERC regulatory authorizations for providing service to a different shipper and, provided further, if such Affiliate fails to have an Investment Grade

Credit Rating, then Shipper shall guarantee all of the obligations of such Affiliate under this Precedent Agreement for the Primary Term.

15. No Third-Party Beneficiaries.

Nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person not a Party hereto any rights, remedies, or obligations under or by reason of this Precedent Agreement.

16. Agreed as between the Parties.

Each and every provision of this Precedent Agreement shall be considered as fully understood and agreed to by the parties and shall not be construed against either Party as a result of the preparations or drafting thereof. It is expressly agreed that no consideration shall be given or presumption made on the basis of who drafted this Precedent Agreement or any specific provision hereof.

17. Notices.

Any notice, request, demand, statement, or bill provided for in this Precedent Agreement, or any notice that either Party desires to give to the other, must be in writing and will be considered duly delivered when received by registered or certified mail or nationally recognized overnight courier service to the other Party's address set forth below:

17.1 Transporter:

17.2 Shipper:

Florida Power & Light Company
700 Universe Blvd. [EMT/JB]
Juno Beach, Florida, 33408
Attn: Vice President, Energy Marketing & Trading
Phone: 561/694-3510

With additional copy to:
Florida Power & Light Company
700 Universe Blvd. [EMT/JB]
Juno Beach, Florida, 33408
Attn: EMT Contract Administration
Phone: 561/691-7886
Facsimile: 561/625-7567
Electronic Mail: emtcontracts@fpl.com

or at such other address as either Party designates by written notice. Routine communications including, without limitation, monthly statements, will be considered duly delivered when delivered by (i) registered, certified, or ordinary mail, (ii) facsimile, or (iii) electronic mail.

18. Entire Agreement.

The terms and provisions contained in this Precedent Agreement constitute the entire agreement of the Parties, and there are no prior or contemporaneous agreements, understandings, warranties, representations, covenants, obligations, promises, assurances, or conditions precedent or subsequent or otherwise, except those expressly set out in this Precedent Agreement.

19. Miscellaneous Provisions.

- 19.1 No modification of the terms and provisions of this Precedent Agreement shall be effective unless contained in writing and executed by both Transporter and Shipper.
- 19.2 This Precedent Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement.
- 19.3 This Precedent Agreement shall become effective on the date first written above and shall continue in effect until terminated pursuant to the terms and conditions herein.
- 19.4 THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS PRECEDENT AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

- 19.5 If a court of competent jurisdiction declares any provision of this Precedent Agreement unenforceable, then that provision shall be severed from this Precedent Agreement, which shall otherwise remain in full force and effect and be construed as if it did not contain the severed provision; provided, however, that if severing such provision from this Precedent Agreement has a material adverse effect on the rights or obligations of either Party as set forth in this Precedent Agreement, then the Parties agree to negotiate in good faith replacement terms that are consistent with the court's declaration or directive and that maintain the relative commercial, legal and economic benefits and positions of, and risks and burdens to, the Parties as reasonably anticipated in or to be derived from this Precedent Agreement as of the date first set forth above.
- 19.6 THIS AGREEMENT SHALL BE INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA, WITHOUT REGARD FOR ANY CONFLICT OF LAW RULES THAT MAY REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION. EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA, OR, IF SUCH COURT DECLINES TO EXERCISE OR DOES NOT HAVE JURISDICTION, IN THE COURTS OF THE STATE OF FLORIDA LOCATED IN PALM BEACH COUNTY, AND TO SERVICE OF PROCESS BY CERTIFIED MAIL, DELIVERED TO THE PARTY AT THE ADDRESS SET FORTH ABOVE. IN ADDITION, EACH PARTY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE FOR ANY SUCH SUIT, ACTION OR PROCEEDING RELATING TO THIS PRECEDENT AGREEMENT, WAIVES ANY CLAIM THAT SUCH SUIT, ACTION OR PROCEEDING RELATING TO THIS PRECEDENT AGREEMENT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM, AND FURTHER WAIVES THE RIGHT TO OBJECT, WITH RESPECT TO SUCH SUIT, ACTION OR PROCEEDING RELATING TO THIS PRECEDENT AGREEMENT, THAT SUCH COURT DOES NOT HAVE JURISDICTION OVER IT.
- 19.7 EACH PARTY HERETO EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY JUDICIAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO THE OTHER PARTY'S ENTERING INTO THIS AGREEMENT.

[signature page follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Precedent Agreement to be duly executed by their duly authorized officers as of the day and year first above written.

[TRANSPORTER]

FLORIDA POWER & LIGHT COMPANY

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTACHMENT 1
TERMS AND CONDITIONS FOR INCLUSION IN TRANSPORTER'S FORM OF
SERVICE AGREEMENT, NEGOTIATED RATE AGREEMENT, AND/OR TARIFF

Transporter shall incorporate each of the following provisions into either the form of Service Agreement (attached as Exhibit A to the Precedent Agreement), Negotiated Rate Agreement (attached as Exhibit B to the Precedent Agreement) or Transporter's Tariff.

1) Rate Adjustment:

If Transporter fails to have the Downstream Pipeline Project facilities in service and provide for the MDQ, the Primary Receipt Point and the Primary Delivery Points by the Expected Commencement Date and the Upstream Pipeline Project will be in service and capable of making deliveries to the Downstream Pipeline Project as of the Expected Commencement Date, then Shipper's Negotiated Reservation Rate for the total MDQ shall be reduced by: (a) \$0.005 per MMBtu if the Commencement Date occurs on or after June 1, 2017 but before July 1, 2017; (b) \$0.01 per MMBtu if the Commencement Date occurs on or after July 1, 2017 but before August 1, 2017; (c) \$0.015 per MMBtu if the Commencement Date occurs on or after August 1, 2017 but before September 1, 2017; (d) \$0.02 per MMBtu if the Commencement Date occurs on or after September 1, 2017 but before October 1, 2017; or (e) \$0.025 per MMBtu if the Commencement Date occurs on or after October 1, 2017. In the event the Upstream Pipeline Project is not placed in service by the Expected Commencement Date, Transporter shall be excused from such delay until such time as the Upstream Pipeline Project is placed in service and capable of making deliveries to the Downstream Pipeline Project.

2) Open Season Adjustment:

- a. If, as a result of any Open Season conducted prior to the Commencement Date, Transporter executes precedent agreements with third party shippers such that the total contracted capacity of the Downstream Pipeline Project will exceed 400,000 MMBtu/day on any date between the Commencement Date and May 1, 2020 and/or 600,000 MMBtu/d as of May 1, 2020 (in aggregate for all participating shippers including Shipper), Transporter shall reduce the Negotiated Reservation Rate such that Shipper's rate shall be equal to the lower of:
 - i. the overall Recourse Rate for the project that results from such expansion or
 - ii. the Negotiated Reservation Rate less a calculated rate adjustment based on the results of the Open Season (the "**Open Season Adjustment**") as set forth below in Section (b).
- b. With respect to the mechanism for determining the Open Season Adjustment, Transporter shall specify from one of the following:

- i. Respondent Proposed Open Season Adjustment Mechanism: Respondent has the option to insert a proposed mechanism by which the Open Season Adjustment would be calculated in the event that the project is expanded via the Open Season process. This proposed mechanism must include a verifiable calculation by which the Open Season Adjustment would be calculated.
- ii. Default Open Season Adjustment Mechanism: In the event that Respondent elects not to propose an alternate mechanism to calculate the Open Season Adjustment, the Open Season Adjustment shall be equal to \$0.0125/MMBtu/day for each incremental 20,000 MMBtu/day by which Transporter's project is expanded in excess of 400,000 MMBtu/day on any date between the Commencement Date and May 1, 2020 and/or 600,000 MMBtu/day as of May 1, 2020.

3) FERC Approval of Negotiated Rate:

If, at any time, the FERC disallows, modifies, or conditions approval of any material term or terms of the Negotiated Reservation Rate, then, upon written notification from either Party to the other, the Negotiated Reservation Rate shall not apply to service under the Service Agreement and in lieu of such Negotiated Reservation Rate, Transporter shall charge and Shipper shall pay, during the Primary Term and each extension period, a rate that is the lower of

- a. the rate that is discounted to the level of the Negotiated Reservation Rate (the "**Discounted Rate**") or
- b. Transporter's tariff recourse rate applicable to Shipper's service as in effect from time to time. In the event FERC requires Transporter to implement recourse rates on a levelized basis that are lower than the Discounted Rate, then the Discounted Rate shall be lowered such that it will be equal to such recourse rate on a levelized basis as required by FERC.

4) Surcharges:

Shipper shall be subject to payment of any applicable Annual Charge Adjustment ("**ACA**") surcharges and/or other FERC approved generally applicable surcharges, in each case only to the extent mandated by a governmental authority and as specified in the Transporter's Tariff, provided that no event shall such surcharges be designed to recover costs of a type included in Transporter's recourse reservation rate (*i.e.*, Shipper shall not be subject to any surcharge that may be adopted in the future that is designed to recover costs of a type included in Transporter's recourse reservation rate).

5) Most Favored Nations:

If, at any time during the Primary Term or any extension period, (i) Transporter offers or provides, directly or indirectly, to any other shipper, an FT Service Rate (whether negotiated,

discounted or otherwise) or rate cap for any service for firm transportation of natural gas that would result in a rate that is lower than the applicable Negotiated Reservation Rate being charged to Shipper, or (ii) Transporter's Recourse Rate for FT Service in Transporter's Tariff would result in a rate that is lower than the applicable Negotiated Reservation Rate being charged to Shipper, then Transporter shall offer to lower the rate paid by Shipper under the Negotiated Rate Agreement to the same rate or rate cap to Shipper, on the same quantity not to exceed the MDQ and for the same term for which such rate or rate cap is being provided to such other shipper. Transporter shall provide prompt written notice to Shipper whenever Transporter has offered or provided any other shipper a rate that is lower than the rate being charged to Shipper, and any rate or rate cap accepted by Shipper shall be effective as of the earlier of the date that such service or rate cap is offered or provided to another shipper.

6) Term and Automatic Extension:

A primary term of twenty-five (25) years shall be extended automatically for up to three successive periods of five (5) years unless Shipper provides written notice to Transporter of its election not to extend the term at least one (1) year prior to the end of the Primary Term or extension period then in effect. In addition, upon the expiration of each roll-over period under Transporter's Tariff, Shipper hereby has a contractual right-of-first-refusal to retain the full amount of capacity, or any increment thereof, stated in the Service Agreement or Negotiated Rate Agreement dated [], which right shall be governed by the then-applicable provisions of Transporter's Tariff.

7) Fuel Cap:

Fuel retention will be capped at _____%.

8) Expansions:

Transporter further agrees that Shipper, as a Foundation Shipper, shall have the right to cause Transporter to construct expansion capacity, including but not limited to the Initial Optional Quantity and Second Optional Quantity, and to acquire such expansion capacity at a mutually agreed rate.

9) Moratorium:

Transporter and Shipper agree that the terms and conditions of service under the Transporter's Tariff shall not be subject to change, unless such change is mandated by FERC, by Transporter during the term of the Service Agreement (including any extension periods or any rollover periods) without prior written consent from Shipper.

ATTACHMENT 2
DAILY LIQUIDATED DAMAGES PURSUANT TO SECTION 10.1

If Transporter fails to have the Downstream Pipeline Project facilities in service and provide for the MDQ, the Primary Receipt Point and the Primary Delivery Points by the Expected Commencement Date and the Upstream Pipeline Project will be in service and capable of making deliveries to the Downstream Pipeline Project as of the Expected Commencement Date, then Shipper shall be entitled to draw upon the Completion Security for Delay Damages as follows: (a) \$250,000 per day if the Commencement Date occurs on or after June 1, 2017, but before July 1, 2017; and (b) \$350,000 per day if the Commencement Date occurs on or after July 1, 2017, but before October 31, 2017. In the event the Upstream Pipeline Project is not placed in service by the Expected Commencement Date, Transporter shall be excused from such delay until such time as the Upstream Pipeline Project is placed in service and capable of making deliveries to the Downstream Pipeline Project.

EXHIBIT A

Respondent should attach a completed and executable standard form of Service Agreement with all appropriate exhibits/attachments.

EXHIBIT B

Respondent should attach a completed and executable form of Negotiated Rate Agreement.

EXHIBIT C
[ISSUING BANK] IRREVOCABLE STANDBY LETTER OF CREDIT
DATE OF ISSUANCE:
[_____, 20__]

[Beneficiary name] ("Beneficiary")
[Address]
Attention: [Contact Person]

Re: [Issuing Bank name] Irrevocable Standby Letter of Credit No. _____

Sirs/Mesdames:

[Issuing Bank name] (the "Bank") hereby establishes in favor of Beneficiary this Irrevocable Standby Letter of Credit No. _____ (the "Letter of Credit") for the account of [_____] [(insert Beneficiary's address)] [and _____, (insert address of any other Account [Party/ies])] (the "Account [Party/ies]"), effective immediately and expiring on the date determined as specified in numbered paragraph 5 and paragraph 6 below.

The Bank has been informed that this Letter of Credit is issued pursuant to the terms of that certain Precedent Agreement [dated/made/entered into/effective as of] _____, 20__ (as amended from time to time, the "Agreement").

1. Stated Amount. The maximum amount available for drawing by Beneficiary under this Letter of Credit shall be [insert written dollar amount] United States Dollars (US\$[insert numeric dollar amount]) (such amount, as the same may be reduced from time to time as a result of draws made pursuant to the provisions of this Letter of Credit, referred to herein as the "Stated Amount").

2. Drawings. A drawing hereunder may be made by Beneficiary on any Business Day on or prior to the date this Letter of Credit expires by delivering to the Bank, at any time during its business hours on such Business Day, at [insert the Bank's address] (or at such other address as may be designated by written notice delivered by the Bank to Beneficiary as contemplated by numbered paragraph 9 below), a copy of this Letter of Credit together with (i) a Draw Certificate executed by an authorized person substantially in the form of Attachment A hereto (the "Draw Certificate"), appropriately completed and signed by Beneficiary's authorized officer (signing as such) and (ii) Beneficiary's draft substantially in the form of Attachment B hereto (the "Draft"), appropriately completed and signed by Beneficiary's authorized officer (signed as such). Partial drawings and multiple presentations may be made under this Letter of Credit. Draw Certificates and Drafts under this Letter of Credit may be presented by Beneficiary by means of facsimile or original documents sent by overnight delivery or courier to the Bank at the Bank's address set forth above, Attention: _____ (or at such other address as may be designated by

written notice delivered to Beneficiary as contemplated by numbered paragraph 9 below). In the event of a presentation by facsimile transmission, the original of such documents need not be sent to the Bank.

3. **Time and Method for Payment.** The Bank hereby agrees to honor a drawing hereunder made in compliance with this Letter of Credit by transferring in immediately available funds the amount specified in the Draft delivered to the Bank in connection with such drawing to such account at such bank in the United States as Beneficiary may specify in Beneficiary's Draw Certificate. If the Draw Certificate is presented to the Bank at such address by 12:00 noon, [New York or other location within the US] time on any Business Day, payment will be made not later than the Bank's close of business on third succeeding business day and if such Draw Certificate is so presented to the Bank after 12:00 noon, [New York or other other location within the US] time on any Business Day, payment will be made on the fourth succeeding Business Day. In clarification, the Bank agrees to honor the Draw Certificate as specified in the preceding sentences, without regard to the truth or falsity of the assertions made therein.

4. **Non-Conforming Demands.** If a demand for payment made by Beneficiary hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, the Bank shall give Beneficiary prompt notice that the demand for payment was not effectuated in accordance with the terms and conditions of this Letter of Credit, stating the reasons therefor and that the Bank will upon Beneficiary's instructions hold any documents at Beneficiary's disposal or return the same to Beneficiary. Upon being notified that the demand for payment was not effectuated in conformity with this Letter of Credit, Beneficiary may correct any such non-conforming demand.

5. **Expiration.** This Letter of Credit shall automatically expire at the close of business on the date on which the Bank receives a Cancellation Certificate in the form of Attachment C hereto executed by Beneficiary's authorized officer and sent along with the original of this Letter of Credit and all amendments (if any).

6. **Initial Period and Automatic Rollover.** The initial period of this Letter of Credit shall terminate on [insert the first anniversary of the issuance date] (the "Initial Expiration Date"). The Letter of Credit shall be automatically extended without amendment for one (1) year periods from the Initial Expiration Date or any future expiration date, unless at least sixty (60) days prior to any such expiration date the Bank sends Beneficiary notice by registered mail or courier at Beneficiary's address first shown (or such other address as may be designated by Beneficiary as contemplated by numbered paragraph 9 below) that the Bank elects not to consider this Letter of Credit extended for any such additional one year period.

7. **Business Day.** As used herein, "Business Day" shall mean any day on which commercial banks are not authorized or required to close in the State of [New York – or other location within the US], and inter-bank payments can be effected on the Fedwire system.

8. **Governing Law.** THIS LETTER OF CREDIT IS GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF [NEW YORK or other state within the US], AND, EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN, TO THE INTERNATIONAL STANDBY PRACTICES, ICC PUBLICATION NO. 590 (THE "ISP98"), AND IN THE EVENT OF ANY CONFLICT, THE LAWS OF THE STATE OF NEW YORK WILL CONTROL, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.

9. **Notices.** All communications to Beneficiary in respect of this Letter of Credit shall be in writing and shall be delivered to the address first shown for Beneficiary above or such other address as may from time to time be designated by Beneficiary in a written notice to the Bank. All documents to be presented to the Bank hereunder and all other communications to the Bank in respect of this Letter of Credit, which other communications shall be in writing, shall be delivered to the address for the Bank indicated above, or such other address as may from time to time be designated by the Bank in a written notice to Beneficiary.

10. **Irrevocability.** This Letter of Credit is irrevocable.

11. **Complete Agreement.** This Letter of Credit sets forth in full the Bank's undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein, except for the ISP98 and Attachment A, Attachment B and Attachment C hereto and the notices referred to herein and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except as set forth above.

* * *

Sincerely,
[ISSUING BANK]

By: _____
Title: _____
Address: _____

**ATTACHMENT A
FORM OF DRAW CERTIFICATE**

The undersigned hereby certifies to [Issuing Bank] ("Issuer"), with reference to Irrevocable Letter of Credit No. _____ (the "Letter of Credit") issued by Issuer in favor of the undersigned ("Beneficiary"), as follows:

(1) The person signing this certificate on behalf of undersigned is the _____ of Beneficiary and is duly authorized by Beneficiary to execute and deliver this Certificate on behalf of Beneficiary.

(2) Beneficiary hereby makes demand against the Letter of Credit by Beneficiary's presentation of the draft accompanying this Certificate, for payment of _____ U.S. dollars (US\$ _____), which amount, when aggregated together with any additional amount that has not been drawn under the Letter of Credit, is not in excess of the Stated Amount (as in effect of the date hereof).

(3) Beneficiary is entitled to draw under the Letter of Credit an amount equal to \$ _____ pursuant to the terms and conditions of that certain Precedent Agreement [dated/made/entered into/effective as of] _____, 20__ (the "Agreement"), as a result of:

[Applicant's failure to renew or replace the Letter of Credit at least sixty (60) calendar days prior to the currently applicable expiration date for the Letter of Credit]

[Applicant's failure to provide Beneficiary with a Letter of Credit or additional security as required pursuant to the provisions of the Agreement within any applicable grace period provided in the Agreement]

[the occurrence and continuation of an Event of Default (as defined in the Agreement) by Applicant]

[Beneficiary otherwise having the right to draw upon any Performance Assurance (as defined in the Agreement) of Applicant pursuant to the terms of the Agreement].

(4) Issuer are hereby directed to make payment of the requested drawing to: (insert wire instructions)

Beneficiary Name and Address:

(5) Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Letter of Credit.

[BENEFICIARY]

By:
Title:
Date:

ATTACHMENT B
DRAWING UNDER IRREVOCABLE LETTER OF CREDIT NO. _____

Date:

PAY TO: [BENEFICIARY]

U.S.\$ _____

**FOR VALUE RECEIVED AND CHARGE TO THE ACCOUNT OF
LETTER OF CREDIT NO. _____.**

[BENEFICIARY]

By:

Title:

Date:

ATTACHMENT C

CANCELLATION CERTIFICATE

Irrevocable Letter of Credit No. _____

The undersigned, being authorized to execute and deliver this certificate on behalf of [insert name of Beneficiary] ("Beneficiary"), hereby certifies on behalf of Beneficiary to [insert name of Issuing Bank] ("Issuer"), with reference to Irrevocable Letter of Credit No. _____ issued by Issuer to Beneficiary (the "Letter of Credit"), that all obligations of the Account [Party/ies], under the Agreement have been fulfilled.

Pursuant to Section 5 thereof, the Letter of Credit shall expire upon Issuer's receipt of this certificate.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Letter of Credit.

[BENEFICIARY]

By:

Title:

Date:

EXHIBIT D

FORM OF GUARANTY

GUARANTY

THIS GUARANTY (this "**Guaranty**"), dated as of _____, ____ (the "**Effective Date**"), is made by *[INSERT GUARANTOR'S NAME IN ALL CAPS]* ("**Guarantor**"), in favor of Florida Power & Light Company ("**FPL**").

RECITALS:

- A. WHEREAS, FPL and Guarantor's indirect, wholly-owned subsidiary [*Transporter*] ("**Obligor**") have entered into, or concurrently herewith are entering into, that certain Precedent Agreement [dated/made/entered into/effective as of] _____, 20__ (the "**Agreement**"); and
- B. WHEREAS, Guarantor will directly or indirectly benefit from the Agreement between Obligor and FPL;

NOW THEREFORE, in consideration of the foregoing premises and as an inducement for FPL's execution, delivery and performance of the Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor hereby agrees for the benefit of FPL as follows:

* * *

1. **GUARANTY.** Subject to the terms and provisions hereof, Guarantor hereby absolutely and irrevocably guarantees the timely payment when due of all obligations owing by Obligor to FPL arising pursuant to the Agreement on or after the Effective Date (the "**Obligations**"). This Guaranty shall constitute a guarantee of payment and not of collection. The liability of Guarantor under this Guaranty shall be subject to the following limitations:
- a. Notwithstanding anything herein or in the Agreement to the contrary, the maximum aggregate obligation and liability of Guarantor under this Guaranty, and the maximum recovery from Guarantor under this Guaranty, shall in no event exceed _____ [*spell out the dollar amount*] U.S. Dollars (U.S. \$ _____) (the "**Maximum Recovery Amount**").
 - b. The obligation and liability of Guarantor under this Guaranty is specifically limited to payments expressly required to be made under the Agreement, as well as costs of collection and enforcement of this Guaranty (including attorney's fees) to the extent reasonably and actually incurred by the FPL (subject in all instances, to the limitations imposed by the Maximum Recovery Amount as specified in Section 1(a) above). Except as otherwise provided in the Agreement, Guarantor

shall not be liable for or obligated to pay any consequential, indirect, incidental, lost profit, special, exemplary, punitive, equitable or tort damages.

2. **DEMANDS AND PAYMENT.**

- a. If Obligor fails to pay any Obligation to FPL when such Obligation is due and owing under the Agreement (an "**Overdue Obligation**"), FPL may present a written demand to Guarantor calling for Guarantor's payment of such Overdue Obligation pursuant to this Guaranty (a "**Payment Demand**").
- b. Guarantor's obligation hereunder to pay any particular Overdue Obligation(s) to FPL is conditioned upon Guarantor's receipt of a Payment Demand from FPL satisfying the following requirements: (i) such Payment Demand must identify the specific Overdue Obligation(s) covered by such demand, the specific date(s) upon which such Overdue Obligation(s) became due and owing under the Agreement, and the specific provision(s) of the Agreement pursuant to which such Overdue Obligation(s) became due and owing; (ii) such Payment Demand must be delivered to Guarantor in accordance with Section 9 below; and (iii) the specific Overdue Obligation(s) addressed by such Payment Demand must remain due and unpaid at the time of such delivery to Guarantor.
- c. After issuing a Payment Demand in accordance with the requirements specified in Section 2(b) above, FPL shall not be required to issue any further notices or make any further demands with respect to the Overdue Obligation(s) specified in that Payment Demand, and Guarantor shall be required to make payment with respect to the Overdue Obligation(s) specified in that Payment Demand within five (5) Business Days after Guarantor receives such demand. As used herein, the term "**Business Day**" shall mean all weekdays (*i.e.*, Monday through Friday) other than any weekdays during which commercial banks or financial institutions are authorized to be closed to the public in the State of Florida or the State of New York.

3. **REPRESENTATIONS AND WARRANTIES.** Guarantor represents and warrants that:

- a. it is a corporation duly organized and validly existing under the laws of the State of Florida and has the corporate power and authority to execute, deliver and carry out the terms and provisions of the Guaranty;

- b. no authorization, approval, consent or order of, or registration or filing with, any court or other governmental body having jurisdiction over Guarantor is required on the part of Guarantor for the execution and delivery of this Guaranty; and
 - c. this Guaranty constitutes a valid and legally binding agreement of Guarantor, enforceable against Guarantor in accordance with the terms hereof, except as the enforceability thereof may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.
4. **RESERVATION OF CERTAIN DEFENSES.** Without limiting Guarantor's own defenses and rights hereunder, Guarantor reserves to itself all rights, setoffs, counterclaims and other defenses to which Obligor is or may be entitled arising from or out of the Agreement, except for defenses (if any) based upon the bankruptcy, insolvency, dissolution or liquidation of Obligor or any lack of power or authority of Obligor to enter into and/or perform the Agreement.
5. **AMENDMENT OF GUARANTY.** No term or provision of this Guaranty shall be amended, modified, altered, waived or supplemented except in a writing signed by Guarantor and FPL.
6. **WAIVERS AND CONSENTS.** Subject to and in accordance with the terms and provisions of this Guaranty:
- a. Except as required in Section 2 above, Guarantor hereby waives (i) notice of acceptance of this Guaranty; (ii) presentment and demand concerning the liabilities of Guarantor; and (iii) any right to require that any action or proceeding be brought against Obligor or any other person, or to require that FPL seek enforcement of any performance against Obligor or any other person, prior to any action against Guarantor under the terms hereof.
 - b. No delay by FPL in the exercise of (or failure by FPL to exercise) any rights hereunder shall operate as a waiver of such rights, a waiver of any other rights or a release of Guarantor from its obligations hereunder (with the understanding, however, that the foregoing shall not be deemed to constitute a waiver by Guarantor of any rights or defenses which Guarantor may at any time have pursuant to or in connection with any applicable statutes of limitation).
 - c. Without notice to or the consent of Guarantor, and without impairing or releasing Guarantor's obligations under this Guaranty, FPL may: (i) change the manner, place or terms for payment of all or any of the Obligations (including renewals,

extensions or other alterations of the Obligations); (ii) release Obligor or any person (other than Guarantor) from liability for payment of all or any of the Obligations; or (iii) receive, substitute, surrender, exchange or release any collateral or other security for any or all of the Obligations.

7. **REINSTATEMENT.** Guarantor agrees that this Guaranty shall continue to be effective or shall be reinstated, as the case may be, if all or any part of any payment made hereunder is at any time avoided or rescinded or must otherwise be restored or repaid by FPL as a result of the bankruptcy or insolvency of Obligor, all as though such payments had not been made.
8. **TERMINATION.** . This Guaranty and the Guarantor's obligations hereunder will remain in full force and effect until all obligations and liabilities of Guarantor hereunder have been paid and satisfied in full.
9. **NOTICE.** Any Payment Demand, notice, request, instruction, correspondence or other document to be given hereunder (herein collectively called "**Notice**") by FPL to Guarantor, or by Guarantor to FPL, as applicable, shall be in writing and may be delivered either by (i) U.S. certified mail with postage prepaid and return receipt requested, or (ii) recognized nationwide courier service with delivery receipt requested, in either case to be delivered to the following address (or to such other U.S. address as may be specified via Notice provided by Guarantor or FPL, as applicable, to the other in accordance with the requirements of this Section 9):

<u>TO GUARANTOR:</u> *	<u>TO FPL:</u>
	Florida Power & Light Company 700 Universe Blvd. [EMT/JB] Juno Beach, Florida, 33408 <u>Attn:</u> _____
[Tel: () ____ - ____ -- for use in connection with courier deliveries]	[Tel: (____) ____ - ____ -- for use in connection with courier deliveries]

Any Notice given in accordance with this Section 9 will (i) if delivered during the recipient's normal business hours on any given Business Day, be deemed received by the designated recipient on such date, and (ii) if not delivered during the recipient's normal business hours on any given Business Day, be deemed received by the designated recipient at the start of the recipient's normal business hours on the next Business Day after such delivery.

10. **MISCELLANEOUS.**

- a. This Guaranty shall in all respects be governed by, and construed in accordance with, the law of the State of Florida, without regard to principles of conflicts of laws thereunder.
- b. This Guaranty shall be binding upon Guarantor and its successors and permitted assigns and inure to the benefit of and be enforceable by FPL and its successors and permitted assigns. Guarantor may not assign this Guaranty in part or in whole without the prior written consent of FPL. FPL may not assign its rights or benefits under this Guaranty in part or in whole without the prior written consent of Guarantor.
- c. This Guaranty embodies the entire agreement and understanding between Guarantor and FPL and supersedes all prior agreements and understandings relating to the subject matter hereof.
- d. The headings in this Guaranty are for purposes of reference only, and shall not affect the meaning hereof. Words importing the singular number hereunder shall include the plural number and vice versa, and any pronouns used herein shall be deemed to cover all genders. The term "person" as used herein means any individual, corporation, partnership, joint venture, limited liability company, association, joint-stock company, trust, unincorporated association, or government (or any agency or political subdivision thereof).
- e. Wherever possible, any provision in this Guaranty which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any one jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.
- f. FPL (by its acceptance of this Guaranty) and Guarantor each hereby irrevocably:
 - (i) consents and submits to the exclusive jurisdiction of the United States District Court for the Southern District of Florida, or if that court does not have subject matter jurisdiction, to the exclusive jurisdiction of the state court of the State of Florida, Palm Beach County (without prejudice to the right of any party to remove to the United States District Court for the Southern District of Florida) for the purposes of any suit, action or other proceeding arising out of this Guaranty or the subject matter hereof or any of the transactions contemplated hereby brought by FPL, Guarantor or their respective successors or assigns; and (ii) waives (to the fullest extent permitted by applicable law) and agrees not to assert any claim that

it is not personally subject to the jurisdiction of the above-named courts, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Guaranty or the subject matter hereof may not be enforced in or by such court.

- g. FPL (BY ITS ACCEPTANCE OF THIS GUARANTY) AND GUARANTOR EACH HEREBY IRREVOCABLY, INTENTIONALLY AND VOLUNTARILY WAIVES THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING BASED ON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH, THIS GUARANTY OR THE AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PERSON RELATING HERETO OR THERETO. THIS PROVISION IS A MATERIAL INDUCEMENT TO GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY.

* * *

IN WITNESS WHEREOF, the Guarantor has executed this Guaranty on _____, 20__, but it is effective as of the Effective Date.

GUARANTOR

By: _____

Name: _____

Title: _____

EXHIBIT E

Transporter has established the following Projected Completion Dates for the Major Milestones associated with the critical issues impacting the ability of Transporter to commence service on the Expected Commencement Date. In accordance with Section 7(C), Transporter must provide regular Progress Reports to Shipper detailing Transporter's progress toward each Major Milestone. Those Major Milestones designated as "Critical Milestones" will be tied to Respondent's Completion Security. Failure to meet any of the Critical Milestones could result in a requirement for Transporter to post additional Completion Security and, under certain conditions described in the Precedent Agreement, termination of the Precedent Agreement and forfeiture of the Completion Security.

	Major Milestones	Critical Milestones	Projected Completion Date
a.	FERC Pre-Filing Process Request		
b.	FERC Certificate Application Filed	X	
c.	Other Federal Applications Filed		
d.	Environmental Permits Applications Filed		
e.	FERC Preliminary Determination		
f.	Granted FERC Certificate	X	
g.	Granted Other Federal Authorizations		
h.	Granted all Environmental Permits		
i.	Long Term Financing Closed		
j.	Engineering Contracts Executed		
k.	Construction Contracts Executed		
l.	Execution of Transporter Pipe Contract(s)	X	
m.	Execution of Transporter Compressor Contract(s)		
n.	Acquisition of all right-of-way and other surface rights required to construct and operate the pipeline project		
o.	All Authorizations Required to Start Construction Issued		
p.	Construction Starts	X	
q.	Major Equipment Deliveries (specify all)		
r.	Interconnection Agreements Executed		
s.	Expected Commencement Date	X	5/1/2017

PRECEDENT AGREEMENT

by and between

**SABAL TRAIL TRANSMISSION, LLC
and**

FLORIDA POWER & LIGHT COMPANY

Dated: June 26, 2013

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Attachment 1 – Rate Adjustment or Daily Liquidated Damages Pursuant To Section 10.1.

Exhibit “A” to the Precedent Agreement - Form of Service Agreement

Exhibit “B” to the Precedent Agreement – Form of Letter of Credit

Exhibit “C” to the Precedent Agreement – Form of Guaranty

Exhibit “D” to the Precedent Agreement - Projected Completion Dates for the Major Milestones

PRECEDENT AGREEMENT

This PRECEDENT AGREEMENT along with Attachment 1 and Exhibits A-D (hereinafter the "**Precedent Agreement**") is made and entered into as of this 26th day of June, 2013, (the "**Execution Date**"), by and between Sabal Trail Transmission, LLC, a Delaware limited liability company ("**Transporter**"), and Florida Power & Light Company, a Florida corporation ("**Shipper**"). Transporter and Shipper are sometimes referred to herein individually as a "**Party**" or collectively as the "**Parties**."

WITNESSETH

WHEREAS, Transporter proposes to develop, construct and operate a new natural gas pipeline system originating in the vicinity of Transco Station 85 and interconnecting with the Transcontinental Gas Pipe Line Company, LLC, Midcontinent Express Pipeline LLC and Gulf South Pipeline Company, LP pipelines and terminating at, and interconnecting to, the Primary Delivery Point (hereinafter defined), such system consisting of (i) a lease of incremental capacity from Transco pursuant to the Lease Agreement (hereinafter defined) from a receipt point near Transco Station 85, to a delivery point located near Transco's Station 105 near Hillabee, Alabama on Transco's mainline system in Zone 4 (the "**Leased Capacity**"), and (ii) a new greenfield natural gas pipeline system consisting of approximately 465 miles commencing at, and interconnecting to, the delivery point under the Lease Agreement located near Transco's Station 105 and terminating at, and interconnecting to, the FSC (hereinafter defined) located in Osceola County, Florida (such greenfield pipeline system referred to herein as "**Transporter's Facilities**" and, collectively with the Leased Capacity, the "**Sabal Trail Pipeline**"), the entirety of which shall be designed to provide Shipper, and other shippers, firm transportation service detailed herein; and

WHEREAS, subject to the terms and conditions herein, Transporter is willing to enter into the Lease Agreement and to construct Transporter's Facilities in order to provide to Shipper the firm transportation service on the Sabal Trail Pipeline as detailed herein (the "**FT Service**"), and Shipper is willing to enter into a standard form of firm transportation service agreement (the "**Service Agreement**") and a negotiated rate agreement (the "**Negotiated Rate Agreement**") in order to contract for such FT Service.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, such consideration to be provided specifically in support of the rights set forth herein, the receipt and sufficiency of all of which are hereby acknowledged by both Parties, and intending to be legally bound, Transporter and Shipper agree to the following:

1. Definitions:

As used in this Precedent Agreement the following terms shall have the following meanings:

- 1.1 **Actual Construction Start Date** shall mean the date on which Transporter commences bona fide construction of Transporter's Facilities, as such date is referenced in the notice that Transporter files with FERC in the FERC Certificate proceeding under Section 157.20(c)(1) of FERC's regulations.
- 1.2 **Affiliate** shall mean in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of more than 50% (fifty percent) of the voting power of the entity or person
- 1.3 **Alternate Delivery Points** shall be as defined in Section 8.2.3.
- 1.4 **Annual Charge Adjustment** or **ACA** shall be as described in the Negotiated Rate Agreement.
- 1.5 **Automatic Extension** shall be as defined in Section 4.1.3.
- 1.6 **Bidirectional Interconnections** shall be as defined in Section 8.2.2.
- 1.7 **Business Day(s)** shall mean a day on which commercial banks are open for business in Florida and New York.
- 1.8 **Certificated Capacity** shall mean the capacity specified in Transporter's FERC Certificate Application and in no event less than the amount set forth in this Precedent Agreement as detailed herein.
- 1.9 **Commencement Date** shall be as defined in Section 3.
- 1.10 **Completion Security** shall be as defined in Section 9.
- 1.11 **Conditions Precedent** shall be as defined in Section 6.
- 1.12 **Critical Milestone(s)** shall mean one or more of the Major Milestones designated as "Critical Milestones" in Exhibit D hereto.
- 1.13 **Critical Milestone Security** shall mean cash in United States Dollars ("USD") or a Letter of Credit in an amount as may be adjusted from time to time in accordance with Section 9.2.
- 1.14 **Delay Damages** shall be as defined in Section 10.1.
- 1.15 **Delay Election** shall be as defined in Section 10.1.
- 1.16 **Delay Notice** shall be as defined in Section 10.1.

- 1.17 **Delayed Contractor** shall be as defined in Section 10.3.4.
- 1.18 **Discounted Rate** shall be as described in the Negotiated Rate Agreement.
- 1.19 **Downstream Pipeline Certificate** shall mean a certificate of public convenience and necessity from the FERC authorizing the FSC sponsor to construct, own, operate and maintain the FSC.
- 1.20 **Environmental Permits** shall mean all federal, state and regional permits, authorizations, concurrences, proprietary approvals and authorizations and similar issuances listed by Transporter in the Resource Report 1 accompanying Transporter's FERC Certificate Application with respect to Transporter's Facilities, with the exception of the FERC Certificate and those permits, authorizations, concurrences, proprietary approvals, authorizations and issuances that are customarily requested closer in time to the start of applicable construction due to (i) their filing time requirements, (ii) the length of time they remain valid once issued or (iii) their local nature (for example, road crossing and other construction and building-related permits on the final approved construction route).
- 1.21 **Equivalent Service** shall be as defined in the Negotiated Rate Agreement.
- 1.22 **Excused Delay** shall be as defined in Section 10.3.4.
- 1.23 **Expected Commencement Date** shall be as defined in Section 3.
- 1.24 **FERC** shall mean the Federal Energy Regulatory Commission.
- 1.25 **FERC Certificate** shall mean a certificate of public convenience and necessity from the FERC approving the Sabal Trail Pipeline as detailed in this Precedent Agreement.
- 1.26 **FERC Certificate Application** shall mean the application for the FERC Certificate filed by the Transporter with FERC for authorization to construct, own and operate the Sabal Trail Pipeline pursuant to this Precedent Agreement, and any amendments thereto; provided such application and any amendments thereto are consistent with, and preserve the rights and benefits to Shipper, under this Precedent Agreement.
- 1.27 **FERC Certificate Notice** shall mean a written notice provided by Transporter to Shipper upon Transporter's acceptance of the FERC Certificate.
- 1.28 **FERC Pre-Filing Process Request** shall mean the application necessary to initiate the FERC process leading toward filing of the FERC Certificate Application.
- 1.29 **FGT** shall mean Florida Gas Transmission Company, LLC.

- 1.30 **FGT Suwannee Interconnection** shall be as defined in Section 8.2.2(c).
- 1.31 **Florida Southeast Connection or "FSC"** shall mean the pipeline originating at a proposed interconnection with the Sabal Trail Pipeline in Osceola County, Florida at 28 15'39.70" N, 81 33' 24.68" W, or at a location otherwise mutually agreed upon by Transporter and the FSC, and terminating at Shipper's Martin Plant.
- 1.32 **Foundation Shipper** [REDACTED]
- 1.33 **FPL Generation Plant Site Locations** shall mean any electric generation facility owned and operated by Florida Power & Light Company.
- 1.34 **FPSC** shall mean the Florida Public Service Commission.
- 1.35 **FPSC Order** shall mean a final non-appealable order from the FPSC acceptable to Shipper, in Shipper's sole discretion, that Shipper may recover from its customers all payments to be made for FT Service under this Precedent Agreement, the Service Agreement, the Negotiated Rate Agreement or otherwise and all payments made for firm transportation service under the FSC agreements.
- 1.36 **FT Service** shall mean the firm transportation service provided by Transporter to Shipper as specified herein.
- 1.37 **FT Service Rate** shall mean the rate applicable to the FT Service for the Primary Term and, if applicable, for any Automatic Extension under the Service Agreement.
- 1.38 **Fuel Cost Recovery Clause** shall mean the fuel and purchased power cost recovery clause established by the FPSC, or any modification or replacement therefor.
- 1.39 **Gas Day** shall be as defined by the North American Energy Standards Board (currently beginning at 9:00 AM and ending at 9:00 AM central clock time).
- 1.40 **Guarantor** shall mean any entity with an Investment Grade Credit Rating that guarantees, in substantially the same form attached as Exhibit C, the Transporter's performance under this Precedent Agreement or the Service Agreement (and any extension thereof).
- 1.41 **Gulfstream** shall mean Gulfstream Natural Gas System, L.L.C.
- 1.42 **Gulf South** shall mean Gulf South Pipeline Company, LP.
- 1.43 **Hub Interconnections** shall be as defined in Section 4.5.

- 1.44 **Hub Wheeling Service** shall be as defined in Section 4.5.
- 1.45 **Initial Optional Quantity** shall be as defined in Section 5.1.
- 1.46 **Initial Optional Quantity Price** shall be as defined in Section 5.1.
- 1.47 **Initial Security** shall mean cash in USD, a Letter of Credit or a guaranty from a Guarantor in the amount of \$200,000,000.00.
- 1.48 **Investment Grade Credit Rating** shall mean a credit rating for a Party's or the Party's Guarantor's long-term, senior, unsecured debt not supported by third party credit enhancements (or, in the event the Party or Party's Guarantor, has no long-term, senior, unsecured debt, then such Party's, or Party's Guarantor's, long-term issuer rating) of Baa3 or higher from Moody's or BBB- or higher from S&P (in the event such Party, or Party's Guarantor, is rated differently by S&P and Moody's, the lowest rating shall apply).
- 1.49 **Lease Agreement** shall mean that certain Capacity Lease Agreement dated April 2, 2013 between Transporter and Transco, which provides Transporter with firm transportation capacity from Transco's Station 85 (located near Station 85 and includes primary firm receipt points at the existing interconnections between Transco and Midcontinent and Transco and Gulf South, each of which has capacity for a quantity of gas up to and including the Certificated Capacity of the Sabal Trail Pipeline) to the interconnection of Transco's system and Transporter's Facilities near Transco's Station 105 near Hillabee, Alabama.
- 1.50 **Letter of Credit** shall mean an irrevocable standby letter of credit issued by a Qualified Financial Institution in substantially the same form attached as Exhibit B.
- 1.51 **Major Milestone(s)** shall mean that (or those) Transporter's Facilities-related aspect(s) impacting on the ability of Transporter to commence service on the Commencement Date and shall be as specified in Exhibit D hereto.
- 1.52 **Martin Plant** shall mean Shipper's Martin Plant located in Martin County, Florida.
- 1.53 **Midcontinent** shall mean Midcontinent Express Pipeline LLC.
- 1.54 **MDQ** shall mean maximum daily quantity of 400,000 MMBtu per day effective May 1, 2017 increasing to 600,000 MMBtu per day effective May 1, 2020.
- 1.55 **MMBtu** shall mean one million British thermal units, which is equivalent to one dekatherm.
- 1.56 **Moody's** shall mean Moody's Investors Service, Inc.
- 1.57 **Negotiated Rate Agreement** shall mean the Negotiated Rate Agreement executed

by the Parties on the Execution Date of the Precedent Agreement.

- 1.58 **Negotiated Reservation Rate** means the reservation rate (in dollars per MMBtu per day) to be charged by Transporter in accordance with the Negotiated Rate Agreement.
- 1.59 **Open Season** shall be as defined in Section 4.3.
- 1.60 **Open Season Adjustment** shall be as described in Section 2 of the Negotiated Rate Agreement.
- 1.61 **Party** or **Parties** shall have the meaning in the introductory paragraph of this Agreement.
- 1.62 **Primary Delivery Point** shall be as defined as the FSC in Osceola County, Florida at 28 15'39.70" N, 81 33' 24.68" W, or as otherwise subsequently mutually agreed to among Sabal Trail Pipeline, the FSC and Shipper.
- 1.63 **Primary Receipt Point(s)** shall be as defined in Section 8.2.1.
- 1.64 **Primary Term** shall be as defined in Section 4.1.3.
- 1.65 **Principal FGT Interconnection** shall be as defined in Section 8.2.2(a).
- 1.66 **Principal Gulfstream Interconnection** shall be as defined in Section 8.2.2(b).
- 1.67 **Progress Reports** shall be as defined in Section 8.3.3.
- 1.68 **Projected Completion Date** shall be the projected completion date specified for each Major Milestone in Exhibit D hereto.
- 1.69 **Qualified Financial Institution** shall mean a financial institution, bank or trust company (that is not an affiliate of the Transporter) organized under the laws of the United States, having assets of at least \$10 billion with a minimum "A" senior unsecured debt rating (or, if unavailable, corporate issuer rating discounted one notch) from S&P or "A2" from Moody's.
- 1.70 **Rate Adjustment** shall be as defined in Section 10.1.
- 1.71 **Recourse Rate(s)** shall be those rates specified in the Transporter's Tariff.
- 1.72 **RFP** shall mean Florida Power & Light Company's Firm Gas Transportation Request for Proposals, dated December 19, 2012.
- 1.73 **Schedule** shall be as defined in Section 8.3.

- 1.74 **Second Optional Quantity** shall be as defined in Section 5.2.
- 1.75 **Second Optional Quantity Price** shall be as defined in Section 5.2.
- 1.76 **Service Agreement** shall mean a firm transportation service agreement under Transporter's Rate Schedule FT in a form and in substance substantially the same as that attached hereto as Exhibit A.
- 1.77 **Shipper** shall have the meaning in the introductory paragraph of this Agreement.
- 1.78 **S&P** shall mean Standard & Poor's Corporation.
- 1.79 **Station 85** shall mean Transco's Station 85 in Transco Zone 4 located in Choctaw County, Alabama.
- 1.80 **Transco** shall mean Transcontinental Gas Pipe Line Company, LLC.
- 1.81 **Transco Zone 4** shall be as defined in Transco's FERC tariff.
- 1.82 **Transco Zone 4 Pool or "T-85 Pool"** shall be Transco's existing Zone 4 point of interconnection between Transco's mainline and the Mobile Bay Lateral at Station 85 located at milepost 784.66 on Transco's mainline in Choctaw County, Alabama and as defined in the Lease Agreement.
- 1.83 **Transporter** shall have the meaning in the introductory paragraph of this Agreement.
- 1.84 **Transporter Approvals** shall be as defined in Section 2.1.
- 1.85 **Transporter Compressor Contract** shall mean a binding contractual commitment or purchase order to buy all compressor(s) and compressor-related equipment which Transporter believes is commercially reasonably required to construct and complete Transporter's Facilities.
- 1.86 **Transporter Pipe Contract** shall mean a binding contractual commitment or purchase order to buy all pipe which Transporter believes is commercially reasonably required to construct and complete Transporter's Facilities.
- 1.87 **Transporter's Rate Schedule FT** shall mean the rate schedule available for firm transportation of natural gas by Transporter pursuant to the Transporter's Tariff.
- 1.88 **Transporter's Tariff** shall mean the FERC gas tariff applicable to the Transporter's Rate Schedule FT.
- 1.89 **Weather Event** shall mean a severe weather condition or such other adverse weather including, but not limited to; (i) a named tropical storm or hurricane having a path that encompasses the geographic regions of the Sabal Trail Pipeline; or (ii)

that has occurred resulting in excessive winds, rain or flooding in the immediate geographic area in which construction work on the Sabal Trail Pipeline is being performed or will imminently be performed.

2. **Transporter Approvals.**

2.1 Upon execution of this Precedent Agreement, Transporter agrees to proceed with due diligence using commercially reasonable efforts:

2.1.1 to obtain from all governmental and regulatory authorities having federal, state and local jurisdiction over Transporter's Facilities all permits, authorizations, and/or exemptions, including, without limitation, the FERC Certificate and Environmental Permits, that are necessary for Transporter, in a timeframe intended to enable Transporter to complete the Sabal Trail Pipeline and to commence full deliveries pursuant to the Service Agreement on or before the Expected Commencement Date, to (collectively the "**Transporter Approvals**");

(a) construct, own, operate, and maintain Transporter's Facilities required to provide the FT Service for Shipper contemplated herein;

(b) take all actions required of Transporter under the Lease Agreement in order to ensure the Leased Capacity is available to provide the FT Service, Initial Optional Quantity, and Second Optional Quantity for Shipper contemplated herein;

(c) provide the FT Service for Shipper contemplated herein, subject to Transporter's Tariff to the extent not inconsistent with this Precedent Agreement; and

(d) perform its obligations as contemplated in this Precedent Agreement and in the Service Agreement.

2.1.2 to file and prosecute, in a timeframe intended to enable Transporter to complete the Sabal Trail Pipeline and to commence full deliveries pursuant to the Service Agreement on or before the Expected Commencement Date, any and all applications for such Transporter Approvals (including, without limitation, the FERC Certificate) as well as any supplements or amendments thereto.

2.1.3 to provide periodic reports and have periodic meetings, at mutually agreed intervals of no less than once each quarter, to update Shipper as to the status of Transporter Approvals including approvals associated with the Lease Agreement.

2.1.4 to advise Shipper of Transporter's planned community, public relations, regulatory, and legislative activities, if any, including any similar activities

associated with the Lease Agreement.

- 2.1.5 to respond promptly to Shipper's reasonable requests for information regarding the Transporter Approvals and the Lease Agreement.
 - 2.1.6 to provide to Shipper copies of reports filed with the FERC contemporaneously with such filing, including such reports as required by Section 8.3 of this Precedent Agreement.
 - 2.1.7 to include in the FERC Certificate Application a description of the interconnection facilities required at the Primary Receipt Points, Primary Delivery Point, the Bidirectional Interconnections, and, if applicable, the Alternate Delivery Points.
 - 2.1.8 to notify Shipper promptly in writing when Transporter has received or obtained the FERC Certificate and when Transco has received or obtained the FERC certificate contemplated by the Lease Agreement, as contemplated in this Section 2.
- 2.2 If the FERC Certificate is without material modification from the as-filed FERC Certificate Application, Transporter shall confirm in writing to Shipper that such certificate is acceptable to Transporter and such FERC Certificate shall be accepted by Transporter. In the event that such FERC Certificate contains material modifications from the as-filed FERC Certificate Application, the Parties shall use commercially reasonable efforts to obtain revisions to such FERC Certificate or other accommodations that would cause the FERC Certificate to be reasonably acceptable to both Parties and that maintain the relative commercial, legal and economic benefits and positions of, and risks and burdens to, the Parties as reasonably anticipated in or to be derived from this Precedent Agreement as of the date first set forth above. Once such acceptable revisions to the FERC Certificate are obtained, Transporter shall accept such FERC Certificate and such FERC Certificate upon acceptance shall be deemed to have been accepted without material modification.
- 2.3 Shipper shall be permitted to intervene or otherwise participate in proceedings at the FERC related to the Sabal Trail Pipeline, including without limitation the FERC Certificate Application and after service commences under the Service Agreement.
- 2.3.1 If requested by Shipper and such request is mutually agreeable to the Parties, Transporter agrees to provide comments or relevant information to any applicable governmental and regulatory authority in support of the efforts of Shipper to obtain any governmental and regulatory approvals for any facilities that will be constructed by Shipper, or Shipper's Affiliate, as a result of or in connection with the Sabal Trail Pipeline. In addition, if requested by the FSC and such request is mutually agreeable to the Parties, Transporter agrees to provide comments or information in support to any applicable governmental or regulatory authority and to cooperate with the efforts of the FSC to obtain any governmental and regulatory approvals; furthermore, Transporter agrees to coordinate with the FSC, using commercially reasonable efforts, on all

applicable filings, permits, applications, etc. in an effort to ensure expeditious completion of both pipeline projects.

- 2.3.2 If requested by Transporter and such request is mutually agreeable to the Parties, Shipper agrees to provide comments or relevant information to any applicable governmental or regulatory authority in support of the efforts of Transporter to obtain Transporter Approvals as a result of or in connection with the Sabal Trail Pipeline. In addition, if requested by Transporter and such request is mutually agreeable to the Parties, Shipper agrees to provide comments or relevant information to any applicable governmental or regulatory authority in support of the efforts of the FSC to obtain any governmental and regulatory approvals in connection with the FSC.
- 2.4 If Transporter becomes aware:
 - 2.4.1 of any problem, issue or other matter that could adversely impact Transporter's ability to achieve the Expected Commencement Date; or
 - 2.4.2 that the issuance (or lack thereof) of any Transporter Approvals (including, without limitation, the FERC Certificate) or any approvals associated with the Lease Agreement is reasonably likely to delay the Commencement Date beyond the Expected Commencement Date, then Transporter shall promptly provide to Shipper a written plan detailing the activities or sequence of events Transporter shall implement to complete the Sabal Trail Pipeline on or before the Expected Commencement Date and shall promptly implement such plan.
- 2.5 In the event Transporter believes that the Expected Commencement Date will be delayed, Transporter must notify Shipper of the reason for such delay as soon as practicable and provide Shipper notice of the date on which the Commencement Date is anticipated to occur.

3. Commencement Date.

The "**Expected Commencement Date**" for the FT Service is **May 1, 2017** or such later date as extended solely in accordance with the provisions of Section 10.3. Upon completion of the Sabal Trail Pipeline, authorization from the FERC to place such facilities in service for the MDQ, and completion of the Primary Receipt Points, Primary Delivery Points, and Bidirectional Interconnections (subject to Section 8.2.4), Transporter shall notify Shipper that the Sabal Trail Pipeline shall be placed in service for the MDQ and performance under the Service Agreement shall commence; provided, however, that in the event that Transporter notifies Shipper that service may commence on a date prior to the Expected Commencement Date, actual service shall commence on a date selected by Shipper that is no later than the Expected Commencement Date (the in-service date shall be the "**Commencement Date**").

4. Service Agreement and Rates.

- 4.1 To effectuate the FT Service contemplated herein, Shipper and Transporter shall execute

the Service Agreement and, if applicable, the Negotiated Rate Agreement within fifteen (15) days after issuance of the FERC Certificate without material modification from the as-filed FERC Certificate Application (or in the event of a material modification, in conformance with Section 2.2); provided, the Service Agreement and Negotiated Rate Agreement shall not be effective until acceptance by Transporter of the FERC Certificate. Without limiting the generality of the foregoing requirement, the Service Agreement, or Transporter's Tariff as applicable, shall specify, among other provisions:

- 4.1.1 an MDQ of 400,000 MMBtu per day effective as of the Commencement Date increasing to an MDQ of 600,000 MMBtu per day effective May 1, 2020, provided, fuel shall be retained pursuant to the then current Transporter's Tariff as applicable to the Transporter's Rate Schedule FT;
- 4.1.2 flexible hourly flow rates with the right to nominate at any level between a minimum hourly quantity of zero (0) MMBtu per hour and a maximum hourly quantity of 20,000 MMBtu per hour (provided that the sum total of gas flowing during any Gas Day does not exceed the MDQ) effective as of the Commencement Date and 30,000 MMBtu per hour effective May 1, 2020;
- 4.1.3 a primary term of twenty-five (25) years (the "**Primary Term**"), effective as of the Commencement Date, which Primary Term shall be extended automatically for up to three (3) successive periods of five (5) years each (the "**Automatic Extension**"), unless Shipper provides written notice to Transporter of its election not to extend the term at least one (1) year prior to the end of the Primary Term or extension period then in effect;
- 4.1.4 that, upon the expiration of the Primary Term or, if there shall be any Automatic Extensions, upon the expiration of the final extension, and upon the expiration of each roll-over period under Transporter's Tariff, Shipper hereby has a contractual right-of-first-refusal, which shall be stated in the Negotiated Rate Agreement, to retain the full amount of capacity, or any portion of the MDQ thereof, stated in this Precedent Agreement, which right shall be governed by the then-applicable provisions of Transporter's Tariff;
- 4.1.5 a designation that the Primary Receipt Points would be located at or upstream of Transco Station 85, and the Primary Delivery Point would be located in Osceola County, Florida;
- 4.1.6 a minimum delivery pressure of 1400 psig (pound-force per square inch gauge) or at such lesser pressure as may be agreed upon with the FSC, subject to the approval of Shipper, which approval shall not be unreasonably withheld, conditioned or delayed;
- 4.1.7 Shipper shall have the right to accept receipts and make deliveries of any portion of its contract MDQ on a secondary basis at any receipt and delivery point on Transporter's system at no change in rate and subject only to available

meter capacity so long as such alternative points are within Shipper's contract path; this right shall enable Shipper to allocate its MDQ or any portion thereof to Primary Receipt and Delivery Points and/or secondary receipt and delivery points at any quantities elected by Shipper on such day;

4.1.8 Shipper shall have the right to segment its capacity into separate parts provided that the segments do not overlap and provided that Shipper's MDQ is not exceeded on any individual segment; and

4.1.9 Service pursuant to the Service Agreement shall commence on the Commencement Date.

4.2 Transporter agrees that Shipper shall have no reimbursement obligation to Transporter pursuant to Transporter's Tariff with regard to the Sabal Trail Pipeline or the provision of FT Service as described herein, including, without limitation, with regard to the Lease Agreement and those facilities described in Section 8.2, hereof and that such covenants and agreements shall be set forth and maintained in the Service Agreement or Negotiated Rate Agreement, as applicable; provided, that the reimbursement obligations as set forth in Transporter's Tariff may apply with regard to any interconnections or other facilities that may be added in the future at the request of Shipper, either solely or in conjunction with third-party shippers. During the Primary Term and each extension or roll-over period, Shipper shall pay Transporter for the FT Service only the rates elected pursuant to this Section 4.2, and such rates shall reflect the following principles:

4.2.1 Transporter shall provide promptly the FERC Certificate Notice and Shipper shall have the one-time option, exercisable upon written notice to Transporter within thirty (30) days following its receipt of the FERC Certificate Notice, to elect to pay as the FT Service Rate:

(a) Transporter's maximum Recourse Rates, transportation charges, surcharges and fuel applicable to the FT Service for the Primary Term and each Automatic Extension and roll-over period, as such maximum Recourse Rates, transportation charges, surcharges and fuel are amended or revised from time to time, and as are reflected in Transporter's Tariff; or

(b) the rates as specified in the whole of the Negotiated Rate Agreement which rates shall include: (1) either the Negotiated Reservation Rate or the Discounted Rate; (2) the fuel retention as stated in Transporter's Tariff as applicable to the Transporter's Rate Schedule FT; and (3) the effect of rate reductions pursuant to Attachment 1 and the Negotiated Rate Agreement and only those costs, fees, charges, surcharges, or other expenses that are referenced in the Negotiated Rate Agreement.

4.2.2 Transporter shall not pass through any current or future monthly lease charges under the Lease Agreement, or any other charges, surcharges, "ACA" charge, or any other similar payment obligation, unless required by FERC, other than

those set forth in the Negotiated Rate Agreement.

- 4.2.3 Shipper's rate shall not be subject to Transporter's execution or provision of service to other shippers, nor any minimum level of service in addition to that agreed to with Shipper and shall not be subject to any costs in connection with the Lease Agreement, except as otherwise explicitly provided for herein or in the Negotiated Rate Agreement.
- 4.3 Within sixty (60) days following execution of this Precedent Agreement, Transporter shall hold an open season seeking additional third-party commitments for firm transportation capacity on the Sabal Trail Pipeline ("**Open Season**"). [REDACTED]
- 4.4 The Parties agree that Shipper, pursuant to this Precedent Agreement, is a Foundation Shipper of the Sabal Trail Pipeline. To the extent that Transporter offers a Negotiated Reservation Rate or Discounted Rate to any other shipper that is more favorable than Shipper's Negotiated Reservation Rate for Equivalent Service, Transporter must offer to provide the more favorable rate to Shipper, subject to and as provided for in the terms and conditions set forth in the Negotiated Rate Agreement.
- 4.5 On the Commencement Date, Transporter shall provide a wheeling service ("**Hub Wheeling Service**") between the Sabal Trail Pipeline, the FSC, the Principal FGT Interconnection, and the Principal Gulfstream Interconnection (collectively the "**Hub Interconnections**") which will allow shippers, including without limitation Shipper, to (a) receive on an interruptible basis all or any portion of the Transporter's Certificated Capacity (unless limited by the certificated capacity of the interconnecting pipeline) from any of the Hub Interconnections (shippers shall have the right to allocate such receipts in any combination among the Hub Interconnections) and (b) transport and deliver such quantity to any of the Hub Interconnections (shippers shall have the right to allocate such deliveries in any combination among the Hub Interconnections). The Hub Wheeling Service will be filed with FERC as a rate schedule as part of Transporter's Tariff and shall be provided to shippers at a defined tariff rate. [REDACTED]
- 4.6 Transporter agrees that for the period commencing on the Execution Date and continuing until the Commencement Date that Transporter will not make any modification to Transporter's Tariff that would have an adverse effect on Shipper or would otherwise be inconsistent with this Precedent Agreement without Shipper's consent, which consent shall not be unreasonably withheld, conditioned or delayed, with the exception of any such modification that Transporter makes to comply with a FERC mandate. During the Primary

Term of the Service Agreement Transporter will provide Shipper prior written notice before Transporter makes a filing with FERC to modify Transporter's Tariff, other than annual filings that are required pursuant to Transporter's Tariff or modifications that are required by FERC.

5. Optional Quantity.

- 5.1 In addition to and not in limitation of the MDQ, Shipper has the right but not the obligation on or before January 1, 2020 to elect up to an additional quantity of 200,000 MMBtu/day ("**Initial Optional Quantity**") at the price that is specified in the Negotiated Rate Agreement ("**Initial Optional Quantity Price**") [REDACTED]

[REDACTED]. Shipper's requested in-service date for such quantity must be at least forty-eight (48) months but no later than sixty (60) months after the date Shipper exercises the option for the Initial Optional Quantity. Deliveries of the Initial Optional Quantity will be at flexible hourly flow rates with the right to nominate at any level between a minimum hourly quantity of zero (0) MMBtu per hour and a maximum hourly quantity (in MMBtu per hour) calculated as equal to five percent (5%) of the elected Initial Optional Quantity (in MMBtu per day) provided that the sum total of gas flowing during any Gas Day does not exceed the Initial Optional Quantity. The Parties agree that if Shipper elects the Initial Optional Quantity Transporter's obligations to construct facilities and to commence service for such Initial Optional Quantity shall be subject to the terms and conditions of a precedent agreement substantially in the form of this Precedent Agreement with, to the fullest extent possible, only those changes that are required to reflect the Initial Optional Quantity Price and such other terms that are directly applicable and necessary to reflect the Initial Optional Quantity (such as the construction of any required facilities), which shall be executed by the Parties, provided the precedent agreement for such Initial Optional Quantity shall not include provisions regarding (i) Completion Security or any other right or obligation described in Sections 9 or 10 of this Precedent Agreement, (ii) a most favored nations or similar right, or (iii) a transportation rate adjustment or delay damages as described in Attachment 1 of this Precedent Agreement.

- 5.2 Shipper has the right, but not the obligation, on or before January 1, 2024, to elect up to an incremental quantity of 200,000 MMBtu/day ("**Second Optional Quantity**") at the price that is specified in the Negotiated Rate Agreement (the "**Second Optional Quantity Price**") [REDACTED]

[REDACTED]. Shipper's requested in-service date for such quantity must be at least forty-eight (48) months but no later than sixty (60) months after the date Shipper exercises the option for the Second Optional Quantity. Deliveries of the Second Optional Quantity will be at flexible hourly flow rates with the right to nominate at any level between a minimum hourly quantity of zero (0) MMBtu per hour and a maximum hourly quantity (in MMBtu per hour) calculated as equal to five percent (5%) of the elected Second Optional Quantity (in MMBtu/day) provided that the sum total of gas flowing during any Gas Day does not exceed the Second Optional Quantity. The Parties agree that if Shipper elects the Second Optional Quantity Transporter's obligations to construct facilities and to commence service for such Second

Optional Quantity shall be subject to the terms and conditions of a precedent agreement substantially in the form of this Precedent Agreement with, to the fullest extent possible, only those changes that are required to reflect the Second Optional Quantity Price and such other terms that are directly applicable and necessary to reflect the Second Optional Quantity (such as the construction of any required facilities), which shall be executed by the Parties, provided the precedent agreement for such Second Optional Quantity shall not include provisions regarding (i) Completion Security or any other right or obligation described in Sections 9 or 10 of this Precedent Agreement, (ii) a most favored nations or similar right, or (iii) a transportation rate adjustment or delay damages as described in Attachment 1 of this Precedent Agreement.

- 5.3 In addition to Sections 5.1 and 5.2, Transporter further agrees that Shipper, as a Foundation Shipper, shall have the right to request Transporter to construct additional expansion capacity. Subsequent to Transporter's receipt of Shipper's request, the Parties agree to negotiate in good faith in an attempt to reach an agreement on the terms and conditions of a mutually agreeable precedent agreement to accomplish such requested expansion at a mutually agreeable rate.

6. Conditions Precedent.

Transporter's obligation to construct Transporter's Facilities and Transporter's obligation to commence, and Shipper's right to receive, FT Service under the Service Agreement and any other specified obligations under this Precedent Agreement that are expressly made subject to satisfaction or waiver of all of the following conditions are expressly made subject to satisfaction or waiver of all of the following conditions (any or all of such conditions, until the waiver or satisfaction thereof, the "**Conditions Precedent**");

- 6.1 Shipper shall have received or finalized:
- 6.1.1 approval of the Precedent Agreement by the board of directors of Shipper's parent-company on or before July 26, 2013;
 - 6.1.2 the FPSC Order on or before June 1, 2014;
 - 6.1.3 written confirmation from Transporter on or before April 1, 2014 that Transporter has filed the FERC Pre-Filing Process Request;
 - 6.1.4 notification, on or before August 1, 2016, from the FSC sponsor that the project has received FERC authorization to commence construction; and
 - 6.1.5 written confirmation from Transporter on or before August 1, 2016 that Transporter has accepted the FERC Certificate, subject to any extension of such date pursuant to Section 10.3 but any such extension shall not extend such date beyond August 1, 2017.
- 6.2 Only Shipper shall have the right to waive the Conditions Precedent set forth in Section

6.1. If Shipper shall waive any such Conditions Precedent, each such waiver shall also apply to and be binding upon Transporter. Shipper shall provide Transporter notice within ten (10) days following the satisfaction of each individual Condition Precedent set forth in Section 6.1.

6.3 Transporter shall have received or finalized:

[REDACTED]

[REDACTED]

[REDACTED]

6.4 Only Transporter shall have the right to waive the Conditions Precedent set forth in Section 6.3. If Transporter shall waive any such Condition Precedent, each such waiver shall also apply to and be binding upon Shipper. Transporter shall provide Shipper notice within ten (10) days following the satisfaction of each individual Condition Precedent set forth in Section 6.3.

6.5 If any Condition Precedent has not been fully satisfied or waived by Shipper or Transporter, respectively, on or before the earlier of the applicable date specified therein or August 1, 2016, then in any and all such cases, either Shipper or Transporter may thereafter terminate this Precedent Agreement by giving sixty (60) days prior written notice to the other Party of its intention to terminate. Such termination shall be without liability therefor or further liabilities or performance obligations hereunder or under the Service Agreement; provided that if such Condition Precedent is satisfied or waived within such sixty (60) day notice period, then the termination notice and termination will be deemed rescinded and will be of no force or effect.

7. Diligent Construction.

7.1 Upon acceptance of the FERC Certificate and the satisfaction of any applicable conditions precedent set forth in such FERC Certificate (and provided that all Conditions Precedent have been satisfied or waived), Transporter shall:

7.1.1 proceed diligently to construct Transporter's Facilities, the Primary Delivery Point, and Bidirectional Interconnections subject to Section 8.2.4 (and any other facilities authorized pursuant to the FERC Certificate and necessary to

provide the service contemplated herein), and

- 7.1.2 proceed diligently to take all such other necessary action, if any, not contemplated within the FERC Certificate in a manner that shall enable Transporter to implement the FT Service under the Service Agreement on or before the Expected Commencement Date.
 - 7.1.3 proceed diligently in a timely manner with the necessary acquisition of materials, supplies, properties, rights-of-way, and any other preparations necessary to implement, by the Expected Commencement Date, the FT Service under the Service Agreement as contemplated herein (including, without limitation, any actions necessary to satisfy any applicable conditions set forth in the FERC Certificate).
 - 7.1.4 proceed diligently in a timely manner to enter into the Transporter Pipe Contract(s) and the Transporter Compressor Contract(s) by the date set forth on Exhibit D.
 - 7.1.5 begin construction of Transporter's Facilities (which project shall include, without limitation, the design, construction, installation, ownership, operation, and maintenance at Transporter's expense of the necessary facilities at the Primary Delivery Point, and the Bidirectional Interconnections subject to Section 8.2.4, which includes the Hub Interconnections) as soon as practicable after receiving FERC's authorization to commence construction.
- 7.2 Transporter shall take all actions required or necessary of itself or its Affiliates under the Lease Agreement, and to utilize commercially reasonable efforts to cause Transco to take all actions necessary or appropriate pursuant to the Lease Agreement, in order for Transco to make available the Leased Capacity such that Transporter can provide the FT Service on or before the Expected Commencement Date.

8. Design, Construction and Project Delay.

- 8.1 Subject to the terms and conditions of this Precedent Agreement (provided that the obligations set forth in this Section 8.1 shall not be subject to satisfaction or waiver of the Conditions Precedent), Transporter and Shipper agree to the following procedures for design and construction of all of Transporter's Facilities:
- 8.1.1 Transporter will promptly and diligently undertake the design of Transporter's Facilities and any other preparatory actions necessary for Transporter to complete and file its FERC Pre-Filing Process Request by the date set forth in Exhibit D and file its FERC Certificate Application by the date set forth in Exhibit D (and Transporter shall notify Shipper in writing of each promptly after the occurrence of same).
 - 8.1.2 Transporter shall respond to FERC promptly and diligently in connection with

the FERC Pre-Filing Process Request and shall prosecute diligently its FERC Certificate Application in a manner that should permit the issuance by the FERC of an order granting the FERC Certificate by the date set forth in Exhibit D.

8.1.3 Transporter shall diligently and in a timely manner undertake all FERC filings required following receipt of the FERC Certificate.

8.2 In connection with the implementation of the FT Service, Transporter further agrees to enter into or acquire, by contract or otherwise, the Lease Agreement subject to Section 6.3.2, and to use commercially reasonable efforts to enter into the applicable interconnection agreements, Lease Agreement, and other agreements (and to provide Shipper with written notice upon the execution of the same) which provide for the completion of construction of any necessary interconnection facilities on or before the Expected Commencement Date and to maintain the effectiveness of such interconnections in order to ensure, subject only to the explicit conditions contained in this Precedent Agreement, the Service Agreement and (to the extent applicable) Transporter's Tariff, that the associated facilities are properly built and maintained for the Primary Term and any Automatic Extension thereof:

8.2.1 Primary Receipt Points: All of the primary receipt point interconnections described in Section 8.2.1(a), (b) and (c) pursuant to the Lease Agreement, which shall be referred to collectively as the "**Primary Receipt Points**". Each of the Primary Receipt Points shall be designed to enable the designated pipeline to deliver, and the Sabal Trail Pipeline to receive, a quantity of gas up to and including the Certificated Capacity of the Sabal Trail Pipeline Project.

- (a) The point of interconnection between Transco and Midcontinent in Choctaw County, Alabama;
- (b) The point of interconnection between Transco and Gulf South in Choctaw County, Alabama; and
- (c) Transco Zone 4 Pool.

8.2.2 All of the interconnections described in Section 8.2.2(a), (b) and (c) shall be referred to collectively as the "**Bidirectional Interconnections**." Each Bidirectional Interconnection shall be designed to enable the Sabal Trail Pipeline to deliver and/or receive a quantity of gas up to and including the Certificated Capacity of the Sabal Trail Pipeline, or the capacity of the interconnecting party, whichever is less, and shall include all pipeline laterals, measurement and custody transfer facilities, and compression facilities required to effectuate such receipts and deliveries. The Bidirectional Interconnections are in addition to Transporter's Primary Receipt Points and Primary Delivery Point.

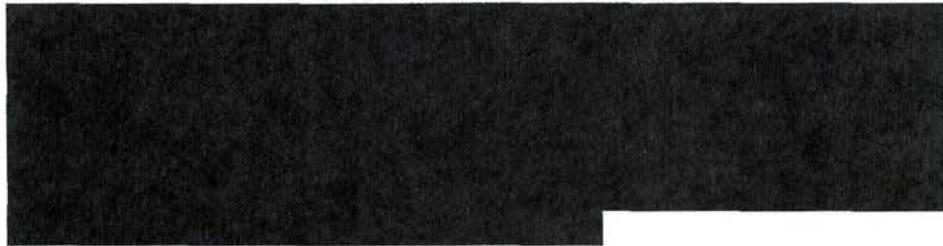
- (a) FGT by **May 1, 2016**, pursuant to which FGT and Transporter agree to construct, or cause to be constructed, and operate a new bidirectional interconnection between FGT's thirty (30) inch mainline facilities in Osceola County, Florida and Transporter's facilities ("**Principal FGT Interconnection**");
- (b) Gulfstream by **January 1, 2015**, pursuant to which Gulfstream and Transporter agree to construct, or cause to be constructed, and operate a new bidirectional interconnection between Gulfstream's twenty-four (24) inch mainline facilities in Osceola County, Florida and Transporter's facilities ("**Principal Gulfstream Interconnection**"); and
- (c) FGT by May 1, 2016, pursuant which FGT and Transporter agree to construct, or cause to be constructed, and operate a new bidirectional interconnection between FGT's thirty (30) inch mainline facilities in Suwannee County, Florida and Transporter's facilities ("**FGT Suwannee Interconnection**").

8.2.3 Delivery Points: The Delivery Points listed in Section 8.2.3(a) and (b) shall be designed to enable the Sabal Trail Pipeline to deliver a quantity up to the Certificated Capacity of the Sabal Trail Pipeline unless otherwise agreed by the parties.

- (a) Primary Delivery Point: FSC by **May 1, 2016**, pursuant to which FPL and Transporter agree that Transporter will construct, or cause to be constructed, and operate a new delivery interconnection between the FSC facilities located in Osceola County, Florida and Transporter's facilities; and
- (b) Alternate Delivery Points: The FPL generation plant locations near Palatka, Florida, and/or Sanford, Florida ("Alternative Delivery Point") within ninety (90) days after the date Shipper notifies Transporter in writing that Shipper desires firm transportation under the Service Agreement to such location, pursuant to which Shipper and Transporter shall mutually agree (i) on the terms and conditions to be applicable for Transporter to construct, or cause to be constructed, and operate a new delivery interconnection between Shipper's facilities and Transporter's facilities which will allow Transporter to deliver an agreed upon quantity to such location; and (ii) upon the transportation rate to be applicable to such service as a result of such additional facilities.

8.2.4





- 8.3 Transporter shall submit to Shipper an integrated Sabal Trail Pipeline schedule, including without limitation details of Transporter's plan to meet Major Milestones (the "**Schedule**"), for Shipper's review within sixty (60) days of the execution of this Precedent Agreement. The Schedule shall be reasonably acceptable to Shipper and shall identify key licensing, permitting, purchasing, construction, start-up, and testing milestone dates and activities. Transporter shall notify Shipper of any changes in the Schedule within ten (10) days after such changes are determined. Transporter shall submit progress reports to Shipper, such reports to be:

- 8.3.1 substantially similar to reports provided to the FERC (or in such other form as Shipper may reasonably request),
- 8.3.2 submitted every calendar month until the Commencement Date or the earlier termination of this Precedent Agreement, and
- 8.3.3 consistent with the requirements of Section 2.1.6, hereof (the "**Progress Reports**").

Progress Reports shall, at a minimum, include a detailed explanation of progress made towards the Major Milestones. Progress Reports shall detail any expected delays in achieving any of the Major Milestones by their respective Projected Completion Dates, and in the event that a Major Milestone is not achieved by its Projected Completion Date to the reasonable satisfaction of the Shipper, the Transporter shall immediately provide an updated Progress Report further detailing the reasons for the delay and what remedial measures have and are being taken to return the Sabal Trail Pipeline to schedule.

- 8.4 Shipper shall have the right to monitor the construction, start-up, and testing of Transporter's Facilities, either on-site or off-site; provided, if Shipper desires to monitor any aspect of the Transporter's Facilities on-site, Shipper shall first schedule such on-site visit with Transporter and Shipper shall be required to comply with all of Transporter's safety requirements and procedures that are being uniformly applied to other third-parties. Shipper's technical review and inspections of Transporter's Facilities and resulting requests, if any, shall not be construed as an endorsement of the design thereof or as any warranty as to the safety, durability, or reliability of Transporter's Facilities.

9. Completion Security.

- 9.1 Transporter shall post two hundred million dollars (US \$200,000,000.00) with the Shipper

in the form of a guaranty from a Guarantor, Letter of Credit or cash (the **“Initial Security”**). Transporter shall post (i) one hundred million dollars (US \$100,000,000.00) within five (5) Business Days following the Execution Date of this Precedent Agreement and (ii) an additional one hundred million dollars (US \$100,000,000.00) on or before July 26, 2013. The Initial Security and any subsequently posted Critical Milestone Security (collectively, **“Completion Security”**) shall remain with the Shipper until the commencement of FT Service. Upon commencement of FT Service, any Completion Security that has not otherwise been retained in accordance with Section 9.2 or Section 10 shall be returned by Shipper to Transporter. Completion Security that is provided in cash by Transporter to Shipper shall be held by Shipper in an interest bearing account selected by Shipper, in Shipper’s reasonably exercised discretion. All interest that accrues on the Completion Security shall be held in the account until such time as the Completion Security and any such accrued interest are returned to the Transporter in accordance with this Section 9.1 or are retained by Shipper in accordance with Section 9.2 or Section 10.

- 9.2 In the event that any Critical Milestone has not been achieved within twenty (20) days after its Projected Completion Date, Transporter shall post, for each such missed Critical Milestone, additional security in the amount of seventy five million dollars (US \$75,000,000.00) in the form of a Letter of Credit or cash (the **“Critical Milestone Security”**) within three (3) Business Days.

9.2.1 If Transporter achieves the Projected Completion Date for the next subsequent Critical Milestone, Shipper shall release the Critical Milestone Security posted by Transporter for the prior missed Critical Milestone(s) within twenty (20) days after the Projected Completion Date.

9.2.2 In the event that Transporter fails to achieve the Projected Completion Date for any Critical Milestone such that Transporter is required to post additional Critical Milestone Security in accordance with Section 9.2, and one hundred and eighty (180) days has passed since that Projected Completion Date without achieving the applicable Critical Milestone, Shipper may exercise any and all rights and remedies available to Shipper pursuant to Section 10.

- 9.3 The obligations set forth in this Section 9 shall not be subject to satisfaction or waiver of the Conditions Precedent; provided, however, any Critical Milestone Security that is provided prior to the satisfaction or waiver of the Conditions Precedent shall be returned to Transporter pursuant to the provisions of this Section 9 or if, but only if, this Precedent Agreement is terminated pursuant to Section 6.5.

10. Shipper’s Rights and Remedies in the Event of Transporter Delay.

- 10.1 If Transporter fails to place the Sabal Trail Pipeline in service and provide for the MDQ, the Primary Receipt Points, the Primary Delivery Point, and the Bidirectional Interconnections (subject to Section 8.2.4) by the Expected Commencement Date (as defined in Section 3), then Shipper shall provide written notice to Transporter of the existence of a Shipper Delay (a **“Delay Notice”**) and, at Transporter’s election (a **“Delay**

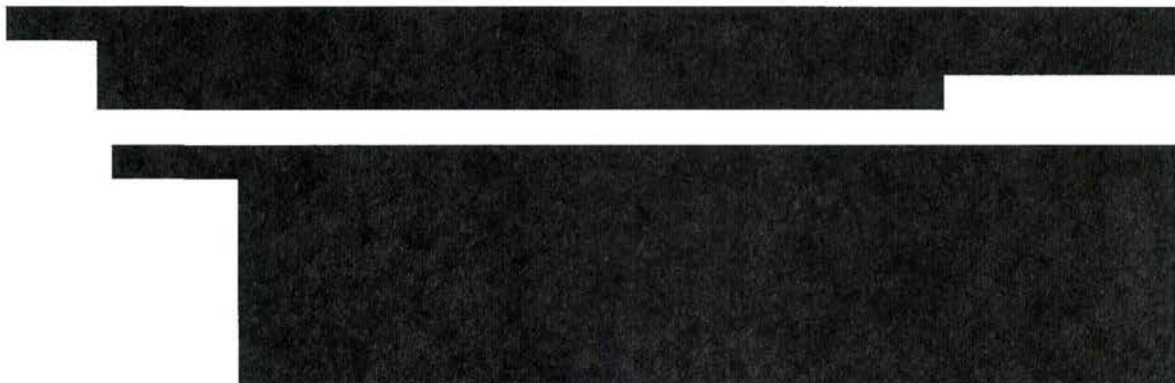
Election”), either (i) the Negotiated Reservation Rate will be subject to adjustment (a **“Rate Adjustment”**) as provided in Attachment 1 (and Transporter shall provide Shipper a revised Negotiated Rate Agreement with the applicable rate reduction commensurate with Transporter’s delay), or (ii) Shipper shall be entitled to draw upon the Completion Security for liquidated damages (**“Delay Damages”**) as provided for in Attachment 1. Transporter will provide Shipper with its Delay Election within five (5) Business Days of Shipper’s Delay Notice. Transporter’s failure to provide the Delay Election within such time period shall constitute a waiver of the election and Shipper may elect the Rate Adjustment or the Delay Damages by written notice to Transporter.

10.2 Notwithstanding Section 10.1, failure by the Transporter to:

- 10.2.1 maintain at any and all times valid and sufficient Completion Security in accordance with this Precedent Agreement;
- 10.2.2 increase the amount of Completion Security in accordance with Section 9.2;
- 10.2.3 achieve a Critical Milestone, excluding the Expected Commencement Date, within one hundred and eighty (180) days after its Projected Completion Date;
or
- 10.2.4 achieve the Commencement Date within one year after the Expected Commencement Date,

Shall, subject to the provisions of Section 10.3, each be grounds for Shipper to:

- (a) terminate this Precedent Agreement without liability to Transporter therefor and without any further liabilities or performance obligations to Transporter hereunder; and
- (b) retain without encumbrance, demand immediate payment, draw upon (as it chooses) and own outright as liquidated damages, any existing Completion Security, whether such Completion Security is in the form of cash, guaranty or a Letter of Credit.



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

11. Survival of Provisions

Except for Sections 1, 4.1, 4.2, 4.5, 4.6, 5, 11, 14, 15, 16, 20.4, 20.5, 20.6, 20.7 and 21 which shall survive any termination of this Precedent Agreement, this Precedent Agreement shall terminate in accordance with its express terms on the Commencement Date (if any) and, thereafter, Transporter's and Shipper's rights and obligations related to the FT Service contemplated herein shall be as set forth in the Service Agreement, Negotiated Rate Agreement, and Transporter's Tariff. In the event of a conflict between the Service Agreement, Negotiated Agreement or

Transporter's Tariff and the surviving provisions of this Precedent Agreement, to the fullest extent permitted by law, the surviving provisions of this Precedent Agreement shall take precedence.

12. Shipper Representations.

Shipper represents and warrants that:

- 12.1 it is duly organized and validly existing under the laws of the State of Florida and has all requisite legal power and authority to execute this Precedent Agreement and carry out the terms, conditions and provisions thereof;
- 12.2 this Precedent Agreement constitutes the valid, legal and binding obligation of Shipper, enforceable in accordance with the terms hereof;
- 12.3 there are no actions, suits or proceedings pending or, to Shipper's knowledge, threatened against or affecting Shipper before any Court or administrative body that would materially adversely affect the ability of Shipper to meet and carry out its obligations hereunder; and
- 12.4 the execution and delivery by Shipper of this Precedent Agreement has been duly authorized by all requisite corporate action (it being understood that Shipper may seek the authorizations set forth in Section 6.1 after the date hereof).

13. Transporter Representations.

Transporter represents and warrants that

- 13.1 it is duly organized and validly existing under the laws of the State of Delaware and has all requisite legal power and authority to execute this Precedent Agreement and carry out the terms, conditions and provisions thereof;
- 13.2 this Precedent Agreement constitutes the valid, legal and binding obligation of Transporter, enforceable in accordance with the terms hereof;
- 13.3 in the Lease Agreement Transco has represented and warranted that the Lease Agreement constitutes the valid, legal and binding obligation of Transco enforceable in accordance with the terms thereof;
- 13.4 subject to any necessary assignments, the Lease Agreement will constitute the valid, legal and binding obligation of Transporter enforceable in accordance with the terms thereof on or before August 15, 2013, or such other date mutually agreed upon by Transporter and Shipper, subject to Transporter's condition precedent in Section 6.3.2;
- 13.5 the execution, delivery, and performance by Transporter of this Precedent Agreement has been duly authorized by all requisite limited liability company action (it being understood that Transporter may seek the authorizations set forth in Section 6.3.2 after the date hereof); and

- 13.6 except for the receipt of the Transporter Approvals, there are no actions, suits or proceedings pending or, to Transporter's knowledge, threatened against or affecting Transporter that would materially adversely affect the ability of Transporter to meet and carry out its obligations hereunder.

14. Assignment.

- 14.1 Any company that succeeds by purchase, merger, or consolidation to substantially all of the assets and properties of Transporter or Shipper will be entitled to the rights and will be subject to the obligations of its predecessor in title under this Precedent Agreement. Otherwise, neither Shipper nor Transporter may assign any of its rights or obligations under this Precedent Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing and upon thirty (30) day's prior written notice, no consent shall be required for:

14.1.1 Any assignment of this Precedent Agreement by Transporter or Shipper to any lender as collateral security for obligations under the financing documents entered into with such lender and, with respect to Transporter, in connection with financing the costs of Sabal Trail Pipeline. In order to facilitate such financing, Transporter or Shipper, as appropriate, shall execute such consent, provided, such lender's request shall not materially adversely affect any of Transporter's or Shipper's rights, benefits, risks and obligations under this Precedent Agreement. Transporter or Shipper, as appropriate, shall reimburse the other Party for the reasonable and documented expenses (including without limitation fees and expenses of counsel) incurred by such Party in the preparation, negotiation, execution and delivery of such consent, agreement or similar documents.

14.1.2 Any permanent assignment by Shipper of all or part of its rights, interests and obligations under this Precedent Agreement to any Affiliate(s) of Shipper; provided, such permanent assignment is in compliance with all necessary FERC regulatory authorizations for providing service to a different shipper and, provided further, if such Affiliate fails to have an Investment Grade Credit Rating, then Shipper shall guarantee all of the obligations of such Affiliate under this Precedent Agreement, the Service Agreement and the Negotiated Rate Agreement for the Primary Term and any Automatic Extension thereof.

15. Creditworthiness.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

16. No Third-Party Beneficiaries.

Nothing herein expressed or implied is intended or shall be constructed to confer upon or give to any person not a Party hereto any rights, remedies, or obligations under or by reason of this Precedent Agreement.

17. Agreed as between the Parties.

Each and every provision of this Precedent Agreement shall be considered as fully understood and agreed to by the parties and shall not be construed against either Party as a result of the preparations or drafting thereof. It is expressly agreed that no consideration shall be given or presumption made on the basis of who drafted this Precedent Agreement or any specific provision hereof.

18. Notices.

Any notice, request, demand, statement, or bill provided for in this Precedent Agreement, or any

notice that either Party desires to give to the other, must be in writing and will be considered duly delivered when delivered by registered or certified mail or nationally recognized overnight courier service to the other Party's address set forth below:

18.1 Transporter:

Sabal Trail Transmission, LLC
2701 N. Rocky Point Drive, Suite 1050
Tampa, Florida 33607
Attn: Vice President
Phone: 813/282/6607
Facsimile: 813/289/4438
Electronic Mail: dashammo@spectracenergy.com

18.2 Shipper:

Florida Power & Light Company
700 Universe Blvd. [EMT/JB]
Juno Beach, Florida, 33408
Attn: Vice President, Energy Marketing & Trading
Phone: 561/694-3510

With additional copy to:
Florida Power & Light Company
700 Universe Blvd. [EMT/JB]
Juno Beach, Florida, 33408
Attn: EMT Contract Administration
Phone: 561/691-7886
Facsimile: 561/625-7567
Electronic Mail: emtcontracts@fpl.com

or at such other address as either Party designates by written notice. Routine communications including, without limitation, monthly statements, will be considered duly delivered when delivered by (i) registered, certified, or ordinary mail, (ii) facsimile, or (iii) electronic mail.

19. Entire Agreement.

The terms and provisions contained in this Precedent Agreement constitute the entire agreement of the Parties, and there are no prior or contemporaneous agreements, understandings, warranties, representations, covenants, obligations, promises, assurances, or conditions precedent or subsequent or otherwise, except those expressly set out in this Precedent Agreement.

20. Miscellaneous Provisions.

20.1 No modification of the terms and provisions of this Precedent Agreement shall be effective unless contained in writing and executed by both Transporter and Shipper.

- 20.2 This Precedent Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement.
- 20.3 This Precedent Agreement shall become effective on the Execution Date and shall continue in effect until terminated pursuant to the terms and conditions herein.
- 20.4 THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS PRECEDENT AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.
- 20.5 If a court of competent jurisdiction declares any provision of this Precedent Agreement unenforceable, then that provision shall be severed from this Precedent Agreement, which shall otherwise remain in full force and effect and be construed as if it did not contain the severed provision; provided, however, that if severing such provision from this Precedent Agreement has a material adverse effect on the rights or obligations of either Party as set forth in this Precedent Agreement, then the Parties agree to negotiate in good faith replacement terms that are consistent with the court's declaration or directive and that maintain the relative commercial, legal and economic benefits and positions of, and risks and burdens to, the Parties as reasonably anticipated in or to be derived from this Precedent Agreement as of the date first set forth above.
- 20.6 THIS AGREEMENT SHALL BE INTERPRETED IN ACCORDANCE WITH THE

LAWS OF THE STATE OF FLORIDA, WITHOUT REGARD FOR ANY CONFLICT OF LAW RULES THAT MAY REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION. EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA, OR, IF SUCH COURT DECLINES TO EXERCISE OR DOES NOT HAVE JURISDICTION, IN THE COURTS OF THE STATE OF FLORIDA LOCATED IN PALM BEACH COUNTY, AND TO SERVICE OF PROCESS BY CERTIFIED MAIL, DELIVERED TO THE PARTY AT THE ADDRESS SET FORTH ABOVE. IN ADDITION, EACH PARTY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE FOR ANY SUCH SUIT, ACTION OR PROCEEDING RELATING TO THIS PRECEDENT AGREEMENT, WAIVES ANY CLAIM THAT SUCH SUIT, ACTION OR PROCEEDING RELATING TO THIS PRECEDENT AGREEMENT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM, AND FURTHER WAIVES THE RIGHT TO OBJECT, WITH RESPECT TO SUCH SUIT, ACTION OR PROCEEDING RELATING TO THIS PRECEDENT AGREEMENT, THAT SUCH COURT DOES NOT HAVE JURISDICTION OVER IT.

- 20.7 EACH PARTY HERETO EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY JUDICIAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO THE OTHER PARTY'S ENTERING INTO THIS AGREEMENT.

21. Rules of Interpretation.

Unless otherwise required by the context in which any term appears: (a) capitalized terms used in this Precedent Agreement have the meanings specified in this Precedent Agreement (b) the gender of all words used herein shall include the masculine, feminine and neuter and the singular shall include the plural; (c) unless otherwise specified, references to "Articles," "Sections," "Schedules," "Annexes," "Appendices" or "Exhibits" (if any) shall be to Articles, Sections, schedules, annexes, appendices or Exhibits (if any) of this Precedent Agreement, as the same may be amended, modified, supplemented or replaced from time to time hereunder; (d) all references to a person shall include a reference to such person's successors and permitted assigns; (e) the words "herein," "hereof" and "hereunder" shall refer to this Precedent Agreement as a whole and not to any particular Section or subsection of this Precedent Agreement; (f) all accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles in the United States of America, consistently applied; (g) references to this Precedent Agreement shall include a reference to all appendices, annexes, schedules and Exhibits hereto, as the same may be amended, modified, supplemented or replaced from time to time; (h) references to any agreement, document or instrument shall mean a reference to such agreement, document or instrument as the same may be amended, modified, supplemented or replaced from time to time; (i) the use of the word "including" in this Precedent Agreement to refer to specific examples shall be construed to mean "including, without limitation" or "including but not limited to" and shall not be construed

to mean that the examples given are an exclusive list of the topics covered; (j) references to a law or regulation shall mean a reference to such law or regulation as the same may be amended, modified, supplemented or restated and be in effect from time to time; and (k) the headings contained herein are used solely for convenience and do not constitute a part of this Precedent Agreement nor should they be used to aid in any manner to construe or interpret this Agreement.

[signature page follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Precedent Agreement to be duly executed by their duly authorized officers as of the day and year first above written.

SABAL TRAIL TRANSMISSION, LLC

By: Sabal Trail Management, LLC

Its Operator

By: _____

William T. Hardley

Title: _____

President

Date: _____

JUNE 26, 2013

FLORIDA POWER & LIGHT COMPANY

By: _____

[Signature]

Title: _____

VICE PRESIDENT

Date: _____

JUNE 26, 2013



ATTACHMENT 1
RATE ADJUSTMENT OR DAILY LIQUIDATED DAMAGES PURSUANT TO
SECTION 10.1

If Transporter fails to have the Sabal Trail Pipeline in service and provide for the MDQ, the Primary Receipt Points, the Primary Delivery Point, and the Bidirectional Interconnections (subject to Section 8.2.4) by the Expected Commencement Date, then, as determined pursuant to Section 10.1:

1) Rate Adjustment:

Shipper's Negotiated Reservation Rate for the total MDQ shall be reduced by: (a) \$0.01 per MMBtu if the Commencement Date occurs on or after at least thirty-one (31) days but no more than sixty (60) days after the Expected Commencement Date; (b) \$0.02 per MMBtu if the Commencement Date occurs on or after at least sixty-one (61) days but no more than ninety-one (91) days after the Expected Commencement Date; (c) \$0.03 per MMBtu if the Commencement Date occurs on or after at least ninety-two (92) days but no more than one hundred twenty-two (122) days after the Expected Commencement Date; (d) \$0.04 per MMBtu if the Commencement Date occurs on or after at least one hundred twenty-three (123) days but no more than one hundred fifty-two (152) days after the Expected Commencement Date; or (e) \$0.05 per MMBtu if the Commencement Date occurs more than one hundred fifty-two (152) days after the Expected Commencement Date.

or

2) Delay Damages:

Shipper shall be entitled to draw upon the Completion Security for Delay Damages as follows: (a) \$500,000 for each day that the Commencement Date occurs on or after the date that is thirty (30) days following the Expected Commencement Date through and including the date that is sixty (60) days following the Expected Commencement Date; plus (b) \$700,000 for each day the Commencement Date occurs on or after the date that is sixty-one (61) days after the Expected Commencement Date; provided, however, in no event shall such aggregate amount exceed \$99,500,000. For example, if the Commencement Date occurs on the seventieth (70th) day following the Expected Commencement Date, Liquidated Damages shall be \$21,800,000 (being the sum of (i) 31 days multiplied by \$500,000, and (ii) 9 days times \$700,000).

EXHIBIT A

Form of Service Agreement with all appropriate exhibits/attachments

EXHIBIT B
[ISSUING BANK] IRREVOCABLE STANDBY LETTER OF CREDIT
DATE OF ISSUANCE:
[_____, 20__]

[Beneficiary name] ("Beneficiary")
[Address]
Attention: [Contact Person]

Re: [Issuing Bank name] Irrevocable Standby Letter of Credit No. _____

Sirs/Mesdames:

[Issuing Bank name] (the "Bank") hereby establishes in favor of Beneficiary this Irrevocable Standby Letter of Credit No. _____ (the "Letter of Credit") for the account of [_____] [(insert Beneficiary's address)] [and _____, (insert address of any other Account [Party/ies])] (the "Account [Party/ies]"), effective immediately and expiring on the date determined as specified in numbered paragraph 5 and paragraph 6 below.

The Bank has been informed that this Letter of Credit is issued pursuant to the terms of that certain Precedent Agreement [dated/made/entered into/effective as of] _____, 20__ (as amended from time to time, the "Agreement").

1. **Stated Amount.** The maximum amount available for drawing by Beneficiary under this Letter of Credit shall be [insert written dollar amount] United States Dollars (US\$[insert numeric dollar amount]) (such amount, as the same may be reduced from time to time as a result of draws made pursuant to the provisions of this Letter of Credit, referred to herein as the "Stated Amount").

2. **Drawings.** A drawing hereunder may be made by Beneficiary on any Business Day on or prior to the date this Letter of Credit expires by delivering to the Bank, at any time during its business hours on such Business Day, at [insert the Bank's address] (or at such other address as may be designated by written notice delivered by the Bank to Beneficiary as contemplated by numbered paragraph 9 below), a copy of this Letter of Credit together with (i) a Draw Certificate executed by an authorized person substantially in the form of Attachment A hereto (the "Draw Certificate"), appropriately completed and signed by Beneficiary's authorized officer (signing as such) and (ii) Beneficiary's draft substantially in the form of Attachment B hereto (the "Draft"), appropriately completed and signed by Beneficiary's authorized officer (signed as such). Partial drawings and multiple presentations may be made under this Letter of Credit. Draw Certificates and Drafts under this Letter of Credit may be presented by Beneficiary by means of facsimile or original documents sent by overnight delivery or courier to the Bank at the Bank's address set forth above, Attention: _____ (or at such other address as may be designated by written

notice delivered to Beneficiary as contemplated by numbered paragraph 9 below). In the event of a presentation by facsimile transmission, the original of such documents need not be sent to the Bank.

3. **Time and Method for Payment.** The Bank hereby agrees to honor a drawing hereunder made in compliance with this Letter of Credit by transferring in immediately available funds the amount specified in the Draft delivered to the Bank in connection with such drawing to such account at such bank in the United States as Beneficiary may specify in Beneficiary's Draw Certificate. If the Draw Certificate is presented to the Bank at such address by 12:00 noon, [New York or other location within the US] time on any Business Day, payment will be made not later than the Bank's close of business on third succeeding business day and if such Draw Certificate is so presented to the Bank after 12:00 noon, [New York or other other location within the US] time on any Business Day, payment will be made on the fourth succeeding Business Day. In clarification, the Bank agrees to honor the Draw Certificate as specified in the preceding sentences, without regard to the truth or falsity of the assertions made therein.

4. **Non-Conforming Demands.** If a demand for payment made by Beneficiary hereunder does not, in any instance, conform to the terms and conditions of this Letter of Credit, the Bank shall give Beneficiary prompt notice that the demand for payment was not effectuated in accordance with the terms and conditions of this Letter of Credit, stating the reasons therefor and that the Bank will upon Beneficiary's instructions hold any documents at Beneficiary's disposal or return the same to Beneficiary. Upon being notified that the demand for payment was not effectuated in conformity with this Letter of Credit, Beneficiary may correct any such non-conforming demand.

5. **Expiration.** This Letter of Credit shall automatically expire at the close of business on the date on which the Bank receives a Cancellation Certificate in the form of Attachment C hereto executed by Beneficiary's authorized officer and sent along with the original of this Letter of Credit and all amendments (if any).

6. **Initial Period and Automatic Rollover.** The initial period of this Letter of Credit shall terminate on [insert the first anniversary of the issuance date] (the "Initial Expiration Date"). The Letter of Credit shall be automatically extended without amendment for one (1) year periods from the Initial Expiration Date or any future expiration date, unless at least sixty (60) days prior to any such expiration date the Bank sends Beneficiary notice by registered mail or courier at Beneficiary's address first shown (or such other address as may be designated by Beneficiary as contemplated by numbered paragraph 9 below) that the Bank elects not to consider this Letter of Credit extended for any such additional one year period.

7. **Business Day.** As used herein, "Business Day" shall mean any day on which commercial banks are not authorized or required to close in the State of [New York – or other location within the US], and inter-bank payments can be effected on the Fedwire system.

8. **Governing Law.** THIS LETTER OF CREDIT IS GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF [NEW YORK or other state within the US], AND, EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN, TO THE INTERNATIONAL STANDBY PRACTICES, ICC PUBLICATION NO. 590 (THE "ISP98"), AND IN THE EVENT OF ANY CONFLICT, THE LAWS OF THE STATE OF NEW YORK WILL CONTROL, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.

9. **Notices.** All communications to Beneficiary in respect of this Letter of Credit shall be in writing and shall be delivered to the address first shown for Beneficiary above or such other address as may from time to time be designated by Beneficiary in a written notice to the Bank. All documents to be presented to the Bank hereunder and all other communications to the Bank in respect of this Letter of Credit, which other communications shall be in writing, shall be delivered to the address for the Bank indicated above, or such other address as may from time to time be designated by the Bank in a written notice to Beneficiary.

10. **Irrevocability.** This Letter of Credit is irrevocable.

11. **Complete Agreement.** This Letter of Credit sets forth in full the Bank's undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein, except for the ISP98 and Attachment A, Attachment B and Attachment C hereto and the notices referred to herein and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except as set forth above.

* * *

Sincerely,
[ISSUING BANK]

By: _____
Title: _____
Address: _____

**ATTACHMENT A
FORM OF DRAW CERTIFICATE**

The undersigned hereby certifies to [Issuing Bank] ("Issuer"), with reference to Irrevocable Letter of Credit No. _____ (the "Letter of Credit") issued by Issuer in favor of the undersigned ("Beneficiary"), as follows:

(1) The person signing this certificate on behalf of undersigned is the _____ of Beneficiary and is duly authorized by Beneficiary to execute and deliver this Certificate on behalf of Beneficiary.

(2) Beneficiary hereby makes demand against the Letter of Credit by Beneficiary's presentation of the draft accompanying this Certificate, for payment of _____ U.S. dollars (US\$ _____), which amount, when aggregated together with any additional amount that has not been drawn under the Letter of Credit, is not in excess of the Stated Amount (as in effect of the date hereof).

(3) Beneficiary is entitled to draw under the Letter of Credit an amount equal to \$ _____ pursuant to the terms and conditions of that certain Precedent Agreement [dated/made/entered into/effective as of] _____, 20__ (the "Agreement"), as a result of:

[Applicant's failure to renew or replace the Letter of Credit at least sixty (60) calendar days prior to the currently applicable expiration date for the Letter of Credit]

[Applicant's failure to provide Beneficiary with a Letter of Credit or additional security as required pursuant to the provisions of the Agreement within any applicable grace period provided in the Agreement]

[the occurrence and continuation of an Event of Default (as defined in the Agreement) by Applicant]

[Beneficiary otherwise having the right to draw upon any Performance Assurance (as defined in the Agreement) of Applicant pursuant to the terms of the Agreement].

(4) Issuer are hereby directed to make payment of the requested drawing to: (insert wire instructions)

Beneficiary Name and Address:

(5) Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Letter of Credit.

[BENEFICIARY]

By:
Title:
Date:

ATTACHMENT B
DRAWING UNDER IRREVOCABLE LETTER OF CREDIT NO. _____

Date:

PAY TO: [BENEFICIARY]

U.S.\$ _____

**FOR VALUE RECEIVED AND CHARGE TO THE ACCOUNT OF
LETTER OF CREDIT NO. _____.**

[BENEFICIARY]

By:

Title:

Date:

ATTACHMENT C

CANCELLATION CERTIFICATE

Irrevocable Letter of Credit No. _____

The undersigned, being authorized to execute and deliver this certificate on behalf of [insert name of Beneficiary] ("Beneficiary"), hereby certifies on behalf of Beneficiary to [insert name of Issuing Bank] ("Issuer"), with reference to Irrevocable Letter of Credit No. _____ issued by Issuer to Beneficiary (the "Letter of Credit"), that all obligations of the Account [Party/ies], under the Agreement have been fulfilled.

Pursuant to Section 5 thereof, the Letter of Credit shall expire upon Issuer's receipt of this certificate.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Letter of Credit.

[BENEFICIARY]

By:

Title:

Date:

EXHIBIT C

FORM OF GUARANTY

GUARANTY

THIS GUARANTY (this "**Guaranty**"), dated as of ____, ____ (the "**Effective Date**"), is made by *[INSERT GUARANTOR'S NAME IN ALL CAPS]* ("**Guarantor**"), in favor of Florida Power & Light Company ("**FPL**").

RECITALS:

- A. WHEREAS, FPL and Guarantor's indirect, wholly-owned subsidiary [*Transporter*] ("**Obligor**") have entered into, or concurrently herewith are entering into, that certain Precedent Agreement [dated/made/entered into/effective as of] ____, 20__ (the "**Agreement**"); and
- B. WHEREAS, Guarantor will directly or indirectly benefit from the Agreement between Obligor and FPL;

NOW THEREFORE, in consideration of the foregoing premises and as an inducement for FPL's execution, delivery and performance of the Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor hereby agrees for the benefit of FPL as follows:

* * *

1. **GUARANTY.** Subject to the terms and provisions hereof, Guarantor hereby absolutely and irrevocably guarantees the timely payment when due of all obligations owing by Obligor to FPL arising pursuant to the Agreement on or after the Effective Date (the "**Obligations**"). This Guaranty shall constitute a guarantee of payment and not of collection. The liability of Guarantor under this Guaranty shall be subject to the following limitations:
 - a. Notwithstanding anything herein or in the Agreement to the contrary, the maximum aggregate obligation and liability of Guarantor under this Guaranty, and the maximum recovery from Guarantor under this Guaranty, shall in no event exceed _____ [*spell out the dollar amount*] U.S. Dollars (U.S. \$_____) (the "**Maximum Recovery Amount**").
 - b. The obligation and liability of Guarantor under this Guaranty is specifically limited to payments expressly required to be made under the Agreement, as well as costs of collection and enforcement of this Guaranty (including attorney's fees) to the extent reasonably and actually incurred by the FPL (subject in all instances, to the limitations imposed by the Maximum Recovery Amount as specified in *Section 1(a)* above). Except as otherwise provided in the Agreement, Guarantor shall not be liable for or obligated to pay any consequential, indirect, incidental, lost profit, special, exemplary, punitive, equitable or tort damages.

2. **DEMANDS AND PAYMENT.**

- a. If Obligor fails to pay any Obligation to FPL when such Obligation is due and owing under the Agreement (an “**Overdue Obligation**”), FPL may present a written demand to Guarantor calling for Guarantor’s payment of such Overdue Obligation pursuant to this Guaranty (a “**Payment Demand**”).
- b. Guarantor’s obligation hereunder to pay any particular Overdue Obligation(s) to FPL is conditioned upon Guarantor’s receipt of a Payment Demand from FPL satisfying the following requirements: (i) such Payment Demand must identify the specific Overdue Obligation(s) covered by such demand, the specific date(s) upon which such Overdue Obligation(s) became due and owing under the Agreement, and the specific provision(s) of the Agreement pursuant to which such Overdue Obligation(s) became due and owing; (ii) such Payment Demand must be delivered to Guarantor in accordance with Section 9 below; and (iii) the specific Overdue Obligation(s) addressed by such Payment Demand must remain due and unpaid at the time of such delivery to Guarantor.
- c. After issuing a Payment Demand in accordance with the requirements specified in Section 2(b) above, FPL shall not be required to issue any further notices or make any further demands with respect to the Overdue Obligation(s) specified in that Payment Demand, and Guarantor shall be required to make payment with respect to the Overdue Obligation(s) specified in that Payment Demand within five (5) Business Days after Guarantor receives such demand. As used herein, the term “**Business Day**” shall mean all weekdays (*i.e.*, Monday through Friday) other than any weekdays during which commercial banks or financial institutions are authorized to be closed to the public in the State of Florida or the State of New York.

3. **REPRESENTATIONS AND WARRANTIES.** Guarantor represents and warrants that:

- a. it is a corporation duly organized and validly existing under the laws of the State of Delaware and has the corporate power and authority to execute, deliver and carry out the terms and provisions of the Guaranty;
- b. no authorization, approval, consent or order of, or registration or filing with, any court or other governmental body having jurisdiction over Guarantor is required on the part of Guarantor for the execution and delivery of this Guaranty; and
- c. this Guaranty constitutes a valid and legally binding agreement of Guarantor, enforceable against Guarantor in accordance with the terms hereof, except as the enforceability thereof may be limited by the effect of any applicable

bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

4. **RESERVATION OF CERTAIN DEFENSES.** Without limiting Guarantor's own defenses and rights hereunder, Guarantor reserves to itself all rights, setoffs, counterclaims and other defenses to which Obligor is or may be entitled arising from or out of the Agreement, except for defenses (if any) based upon the bankruptcy, insolvency, dissolution or liquidation of Obligor or any lack of power or authority of Obligor to enter into and/or perform the Agreement.
5. **AMENDMENT OF GUARANTY.** No term or provision of this Guaranty shall be amended, modified, altered, waived or supplemented except in a writing signed by Guarantor and FPL.
6. **WAIVERS AND CONSENTS.** Subject to and in accordance with the terms and provisions of this Guaranty:
 - a. Except as required in Section 2 above, Guarantor hereby waives (i) notice of acceptance of this Guaranty; (ii) presentment and demand concerning the liabilities of Guarantor; and (iii) any right to require that any action or proceeding be brought against Obligor or any other person, or to require that FPL seek enforcement of any performance against Obligor or any other person, prior to any action against Guarantor under the terms hereof.
 - b. No delay by FPL in the exercise of (or failure by FPL to exercise) any rights hereunder shall operate as a waiver of such rights, a waiver of any other rights or a release of Guarantor from its obligations hereunder (with the understanding, however, that the foregoing shall not be deemed to constitute a waiver by Guarantor of any rights or defenses which Guarantor may at any time have pursuant to or in connection with any applicable statutes of limitation).
 - c. Without notice to or the consent of Guarantor, and without impairing or releasing Guarantor's obligations under this Guaranty, FPL may: (i) change the manner, place or terms for payment of all or any of the Obligations (including renewals, extensions or other alterations of the Obligations); (ii) release Obligor or any person (other than Guarantor) from liability for payment of all or any of the Obligations; or (iii) receive, substitute, surrender, exchange or release any collateral or other security for any or all of the Obligations.
7. **REINSTATEMENT.** Guarantor agrees that this Guaranty shall continue to be effective or shall be reinstated, as the case may be, if all or any part of any payment made hereunder is at any time avoided or rescinded or must otherwise be restored or repaid by FPL as a result of the bankruptcy or insolvency of Obligor, all as though such payments had not been made.

8. **TERMINATION.** This Guaranty and the Guarantor's obligations hereunder will remain in full force and effect until thirty (30) days after the Commencement Date (as defined in the Agreement); provided, however, if the Commencement Date occurs on or before May 1, 2017 this Guaranty shall terminate on such Commencement Date.
9. **NOTICE.** Any Payment Demand, notice, request, instruction, correspondence or other document to be given hereunder (herein collectively called "**Notice**") by FPL to Guarantor, or by Guarantor to FPL, as applicable, shall be in writing and may be delivered either by (i) U.S. certified mail with postage prepaid and return receipt requested, or (ii) recognized nationwide courier service with delivery receipt requested, in either case to be delivered to the following address (or to such other U.S. address as may be specified via Notice provided by Guarantor or FPL, as applicable, to the other in accordance with the requirements of this Section 9):

<u>TO GUARANTOR:</u> *	<u>TO FPL:</u>
	Florida Power & Light Company 700 Universe Blvd. [EMT/JB] Juno Beach, Florida, 33408 <u>Attn:</u> _____
[Tel: () ____ - ____ -- for use in connection with courier deliveries]	[Tel: (____) ____ - ____ -- for use in connection with courier deliveries]

Any Notice given in accordance with this Section 9 will (i) if delivered during the recipient's normal business hours on any given Business Day, be deemed received by the designated recipient on such date, and (ii) if not delivered during the recipient's normal business hours on any given Business Day, be deemed received by the designated recipient at the start of the recipient's normal business hours on the next Business Day after such delivery.

10. **MISCELLANEOUS.**

- a. This Guaranty shall in all respects be governed by, and construed in accordance with, the law of the State of Florida, without regard to principles of conflicts of laws thereunder.
- b. This Guaranty shall be binding upon Guarantor and its successors and permitted assigns and inure to the benefit of and be enforceable by FPL and its successors and permitted assigns. Guarantor may not assign this Guaranty in part or in whole without the prior written consent of FPL. FPL may not assign its rights or benefits under this Guaranty in part or in whole without the prior written consent of Guarantor.
- c. This Guaranty embodies the entire agreement and understanding between Guarantor and FPL and supersedes all prior agreements and understandings relating to the subject matter hereof.

- d. The headings in this Guaranty are for purposes of reference only, and shall not affect the meaning hereof. Words importing the singular number hereunder shall include the plural number and vice versa, and any pronouns used herein shall be deemed to cover all genders. The term "person" as used herein means any individual, corporation, partnership, joint venture, limited liability company, association, joint-stock company, trust, unincorporated association, or government (or any agency or political subdivision thereof).
- e. Wherever possible, any provision in this Guaranty which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any one jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.
- f. FPL (by its acceptance of this Guaranty) and Guarantor each hereby irrevocably: (i) consents and submits to the exclusive jurisdiction of the United States District Court for the Southern District of Florida, or if that court does not have subject matter jurisdiction, to the exclusive jurisdiction of the state court of the State of Florida, Palm Beach County (without prejudice to the right of any party to remove to the United States District Court for the Southern District of Florida) for the purposes of any suit, action or other proceeding arising out of this Guaranty or the subject matter hereof or any of the transactions contemplated hereby brought by FPL, Guarantor or their respective successors or assigns; and (ii) waives (to the fullest extent permitted by applicable law) and agrees not to assert any claim that it is not personally subject to the jurisdiction of the above-named courts, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Guaranty or the subject matter hereof may not be enforced in or by such court.
- g. FPL (BY ITS ACCEPTANCE OF THIS GUARANTY) AND GUARANTOR EACH HEREBY IRREVOCABLY, INTENTIONALLY AND VOLUNTARILY WAIVES THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING BASED ON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH, THIS GUARANTY OR THE AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PERSON RELATING HERETO OR THERETO. THIS PROVISION IS A MATERIAL INDUCEMENT TO GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY.

* * *

IN WITNESS WHEREOF, the Guarantor has executed this Guaranty on _____, 20 __,
but it is effective as of the Effective Date.

GUARANTOR

By: _____

Name: _____

Title: _____

EXHIBIT D

Transporter has established the following Projected Completion Dates for the Major Milestones associated with the critical issues impacting the ability of Transporter to commence service on the Expected Commencement Date. In accordance with Section 7(C), Transporter must provide regular Progress Reports to Shipper detailing Transporter's progress toward each Major Milestone. Those Major Milestones designated as "Critical Milestones" will be tied to Transporter's Completion Security. Failure to meet any of the Critical Milestones could result in a requirement for Transporter to post additional Completion Security and, under certain conditions described in the Precedent Agreement, forfeiture of the Completion Security.

	Major Milestones	Critical Milestones	Projected Completion Date
a.	FERC Pre-Filing Process Request		December 2, 2013
b.	FERC Certificate Application Filed	X	December 1, 2014
c.	Other Federal Applications Filed		January 16, 2015
d.	Environmental Permits (as defined in Section 1) Applications Filed		December 1, 2014
e.	FERC Preliminary Determination		July 1, 2015
f.	Granted FERC Certificate	X	February 1, 2016
g.	Granted Other Federal Authorizations		May 2, 2016
h.	Granted all Environmental Permits (as defined in Section 1)		May 2, 2016
i.	Long Term Financing Closed		N/A
j.	Engineering Contracts Executed		August 30, 2013
k.	Construction Contracts Executed		February 1, 2016
l.	Execution of Transporter Pipe Contract(s)	X	March 2, 2015
m.	Execution of Transporter Compressor Contract(s)		November 3, 2014
n.	Acquisition of all right-of-way and other surface rights required to construct and operate the pipeline project		August 1, 2016
o.	All Authorizations Required to Start Construction Issued		June 1, 2016
p.	Construction Starts	X	July 1, 2016
q.	Major Equipment Deliveries (specify all)		Pipe - April 1, 2016; Compression – February 1, 2016; Valves – July 1, 2016; Buildings – July

			1, 2016; Meter skids – June 1, 2016
r.	Interconnection Agreements Executed		May 2, 2016, subject to Section 8.2.4
s.	Expected Commencement Date	X	5/1/2017

June 26, 2013

Mr. Sam Forrest
Vice President, Energy Marketing & Trading
Florida Power & Light Company
700 Universe Blvd.
Juno Beach, Florida 33408

RE: Negotiated Rate for Service Agreement No. _____

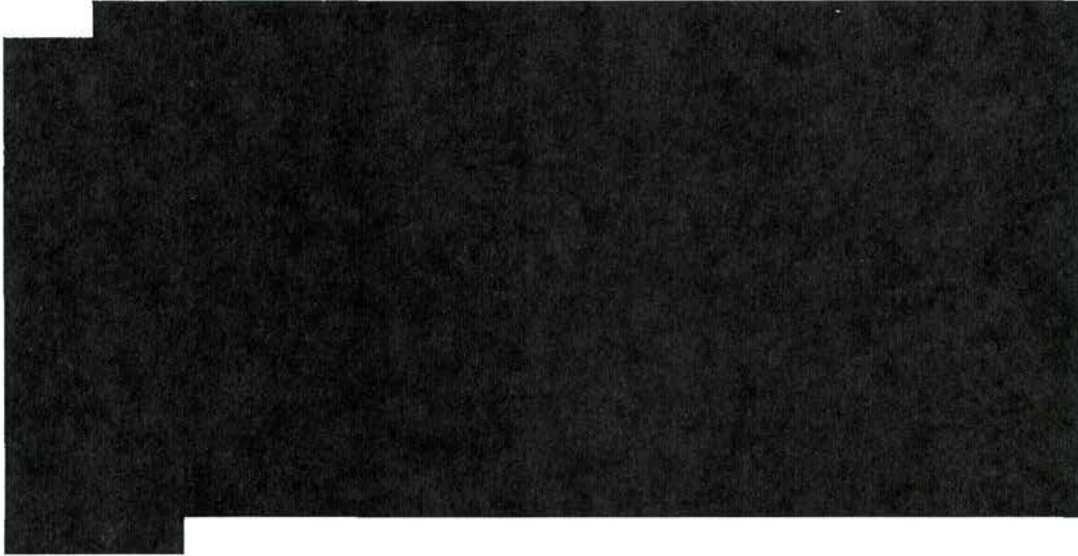
Dear Mr. Forrest:

Sabal Trail Transmission, LLC ("Transporter") and Florida Power & Light Company ("Shipper") are parties to Transporter's Service Agreement No. _____ under Transporter's Rate Schedule FTS (the "Service Agreement"). In addition, Transporter and Shipper are parties to that certain Precedent Agreement dated June 26, 2013, with respect to the expansion project that will make available the firm transportation capacity to provide service under the Service Agreement ("Precedent Agreement"). In accordance with the mutual covenants and agreements contained herein, Transporter and Shipper desire to enter into this negotiated rate agreement ("NRA") with respect to the rates to be applicable to service under the Service Agreement. Capitalized terms used but not defined herein shall have the meaning defined for such terms in the Precedent Agreement.

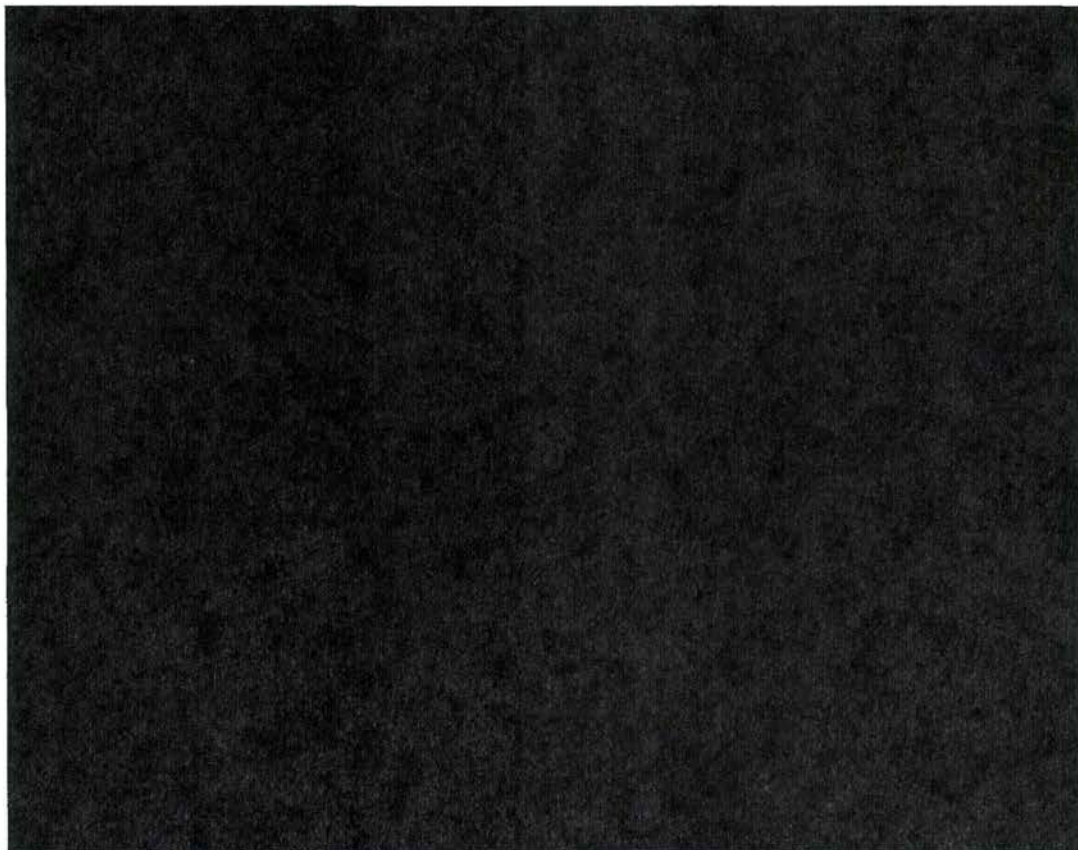
1. Negotiated Rates.

Shipper and Transporter hereby agree to the rate provisions set forth on Exhibit A hereto and acknowledge that, subject to and upon approval by the Federal Energy Regulatory Commission ("FERC") of a filed tariff record reflecting such provisions, all of the rate provisions contained therein will be applicable to the Service Agreement. If FERC issues an order on a filed tariff record reflecting all of the provisions on Exhibit A hereto that does not approve or accept such tariff record as filed and without condition or modification, the negotiated rates in this NRA shall be null and void and of no further effect and service under the Service Agreement will be provided at the discounted Recourse Rates pursuant to Sections 4(B) and 4(C) unless otherwise mutually agreed.

2.



3.



4. Regulatory Approval.

(A) Transporter shall make a filing with the FERC for approval to implement the negotiated rates set forth herein pursuant to the NGA, the FERC's regulations promulgated under the NGA, and the FERC's Statement of Policy Alternatives to Traditional Cost of Service Ratemaking for Natural Gas Transporters and Regulation of Negotiated Transportation Service of Natural Gas Transporters issued January 31, 1996, in Docket Nos. RM95-6-000 and RM96-7-000. This NRA and the negotiated rates set forth herein shall not apply to service under the Service Agreement unless and until the FERC approves or accepts such filing and tariff record without condition and/or modification. Transporter and Shipper agree not to initiate any proceeding before the FERC with respect to an increase or decrease in the negotiated rate during the term of the negotiated rate and, to the extent that any proceeding is initiated, that the Mobile-Sierra Doctrine's "public interest standard" of review will apply.

(B) If the FERC disallows, modifies or conditions approval of any material terms of this NRA, then upon written notification from either party to the other Transporter and Shipper hereby agree that the negotiated rates set forth herein shall not apply to service under the Service Agreement. Instead, Transporter and Shipper agree that in lieu of such negotiated rates, Transporter will charge, and Shipper will pay, Transporter's reservation Recourse Rate discounted, pursuant to this NRA, to the level set forth herein, plus all applicable maximum usage Recourse Rates then in effect, and all applicable charges and surcharges, including, but not limited to, the SBA surcharge, and Transporter's Use percentage (as revised annually or more often) pursuant to the terms of Transporter's Tariff in effect from time to time, as all such charges, surcharges and percentages are in effect from time to time for service under Transporter's Rate Schedule FTS. In the event that the discounted recourse rates apply in lieu of the negotiated rates, Transporter shall not charge a rate for service under the Service Agreement that is greater than or less than the respective maximum or minimum recourse rates on file with the Commission for service under the Service Agreement. In addition, such discounted recourse rates shall be subject to all of the limitations and other conditions set forth in this NRA as if the discounted recourse rates were the negotiated rates for purposes of this NRA.

(C) This Section 4(C) applies only in the event that, in accordance with Section 4(B), discounted, rather than negotiated, rates apply to service under the Service Agreement. Transporter and Shipper recognize that Transporter's Recourse Rates, including current or future surcharges, for service under the Service Agreement may be subject to modification from time to time. With regard to the discounted Recourse Rate(s) for service under the Service Agreement, Transporter and Shipper expressly agree that Shipper shall be entitled to refunds of payments paid by Shipper pursuant to the Service Agreement only in the event the final, non-appealable maximum recourse reservation rate as determined by the Commission for a given time period ("Final Maximum Rate") is lower than the discounted recourse reservation rate actually paid by Shipper during such time period ("Actual Rate"). Subject to the condition precedent set forth in the foregoing sentence, Shipper's principal refund amount shall be equal to the product of (i) the difference between the Actual Rate and the Final Maximum Rate and (ii) Shipper's MDQ each month during the refund period. Shipper expressly agrees not to initiate, instigate, or otherwise participate in any action or proceeding for the purpose of obtaining refunds in excess of the foregoing amount.

5. Direct Cost Reimbursement.

Transporter confirms that Shipper shall have no direct reimbursement obligation to Transporter pursuant to Transporter's Tariff with regard to the facilities for the Sabal Trail Pipeline or the provision of FT Service as described herein, including, without limitation, with regard to those facilities described in Section 8.2 of the Precedent Agreement, but instead during the Primary Term and each Automatic Extension, if applicable, Shipper shall pay Transporter for service under the Service Agreement only the rates set forth in this NRA.

6. Optional Quantities.

With respect to the rate to be applicable to the Initial Optional Quantity and the Second Optional Quantity, as applicable and as specified and subject to the terms and conditions in the Precedent Agreement, the rates applicable to such service, if they occur, shall be the Reservation Rates calculated in accordance with Exhibit B hereto, plus the Usage – 1 Rate as specified on Exhibit A and plus Transporter's Use % (in-kind fuel retainage) and plus all other applicable charges and surcharges as set forth on Exhibit A hereto including all of the footnotes.

7. Termination.

In the event that the Precedent Agreement terminates pursuant to its stated terms for any reason other than the commencement of FT Service under the Service Agreement, then this NRA shall contemporaneously terminate without further action by either Party hereto and shall thereafter be of no force or effect.

If the foregoing accurately sets forth your understanding of the matters covered herein, please so indicate by having a duly authorized representative sign in the space provided below and returning an original signed copy to the undersigned.

Sincerely,

Sabal Trail Transmission, LLC
By: Sabal Trail Management, LLC
its Operator

By: _____

William T. Yardley
President

WAS
PMT

ACCEPTED AND AGREED TO
THIS 26th DAY OF June, 2013

Florida Power & Light Company

By: _____

Sam Forrest

Vice President, Energy Marketing & Trading



EXHIBIT A

To Negotiated Rate Agreement

EXHIBIT A

Statement of Negotiated Rates*

(* Numbers followed by a "/" refer to the corresponding footnote below)

Shipper: Florida Power & Light Company

Contract Number: _____ 1/ 2/ 3/

Term of Negotiated Rate: 4/

[REDACTED]

Receipt Points: Transco Zone 4 Pool, MEP and Gulf South 10/

Delivery Points: Downstream Pipeline Project, as defined in the Precedent Agreement 11/

Quantity: The MDQ of the Service Agreement, as specified in the Service Agreement

1/ [REDACTED]

2/ Upon the expiration of the Primary Term or, if there shall be any Automatic Extensions, upon the expiration of the last such Automatic Extension, and upon the expiration of the last evergreen roll-over period under the Service Agreement, Transporter confirms that Shipper will have a contractual right-of-first-refusal to retain the full amount of capacity, or any portion of the MDQ thereof, subject to the then-applicable provisions of Transporter's Tariff.

3/ Each capitalized term herein that is not otherwise defined herein shall have the meaning defined for such term in the Precedent Agreement between Transporter and Shipper related to the Service Agreement or, if such term is not defined in such Precedent Agreement, then the term shall have the meaning defined for the term in Transporter's Tariff.

4/ The term of this Negotiated Rate Agreement shall commence on the Commencement Date of the Service Agreement and shall continue thereafter for the Primary Term of the Service Agreement, and if applicable, any Automatic Extension(s) of the Service Agreement.

5/ The Reservation Rate is stated in \$/Dth of MDQ per day.

6/ This Reservation Rate shall be applicable for service under the Service Agreement during the Primary Term of the Service Agreement.

7/ [REDACTED]

8/ [REDACTED]



9/ In addition to the foregoing, Shipper agrees to pay any future surcharge or other charge pursuant to any FERC approved cost recovery mechanism of general applicability implemented in a generic proceeding or in an implementing Transporter-specific proceeding, which mechanism recovers cost components not reflected in Transporter's initial recourse rates applicable to the Service Agreement.

10/ In addition to the primary receipt point(s) specified in the Service Agreement, this negotiated rate shall apply to receipts at all other points on a secondary basis.

11/ In addition to the primary delivery point specified in the Service Agreement, this negotiated rate shall apply to deliveries at all other points on a secondary basis.

EXHIBIT B

To Negotiated Rate Agreement

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

PRECEDENT AGREEMENT

by and between

FLORIDA SOUTHEAST CONNECTION, LLC

and

FLORIDA POWER & LIGHT COMPANY

Dated: June 28, 2013

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Attachment 1 – Rate Adjustment or Daily Liquidated Damages Pursuant To Section 10.1.

Exhibit “A” to the Precedent Agreement - Form of Service Agreement

Exhibit “B” to the Precedent Agreement – Form of Negotiated Rate Agreement

Exhibit “C” to the Precedent Agreement –Projected Completion Dates for the Major
Milestones

PRECEDENT AGREEMENT

This PRECEDENT AGREEMENT along with Attachments 1 and 2 and Exhibits A-C (hereinafter the “**Precedent Agreement**”) is made and entered into as of this 28th day of June, 2013, (the “**Execution Date**”), by and between Florida Southeast Connection, LLC, a Delaware limited liability company (“**Transporter**”), and Florida Power & Light Company, a Florida corporation (“**Shipper**”). Transporter and Shipper are sometimes referred to herein individually as a “**Party**” or collectively as the “**Parties**.”

WITNESSETH

WHEREAS, Transporter proposes to develop and construct a new natural gas pipeline system originating at the terminus of the Sabal Trail Pipeline in Osceola County, Florida and terminating at Shipper’s Martin Plant located in Martin County, Florida, designed to provide Shipper firm transportation service detailed herein (hereafter referred to as the “**Florida Southeast Connection Pipeline Project**”); and

WHEREAS, subject to the terms and conditions herein, Transporter is willing to construct the Florida Southeast Connection Pipeline Project in order to provide to Shipper the firm transportation service on the Florida Southeast Connection Pipeline Project as detailed herein (the “**FT Service**”), and Shipper is willing to enter into a standard form of firm transportation service agreement (the “**Service Agreement**”) and a negotiated rate agreement (the “**Negotiated Rate Agreement**”) in order to contract for such FT Service.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, such consideration to be provided specifically in support of the rights set forth herein, the receipt and sufficiency of all of which are hereby acknowledged by both Parties, and intending to be legally bound, Transporter and Shipper agree to the following:

1. Definitions:

As used in this Precedent Agreement the following terms shall have the following meanings:

- 1.1 **Actual Construction Start Date** shall mean the date on which Transporter commences bona fide construction of the Florida Southeast Connection Pipeline Project, as such date is referenced in the notice that Transporter files with FERC in the FERC Certificate proceeding under Section 157.20(c)(1) of FERC’s regulations.

- 1.2 **Affiliate** shall mean in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, “control” of any entity or person means ownership of more than 50% (fifty percent) of the voting power of the entity or person.
- 1.3 **Alternate Delivery Points** shall be as defined in Section 8.2.3.
- 1.4 **Annual Charge Adjustment** or **ACA** shall be as described in the Negotiated Rate Agreement.
- 1.5 **Automatic Extension** shall be as defined in Section 4.1.3.
- 1.6 **Business Day(s)** shall mean a day on which commercial banks are open for business in Florida and New York.
- 1.7 **Certificated Capacity** shall mean the capacity specified in Transporter’s FERC Certificate Application and in no event less than the amount set forth in this Precedent Agreement as detailed herein.
- 1.8 **Commencement Date** shall be as defined in Section 3.
- 1.9 **Conditions Precedent** shall be as defined in Section 6.
- 1.10 **Critical Milestone(s)** shall mean one or more of the Major Milestones designated as “Critical Milestones” in Exhibit C hereto.
- 1.11 **Delay Damages** shall be as defined in Section 10.1.
- 1.12 **Delay Election** shall be as defined in Section 10.1.
- 1.13 **Delay Notice** shall be as defined in Section 10.1.
- 1.14 **Delayed Contractor** shall be as defined in Section 10.3.4.
- 1.15 **Discounted Rate** shall be as described in the Negotiated Rate Agreement.
- 1.16 **Environmental Permits** shall mean all federal, state and regional permits, authorizations, concurrences, proprietary approvals and authorizations and similar issuances listed by Transporter in the Resource Report 1 accompanying Transporter’s FERC Certificate Application with respect to the Florida Southeast Connection Pipeline Project, with the exception of the FERC Certificate and those permits, authorizations, concurrences, proprietary approvals, authorizations and issuances that are customarily requested closer in time to the start of applicable construction due to (i) their

filing time requirements, (ii) the length of time they remain valid once issued or (iii) their local nature (for example, road crossing and other construction and building-related permits on the final approved construction route).

- 1.17 **Equivalent Service** shall be as defined in the Negotiated Rate Agreement.
- 1.18 **Excused Delay** shall be as defined in Section 10.3.4.
- 1.19 **Expected Commencement Date** shall be as defined in Section 3.
- 1.20 **FERC** shall mean the Federal Energy Regulatory Commission.
- 1.21 **FERC Certificate** shall mean a certificate of public convenience and necessity from the FERC approving the Florida Southeast Connection Pipeline Project as detailed in this Precedent Agreement.
- 1.22 **FERC Certificate Application** shall mean the application for the FERC Certificate filed by the Transporter with FERC for authorization to construct, own and operate the Florida Southeast Connection Pipeline Project pursuant to this Precedent Agreement, and any amendments thereto; provided such application and any amendments thereto are consistent with, and preserve the rights and benefits to Shipper, under this Precedent Agreement.
- 1.23 **FERC Certificate Notice** shall mean a written notice provided by Transporter to Shipper upon Transporter's acceptance of the FERC Certificate.
- 1.24 **FERC Pre-Filing Process Request** shall mean the application necessary to initiate the FERC process leading toward filing of the FERC Certificate Application.
- 1.25 **Foundation Shipper** [REDACTED]
- 1.26 **FPSC** shall mean the Florida Public Service Commission.
- 1.27 **FPSC Order** shall mean a final non-appealable order from the FPSC acceptable to Shipper, in Shipper's sole discretion, that Shipper may recover from its customers all payments to be made for FT Service under this Precedent Agreement, the Service Agreement, the Negotiated Rate Agreement or otherwise and all payments made for firm transportation service under the Sabal Trail Pipeline agreements.

- 1.28 **FT Service** shall mean the firm transportation service provided by Transporter to Shipper as specified herein.
- 1.29 **FT Service Rate** shall mean the rate applicable to the FT Service for the Primary Term and, if applicable, for any Automatic Extension under the Service Agreement.
- 1.30 **Gas Day** shall be as defined by the North American Energy Standards Board (currently beginning at 9:00 AM and ending at 9:00 AM central clock time).
- 1.31 **Initial Optional Quantity** shall be as defined in Section 5.1.
- 1.32 **Initial Optional Quantity Price** shall be as defined in Section 5.1.
- 1.33 **Major Milestone(s)** shall mean that (or those) the Florida Southeast Connection Pipeline Project-related aspect(s) impacting on the ability of Transporter to commence service on the Commencement Date and shall be as specified in Exhibit C hereto.
- 1.34 **Martin Plant** shall mean Shipper's Martin Plant located in Martin County, Florida.
- 1.35 **MDQ** shall mean maximum daily quantity of 400,000 MMBtu per day effective May 1, 2017 increasing to 600,000 MMBtu per day effective May 1, 2020.
- 1.36 **MMBtu** shall mean one million British thermal units, which is equivalent to one dekatherm.
- 1.37 **Moody's** shall mean Moody's Investors Service, Inc.
- 1.38 **Negotiated Rate Agreement** shall mean the form of negotiated rate letter or agreement in a form and substance substantially the same as that attached hereto as Exhibit B.
- 1.39 **Negotiated Reservation Rate** means the reservation rate (in dollars per MMBtu per day) to be charged by Transporter in accordance with the Negotiated Rate Agreement.
- 1.40 **Open Season** shall be as defined in Section 4.3.
- 1.41 **Party or Parties** shall have the meaning in the introductory paragraph of this Agreement.

- 1.42 **Primary Delivery Point** shall be defined as Shipper's Martin Plant.
- 1.43 **Primary Receipt Point** shall be as defined in Section 8.2.1.
- 1.44 **Primary Term** shall be as defined in Section 4.1.3.
- 1.45 **Progress Reports** shall be as defined in Section 8.3.3.
- 1.46 **Projected Completion Date** shall be the projected completion date specified for each Major Milestone in Exhibit C hereto.

- 1.47 **Rate Adjustment** shall be as defined in Section 10.1.
- 1.48 **Recourse Rate(s)** shall be those rates specified in the Transporter's Tariff.
- 1.49 **Sabal Trail Pipeline** shall mean the pipeline originating in the vicinity of Transco Station 85 and interconnecting with the Florida Southeast Connection Pipeline Project in Osceola County, Florida at 28 15'39.70" N, 81 33' 24.68" W, or at such interconnection as otherwise agreed to by the Parties and Sabal Trail Pipeline.
- 1.50 **Sabal Trail Pipeline Certificate** shall mean a certificate of public convenience and necessity from the FERC authorizing the Sabal Trail Pipeline sponsor to construct, own, operate and maintain the Sabal Trail Pipeline.
- 1.51 **Schedule** shall be as defined in Section 8.3.
- 1.52 **Second Optional Quantity** shall be as defined in Section 5.2.
- 1.53 **Second Optional Quantity Price** shall be as defined in Section 5.2.
- 1.54 **Service Agreement** shall mean a firm transportation service agreement under Transporter's Rate Schedule FT in a form and in substance substantially the same as that attached hereto as Exhibit A.
- 1.55 **Shipper** shall have the meaning in the introductory paragraph of this Agreement.
- 1.56 **S&P** shall mean Standard & Poor's Corporation.
- 1.57 **Station 85** shall mean Transco's Station 85 in Transco Zone 4 located in Choctaw County, Alabama.
- 1.58 **Termination Damages** shall have the meaning set forth in Section 9.1.

- 1.59 **Transco** shall mean Transcontinental Gas Pipe Line Company, LLC.
- 1.60 **Transco Zone 4** shall be as defined in Transco's FERC tariff.
- 1.61 **Transporter** shall have the meaning in the introductory paragraph of this Agreement.
- 1.62 **Transporter Approvals** shall be as defined in Section 2.1.
- 1.63 **Transporter Pipe Contract** shall mean a binding contractual commitment or purchase order to buy all pipe which Transporter believes is commercially reasonably required to construct and complete the Florida Southeast Connection Pipeline Project.
- 1.64 **Transporter's Rate Schedule FT** shall mean the rate schedule available for firm transportation of natural gas by Transporter pursuant to the Transporter's Tariff.
- 1.65 **Transporter's Tariff** shall mean the FERC gas tariff applicable to the Transporter's Rate Schedule FT.
- 1.66 **Weather Event** shall mean a severe weather condition or such other adverse weather including, but not limited to; (i) a named tropical storm or hurricane having a path that encompasses the geographic regions of the Florida Southeast Connection Pipeline Project; or (ii) that has occurred resulting in excessive winds, rain or flooding in the immediate geographic area in which construction work on the Florida Southeast Connection Pipeline Project is being performed or will imminently be performed.

2. Transporter Approvals.

- 2.1 Upon execution of this Precedent Agreement, Transporter agrees to proceed with due diligence using commercially reasonable efforts:
 - 2.1.1 to obtain from all governmental and regulatory authorities having federal, state and local jurisdiction over the Florida Southeast Connection Pipeline Project all permits, authorizations, and/or exemptions, including, without limitation, the FERC Certificate and Environmental Permits, that are necessary for Transporter, in a timeframe intended to enable Transporter to complete the Florida Southeast Connection Pipeline Project and to commence full deliveries pursuant to the Service Agreement on or before the Expected Commencement Date, to (collectively the "**Transporter Approvals**");
 - (a) construct, own, operate, and maintain the Florida Southeast Connection

Pipeline Project required to provide the FT Service for Shipper contemplated herein;

- (b) provide the FT Service for Shipper contemplated herein, subject to Transporter's Tariff to the extent not inconsistent with this Precedent Agreement; and
- (c) perform its obligations as contemplated in this Precedent Agreement and in the Service Agreement.

- 2.1.2 to file and prosecute, in a timeframe intended to enable Transporter to complete the Florida Southeast Connection Pipeline Project and to commence full deliveries pursuant to the Service Agreement on or before the Expected Commencement Date, any and all applications for such Transporter Approvals (including, without limitation, the FERC Certificate) as well as any supplements or amendments thereto.
- 2.1.3 to provide periodic reports and have periodic meetings, at mutually agreed intervals of no less than once each quarter, to update Shipper as to the status of Transporter Approvals.
- 2.1.4 to advise Shipper of Transporter's planned community, public relations, regulatory, and legislative activities, if any.
- 2.1.5 to respond promptly to Shipper's reasonable requests for information regarding the Transporter Approvals.
- 2.1.6 to provide to Shipper copies of reports filed with the FERC contemporaneously with such filing, including such reports as required by Section 8.3 of this Precedent Agreement.
- 2.1.7 to include in the FERC Certificate Application a description of the interconnection facilities required at the Primary Receipt Points and the Primary Delivery Point, and, if applicable, the Alternate Delivery Points.
- 2.1.8 to notify Shipper promptly in writing when Transporter has received or obtained the FERC Certificate, as contemplated in this Section 2.

- 2.2 If the FERC Certificate is without material modification from the as-filed FERC Certificate Application, Transporter shall confirm in writing to Shipper that such certificate is acceptable to Transporter and such FERC Certificate shall be accepted by Transporter. In the event that such FERC Certificate contains material modifications from the as-filed FERC Certificate Application, the Parties shall use commercially reasonable efforts to obtain revisions to such FERC Certificate or other accommodations that would cause the FERC Certificate to be reasonably

acceptable to both Parties and that maintain the relative commercial, legal and economic benefits and positions of, and risks and burdens to, the Parties as reasonably anticipated in or to be derived from this Precedent Agreement as of the date first set forth above. Once such acceptable revisions to the FERC Certificate are obtained, Transporter shall accept such FERC Certificate and such FERC Certificate upon acceptance shall be deemed to have been accepted without material modification.

- 2.3 Shipper shall be permitted to intervene or otherwise participate in proceedings at the FERC related to the Florida Southeast Connection Pipeline Project, including without limitation the FERC Certificate Application and after service commences under the Service Agreement.

2.3.1 If requested by Shipper and such request is mutually agreeable to the Parties, Transporter agrees to provide comments or relevant information to any applicable governmental and regulatory authority in support of the efforts of Shipper to obtain any governmental and regulatory approvals for any facilities that will be constructed by Shipper, or Shipper's Affiliate, as a result of or in connection with the Florida Southeast Connection Pipeline Project. In addition, if requested by the Sabal Trail Pipeline and such request is mutually agreeable to the Parties, Transporter agrees to provide comments or information in support to any applicable governmental or regulatory authority and to cooperate with the efforts of the Sabal Trail Pipeline to obtain any governmental and regulatory approvals; furthermore, Transporter agrees to coordinate with the Sabal Trail Pipeline, using commercially reasonable efforts, on all applicable filings, permits, applications, etc. in an effort to ensure expeditious completion of both pipeline projects.

2.3.2 If requested by Transporter and such request is mutually agreeable to the Parties, Shipper agrees to provide comments or relevant information to any applicable governmental or regulatory authority in support of the efforts of Transporter to obtain Transporter Approvals as a result of or in connection with the Florida Southeast Connection Pipeline Project. In addition, if requested by Transporter and such request is mutually agreeable to the Parties, Shipper agrees to provide comments or relevant information to any applicable governmental or regulatory authority in support of the efforts of the Sabal Trail Pipeline to obtain any governmental and regulatory approvals in connection with the Sabal Trail Pipeline.

- 2.4 If Transporter becomes aware:

2.4.1 of any problem, issue or other matter that could adversely impact Transporter's ability to achieve the Expected Commencement Date; or

- 2.4.2 that the issuance (or lack thereof) of any Transporter Approvals (including, without limitation, the FERC Certificate) is reasonably likely to delay the Commencement Date beyond the Expected Commencement Date, then Transporter shall promptly provide to Shipper a written plan detailing the activities or sequence of events Transporter shall implement to complete the Florida Southeast Connection Pipeline Project on or before the Expected Commencement Date and shall promptly implement such plan.
- 2.5 In the event Transporter believes that the Expected Commencement Date will be delayed, Transporter must notify Shipper of the reason for such delay as soon as practicable and provide Shipper notice of the date on which the Commencement Date is anticipated to occur.

3. Commencement Date.

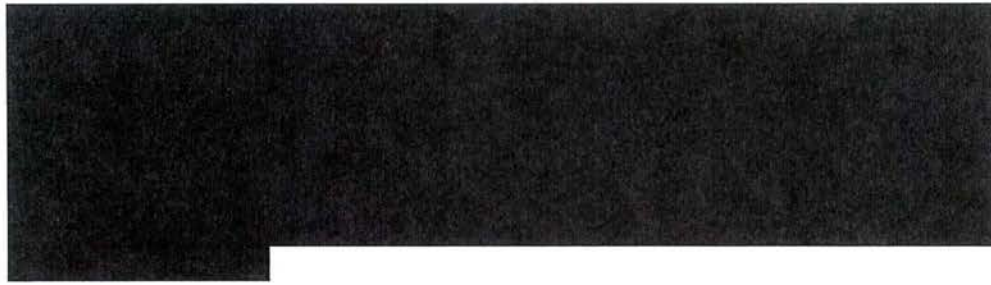
The “**Expected Commencement Date**” for the FT Service is **May 1, 2017** or such later date as extended solely in accordance with the provisions of Section 10.3. Upon completion of the Florida Southeast Connection Pipeline Project facilities, authorization from the FERC to place such facilities in service for the MDQ, and completion of the Primary Receipt Point and Primary Delivery Point, Transporter shall notify Shipper that the Florida Southeast Connection Pipeline Project shall be placed in service for the MDQ and performance under the Service Agreement shall commence; provided, however, that in the event that Transporter notifies Shipper that service may commence on a date prior to the Expected Commencement Date, actual service shall commence on a date selected by Shipper that is no later than the Expected Commencement Date (the in-service date shall be the “**Commencement Date**”).

4. Service Agreement and Rates.

- 4.1 To effectuate the FT Service contemplated herein, Shipper and Transporter shall execute the Service Agreement and, if applicable, the Negotiated Rate Agreement within fifteen (15) days after issuance of the FERC Certificate without material modification from the as-filed FERC Certificate Application (or in the event of a material modification, in conformance with Section 2.2); provided, the Service Agreement and Negotiated Rate Agreement shall not be effective until acceptance by Transporter of the FERC Certificate. Without limiting the generality of the foregoing requirement, the Service Agreement, or Transporter’s Tariff as applicable, shall specify, among other provisions:
- 4.1.1 an MDQ of 400,000 MMBtu per day effective as of the Commencement Date increasing to an MDQ of 600,000 MMBtu per day effective May 1, 2020, provided, fuel shall be retained pursuant to the then current Transporter’s Tariff as applicable to the Transporter’s Rate Schedule FT;

- 4.1.2 flexible hourly flow rates with the right to nominate at any level between a minimum hourly quantity of zero (0) MMBtu per hour and a maximum hourly quantity of 20,000 MMBtu per hour (or higher subject to operating conditions based on Sabal Trail Pipeline's deliveries to the Florida Southeast Connection Project but in no event, higher than six percent (6%)) (provided that the sum total of gas flowing during any Gas Day does not exceed the MDQ) effective as of the Commencement Date and 30,000 MMBtu per hour effective May 1, 2020;
- 4.1.3 a primary term of twenty-five (25) years (the "**Primary Term**"), effective as of the Commencement Date, which Primary Term shall be extended automatically for up to three (3) successive periods of five (5) years each (the "**Automatic Extension**"), unless Shipper provides written notice to Transporter of its election not to extend the term at least one (1) year prior to the end of the Primary Term or extension period then in effect;
- 4.1.4 that, upon the expiration of the Primary Term or, if there shall be any Automatic Extensions, upon the expiration of the final extension, and upon the expiration of each roll-over period under Transporter's Tariff, Shipper hereby has a contractual right-of-first-refusal, which shall be stated in the Negotiated Rate Agreement, to retain the full amount of capacity, or any portion of the MDQ thereof, stated in this Precedent Agreement, which right shall be governed by the then-applicable provisions of Transporter's Tariff;
- 4.1.5 a designation that the Primary Receipt Point would be located at the Sabal Trail Pipeline and the Primary Delivery Point would be Shipper's Martin Plant;
- 4.1.6 a minimum delivery pressure of 850 psig (pound-force per square inch gauge) or such other pressure as agreed to by the Parties;
- 4.1.7 Shipper shall have the right to accept receipts and make deliveries of any portion of its contract MDQ on a secondary basis at any receipt and delivery point on Transporter's system at no change in rate and subject only to available meter capacity so long as such alternative points are within Shipper's contract path; this right shall enable Shipper to allocate its MDQ or any portion thereof to Primary Receipt and Delivery Points and/or secondary receipt and delivery points at any quantities elected by Shipper on such day;
- 4.1.8 Shipper shall have the right to segment its capacity into separate parts provided that the segments do not overlap and provided that Shipper's MDQ is not exceeded on any individual segment; and

- 4.1.9 Service pursuant to the Service Agreement shall commence on the Commencement Date.
- 4.2 Transporter agrees that Shipper shall have no reimbursement obligation to Transporter pursuant to Transporter's Tariff with regard to the Florida Southeast Connection Pipeline Project or the provision of FT Service as described herein, including, without limitation, with regard to those facilities described in Section 8.2, hereof and that such covenants and agreements shall be set forth and maintained in the Service Agreement or Negotiated Rate Agreement, as applicable; provided, that the reimbursement obligations as set forth in Transporter's Tariff may apply with regard to any interconnections or other facilities that may be added in the future at the request of Shipper, either solely or in conjunction with third-party shippers. During the Primary Term and each extension or roll-over period, Shipper shall pay Transporter for the FT Service only the rates elected pursuant to this Section 4.2, and such rates shall reflect the following principles:
- 4.2.1 Transporter shall provide promptly the FERC Certificate Notice and Shipper shall have the one-time option, exercisable upon written notice to Transporter within thirty (30) days following its receipt of the FERC Certificate Notice, to elect to pay as the FT Service Rate:
- (a) Transporter's maximum Recourse Rates, transportation charges, surcharges and fuel applicable to the FT Service for the Primary Term and each Automatic Extension and roll-over period, as such maximum Recourse Rates, transportation charges, surcharges and fuel are amended or revised from time to time, and as are reflected in Transporter's Tariff; or
 - (b) the rates as specified in the whole of the Negotiated Rate Agreement which rates shall include: (1) either the Negotiated Reservation Rate or the Discounted Rate; (2) the fuel retention as stated in Transporter's Tariff as applicable to the Transporter's Rate Schedule FT; and (3) the effect of rate reductions pursuant to Attachment 1 and the Negotiated Rate Agreement and only those costs, fees, charges, surcharges, or other expenses that are referenced in the Negotiated Rate Agreement.
- 4.2.2 Shipper's rate shall not be subject to Transporter's execution or provision of service to other shippers, nor any minimum level of service in addition to that agreed to with Shipper, except as otherwise explicitly provided for herein or in the Negotiated Rate Agreement.
- 4.3 Within sixty (60) days following execution of this Precedent Agreement, unless otherwise agreed to by Shipper, Transporter shall hold an open season seeking additional third-party commitments for firm transportation capacity on the Florida Southeast Connection Pipeline Project ("**Open Season**"). [REDACTED]



- 4.4 The Parties agree that Shipper, pursuant to this Precedent Agreement, is a Foundation Shipper of the Florida Southeast Connection Pipeline Project. To the extent that Transporter offers a Negotiated Reservation Rate or Discounted Rate to any other shipper that is more favorable than Shipper's Negotiated Reservation Rate for Equivalent Service, Transporter must offer to provide the more favorable rate to Shipper, subject to and as provided for in the terms and conditions set forth in the Negotiated Rate Agreement.
- 4.5 Transporter agrees that for the period commencing on the Execution Date and continuing until the Commencement Date that Transporter will not make any modification to Transporter's Tariff that would have an adverse effect on Shipper or would otherwise be inconsistent with this Precedent Agreement without Shipper's consent, which consent shall not be unreasonably withheld, conditioned or delayed, with the exception of any such modification that Transporter makes to comply with a FERC mandate. During the Primary Term of the Service Agreement Transporter will provide Shipper prior written notice before Transporter makes a filing with FERC to modify Transporter's Tariff, other than annual filings that are required pursuant to Transporter's Tariff or modifications that are required by FERC.

5. Optional Quantity.

- 5.1 In addition to and not in limitation of the MDQ, Shipper has the right but not the obligation on or before January 1, 2020 to elect up to an additional quantity of 200,000 MMBtu/day ("**Initial Optional Quantity**") at the rate that is the result of the calculations specified on Attachment 1 of this Precedent Agreement ("**Initial Optional Quantity Price**")

Shipper's requested in-service date for such quantity must be at least forty-eight (48) months but no later than sixty (60) months after the date Shipper exercises the option for the Initial Optional Quantity, unless otherwise agreed to by Transporter and Shipper. Deliveries of the Initial Optional Quantity will be at flexible hourly flow rates with the right to nominate at any level between a minimum hourly quantity of zero (0) MMBtu per hour and a maximum hourly quantity (in MMBtu per hour) calculated as equal to five percent (5%) of the elected Initial Optional Quantity (in MMBtu per day) provided that the sum total of gas flowing during any Gas Day does not exceed the Initial Optional Quantity. Transporter and Shipper

shall amend the Service Agreement to reflect the Initial Optional Quantity, or enter into a new Service Agreement, as applicable, and amend the Negotiated Rate Agreement or enter into a new Negotiated Rate Agreement, as applicable, to provide for the new Negotiated Rate applicable to the Shipper's MDQ plus the Initial Optional Quantity upon fifteen (15) days after Transporter acceptance of the FERC Certificate increasing the Certificated Capacity as a result of the Initial Optional Quantity.

- 5.2 Shipper has the right, but not the obligation, on or before January 1, 2024, to elect up to an incremental quantity of 200,000 MMBtu/day ("**Second Optional Quantity**") at the rate schedule that is the result of the calculations specified on Attachment 1 of this Precedent Agreement (the "**Second Optional Quantity Price**"). [REDACTED]. Shipper's requested in-service date for such quantity must be at least forty-eight (48) months but no later than sixty (60) months after the date Shipper exercises the option for the Second Optional Quantity, unless otherwise agreed to by Transporter and Shipper. Deliveries of the Second Optional Quantity will be at flexible hourly flow rates with the right to nominate at any level between a minimum hourly quantity of zero (0) MMBtu per hour and a maximum hourly quantity (in MMBtu per hour) calculated as equal to five percent (5%) of the elected Second Optional Quantity (in MMBtu/day) provided that the sum total of gas flowing during any Gas Day does not exceed the Second Optional Quantity. Transporter and Shipper shall amend the Service Agreement to reflect the Second Optional Quantity, or enter into a new Service Agreement, as applicable, and amend the Negotiated Rate Agreement or enter into a new Negotiated Rate Agreement, as applicable, to provide for the new Negotiated Rate applicable to the Shipper's MDQ plus the Second Optional Quantity upon fifteen (15) days after Transporter acceptance of the FERC Certificate increasing the Certificated Capacity as a result of the Second Optional Quantity.
- 5.3 In addition to Sections 5.1 and 5.2, Transporter further agrees that Shipper, as a Foundation Shipper, shall have the right to request Transporter to construct additional expansion capacity. Subsequent to Transporter's receipt of Shipper's request, the Parties agree to negotiate in good faith in an attempt to reach an agreement on the terms and conditions of a mutually agreeable precedent agreement to accomplish such requested expansion at a mutually agreeable rate.

6. Conditions Precedent.

Transporter's obligation to construct the Florida Southeast Connection Pipeline Project and Transporter's obligation to commence, and Shipper's right to receive, FT Service under the Service Agreement and any other specified obligations under this Precedent Agreement that are expressly made subject to satisfaction or waiver of all of the following conditions are expressly made subject to satisfaction or waiver of all of the following

conditions (any or all of such conditions, until the waiver or satisfaction thereof, the **“Conditions Precedent”**):

6.1 Shipper shall have received or finalized:

- 6.1.1 approval of the Precedent Agreement by the board of directors of Shipper’s parent-company on or before July 26, 2013;
- 6.1.2 the FPSC Order on or before June 1, 2014;
- 6.1.3 written confirmation from Transporter on or before April 1, 2014 that Transporter has filed the FERC Pre-Filing Process Request;
- 6.1.4 notification, on or before August 1, 2016, from the Sabal Trail Pipeline sponsor that the project has received FERC authorization to commence construction; and
- 6.1.5 written confirmation from Transporter on or before August 1, 2016 that Transporter has accepted the FERC Certificate, subject to any extension of such date pursuant to Section 10.3 but any such extension shall not extend such date beyond August 1, 2017.

6.2 Only Shipper shall have the right to waive the Conditions Precedent set forth in Section 6.1. If Shipper shall waive any such Conditions Precedent, each such waiver shall also apply to and be binding upon Transporter. Shipper shall provide Transporter notice within ten (10) days following the satisfaction of each individual Condition Precedent set forth in Section 6.1.

6.3 Transporter shall have received or finalized:

[REDACTED]

[REDACTED]

[REDACTED]

6.4 Only Transporter shall have the right to waive the Conditions Precedent set forth in Section 6.3. If Transporter shall waive any such Condition Precedent, each such waiver shall also apply to and be binding upon Shipper. Transporter shall provide

Shipper notice within ten (10) days following the satisfaction of each individual Condition Precedent set forth in Section 6.3.

- 6.5 If any Condition Precedent has not been fully satisfied or waived by Shipper or Transporter, respectively, on or before the earlier of the applicable date specified therein or August 1, 2016, then in any and all such cases, either Shipper or Transporter may thereafter terminate this Precedent Agreement by giving sixty (60) days prior written notice to the other Party of its intention to terminate. Such termination shall be without liability therefor or further liabilities or performance obligations hereunder or under the Service Agreement; provided that if such Condition Precedent is satisfied or waived within such sixty (60) day notice period, then the termination notice and termination will be deemed rescinded and will be of no force or effect.

7. Diligent Construction.

- 7.1 Upon acceptance of the FERC Certificate and the satisfaction of any applicable conditions precedent set forth in such FERC Certificate (and provided that all Conditions Precedent have been satisfied or waived), Transporter shall:
- 7.1.1 proceed diligently to construct the Florida Southeast Connection Pipeline Project, the Primary Delivery Point (and any other facilities authorized pursuant to the FERC Certificate and necessary to provide the service contemplated herein), and
 - 7.1.2 proceed diligently to take all such other necessary action, if any, not contemplated within the FERC Certificate in a manner that shall enable Transporter to implement the FT Service under the Service Agreement on or before the Expected Commencement Date.
 - 7.1.3 proceed diligently in a timely manner with the necessary acquisition of materials, supplies, properties, rights-of-way, and any other preparations necessary to implement, by the Expected Commencement Date, the FT Service under the Service Agreement as contemplated herein (including, without limitation, any actions necessary to satisfy any applicable conditions set forth in the FERC Certificate).
 - 7.1.4 proceed diligently in a timely manner to enter into the Transporter Pipe Contract(s) by the date set forth on Exhibit C.
 - 7.1.5 begin construction of the Florida Southeast Connection Pipeline Project (which project shall include, without limitation, the design, construction, installation, ownership, operation, and maintenance at Transporter's expense of the necessary facilities at the Primary Receipt Point and Primary Delivery Point as soon as practicable after receiving FERC's authorization to commence construction.

8. Design, Construction and Project Delay.

8.1 Subject to the terms and conditions of this Precedent Agreement (provided that the obligations set forth in this Section 8.1 shall not be subject to satisfaction or waiver of the Conditions Precedent), Transporter and Shipper agree to the following procedures for design and construction of all of the Florida Southeast Connection Pipeline Project:

8.1.1 Transporter will promptly and diligently undertake the design of the Florida Southeast Connection Pipeline Project and any other preparatory actions necessary for Transporter to complete and file its FERC Pre-Filing Process Request by the date set forth in Exhibit C and file its FERC Certificate Application by the date set forth in Exhibit C (and Transporter shall notify Shipper in writing of each promptly after the occurrence of same).

8.1.2 Transporter shall respond to FERC promptly and diligently in connection with the FERC Pre-Filing Process Request and shall prosecute diligently its FERC Certificate Application in a manner that should permit the issuance by the FERC of an order granting the FERC Certificate by the date set forth in Exhibit C.

8.1.3 Transporter shall diligently and in a timely manner undertake all FERC filings required following receipt of the FERC Certificate.

8.2 In connection with the implementation of the FT Service, Transporter further agrees to enter into the following interconnection agreements (and to provide Shipper with written notice upon the execution of the same) which provide for the completion of construction of the interconnection facilities on or before the Expected Commencement Date and to maintain the effectiveness of such interconnections in order to ensure, subject only to the explicit conditions contained in this Precedent Agreement, the Service Agreement, and Transporter's Tariff (to the extent applicable applicable), that the associated facilities are properly built and maintained for the Primary Term and any extension thereof:

8.2.1 Primary Receipt Point: Sabal Trail Pipeline by May 1, 2016, pursuant to which Sabal Trail Pipeline and Transporter agree to construct, or cause to be constructed, and operate a new receipt point interconnection between the Sabal Trail Pipeline's facilities and Transporter's facilities in Osceola County, Florida. The Primary Receipt Point shall be designed to enable the Sabal Trail Pipeline to deliver, and the Florida Southeast Connection Pipeline Project to receive, a quantity of gas up to and including the Certificated Capacity of the Florida Southeast Connection Pipeline Project.

- 8.2.2 Primary Delivery Point: Shipper's Martin Plant located in Martin County, Florida. The Primary Delivery Point shall be designed to enable the Florida Southeast Connection Pipeline Project to deliver a quantity up to the Certificated Capacity of the Florida Southeast Connection Pipeline Project unless otherwise agreed by the parties.
 - 8.2.3 Alternate Delivery Points: Future FPL generation plant locations, including the Okeechobee site in FPL's most recent 10-year site plan, ("**Alternative Delivery Point**") within ninety (90) days after the date Shipper notifies Transporter in writing that Shipper desires firm transportation under the Service Agreement to such location, pursuant to which Shipper and Transporter shall mutually agree (i) on the terms and conditions to be applicable for Transporter to construct, or cause to be constructed, and operate a new delivery interconnection between Shipper's facilities and Transporter's facilities which will allow Transporter to deliver an agreed upon quantity to such location; and (ii) upon the transportation rate to be applicable to such service as a result of such additional facilities.
- 8.3 Transporter shall submit to Shipper an integrated Florida Southeast Connection Pipeline Project schedule, including without limitation details of Transporter's plan to meet Major Milestones (the "**Schedule**"), for Shipper's review within sixty (60) days of the execution of this Precedent Agreement. The Schedule shall be reasonably acceptable to Shipper and shall identify key licensing, permitting, purchasing, construction, start-up, and testing milestone dates and activities. Transporter shall notify Shipper of any changes in the Schedule within ten (10) days after such changes are determined. Transporter shall submit progress reports to Shipper, such reports to be:
- 8.3.1 substantially similar to reports provided to the FERC (or in such other form as Shipper may reasonably request),
 - 8.3.2 submitted every calendar month until the Commencement Date or the earlier termination of this Precedent Agreement, and
 - 8.3.3 consistent with the requirements of Section 2.1.6, hereof (the "**Progress Reports**").

Progress Reports shall, at a minimum, include a detailed explanation of progress made towards the Major Milestones. Progress Reports shall detail any expected delays in achieving any of the Major Milestones by their respective Projected Completion Dates, and in the event that a Major Milestone is not achieved by its Projected Completion Date to the reasonable satisfaction of the Shipper, the Transporter shall immediately provide an updated Progress Report further detailing the reasons for the delay and what remedial measures have and are being

taken to return the Florida Southeast Connection Pipeline Project to schedule.

- 8.4 Shipper shall have the right to monitor the construction, start-up, and testing of the Florida Southeast Connection Pipeline Project, either on-site or off-site; provided, if Shipper desires to monitor any aspect of the Florida Southeast Connection Pipeline Project on-site, Shipper shall first schedule such on-site visit with Transporter and Shipper shall be required to comply with all of Transporter's safety requirements and procedures that are being uniformly applied to other third-parties. Shipper's technical review and inspections of the Florida Southeast Connection Pipeline Project and resulting requests, if any, shall not be construed as an endorsement of the design thereof or as any warranty as to the safety, durability, or reliability of the Florida Southeast Connection Pipeline Project.

9. Termination Damages.

- 9.1 If Shipper terminates this Precedent Agreement pursuant to Section 10.2, Transporter shall be obligated to pay Shipper within ten (10) Business Days following demand, the sum of one hundred million dollars (USD \$100,000,000) (the "**Termination Damages**") subject to the adjustments provided in Section 9.2, as liquidated damages.
- 9.2 In the event that any Critical Milestone has not been achieved within twenty (20) days after its Projected Completion Date, the amount of Termination Damages shall increase, for each such missed Critical Milestone, in the amount of thirty-seven million five hundred thousand dollars (US \$37,500,000.00) subject to the following:
- 9.2.1 If Transporter achieves the Projected Completion Date for the next subsequent Critical Milestone, Termination Damages shall be reduced by the thirty-seven million five hundred thousand dollars (US \$37,500,000.00) increase that arose from the prior missed Critical Milestone.
- 9.2.2 In addition, if Transporter fails to achieve the Projected Completion Date for any Critical Milestone within one hundred and eighty (180) days of the Projected Completion Date of the applicable Critical Milestone, Shipper may exercise any and all rights and remedies available to Shipper pursuant to Section 10.
- 9.3 The obligations set forth in this Section 9 shall not be subject to satisfaction or waiver of the Conditions Precedent; provided, however, there shall be no obligation of Transporter to pay Termination Damages if, this Precedent Agreement is terminated pursuant to Section 6.5.

10. Shipper's Rights and Remedies in the Event of Transporter Delay.

- 10.1 If (a) Transporter fails to place the Florida Southeast Connection Pipeline Project

facilities in service and provide for the MDQ, the Primary Receipt Point, and the Primary Delivery Point by the Expected Commencement Date, and (b) Shipper determines that, on or before the Expected Commencement Date, the Sabal Trail Pipeline will be in service and capable of making deliveries to the Southeast Connection Pipeline Project, then (c) Shipper shall provide written notice to Transporter of the existence of a Shipper Delay (a "**Delay Notice**") and, at Transporter's election (a "**Delay Election**"), either (i) the Negotiated Reservation Rate will be subject to adjustment (a "**Rate Adjustment**") as provided in Attachment 2 (and Transporter shall provide Shipper a revised Negotiated Rate Agreement with the applicable rate reduction commensurate with Transporter's delay), or (ii) Transporter shall be obligated to pay Shipper, within ten (10) Business Days following Shipper's demand, as liquidated damages ("**Delay Damages**") the amounts specified in Attachment 2. Transporter will provide Shipper with its Delay Election within five (5) Business Days of Shipper's Delay Notice. Transporter's failure to provide the Delay Election within such time period shall constitute a waiver of the election and Shipper may elect the Rate Adjustment or the Delay Damages by written notice to Transporter. In the event the Sabal Trail Pipeline is not placed in service by the Expected Commencement Date, Transporter shall be excused from such Delay Damages until such time as the Sabal Trail Pipeline is placed in service and capable of making deliveries to the Florida Southeast Connection Pipeline Project.

10.2 Notwithstanding Section 10.1, failure by the Transporter to:

- 10.2.1 achieve a Critical Milestone, excluding the Expected Commencement Date, within one hundred and eighty (180) days after its Projected Completion Date; or
- 10.2.2 achieve the Commencement Date within one year after the Expected Commencement Date,

Shall, subject to the provisions of Section 10.3, each be grounds for Shipper to:

- (a) terminate this Precedent Agreement without liability to Transporter therefor and without any further liabilities or performance obligations to Transporter hereunder; and
- (b) demand immediate payment, as liquidated damages and not as a penalty, the Termination Damages.

provided, however, in the event the Sabal Trail Pipeline is not placed in service by the Expected Commencement Date, Transporter shall be excused from such Termination Damages until such time as the Sabal Trail Pipeline is placed in service and capable of making deliveries to the Florida Southeast Connection Project.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

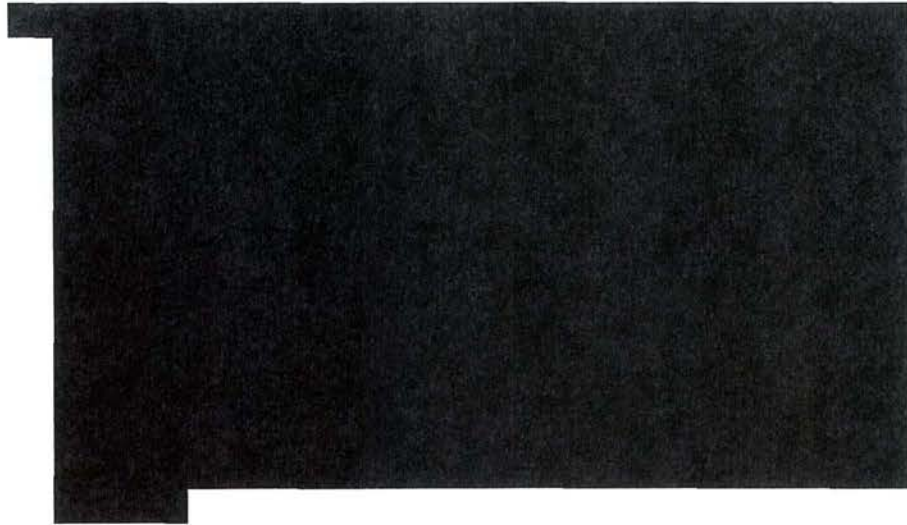
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[REDACTED]

[REDACTED]

[REDACTED]



11. Survival of Provisions

Except for Sections 1, 4.1, 4.2, 4.5, 4.6, 5, 11, 14, 15, 16, 20.4, 20.5, 20.6, 20.7 and 21 which shall survive any termination of this Precedent Agreement, this Precedent Agreement shall terminate in accordance with its express terms on the Commencement Date (if any) and, thereafter, Transporter's and Shipper's rights and obligations related to the FT Service contemplated herein shall be as set forth in the Service Agreement, Negotiated Rate Agreement, and Transporter's Tariff. In the event of a conflict between the Service Agreement, Negotiated Agreement or Transporter's Tariff and the surviving provisions of this Precedent Agreement, to the fullest extent permitted by law, the surviving provisions of this Precedent Agreement shall take precedence.

12. Shipper Representations.

Shipper represents and warrants that:

- 12.1 it is duly organized and validly existing under the laws of the State of Florida and has all requisite legal power and authority to execute this Precedent Agreement and carry out the terms, conditions and provisions thereof;
- 12.2 this Precedent Agreement constitutes the valid, legal and binding obligation of Shipper, enforceable in accordance with the terms hereof;
- 12.3 there are no actions, suits or proceedings pending or, to Shipper's knowledge, threatened against or affecting Shipper before any Court or administrative body that would materially adversely affect the ability of Shipper to meet and carry out its obligations hereunder; and
- 12.4 the execution and delivery by Shipper of this Precedent Agreement has been duly authorized by all requisite corporate action (it being understood that Shipper may

seek the authorizations set forth in Section 6.1 after the date hereof).

13. Transporter Representations.

Transporter represents and warrants that:

- 13.1 it is duly organized and validly existing under the laws of the State of Delaware and has all requisite legal power and authority to execute this Precedent Agreement and carry out the terms, conditions and provisions thereof;
- 13.2 this Precedent Agreement constitutes the valid, legal and binding obligation of Transporter, enforceable in accordance with the terms hereof;
- 13.3 the execution, delivery, and performance by Transporter of this Precedent Agreement has been duly authorized by all requisite limited liability company action (it being understood that Transporter may seek the authorizations set forth in Section 6.3.2 after the date hereof); and
- 13.4 except for the receipt of the Transporter Approvals, there are no actions, suits or proceedings pending or, to Transporter's knowledge, threatened against or affecting Transporter that would materially adversely affect the ability of Transporter to meet and carry out its obligations hereunder.

14. Assignment.

- 14.1 Any company that succeeds by purchase, merger, or consolidation to substantially all of the assets and properties of Transporter or Shipper will be entitled to the rights and will be subject to the obligations of its predecessor in title under this Precedent Agreement. Otherwise, neither Shipper nor Transporter may assign any of its rights or obligations under this Precedent Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing and upon thirty (30) day's prior written notice, no consent shall be required for:

- 14.1.1 Any assignment of this Precedent Agreement by Transporter or Shipper to any lender as collateral security for obligations under the financing documents entered into with such lender and, with respect to Transporter, in connection with financing the costs of Florida Southeast Connection Pipeline Project. In order to facilitate such financing, Transporter or Shipper, as appropriate, shall execute such consent, provided, such lender's request shall not materially adversely affect any of Transporter's or Shipper's rights, benefits, risks and obligations under this Precedent Agreement. Transporter or Shipper, as appropriate, shall reimburse the other Party for the reasonable and documented expenses (including without limitation fees and expenses of counsel) incurred by such Party in the preparation, negotiation,

execution and delivery of such consent, agreement or similar documents.

- 14.1.2 Any permanent assignment by Shipper of all or part of its rights, interests and obligations under this Precedent Agreement to any Affiliate(s) of Shipper; provided, such permanent assignment is in compliance with all necessary FERC regulatory authorizations for providing service to a different shipper and, provided further, if such Affiliate fails to have an Investment Grade Credit Rating, then Shipper shall guarantee all of the obligations of such Affiliate under this Precedent Agreement, the Service Agreement and the Negotiated Rate Agreement for the Primary Term and any Automatic Extension thereof.

15. Creditworthiness.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



16. No Third-Party Beneficiaries.

Nothing herein expressed or implied is intended or shall be constructed to confer upon or give to any person not a Party hereto any rights, remedies, or obligations under or by reason of this Precedent Agreement.

17. Agreed as between the Parties.

Each and every provision of this Precedent Agreement shall be considered as fully understood and agreed to by the parties and shall not be construed against either Party as a result of the preparations or drafting thereof. It is expressly agreed that no consideration shall be given or presumption made on the basis of who drafted this Precedent Agreement or any specific provision hereof.

18. Notices.

Any notice, request, demand, statement, or bill provided for in this Precedent Agreement, or any notice that either Party desires to give to the other, must be in writing and will be considered duly delivered when delivered by registered or certified mail or nationally recognized overnight courier service to the other Party's address set forth below:

18.1 Transporter:

Florida Southeast Connection, LLC
700 Universe Blvd.
Juno Beach, Florida 33408
Attn: President

18.2 Shipper:

Florida Power & Light Company
700 Universe Blvd. [EMT/JB]
Juno Beach, Florida, 33408
Attn: Vice President, Energy Marketing & Trading
Phone: 561/694-3510

With additional copy to:
Florida Power & Light Company
700 Universe Blvd. [EMT/JB]
Juno Beach, Florida, 33408
Attn: EMT Contract Administration
Phone: 561/691-7886

Facsimile: 561/625-7567

Electronic Mail: emtcontracts@fpl.com

or at such other address as either Party designates by written notice. Routine communications including, without limitation, monthly statements, will be considered duly delivered when delivered by (i) registered, certified, or ordinary mail, (ii) facsimile, or (iii) electronic mail.

19. Entire Agreement.

The terms and provisions contained in this Precedent Agreement constitute the entire agreement of the Parties, and there are no prior or contemporaneous agreements, understandings, warranties, representations, covenants, obligations, promises, assurances, or conditions precedent or subsequent or otherwise, except those expressly set out in this Precedent Agreement.

20. Miscellaneous Provisions.

- 20.1 No modification of the terms and provisions of this Precedent Agreement shall be effective unless contained in writing and executed by both Transporter and Shipper.
- 20.2 This Precedent Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement.
- 20.3 This Precedent Agreement shall become effective on the Execution Date and shall continue in effect until terminated pursuant to the terms and conditions herein.
- 20.4 THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS PRECEDENT AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY

PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

- 20.5 If a court of competent jurisdiction declares any provision of this Precedent Agreement unenforceable, then that provision shall be severed from this Precedent Agreement, which shall otherwise remain in full force and effect and be construed as if it did not contain the severed provision; provided, however, that if severing such provision from this Precedent Agreement has a material adverse effect on the rights or obligations of either Party as set forth in this Precedent Agreement, then the Parties agree to negotiate in good faith replacement terms that are consistent with the court's declaration or directive and that maintain the relative commercial, legal and economic benefits and positions of, and risks and burdens to, the Parties as reasonably anticipated in or to be derived from this Precedent Agreement as of the date first set forth above.
- 20.6 THIS AGREEMENT SHALL BE INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA, WITHOUT REGARD FOR ANY CONFLICT OF LAW RULES THAT MAY REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION. EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA, OR, IF SUCH COURT DECLINES TO EXERCISE OR DOES NOT HAVE JURISDICTION, IN THE COURTS OF THE STATE OF FLORIDA LOCATED IN PALM BEACH COUNTY, AND TO SERVICE OF PROCESS BY CERTIFIED MAIL, DELIVERED TO THE PARTY AT THE ADDRESS SET FORTH ABOVE. IN ADDITION, EACH PARTY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE FOR ANY SUCH SUIT, ACTION OR PROCEEDING RELATING TO THIS PRECEDENT AGREEMENT, WAIVES ANY CLAIM THAT SUCH SUIT, ACTION OR PROCEEDING RELATING TO THIS PRECEDENT AGREEMENT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM, AND FURTHER WAIVES THE RIGHT TO OBJECT, WITH RESPECT TO SUCH SUIT, ACTION OR PROCEEDING RELATING TO THIS PRECEDENT AGREEMENT, THAT SUCH COURT DOES NOT HAVE JURISDICTION OVER IT.

- 20.7 EACH PARTY HERETO EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY JUDICIAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO THE OTHER PARTY'S ENTERING INTO THIS AGREEMENT.

21. Rules of Interpretation.

Unless otherwise required by the context in which any term appears: (a) capitalized terms used in this Precedent Agreement have the meanings specified in this Precedent Agreement (b) the gender of all words used herein shall include the masculine, feminine and neuter and the singular shall include the plural; (c) unless otherwise specified, references to "Articles," "Sections," "Schedules," "Annexes," "Appendices" or "Exhibits" (if any) shall be to Articles, Sections, schedules, annexes, appendices or Exhibits (if any) of this Precedent Agreement, as the same may be amended, modified, supplemented or replaced from time to time hereunder; (d) all references to a person shall include a reference to such person's successors and permitted assigns; (e) the words "herein," "hereof" and "hereunder" shall refer to this Precedent Agreement as a whole and not to any particular Section or subsection of this Precedent Agreement; (f) all accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles in the United States of America, consistently applied; (g) references to this Precedent Agreement shall include a reference to all appendices, annexes, schedules and Exhibits hereto, as the same may be amended, modified, supplemented or replaced from time to time; (h) references to any agreement, document or instrument shall mean a reference to such agreement, document or instrument as the same may be amended, modified, supplemented or replaced from time to time; (i) the use of the word "including" in this Precedent Agreement to refer to specific examples shall be construed to mean "including, without limitation" or "including but not limited to" and shall not be construed to mean that the examples given are an exclusive list of the topics covered; (j) references to a law or regulation shall mean a reference to such law or regulation as the same may be amended, modified, supplemented or restated and be in effect from time to time; and (k) the headings contained herein are used solely for convenience and do not constitute a part of this Precedent Agreement nor should they be used to aid in any manner to construe or interpret this Agreement.

[signature page follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Precedent Agreement to be duly executed by their duly authorized officers as of the day and year first above written.

FLORIDA SOUTHEAST CONNECTION, FLORIDA POWER & LIGHT COMPANY
LLC

By: Pamela Bauch

Title: President

Date: *

By: [Signature]

Title: VICE PRESIDENT

Date: *



* Non-substantive corrections made, and re-executed, July 18, 2013.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[illegible]

ATTACHMENT 2

RATE ADJUSTMENT OR DAILY LIQUIDATED DAMAGES PURSUANT TO SECTION 10.1

If Transporter fails to have the Florida Southeast Connection Pipeline Project facilities in service and provide for the MDQ, the Primary Receipt Point and the Primary Delivery Point by the Expected Commencement Date and the Sabal Trail Pipeline will be in service and capable of making deliveries to the Florida Southeast Connection Pipeline Project as of the Expected Commencement Date:

1) Rate Adjustment:

Shipper's Negotiated Reservation Rate for the total MDQ shall be reduced by: (a) \$0.005 per MMBtu if the Commencement Date occurs on or after at least thirty-one (31) days but no more than sixty (60) days after the Expected Commencement Date; (b) \$0.01 per MMBtu if the Commencement Date occurs on or after at least sixty-one (61) days but no more than ninety-one (91) days after the Expected Commencement Date; (c) \$0.015 per MMBtu if the Commencement Date occurs on or after at least ninety-two (92) days but no more than one hundred twenty-two (122) days after the Expected Commencement Date; (d) \$0.02 per MMBtu if the Commencement Date occurs on or after at least one hundred twenty-three (123) days but no more than one hundred fifty-two (152) days after the Expected Commencement Date; or (e) \$0.025 per MMBtu if the Commencement Date occurs more than one hundred fifty-two (152) days after the Expected Commencement Date.

or

2) Delay Damages:

Shipper shall be entitled to draw upon the Completion Security for Delay Damages as follows: (a) \$250,000 for each day that the Commencement Date occurs on or after the date that is thirty (30) days following the Expected Commencement Date through and including the date that is sixty (60) days following the Expected Commencement Date; plus (b) \$350,000 for each day the Commencement Date occurs on or after the date that is sixty-one (61) days after the Expected Commencement Date; provided, however, in no event shall such aggregate amount exceed \$49,750,000. For example, if the Commencement Date occurs on the seventieth (70th) day following the Expected Commencement Date, Liquidated Damages shall be \$10,900,000 (being the sum of (i) 31 days multiplied by \$250,000, and (ii) 9 days times \$350,000).

In the event the Sabal Trail Pipeline is not placed in service by the Expected Commencement Date, Transporter shall be excused from such delay until such time as the Sabal Trail Pipeline is placed in service and capable of making deliveries to the Florida Southeast Connection Pipeline Project.

EXHIBIT A

FORM OF SERVICE AGREEMENT APPLICABLE TO RATE SCHEDULE FTS

Contract No. _____

SERVICE AGREEMENT

This AGREEMENT entered into this ____ day of _____, _____, by and between Florida Southeast Connection, LLC, a limited liability company of the State of Delaware (herein called "Transporter"), and Florida Power & Light Company (herein called "Shipper").

WITNESSETH

WHEREAS, Shipper is interested in obtaining firm transportation service from Transporter and Transporter is willing to provide firm transportation service to Shipper; and

WHEREAS, such service will be provided by Transporter for Shipper in accordance with the terms hereof.

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged, Transporter and Shipper do covenant and agree as follows:

1. Type of Service. Transporter agrees to provide and Shipper agrees to take and pay for service under this Agreement pursuant to Transporter's Rate Schedule FTS and the General Terms and Conditions of Transporter's Tariff, which are incorporated herein by reference and made a part hereof.
2. Quantity. The Maximum Daily Quantity (MDQ) and, if applicable, the Maximum Daily Hourly Quantity ("MDHQ") for service under this Agreement is stated in Exhibit C attached hereto and incorporated herein.
3. Primary Receipt and Delivery Points. The Primary Receipt Points(s) shall be listed on Exhibit A and the Primary Delivery Point(s) shall be listed on Exhibit B attached hereto and incorporated herein. To the extent applicable, any minimum receipt or delivery pressure shall also be stated on Exhibits A and B.
4. Term. This Agreement shall be effective on May 1, 2017 and shall continue until April 30, 2042 ("Primary Term"). This Agreement can be extended by Shipper for three successive 5-year terms, beginning May 1, 2042 ("Secondary Term(s)"), upon at least 1 year prior written notice prior to the May 1 start of each successive Secondary Term. Any portions of this Agreement necessary to correct or cash-out imbalances under this Agreement as required by the General Terms and Conditions of Transporter's FERC Gas Tariff shall survive the other parts of this Agreement until such time as such balancing has been accomplished.
5. Rate. Maximum rates, charges, and fees shall be applicable to service pursuant to this Agreement except during the specified term of a discounted or Negotiated Rate to which

Shipper and Transporter have agreed. Provisions governing such discounted rate shall be as specified in the Discount Confirmation to this Agreement. Provisions governing such Negotiated Rate and term shall be as specified on an appropriate Statement of Negotiated Rates filed, with the consent of Shipper, as part of Transporter's Tariff. Transporter and Shipper have agreed to a Negotiated Rate.

6. Notice. Unless otherwise required in the Tariff, all notices shall be in writing and mailed to the applicable address below or transmitted via facsimile or electronic mail. Shipper or Transporter may change the addresses or other information below by written notice to the other without the necessity of amending this Agreement:

Transporter:

Florida Southeast Connection, LLC
xxxxxxx
xxxxxxx
xxxxxxx

Shipper:

Florida Power & Light Company
700 Universe Blvd.
Juno Beach, FL, 33408
Facsimile: 561-625-7197
Telephone: 561-625-7012
Attention: EMT Gas Operations

With additional copy to:
Florida Power & Light Company
700 Universe Blvd. [EMT/JB]
Juno Beach, Florida, 33408
Attn: EMT Contract Administration
Phone: 561/691-7886
Facsimile: 561/625-7567
Electronic Mail: emtcontracts@fpl.com

7. The interpretation and performance of this Agreement shall be in accordance with the laws of the State of Florida, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers and/or Representatives thereunto duly authorized to be effective as of the date stated above.

SHIPPER

TRANSPORTER

Florida Power & Light Company

Florida Southeast Connection, LLC

By: _____

By: _____

Title: _____

Title: _____

FORM OF SERVICE AGREEMENT
(APPLICABLE TO RATE SCHEDULE FTS)
(continued)

EXHIBIT A

Point(s) of Receipt

Dated: _____

To the Agreement under Rate Schedule FTS between Florida Southeast Connection, LLC (Transporter) and Florida Power & Light Company (Shipper) concerning Point(s) of Receipt.

The Primary Receipt Point available to Shipper and any additional Receipt Points constructed after the effective date of this Agreement:

Primary Receipt Point	Maximum Receipt Pressure	Minimum Receipt Pressure
Sabal Trail Transmission, LLC	MAOP	1400 psig

Signed for Identification

Transporter: _____

Shipper: _____

FORM OF SERVICE AGREEMENT
(APPLICABLE TO RATE SCHEDULE FTS)
(continued)

Exhibit B

Point(s) of Delivery

Dated: _____

To the Agreement under Rate Schedule FTS between Florida Southeast Connection, LLC (Transporter) and Florida Power & Light Company (Shipper) concerning Point(s) of Delivery.

The Primary Delivery Points available to Shipper includes the following and any additional Delivery Points constructed after the effective date of this Agreement:

Primary Point of Delivery	Maximum Delivery Pressure	Minimum Delivery Pressure
Martin Plant	N/A	850 psig

Signed for Identification

Transporter: _____

Shipper: _____

FORM OF SERVICE AGREEMENT
(APPLICABLE TO RATE SCHEDULE FTS)
(continued)

Exhibit C

Transportation Quantities

Dated:

To the Agreement under Rate Schedule FTS between Florida Southeast Connection, LLC
(Transporter) and Florida Power & Light Company (Shipper) concerning Transportation quantities.

MAXIMUM DAILY QUANTITY (MDQ):

Dth	Period
400,000	May 1, 2017-April 30, 2020
600,000	May 1, 2020-April 30, 2042

MAXIMUM DAILY HOURLY QUANTITY (MDHQ)¹:

Dth	Period
20,000	May 1, 2017-April 30, 2020
30,000	May 1, 2020-April 30, 2042

Signed for Identification

Transporter: _____

Shipper: _____

¹ Transporter will provide a higher MDHQ, not to exceed six (6) percent, if operationally able to do so consistent with Transporter's Tariff.

EXHIBIT B

Rate Schedule FTS
Agreement/Contract No. _____
Dated: _____

[Date]

Sam Forrest
Vice President
Florida Power & Light Company
700 Universe Blvd
Juno Beach, FL 33408

Re: Negotiated Rate Letter Agreement to
FTS Service Agreement No. _____ between
FLORIDA SOUTHEAST CONNECTION, LLC
and
FLORIDA POWER & LIGHT COMPANY
dated _____

Dear Mr. Forrest:

This Negotiated Rate Letter Agreement ("Letter Agreement") specifies additional terms and conditions applicable to the referenced service agreement ("FTS Service Agreement") between Florida Southeast Connection, LLC ("Transporter") and Florida Power & Light Company ("Shipper"). Transporter and Shipper are hereinafter referred to individually as a "Party" and collectively as the "Parties". In addition, Transporter and Shipper are parties to that certain Precedent Agreement dated June __, 2013, with respect to the expansion project that will make available the firm transportation capacity to provide service under the FTS Service Agreement ("Precedent Agreement"). This Letter Agreement is subject to all applicable Federal Energy Regulatory Commission ("FERC") regulations. In the event the language of this Letter Agreement conflicts with the FTS Service Agreement, the language of this Letter Agreement will control. In the event the language of this Letter Agreement conflicts with Transporter's FERC Gas Tariff as amended or superseded ("Tariff"), the language of the Tariff will control. Capitalized terms used but not defined herein shall have the meaning defined for such terms in the Precedent Agreement.

1. Transporter shall provide to Shipper primary firm service from the Receipt Point(s) to the Delivery Point(s) listed in Exhibit A and Exhibit B of the FTS Service Agreement (the "Primary Points"). The rates charged by Transporter to Shipper for such primary firm service are set forth on Exhibit I, attached hereto.

(a) The Maximum Daily Quantity(ies) ("MDQ") and, if applicable, Maximum Daily Hourly Quantity(ies) ("MDHQ") associated with the primary firm service are as stated in Exhibit C of the FTS Service Agreement.

(b) The negotiated rate(s) are reflected on Exhibit I, hereto. In addition to the rate(s) set forth on Exhibit I, Transporter shall charge, and Shipper shall pay and be responsible for, all other applicable charges Transporter is authorized to charge pursuant to its Tariff, except as otherwise agreed to herein.

(c) In consideration of the negotiated rate described above, during the term of this Letter Agreement, Shipper will not file, initiate, or support any action filed pursuant to Section 5 of the Natural Gas Act against Transporter that would have the effect of reducing the specific

rate(s) agreed to pursuant to this Letter Agreement, and to the extent that any proceeding is initiated, that the Mobile-Sierra Doctrine's "public interest standard" of review will apply.

2. The rates set forth in Exhibit I are applicable for primary firm service utilizing the Primary Point(s) specifically listed in Exhibit A and Exhibit B of the FTS Service Agreement, up to Customer's MDQ and MDHQ, if applicable, as stated in Exhibit C of the FTS Service Agreement. The rates shall also apply to any additional primary and receipt points used on a secondary basis, subject only to available meter capacity so long as such alternative points are within Shipper's contract path.

3. This Letter Agreement shall be effective beginning May 1, 2017 and shall continue in full force and effect through April 30, 2042, for a term of 25 years (the "Primary Term"), subject to the applicable rates set forth on Exhibit I. Upon at least one (1) year written notice by Shipper, this Letter Agreement shall be extended for an additional five (5) years, beginning May 1, 2042 ("Secondary Term") through April 30, 2047, subject to the applicable rates set forth on Exhibit I. Upon at least one (1) year prior written notice, Shipper shall have the right to extend this Letter Agreement for two (2) additional five (5) year Secondary Terms, subject to the applicable rates set forth on Exhibit I. Alternatively, at the end of the Primary Term or at the end of subsequent Secondary Terms, Shipper shall be granted a contractual right of first refusal to be exercised in accordance with the Tariff. Transporter agrees further that Shipper, as a Foundation Shipper pursuant to the Precedent Agreement, shall have the right to request Transporter construct expansion capacity, and to acquire such expansion capacity at a mutually agreed to rate; *provided*, that this expansion right shall not be exercised on a discriminatory basis.

4. The rates set forth herein shall remain in effect for the Primary Term and any Secondary Term of this Letter Agreement without regard to any changes that may occur to Transporter's maximum/minimum rates. If at any time FERC (or a governmental authority) disallows, modifies or conditions approval of any provision of this Letter Agreement and such disallowance, modification or condition has an adverse effect upon a Party, then, upon written notification from one Party to the other, Shipper and Transporter shall negotiate in good faith terms and conditions (including, without limitation, a discounted rate) in order to preserve the economic value to the Parties over the term of this Letter Agreement. Shipper shall be responsible for all fuel charges and the ACA in accordance with the Tariff, but shall not be responsible for any additional surcharges other than ACA, unless such surcharges are mandated by the FERC or governmental authority [REDACTED]

[REDACTED] Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in the filed rates, charges, and services in the Tariff, including both the level and design of such rates, charges and services and the general terms and conditions therein; *provided*, that Shipper shall have the right to review any such proposed changes to the general terms and conditions thirty (30) days prior to filing.

[REDACTED]

6. Except as otherwise provided in the FERC's regulations, this Letter Agreement may not be assigned without the express written consent of the other Party. Any assignment shall be in accordance with the Tariff and FERC regulations. Such consent shall not be unreasonably withheld, conditioned or delayed. Any assignment made in contravention of this paragraph shall be void at the option of the other Party. If such consent is given, this Letter Agreement shall be binding upon and inure to the benefit of the Parties and their successors and assigns.

7. In the event any provision of this Letter Agreement is held to be invalid, illegal or unenforceable by any court, regulatory agency, or tribunal of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions, terms or conditions shall not in any way be affected or impaired thereby, and the term, condition, or provision which is held illegal or invalid shall be deemed modified to conform to such rule of law, but only for the period of time such order, rule, regulation, or law is in effect. In the event that the Precedent Agreement terminates pursuant to its stated terms for any reason other than the commencement of FTS service under the FTS Service Agreement, than this Letter Agreement shall contemporaneously terminate without further action by either Party hereto and shall thereafter be of no force or effect.

8. This Letter Agreement shall be governed by and construed under the laws of the State of Florida, excluding any provision which would direct the application of the laws of another jurisdiction.

If Shipper agrees with the terms and conditions, please so indicate by signing the duplicate originals in the appropriate spaces provided below and returning the originals to Transporter.

Very truly yours,

FLORIDA SOUTHEAST CONNECTION, LLC

By: _____

Name: _____

Title: _____

ACCEPTED AND AGREED TO this ____ day of _____, XXXX.

FLORIDA POWER & LIGHT COMPANY

By: _____

Name: _____

Title: _____

EXHIBIT I

(\$/Dth)				
	Contract Year	12 Months Beginning	MDQ 400,000 Dth	MDQ 600,000 Dth
Primary Term	1	5/1/2017		
	2	5/1/2018		
	3	5/1/2019		
	4	5/1/2020		
	5	5/1/2021		
	6	5/1/2022		
	7	5/1/2023		
	8	5/1/2024		
	9	5/1/2025		
	10	5/1/2026		
	11	5/1/2027		
	12	5/1/2028		
	13	5/1/2029		
	14	5/1/2030		
	15	5/1/2031		
	16	5/1/2032		
	17	5/1/2033		
	18	5/1/2034		
	19	5/1/2035		
	20	5/1/2036		
	21	5/1/2037		
	22	5/1/2038		
	23	5/1/2039		
	24	5/1/2040		
	25	5/1/2041		
Extension Option #1	26	5/1/2042		
	27	5/1/2043		
	28	5/1/2044		
	29	5/1/2045		
	30	5/1/2046		
Extension Option #2	31	5/1/2047		
	32	5/1/2048		
	33	5/1/2049		
	34	5/1/2050		
	35	5/1/2051		
Extension Option #3	36	5/1/2052		
	37	5/1/2053		
	38	5/1/2054		
	39	5/1/2055		
	40	5/1/2056		

Authorized Overrun Service consistent with Transporter's tariff will be provided at \$0.00.

EXHIBIT C

Transporter has established the following Projected Completion Dates for the Major Milestones associated with the critical issues impacting the ability of Transporter to commence service on the Expected Commencement Date. In accordance with Section 7(C), Transporter must provide regular Progress Reports to Shipper detailing Transporter's progress toward each Major Milestone. Those Major Milestones designated as "Critical Milestones" will be tied to Transporter's Termination Damages. Failure to meet any of the Critical Milestones could result in an increase in the Termination Damages.

	Major Milestones	Critical Milestones	Projected Completion Date
a.	FERC Pre-Filing Process Request		December 2, 2013
b.	FERC Certificate Application Filed	X	December 1, 2014
c.	Other Federal Applications Filed		January 16, 2015
d.	Environmental Permits (as defined in Section 1) Applications Filed		December 1, 2014
e.	FERC Preliminary Determination		July 1, 2015
f.	Granted FERC Certificate	X	February 1, 2016
g.	Granted Other Federal Authorizations		May 2, 2016
h.	Granted all Environmental Permits (as defined in Section 1)		May 2, 2016
i.	Long Term Financing Closed		N/A
j.	Engineering Contracts Executed		August 30, 2013
k.	Construction Contracts Executed		February 1, 2016
l.	Execution of Transporter Pipe Contract(s)	X	March 2, 2015
m.	Execution of Transporter Compressor Contract(s)		n/a
n.	Acquisition of all right-of-way and other surface rights required to construct and operate the pipeline project		August 1, 2016
o.	All Authorizations Required to Start Construction Issued		June 1, 2016
p.	Construction Starts	X	July 1, 2016
q.	Major Equipment Deliveries (specify all)		Pipe - April 1, 2016; Valves - July 1, 2016; Buildings - July 1, 2016; Meter skids - June 1, 2016
r.	Interconnection Agreements Executed		May 2, 2016
s.	Expected Commencement Date	X	5/1/2017