



ORIGINAL

041405 - EQ
JAMES A. MCGEE
ASSOCIATE GENERAL COUNSEL
PROGRESS ENERGY SERVICE COMPANY, LLC

December 16, 2004

VIA HAND DELIVERY

Ms. Blanca S. Bayó, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED-PPSC
04 DEC 16 PM 4:24
COMMISSION
CLERK

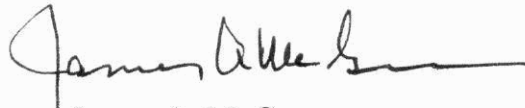
Re: Petition of Progress Energy Florida for approval of an amendment to its cogeneration contract with the Pinellas County Resource Recovery Facility.

Dear Ms. Bayó:

Enclosed for filing on behalf of Progress Energy Florida, Inc., are an original and seven copies of the subject petition.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. Two 3½ inch diskettes containing the above-referenced petition in Word format and its exhibits in PDF format are also enclosed. Thank you for your assistance in this matter.

Very truly yours,


James A. McGee

JAM/scc
Enclosures

RECEIVED & FILED



FPSC-BUREAU OF RECORDS

100 Central Avenue (33701) □ Post Office Box 14042 (33733) □ St. Petersburg, Florida
Phone: 727.820.5184 □ Fax: 727.820.5519 □ Email: james.mcgee@pgnmail.com

DOCUMENT NUMBER-DATE
13227 DEC 16 04
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Progress Energy
Florida for approval of an
amendment to its cogeneration
contract with the Pinellas County
Resource Recovery Facility.

Docket No. _____

Submitted for filing:
December 16, 2004

P E T I T I O N

Progress Energy Florida, Inc. (Progress Energy, or the Company), pursuant to Rule 25-17.0836, F.A.C., hereby petitions the Florida Public Service Commission (the Commission) for approval of the letter agreement between Progress Energy and Pinellas County (the County) contained in the attached Exhibit A (the Amendment), which amends an existing cogeneration contract for the purchase of capacity and energy by Progress Energy from the County's Resource Recovery Facility (the Facility), subject to Commission approval. In support of its petition, Progress Energy states as follows:

Introduction

1. Progress Energy is a public utility subject to the regulatory jurisdiction of the Commission pursuant to Chapter 366, Florida Statutes. The Company's principal place of business is located at 100 Central Avenue, St. Petersburg, Florida 33701.
2. All notices, pleadings and correspondence required to be served on the petitioner should be directed to:

Bonnie E. Davis, Esquire
106 East College Avenue
Suite 800
Tallahassee, FL 32301
Facsimile: 805-222-9768

James A. McGee, Esquire
Post Office Box 14042 (zip 33733)
100 Central Avenue (zip 33701)
St. Petersburg, FL
Facsimile: 727-820-5519

The Current Agreement

3. Progress Energy currently purchases capacity and energy from the County's Facility under an Amended and Restated Electrical Power Purchase Agreement dated February 21, 1989, a negotiated qualifying facilities (QF) contract with a Committed Capacity of 54.75 megawatts and a term that expires at the end of 2024. The agreement was approved for cost recovery by the Commission in Order No. 21952, Docket No. 890637-EQ, and was subsequently modified by an amendment dated November 23, 1993, by two curtailment letter agreements dated October 11, 1994 and September 5, 1997,¹ and by a letter agreement dated November 20, 2000² (collectively, the Current Agreement). The Current Agreement (less voluminous COG-1 tariff appendices to the 1989 agreement but including all prior modifications) is attached as composite Exhibit B.

4. With respect to scheduled outages at the County's Facility, paragraph 4 of the Current Agreement provides as follows:

The following details the understanding between the parties as to how the County will assist FPC during periods of low electric energy load on its system and the consideration FPC will give to the County in return for such assistance.

¹ These three subsequent modifications were approved by Order No. PSC-95-0540-FOF-EQ, Docket No. 940797-EQ.

² This modification was approved by Order No. PSC-01-1088-PAA-EQ and Consummating Order PSC-01-1244-CO-EQ, Docket No. 010275-EQ.

- a. The County shall reduce its electric energy sales and deliveries to FPC by approximately 20 megawatts for four calendar weeks each year, consisting of seven 24-hour days each such week.
- b. The four-week reduction period referenced in "a" above shall be scheduled during the months of October, November and December. FPC shall have the right to designate the weeks during such months.

The Amendment

5. To provide greater operational flexibility to both the County and Progress Energy, the parties concluded that it would be desirable to provide the opportunity to schedule planned outages at the Facility in the Spring shoulder months as well as the Fall period, and to clarify that more than one 20-megawatt planned outage can be scheduled at the Facility at the same time. Consequently, the County and Progress Energy agreed to amend the Current Agreement by modifying the above-quoted paragraph 4 as follows:

The following details the understanding between the parties as to how the County will assist PEF during periods of low electric energy load on its system and the consideration PEF will give to the County in return for such assistance.

- a. The County shall reduce its electric energy sales and deliveries to PEF by approximately 20 megawatts (MW) for an accumulative period totaling four calendar weeks each year, consisting of seven 24-hour days each such week. These 20 MW reductions may be combined so that a 40 MW reduction for one week is the equivalent of two 20 MW reductions for one week.
- b. The reduction periods referenced in paragraph 4(a) above shall be scheduled during the months of March, April, October, November and December. PEF shall have the right to designate the weeks during such months.

6. The planned outages subject to the Amendment are not included in calculating the Facility's capacity factor and, therefore, the Amendment has no effect on the economics or cost-effectiveness of Progress Energy's QF contract with the

County. Progress Energy's requested approval of the Amendment is based on the valuable but unquantifiable operational benefit the Company will realize by virtue of the ability to schedule planned outages of the Facility in either the Spring or the Fall shoulder months, or both, rather than in the Fall period only. This will provide greater flexibility in coordinating planned outages at the County's Facility with other planned outages on Progress Energy's generating system.

WHEREFORE, Progress Energy requests that the Commission grant this petition and approve the modification of the Current Agreement, as set forth in the Amendment contained in Exhibit A, for cost recovery purposes.

Respectfully submitted,



Bonnie E. Davis
Florida Bar No. 335630
106 East College Avenue, Suite 800
Tallahassee, FL 32301
Telephone: 805-222-8738
Facsimile: 805-222-9768

and

James A. McGee
Florida Bar No. 150483
Post Office Box 14042
St. Petersburg, Florida 33733-4042
Telephone: 727-820-5184
Facsimile: 727-820-5519

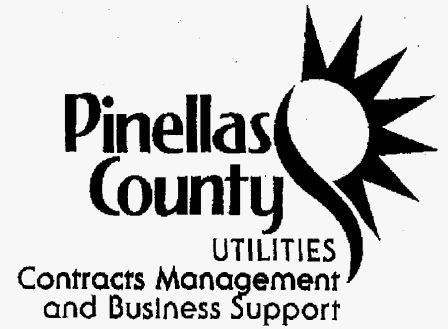
Attorneys for
PROGRESS ENERGY FLORIDA, INC.

EXHIBIT A

**THE AMENDMENT TO
THE CURRENT AGREEMENT**

**BOARD OF COUNTY
COMMISSIONERS**

Susan Latvala - Chairman
John Morroni - Vice Chairman
Calvin D. Harris
Karen Williams Seel
Robert B. Stewart
Barbara Sheen Todd
Kenneth T. Welch



July 22, 2004

Mr. David Gammon
Cogeneration Manager
Progress Energy Florida, Inc.
P.O. Box 14042
St. Petersburg, FL 33733

RE: Second Amendment to Letter of Understanding, Pinellas County
Resource Recovery Facility, Electric Energy Generation, Sales
and Purchase Reductions

Dear Mr. Gammon:

The subject Amendment was approved by the Pinellas County Board of County Commissioners at their meeting on July 13, 2004. Please find enclosed the executed copy of this Amendment for your further processing.

Sincerely,

PINELLAS COUNTY UTILITIES

A handwritten signature in cursive script that reads "Carol Smith".

Carol Smith
Contracts Services Specialist

Enclosure

cc: Luke Koon, Project Manager
Department of Solid Waste Operations

PLEASE ADDRESS REPLY TO:
14 S. Fort Harrison Avenue
Clearwater, Florida 33756
Website: www.pinellascounty.org



No. 43
BCC 7-13-04
9:35 A.M. Rubio/HARB/Penhale

#43 Second amendment to the Letter of Understanding to the Amended and Restated Electrical Power Purchase Agreement with Florida Power Corporation, Inc., d/b/a Progress Energy Florida, Inc. (PEF) for the sale and delivery of electric energy from the Solid Waste Operations Resource Recover Facility (RRF) to allow:

- a. The county to reduce its electric energy sales and deliveries to PEF by approximately 20 megawatts (MW) for an accumulative period totaling four calendar weeks each year, consisting of seven 24-hour days each such week. The 20 MW reductions may be combined so that, if necessary, a 40 MW reduction for one week is the equivalent of two 20 MW reductions for one week.
- b. Reduction periods to be scheduled during the months of March, April, October, November, and December.

Motion - Commissioner Todd
Second - Commissioner Seel
Vote - 7 - 0

RECEIVED
CONTRACTS MANAGEMENT
7/21/04



May 19, 2004

Pinellas County Board of County Commissioners
315 Court Street
Clearwater, FL 33756

Re: Second Amendment to Letter of Understanding, Pinellas County Resource Recovery Facility, Electric Energy Generation, Sales and Purchase Reductions Per Florida Power Corporation Request dated October 11, 1994 and Amended on September 5, 1997

Dear Commissioners:

On October 11, 1994, Pinellas County, Florida (the "County") and Florida Power Corporation, Inc. d/b/a Progress Energy Florida, Inc. ("PEF") signed a Letter of Understanding confirming and formalizing the understanding between the County and PEF concerning each party's commitments and responsibilities with respect to (1) reducing the sale and delivery obligation of the County of electric energy generated at the County's Resource Recovery Facility (the "Facility") to PEF, and (2) the obligation of PEF to accept and purchase all electric energy from the County, during low electric energy load periods on PEF's system. A copy of the Letter of Understanding is attached hereto as Exhibit A. The Letter of Understanding was amended on September 5, 1997 to further reduce the County's obligation for the sale and delivery of electric energy generated at the County's Facility to PEF. A copy of the amendment to the Letter of Understanding is attached hereto as Exhibit B.

As a result of recent discussions, the County and PEF desire to make certain changes to subparagraphs 4a and 4b of the Letter of Understanding. Accordingly, subparagraphs 4a and 4b are hereby amended to read as follows:

4. The following details the understanding between the parties as to how the County will assist PEF during periods of low electric energy load on its system and the consideration PEF will give to the County in return for such assistance.
 - a. The County shall reduce its electric energy sales and deliveries to PEF by approximately 20 megawatts (MW) for an accumulative period totaling four calendar weeks each year, consisting of seven 24-hour days each such week. These 20 MW reductions may be combined so that a 40 MW reduction for one week is the equivalent of two 20 MW reductions for one week.

Progress Energy Florida, Inc.
P.O. Box 14042
St. Petersburg, FL 33701

- b. The reduction periods referenced in subparagraph 4a above shall be scheduled during the months of March, April, October, November or December. PEF shall have the right to designate the weekly periods during such months.

Except as provided in this Amendment, all terms, conditions, and obligations of the Letter of Understanding, as previously amended shall remain binding on the parties.

Please indicate your acknowledgment and consent to this understanding by signing in the space provided below and returning the same to me. The parties understand that this Amendment is contingent upon approval by the Florida Public Service Commission.

ATTEST:
By: *Linda A. Reed*
Deputy Clerk

PINELLAS COUNTY, FLORIDA, by and through its Board of County Commissioners

By: *Seamus P. Strala*
Chairman

APPROVED AS TO FORM:

[Signature]
Office of the County Attorney

FLORIDA POWER CORPORATION, INC.

ATTEST:

[Signature]

By: *[Signature]*
Vice President

EXHIBIT B

**THE CURRENT AGREEMENT
(INCLUDING PRIOR MODIFICATIONS)**

AMENDED AND RESTATED ELECTRICAL
POWER PURCHASE AGREEMENT

THIS AMENDED AND RESTATED ELECTRICAL POWER PURCHASE AGREEMENT (the "Revised Agreement"), made and entered into as of the 21st of February, 1989, amending and restating the Electric Power Purchase Agreement (the "Agreement") dated May 13, 1980, between Pinellas County, a political subdivision of the State of Florida, hereinafter referred to as the "COUNTY" and Florida Power Corporation, a private utility corporation having its principal place of business at St. Petersburg, Florida, and authorized to do business in the State of Florida, hereinafter referred to as "FPC".

WITNESSETH:

WHEREAS, the COUNTY and FPC entered into the Agreement on May 13, 1980, wherein the COUNTY agreed to sell and FPC agreed to purchase all the electric energy, net of in-Facility use, generated by the COUNTY's Resource Recovery Facility (the "Facility");

WHEREAS, pursuant to the Agreement, FPC was to make, and has to date made, payments for electric energy value only;

WHEREAS, the parties agreed in the Agreement "that if after 18 months or more of operation, the Facility has been a satisfactory and reliable source of generation and the 'COUNTY' is prepared to accept a legally enforceable obligation to provide firm power; then good faith negotiations will be initiated to revise the pricing arrangement so as to reflect the value to 'FPC' of the Facility's firm electrical production capability;"

WHEREAS, the parties agree that the Facility can be a satisfactory and reliable source of electric power generation for thirty (30) years commencing January 1, 1995;

WHEREAS, the COUNTY is prepared to accept a legally enforceable obligation to provide firm power to FPC:

WHEREAS, the parties have consequently agreed to amend such Agreement to provide for payment for the provision of firm power and for certain conforming and associated amendments;

WHEREAS, the parties have further agreed to amend the Agreement to provide for an extension of the initial term of the Agreement, to address the treatment of certain standby charges and to provide for certain other matters and clarifying provisions;

NOW, THEREFORE, in consideration of the mutual promises herein, the parties hereby agree as follows:

1. The provisions set forth herein constitute amendments to and a complete restatement of the Agreement.

2. The Agreement, dated May 13, 1980, as previously amended on August 1, 1981 and December 1, 1983, shall remain in full force and effect until superseded by these amendments and restatement on the effective dates provided herein.

3. The Agreement, as previously amended, is hereby amended and restated as follows: Effective on the date of this amendment, Section 9.0 "CONDITIONS OF TERMINATION" of the Agreement of May 13, 1980, as previously amended, is hereby deleted, and of no force and effect. Effective on 12:00 midnight on December 31, 1994, the May 13, 1980 Agreement, as previously amended, is hereby amended and revised to read as follows:

WITNESSETH:

WHEREAS, the COUNTY owns and contracts for the operation and maintenance of a Resource Recovery Facility (the "Facility") located at 3001 110th Avenue No., St. Petersburg, Pinellas County, Florida, having an installed electric generating capacity of approximately seventy-five megawatts (75 MW) of electric power; and

WHEREAS, the Facility generates electric energy utilizing steam produced by the resource recovery process and generates more electric energy than is used at the Facility resulting in excess electric energy the COUNTY has sold, and proposes to continue to sell, to FPC; and

WHEREAS, the COUNTY proposes to make available and to sell approximately sixty megawatts (60 MW) of net electric capacity; and

WHEREAS, subject to the terms and conditions of this Revised Agreement, the COUNTY desires to sell and deliver and FPC desires to purchase and accept said net electric energy and capacity for the term of this Revised Agreement;

NOW, THEREFORE, in consideration of the monies hereinafter agreed to be paid and the mutual covenants to be performed by each of the parties hereto, as hereinafter set forth, said parties do hereby mutually agree as follows:

1.0 DEFINITIONS

The following are definitions of certain terms used in this Revised Agreement:

1.1 Appendix or Appendices means the schedules, exhibits and attachments which are incorporated in and made part of this Revised Agreement, except that

Appendices D and E shall not be considered as incorporated in and made a part of this Revised Agreement.

1.2 Committed Capacity means the kilowatt capacity defined pursuant to subsection 5.1 as adjusted pursuant to this Revised Agreement.

1.3 Company means Wheelabrator Environmental Systems, Inc., and any successor company under contract with the COUNTY for the operation and maintenance of the Facility.

1.4 Effective Date means the date an order is made effective by the FPSC approving this Revised Agreement for full cost recovery.

1.5 FPSC means the Florida Public Service Commission and its successor.

1.6 Interconnection Agreement means that separate agreement addressing the electrical interconnection requirements attached hereto as Appendix D, which agreement shall supersede, on and after January 1, 1995, the Electrical Tie-Line Agreement dated May 13, 1980, as amended prior hereto and attached as Appendix E.

1.7 Net Electric Energy means all electric energy generated by the Facility in excess of the electric energy used by the Facility for Facility operations.

1.8 On-Peak Period(s) means those daily time periods specified in Appendix B, as such periods shall be extended or reduced on a daily basis from time to time. Any amendment to Appendix B shall not be deemed to be an amendment or modification to this Revised Agreement for purposes of Section 16.0.

1.9 Point of Delivery means the overhead strain insulator on the high voltage structure of the Facility switchyard.

1.10 Resource Recovery Facility means a refuse-fired steam generating facility (and ancillary and supportive facilities located on the Facility site)

incorporating one or more steam generating units and processing equipment capable of recovering those materials remaining after burning operations.

1.11 Section means a Section of this Revised Agreement, unless such Section specifically refers to the Agreement of May 13, 1980.

1.12 Special Committed Capacity (Nomination) means the Committed Capacity during the period of the Modification identified in the Declaration pursuant to subsection 5.1.5 hereof.

1.13 State means the State of Florida.

2.0 BASIC CONSIDERATIONS

The COUNTY owns the Facility and has entered into a contract with the Company for the operation and maintenance thereof in connection with refuse disposal services provided on a COUNTY-wide basis and for the performance of the COUNTY's obligations with respect to the scheduling and delivery of Net Electric Energy and capacity to FPC. The COUNTY will sell and deliver Net Electric Energy to FPC and FPC agrees to purchase and accept Net Electric Energy and capacity from the COUNTY under the terms and conditions set forth in this Revised Agreement.

3.0 TERM OF AGREEMENT

The term of this Revised Agreement shall begin on the Effective Date and shall expire at 24:00 hours on December 31, 2024.

4.0 OPERATING CONDITIONS

During the term of this Revised Agreement, the COUNTY shall:

4.1 Operate the generating units prior to January 1, 1995, in compliance with the terms of Appendix E - the Electrical Tie-Line Agreement, and thereafter, in accordance with Appendix D - the Interconnection Agreement.

4.2 Provide FPC prior to December 1 of each calendar year an estimate of the amount of electricity to be generated by the Facility and delivered to FPC for each month of the following calendar year.

4.3 Promptly update the yearly generation schedule and scheduled outage and maintenance periods as and when the COUNTY determines any changes may be necessary.

4.4 Provide FPC by telephone prior to 9:00 A.M. of each day an estimate of the amount of electrical generation for the next succeeding day.

4.5 Coordinate scheduled outages and maintenance of the Facility with FPC. In coordinating such schedule, the parties agree to recognize and accommodate system demands and obligations by exercising reasonable efforts to agree to scheduled outage and maintenance periods when system demands are at seasonally low levels, which the parties contemplate will occur during the Spring and Fall months of each year.

4.6 Comply with reasonable requirements of FPC regarding day-to-day or hour-by-hour communications between the parties relative to the performance of this Revised Agreement.

4.7 Reduce, curtail, or interrupt electrical generation or take other appropriate action which in the judgement of the COUNTY, the Facility operator or FPC may be necessary to address an emergency at the Facility; provided however, that such response shall continue only for so long as it is reasonably necessary. The COUNTY and FPC agree to use all reasonable efforts to coordinate any such response with the scheduled outage periods designated pursuant to subsection 4.5 above.

4.8 Adjust reactive power flow in the interconnection so as to maintain a normal power factor of 1.00 except as may be reasonably requested by FPC within the range of 0.85 leading to 0.85 lagging power factor.

4.9 The estimates and schedules provided by the COUNTY under subsections 4.2, 4.3, 4.4, and 4.5 above shall be prepared in good faith, based on solid waste material availability and other conditions anticipated at the time such estimates and schedules are made; provided however, the COUNTY shall have no liability to FPC, nor shall the COUNTY be subject to any damage or penalty under this Revised Agreement if the actual amount of electric power delivered to FPC, or the times of such delivery, differ from the amounts and times reflected in such estimates and schedules; provided further, the COUNTY shall not be relieved of its obligation to deliver Committed Capacity under the otherwise applicable terms and conditions of this Revised Agreement.

5.0 TERMS OF PURCHASE AND SALE

The COUNTY shall sell and deliver to the Point of Delivery and FPC agrees to purchase, receive and accept, at the price specified in Section 6.0, et seq. the Net Electric Energy generated at the Facility. FPC shall also purchase and accept the Committed Capacity. Any amendment to Committed Capacity will neither affect the COUNTY's obligation to sell nor FPC's obligation to purchase and accept the Net Electric Energy.

5.1 Capacity Commitment

5.1.1 Of that amount of electric power generated at the Facility, the COUNTY anticipates that it will commit and make available to FPC sixty megawatts (60 MW) of Facility capacity, beginning on January 1, 1995.

5.1.2 Prior to January 1, 1993, the COUNTY shall have the one-time option of amending subsection 5.1.1 hereof to specify a change in the amount of

Committed Capacity by providing written notice to FPC of such change. Upon such notice, the COUNTY and FPC shall forthwith amend subsection 5.1.1. Such amendment shall specify that such change shall be the Committed Capacity rather than the anticipated Committed Capacity for purposes of this Revised Agreement. If the COUNTY does not give such notice to FPC prior to January 1, 1993, the anticipated Committed Capacity specified in subsection 5.1.1 shall be the Committed Capacity for purposes of this Revised Agreement.

5.1.3 On or after January 1, 1995 and prior to January 1, 2010, the COUNTY may reduce its Committed Capacity applicable to the five (5) year period from January 1, 2015 through December 31, 2019. On or after January 1, 2010, and prior to January 1, 2015, the COUNTY may reduce its Committed Capacity for the five (5) year period from January 1, 2020 through December 31, 2024. Should the COUNTY elect to reduce its Committed Capacity pursuant to this subsection 5.1.3, capacity payments applicable to such Committed Capacity shall be calculated in accordance with subsection 6.1.6 hereof.

5.1.4 If, on or after January 1, 1995, the COUNTY determines that it is permanently unable, due to the occurrence of a force majeure event, to make available to FPC the Committed Capacity, the COUNTY may, upon notice to FPC, reduce the amount of Committed Capacity to that amount which it determines it can make available. If the COUNTY reduces its Committed Capacity as provided in this subsection 5.1.4 and in accordance with Section 18.0, FPC, effective the date of the notice from the COUNTY, shall resume its capacity payment obligations on the basis of such reduced Committed Capacity level.

Commencing with the first monthly payment to be made by FPC to the COUNTY for capacity made available at the reduced Committed Capacity level, FPC shall reduce its capacity payments obligation applicable to such level for the month, by an amount equal to the capacity payments applicable to: (i) the

capacity reduction or (ii) fifty percent (50%) of the reduced Committed Capacity level, whichever amount affords the COUNTY the highest amount of capacity payments for such month. Such reduction shall reduce the aggregate amount of capacity payments due to the COUNTY each month for the lesser of: (i) five (5) consecutive years; (ii) the termination of capacity payments pursuant to subsection 5.1.3; (iii) the expiration of the term of this Revised Agreement; or (iv) the period prior to the reduction, during which capacity payments were made under this Revised Agreement. Such reduction shall in no case require the COUNTY to make capacity payments to FPC.

5.1.5 Declaration of Special Event

Should a change in law or regulation occur after the Effective Date which, on or after January 1, 1995, causes the COUNTY to perform major air pollution emission limitation modifications (the "Modification") to the Facility, the COUNTY shall have the one-time option to issue a Declaration of Special Event (the "Declaration"). This Declaration shall not, in and of itself, be considered a force majeure pursuant to subsection 5.1.4 of this Revised Agreement. The Declaration shall, at a minimum, provide FPC with six months' written notice of the Modification period, provide a Nomination of Special Committed Capacity (the "Nomination"), and specify the time period of the Modification which shall be for no less than twelve (12) consecutive months nor more than twenty-four (24) consecutive months. The COUNTY shall have the right to adjust the Nomination with six months' written notice; provided however, that each Nomination and adjustment thereto shall be made no more often than every six (6) months. In no case shall the Nomination exceed the Committed Capacity in effect immediately preceding the Modification period.

During the period specified in the Declaration, the COUNTY shall be eligible to receive capacity payments on its Nomination, as adjusted pursuant

to this subsection, 5.1.5, based on Column 3 of Appendix A of this Revised Agreement providing that the COUNTY meets the performance obligations under this Revised Agreement that would otherwise qualify the COUNTY to receive capacity payments based on Column 1 of Appendix A. All provisions of this Revised Contract which are not specifically altered by this subsection, 5.1.5, shall remain in full force and effect.

5.2 The COUNTY will, where practicable, schedule electric power generation so that maximum output occurs during the same period as FPC's maximum load requirement, and will likewise schedule its minimum output during FPC's light load periods.

5.3 Prior to January 1, 1995, the provisions of subsections 5.3 and 5.4 of the Agreement dated May 13, 1980, as amended prior hereto shall apply. On and after January 1, 1995, if FPC is unable or unwilling to receive any electric energy due to the occurrence of events resulting from the willful or intentional act(s) or omission(s) or negligence of FPC, its agents, servants, or employees, FPC shall be obligated to make capacity payments which the COUNTY would be otherwise qualified to receive, and shall pay for energy actually received, if any, but shall not be obligated to pay for energy which the COUNTY would have delivered but for such occurrence. All such events shall be remedied by FPC with all reasonable dispatch.

6.0 CAPACITY AND ENERGY PURCHASE PRICE

6.1 Capacity

6.1.1 At the end of each billing month for capacity made available, beginning on and after January 1, 1995, FPC will calculate the most recent twelve (12) month rolling average total capacity factor ("Total Capacity Factor"), including such month, based on the COUNTY's Committed Capacity. FPC

will also calculate the capacity factor during FPC's On-Peak Period ("On-Peak Capacity Factor") during the same twelve (12) month rolling average period, based on the COUNTY's Committed Capacity. For purposes of the calculation of the capacity factor percentage based on FPC's On-Peak Periods, FPC agrees that during the term of this Revised Agreement, its On-Peak Periods shall not in the aggregate be less than 3,900 hours nor exceed 4,000 hours per calendar year.

6.1.2 If both the Total Capacity Factor and the On-Peak Capacity Factor calculated pursuant to subsection 6.1.1 hereof are seventy percent (70%) or greater, FPC agrees to pay the COUNTY a capacity payment that is the product of (i) the COUNTY's Committed Capacity in terms of kilowatts and (ii) the applicable rate for the period in question attached hereto as Column 1 of Appendix A; provided however, that the rate specified in Column 3 of Appendix A shall be applicable to the period specified in the Declaration issued in accordance with subsection 5.1.5 hereof and provided further, that the capacity payment shall be multiplied by the FPSC approved risk factor if a risk factor other than 1.0 is approved by the FPSC prior to the commencement of capacity payments under this Revised Agreement.

6.1.3 If the COUNTY does not maintain a minimum of a seventy percent (70%) Total Capacity Factor, FPC shall nevertheless make a capacity payment to the COUNTY if a seventy percent (70%) or greater On-Peak Capacity Factor is maintained during FPC's On-Peak Period. Such capacity payment shall be the product of (i) the COUNTY's Committed Capacity in terms of kilowatts and (ii) the applicable rate for the period in question pursuant to Column 2 of Appendix A; provided however, that the capacity payment shall be multiplied by the FPSC approved risk factor if the 1.0 risk factor referenced in subsection 6.1.2 hereof is not approved by the FPSC prior to the commencement of capacity payments.

6.1.4 If the COUNTY maintains an On-Peak Capacity Factor that is sixty percent (60%) or greater without regard to the Total Capacity Factor, FPC shall make a capacity payment to the COUNTY that is the product of (i) the COUNTY's Committed Capacity in terms of kilowatts and (ii) the applicable rate for the period in question pursuant to Column 3 of Appendix A; provided however, that the capacity payment shall be multiplied by the FPSC approved risk factor if the 1.0 risk factor referenced in subsection 6.1.2 hereof is not approved by the FPSC prior to the commencement of capacity payments.

6.1.5 FPC shall make no capacity payment to the COUNTY if the On-Peak Capacity Factor falls below sixty percent (60%).

6.1.6 Should the COUNTY elect to amend its Committed Capacity for the five year period from January 1, 2015 through December 31, 2019 pursuant to subsection 5.1.3, FPC and the COUNTY will negotiate a capacity payment schedule on the basis of FPC's avoided capacity costs which will not exceed the capacity payment rates listed in Appendix A, as applicable, for such five year period nor will it be less than the capacity payment rates listed for the year 2014, as applicable, in Appendix A.

Should the COUNTY elect to amend its Committed Capacity for the five year period from January 1, 2020 through December 31, 2024 pursuant to subsection 5.1.3, FPC and the COUNTY will negotiate a capacity payment schedule on the basis of FPC's avoided capacity costs which will not exceed the capacity payment rates listed in Appendix A, as applicable, for such five year period nor will it be less than the capacity payment schedule for the year 2019, as applicable, in Appendix A; provided however, that if the COUNTY elected to amend its Committed Capacity for the period from January 1, 2015 through December 31, 2019, the minimum capacity payment rate will be the previously

negotiated capacity payment schedule on the basis of FPC's avoided capacity costs applicable to the year 2019.

Nothing in this subsection, 6.1.6, shall change the basis for calculating energy payments.

6.1.7 In calculating the capacity factors pursuant to subsection 6.1.1, the parties agree to exclude hours and Net Electric Energy delivered by the COUNTY during the periods in which: (i) FPC does not or cannot perform its obligations to receive all the Net Electric Energy which the COUNTY can deliver; (ii) the COUNTY has declared a force majeure; and (iii) billing demand is excluded pursuant to FPC's Standby Tariff as approved by the FPSC.

For those hours which are included in the capacity factor calculation, the capacity factor shall be equal to the Net Electric Energy delivered during those hours divided by the sum of the Committed Capacities and Special Committed Capacitie(s), if any, applicable to such hours.

Nothing in this subsection, 6.1.7, shall relieve FPC of its obligation to pay for all energy delivered by the COUNTY.

6.1.8 On and after January 1, 1995, the COUNTY, upon written notice to FPC, may increase its Committed Capacity; provided however, that the new Committed Capacity shall not make the Facility ineligible for Qualifying Facility status pursuant to the rules and regulations of the FPSC or the Federal Energy Regulatory Commission. If the COUNTY so elects, capacity payments for such incremental increase will be paid in accordance with Rate Schedule COG-2 as it is available at the time of such commitment. If Rate Schedule COG-2 is not available, FPC will make capacity and energy payments to the COUNTY applicable to such incremental increase in an amount equal to FPC's avoided capacity and energy costs, and subject to the FPSC approved risk

factor, at the time of the COUNTY's written notice. This incremental capacity increase will be added to the Committed Capacity to produce a new Committed Capacity.

6.1.9 In calculating the capacity payment due to the COUNTY for its most recent month of performance, the capacity payment for which the COUNTY has otherwise qualified pursuant to subsections 6.1.1 through 6.1.8 or subsection 5.1.5 of this Revised Agreement, shall be adjusted, if during such month there occurred; (i) a force majeure for a portion of the month as determined pursuant to Section 18.0; (ii) a default for a portion of the month; or (iii) an adjustment to the Committed Capacity or Nomination as provided herein. For either or both clauses (i) and (ii), a ratio shall be calculated the numerator of which shall be the hours in the month less those applicable hours during force majeure and default, if any, and the denominator of which shall be the hours in the month. Such ratio shall be multiplied by the applicable rate(s) in Appendix A. For a month during which there is an adjustment (or adjustments) in the Committed Capacity or Nomination, the capacity payment shall be prorated against the fractions of the month at each Committed Capacity or Nomination.

6.2 Energy

6.2.1 For Net Electric Energy generated at the Facility and delivered by the COUNTY to FPC at the Point of Delivery each month, FPC will pay the COUNTY an amount computed as follows:

6.2.1.1 Prior to January 1, 1995, the COUNTY will receive Net Electric Energy payments based on the May 13, 1980 Agreement as amended.

6.2.1.2 For Net Electric Energy delivered on and after January 1, 1995, FPC agrees to pay the COUNTY in accordance with the rates resulting from the

procedures contained in Rate Schedule COG-2 attached hereto as Appendix C. Such procedures shall not be subject to amendments pursuant to Section 22.0.

6.2.2 Energy associated with the increased capacity commitment of subsection 6.1.8 shall be deemed to be delivered to FPC in the same proportion that the increased capacity commitment is to new Committed Capacity and payment for such proportion of energy will be in accordance with Rate Schedule COG-2 as it is available at the time of such incremental increase in Committed Capacity; provided however, that for incremental increases in Committed Capacity that brings the new Committed Capacity to less than or equal to the January 1, 1995, Committed Capacity, the total of capacity plus energy payment shall not exceed the price per kwh that otherwise would have been computed under this Revised Agreement. If Rate Schedule COG-2 is not available, FPC will make capacity and energy payments to the COUNTY applicable to such increase in an amount equal to FPC's avoided capacity and energy cost, and subject to the FPSC approved risk factor, at the time of the COUNTY's written notice. In no case will the total payment for energy plus capacity exceed the total payment per kwh due for energy plus capacity for the prior Committed Capacity.

6.3 The parties recognize that in 1988 the State enacted comprehensive solid waste recycling legislation but that the FPSC has not as of the date of FPC petition to the FPSC for an order approving this Revised Agreement, promulgated regulations covering the capacity rates for resource recovery facilities. Neither the execution of this Revised Agreement prior to the effective date of this legislation nor the terms of this Revised Agreement shall impair any rights of the COUNTY to receive any payments for capacity or electric energy to which it may become entitled under this legislation. If the COUNTY becomes entitled to a different capacity or energy payment under

this legislation and any FPSC regulations thereunder, the COUNTY may elect to have such payments prospectively substituted for the capacity or electric energy payments, or both, in this Revised Agreement by giving notice to FPC and taking such other action as may be required by law to entitle it to such payments. The parties agree to negotiate in good faith to modify any terms of this Revised Agreement necessary to accommodate such substitution. Any such modification shall be subject to FPSC approval for full cost recovery to FPC.

6.4 The purchase and sale of electricity pursuant to this Revised Agreement shall be construed as a net billing arrangement.

7.0 MEASUREMENT

7.1 All Net Electric Energy delivered and made available to or received from FPC shall be capable of being measured hourly and compensated for losses to the Point of Delivery. All measurements shall be made and adjusted in accordance with the FPSC's applicable rules and regulations as the same may be amended from time to time. The metering package to measure and record energy delivered in both directions shall be provided by FPC and shall be calibrated as part of the interconnection operation and maintenance expense as provided in Rate Schedule COG-2. Either party may require additional calibrations at the expense of the requesting party. In the event an error in calibration of two percent (2%) or more is found, the error shall be assumed to have developed linearly with time since the last calibration, and such error shall result in a corresponding adjustment to Net Electric Energy payments, and if such an energy adjustment would have otherwise qualified the COUNTY for (a) different capacity payment(s) due to revised calculations of capacity factors, such adjustment(s) shall be credited or debited against future capacity payment(s), in either or both cases, to be paid by FPC to the COUNTY in the second succeeding billing

timeframe; provided however, that interest on any additional payment by FPC or refund by the COUNTY as a consequence shall not accrue.

7.2 The COUNTY may, at its expense, audit FPC's records relative to FPC's hourly receipt of Net Electric Energy generated by the Facility and FPC's methodology for computing the hourly avoided cost of energy paid for Net Electric Energy received under the terms of this Revised Agreement. Such audits will be performed in such a manner as to not violate FPC's agreements covering proprietary software used in preparing such records and computing such avoided costs.

8.0 PAYMENT PROCEDURE

Commencing at the end of the first calendar month after the date of the execution of this Revised Agreement, payments shall be made monthly to the COUNTY in accord with the following procedure:

8.1 Payment for Net Electric Energy shall be based on the delivery of electric energy as measured in the manner specified under Section 7.0 and in accordance with subsection 6.2 et seq. of this Revised Agreement. Capacity payments shall be calculated pursuant to subsection 6.1 et seq.

8.2 FPC shall submit to the COUNTY, as promptly as possible, but within thirty (30) days following the first of each month, a tabulation showing electrical energy deliveries prior to January 1, 1995, together with the appropriate prices and cost compilations for the entire prior month as determined under subsections 6.2.1.1. Actual payment shall be mailed with the submittal. Any necessary adjustments will be made in the following month's submittal.

8.3 For payments made for energy and capacity delivered after 24:00 December 31, 1994, the capacity payment for a given month shall be added to the

electric energy payment for such month in accordance with subsection 6.2.1.2 et seq. and tendered by FPC, with cost tabulations showing the basis for payment, to the COUNTY as a single payment. FPC agrees to make such payments to the COUNTY as promptly as possible, normally by the twentieth (20th) business day following the date the meter is read.

Monthly payments which have not been paid in full for more than forty-five (45) days following the end of the delivery month shall accrue interest at the thirty (30) day highest grade commercial paper rate in effect on the first business day of the month in which the invoice is dated, but not to exceed two percent (2%) per month from date of invoice or exceed applicable State usury limitations. Such interest shall not be added to any unpaid amount due when the amount of the delivery is disputed, except that interest shall be paid on the amount finally determined to be due and payable.

9.0 DEFAULT AND TERMINATION

9.1 Mandatory Default.

The COUNTY shall be in default under this Revised Agreement if the COUNTY voluntarily (i) declares bankruptcy or (ii) ceases all electric power generation at the Facility for twelve (12) consecutive months.

9.2 Optional Default.

FPC may declare the COUNTY to be in default under this Revised Agreement: (i) if the COUNTY, after January 1, 1995, fails to receive a capacity payment per Column 1 of Appendix A for twenty-four (24) consecutive months, or (ii) because of the COUNTY's refusal or inability to deliver its Committed Capacity after January 1, 1995. For purposes of subsection, 9.2 (ii), FPC shall give notice of intent to declare default to the COUNTY sixty (60) days prior to the declaration of any optional default.

9.3 Default Remedy.

If the COUNTY shall be in default under subsections 9.1 or 9.2 hereof, FPC shall have no capacity payment obligation during such period nor shall any capacity payment obligation accrue during such period. The COUNTY may give notice that the default is remedied and resume Committed Capacity deliveries within twelve (12) months after the COUNTY is declared to be in default under this Revised Agreement. Thereafter, FPC shall be obligated to make capacity payments to the COUNTY in accordance with this Revised Agreement. Beginning with such month, the capacity factor will be calculated on the assumption that such month is the first of twelve (12) months to which such capacity factor performance criteria will be imposed as contemplated in Rate Schedule COG-2, attached hereto as Schedule C, which shall not be subject to amendment pursuant to Section 22.0.

If the COUNTY's default is not remedied within such twelve (12) month period, but thereafter is remedied as provided herein, FPC, at its option, may resume capacity payments in accordance with Section 6.0 et seq.

9.4 Revised Agreement Survival after Default.

Except as provided in subsection 9.3 and Section 18.0 with respect to FPC's obligation to make capacity payments, default shall not relieve either party from performing their other obligations under this Revised Agreement. Prices paid by FPC, if any, for electric capacity after default is remedied shall not be greater than those prices applicable pursuant to the terms of this Revised Agreement. Prices paid by FPC for energy during and/or after default is remedied shall be the same as those prices applicable pursuant to the terms of this Revised Agreement prior to default.

10.0 GOVERNING LAW

The interpretation and performance of this Revised Agreement and each of its provisions shall be governed by the laws of the State.

11.0 COMMUNICATIONS

Any notice, request, consent, payment or other communication required or authorized by this Revised Agreement to be given by one party to the other party shall be in writing. It shall either be personally delivered or mailed, postage prepaid, to the representative of said other party designated in this Section 11.0. Any such notice, request, consent, payment, or other communication so delivered or mailed shall be deemed to be given when so delivered or mailed. Routine communication during Facility operations shall be exempt from this Section, 11.0.

Notices and other communications by FPC to COUNTY shall be addressed to:

Bob Van Deman, P.E.
Director, Pinellas County Department
of Solid Waste Management
2800 - 110th Avenue North
St. Petersburg, FL 33716
Telephone: (813) 892-7565

Notices and other communications by the COUNTY to FPC shall be addressed to:

Thomas I. Wetherington
Florida Power Corporation
P.O. Box 14042
MAC-H2J
St. Petersburg, FL 33733
Telephone: (813) 866-5660

Either party may change its representative by written notice to the other party.

The parties' representatives designated above shall have full authority to act for their respective principals in all technical matters relating to

the performance of this Revised Agreement. However, they shall not have the authority to amend, modify, or waive any provision of this Revised Agreement.

12.0 LOSS OF SOURCE

12.1 The parties agree that FPC will petition the FPSC to modify the Standby Tariff to include the intent of subsection 12.2 hereof.

12.2 When an outage of the Facility is caused by loss of source from FPC's transmission lines or substation, no billing demand will be charged on demand used during Facility restart. Such exclusion of billing demand will be limited to a period of six (6) hours from the restoration of the interconnection. Electric energy used by the Facility during any such restart shall be charged by FPC at the standby rate as filed with and approved by the FPSC. This Section will become effective when the FPSC approves this modification to the Standby Tariff.

13.0 DISCLAIMER

In executing this Revised Agreement, FPC does not, nor should it be construed to, extend its credit or financial support for the benefit of any third parties lending money to or having other transactions with the COUNTY or any assignee of this Revised Agreement, nor does it create any third party beneficiary rights.

14.0 SUCCESSORS AND ASSIGNS

This Revised Agreement shall inure to the benefit of and be binding upon the COUNTY and FPC and their respective successors by operation of law, but shall not be assignable by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld.

15.0 SEVERABILITY

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

16.0 COMPLETE REVISED AGREEMENT AND AMENDMENTS

The terms and provisions contained in this Revised Agreement constitute the entire agreement between the COUNTY and FPC and shall supersede all previous communications, representations, or agreements, either verbal or written, between the COUNTY and FPC with respect to the Facility and this Revised Agreement. No amendment or modification to this Revised Agreement shall be binding unless it shall be set forth in writing and duly executed with the same formality as this Revised Agreement by both parties hereto.

17.0 RESPONSIBILITY AND INDEMNIFICATION

Both parties hereto expressly agree to indemnify and save harmless and defend the other against all claims, suits, actions, demands, costs, or expense for loss, damage, or injury to persons or property, in any manner directly or indirectly connected with or growing out of the generation, transmission, or use of electrical capacity and energy on its own side of the point of transfer of ownership, unless such claim or demand shall arise out of or result from the negligence or willful misconduct of the other party, its agents, servants, or employees, provided however, that neither party hereby

assumes responsibility for damage or injury to employees of the other party when in the course and scope of said employee's employment, said other party's employees are on first party's premises.

18.0 FORCE MAJEURE

If either party shall be unable, by reason of force majeure, to carry out its obligations under this Revised Agreement, either wholly or in part, the party so failing shall give written notice and full particulars to the other party as soon as possible after the occurrence of any such cause; which, however, shall be remedied with all possible dispatch. No capacity payment obligation shall accrue during any period of force majeure. The other obligations of the parties shall also be suspended; except that to the extent that the parties are able to partially perform their other obligations under this Revised Agreement during the period of force majeure, they will perform such obligations. If the COUNTY notifies FPC of a force majeure event, FPC's right to declare optional default under subsection 9.2 hereof shall be suspended during the period of force majeure.

FPC shall resume its obligation to make capacity payments if the COUNTY, within twenty-four (24) months after declaration of any force majeure event, gives written notice and: (i) reduces its Committed Capacity pursuant to subsection 5.1.4 and begins delivery of such reduced amount; or (ii) resumes its original Committed Capacity delivery; provided however, that if such notice and Committed Capacity delivery under clauses (i) or (ii) hereof do not occur within such twenty-four (24) month period, the COUNTY will be in default of this Revised Agreement and any obligations of FPC to resume capacity payments will be at FPC's discretion; and the COUNTY will not be entitled to the one-year default remedy provided in subsection 9.3 hereof.

19.0 EXCLUSION OF INCIDENTAL AND CONSEQUENTIAL DAMAGES.

Except as specifically provided in subsection 5.3 of this Revised Agreement, neither party shall be liable to the other for incidental, consequential or indirect damages, including, but not limited to, the costs of replacement power, whether arising in contract, tort, or otherwise.

20.0 PERMITS

The COUNTY hereby agrees to seek to obtain any and all governmental permits, certificates, or similar authority the COUNTY is required to obtain as a prerequisite to engaging in the activities provided for in this Revised Agreement. FPC hereby agrees, at the COUNTY's expense, to seek to obtain any and all governmental permits, certifications or similar authority FPC is required to obtain as a prerequisite to engaging in the activities provided for in this Revised Agreement or related to FPC's interconnection with the Facility.

21.0 RENEGOTIATIONS DUE TO REGULATORY CHANGES

Anything in this Revised Agreement to the contrary notwithstanding, should FPC at any time during the term of this Revised Agreement fail to obtain or be denied the FPSC's authorization, or the authorization of any other regulatory body which now has or in the future may have jurisdiction over FPC's rates and charges, to recover from its customers all the payments required to be made to the COUNTY under the terms of this Revised Agreement or any subsequent amendment to this Revised Agreement, the parties agree that, at

to recovery them from its customers is not obtained or is denied. It is the intent of the parties that FPC's payment obligations under this Revised Agreement or any amendment thereto are conditioned upon FPC's being fully reimbursed for such payments through the Fuel and Purchased Power Costs Recovery Clause or other authorized rates or charges. Any amounts initially recovered by FPC from its ratepayers but for which recovery is subsequently disallowed by the FPSC and charged back to FPC may be off-set or credited against subsequent payments made by FPC for purchases from the COUNTY, or alternatively, shall be repaid by the COUNTY.

22.0 INCORPORATION OF RATE SCHEDULE.

The parties agree that this Revised Agreement shall be subject to all the provisions contained in FPC's published Rate Schedule COG-2 as attached hereto as Appendix C and as may be amended from time to time, except that the prices for capacity shall be those on the attached Appendix A and the pricing methodology for energy shall be those in Rate Schedule COG-2 attached hereto as Appendix C as of the date of the execution of this Revised Agreement, unless specifically otherwise provided in this Revised Agreement. The Rate Schedule is incorporated herein by reference.

23.0 SURVIVAL OF REVISED AGREEMENT.

This Revised Agreement, as may be amended from time to time, shall be binding and inure to the benefit of the parties' respective successors-in-interest and legal representatives.

IN WITNESS WHEREOF, the parties hereunto have caused these presents to be executed the day and year first above written.

ATTEST:

FLORIDA POWER CORPORATION

By: *Kathleen P. Fortright*
Assistant Secretary

By: *[Signature]*
A. J. Keesler, Jr.
President

PINELLAS COUNTY, FLORIDA
By and Through its Board of
County Commissioners.

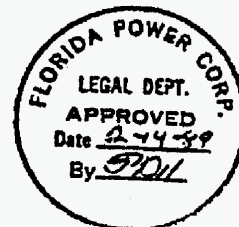
ATTEST: KARLEEN F. De BLAKER
Clerk

By: *[Signature]*
Chairman

By: *C. R. Short*
Chief Deputy Clerk

Approved as to form:

[Signature]
County Attorney



APPENDIX A

TOTAL	≥ 70%	< 70%	---
ON-PEAK	≥ 70%	≥ 70%	≥ 60%
MONTHLY CAPACITY PAYMENTS -\$/KW			
YEAR	COLUMN 1	COLUMN 2	COLUMN 3
1995	20.06	8.41	6.74
1996	21.32	8.95	7.17
1997	22.67	9.53	7.63
1998	24.11	10.13	8.12
1999	25.63	10.78	8.64
2000	27.26	11.47	9.19
2001	28.98	12.21	9.78
2002	30.82	12.98	10.40
2003	32.77	13.80	11.06
2004	34.85	14.68	11.76
2005	37.06	15.61	12.50
2006	39.41	16.60	13.29
2007	41.91	17.65	14.14
2008	44.57	18.77	15.04
2009	47.40	19.96	15.99
2010	50.41	21.23	17.01
2011	53.61	22.58	18.09
2012	57.01	24.01	19.23
2013	60.64	25.54	20.46
2014	64.49	27.16	21.76
2015	68.59	28.89	23.14
2016	72.95	30.73	24.61
2017	77.60	32.68	26.18
2018	82.53	34.76	27.84
2019	87.79	36.97	29.62
2020	93.38	39.33	31.50
2021	99.32	41.83	33.51
2022	105.65	44.49	35.64
2023	112.38	47.33	37.91
2024	119.54	50.35	40.33

The years stated in this Appendix are those that would otherwise apply should there be no force majeure event(s); and each price listed in Column 1 through Column 3 shall be applicable commencing with the first hour of each stated year. If there is (are) any force majeure event(s), the application of subsequent prices shall be deferred by the sum of previous force majeure hours.

**APPENDIX B
On-Peak Periods**

Month	Hours	Total Hours
January	7-12 & 17-22	10
February	7-12 & 17-22	10
March	7-12 & 17-22	10
April	11-22	11
May	11-22	11
June	11-23	12
July	11-23	12
August	11-23	12
September	11-23	12
October	11-22	11
November	11-22	11
December	7-12 & 17-22	10

Note: No on-peak hours occur on Thanksgiving and Easter holidays.

AMENDMENT TO
AMENDED AND RESTATED
ELECTRICAL POWER PURCHASE AGREEMENT

THIS AMENDMENT, made and entered into as of this 23rd day of December 199~~2~~³, amending the Amended and Restated Electrical Power Purchase Agreement dated as of February 21, 1989 (the "Revised Agreement"), by and between Pinellas County, a political subdivision of the State of Florida (the "County") and Florida Power Corporation, a private utility corporation having its principal place of business at St. Petersburg, Florida, and authorized to do business in the State of Florida ("FPC").

WITNESSETH:

WHEREAS, the County owns and contracts for the operation and maintenance of a Resource Recovery Facility (the "Facility") located at 3001 110th Avenue North, St. Petersburg, Pinellas County, Florida with an installed electric generating capacity of approximately seventy-five megawatts (75mw) of electric power; and

WHEREAS, the County and FPC entered into the Revised Agreement on February 21, 1989, wherein the County agreed to sell and deliver and FPC agreed to purchase and accept all the Net Electric Energy and the Committed Capacity from the Facility pursuant to the terms and conditions of the Revised Agreement; and

WHEREAS, pursuant to the Revised Agreement, FPC may declare the County to be in default thereunder if the County refuses or is unable to deliver the Committed Capacity after January 1, 1995; and

WHEREAS, relative to such default provision, FPC and the County agree that the Revised Agreement should be revised and clarified with respect to the extent of the County's Committed Capacity delivery obligation, including any demonstration of the County's ability to deliver the Committed Capacity.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereby agree to amend the Revised Agreement as follows:

1. Strike subsection 9.2(ii) in its entirety and insert in lieu thereof the following:

(ii) if the County, after January 1, 1996, fails to re-demonstrate the Facility's ability to deliver the Committed Capacity in accordance with Rate Schedule COG-2 within sixty (60) days of a request by FPC to do so; provided, however, that requests for such re-demonstration shall not be made more than once in any twelve (12) month period and shall be coordinated with the county so that the sixty (60) day period for re-demonstration avoids, if practical, previously notified periods of scheduled outages and reductions in capacity pursuant to Section 4.0 et seq. hereof.

2. In accordance with Section 24.0 of the Revised Agreement, the County and FPC expressly acknowledge that this Amendment shall not be construed as a waiver or relinquishment

of any right or as a modification of any provision of the Revised Agreement other than specifically provided for in this Amendment.

IN WITNESS WHEREOF, the parties hereunto have caused these presents to be executed the day and year first above written.

ATTEST:

William L. Barson

Witness

Robert D. Dola

Witness

FLORIDA POWER CORPORATION

By: M. H. Phillips
M. H. Phillips
Executive Vice President

PINELLAS COUNTY, FLORIDA

By and Through Its Board of
County Commissioners.

By: Chairman
Chairman

ATTEST: KARLEEN F. De BLAKER
Clerk

By: Norma Grant
Deputy Clerk

Approved as to form:

M. J. Yard
County Attorney

I, KARLEEN F. De BLAKER, Clerk of the Circuit Court and Clerk Ex-Officio, Board of County Commissioners, do hereby certify that the above and foregoing is a true and correct copy of the original as it appears in the official files of the Board of County Commissioners of Pinellas County, Florida.
Witness my hand and seal of said County:

this 27th day of November, A.D. 1993.
KARLEEN F. De BLAKER, Clerk of the Circuit Court Ex-Officio Clerk to the Board of County Commissioners, Pinellas County, Florida.
By: Norma Grant
Deputy Clerk





FEB 10 2001

October 11, 1994

Pinellas County
Board of County Commissioners
315 Court Street
Clearwater, Fl. 34616

RE: Letter of Understanding, Pinellas County Resource Recovery Facility, Electric Energy Generation, Sales and Purchase Reductions per Florida Power Corporation Request

Dear Commissioners:

This letter will confirm and formalize the understanding between Pinellas County, Florida (the "County") and Florida Power Corporation ("FPC") concerning each party's commitments and responsibilities with respect to reducing (1) the sale and delivery obligation of the County of electric energy generated at the County's Resource Recovery Facility (the "Facility") to FPC and (2) the obligation of FPC to accept and purchase all electric energy from the County, all during low electric energy load periods on FPC's system and in accordance with this Letter.

1. The County owns and currently contracts with Wheelabrator Pinellas, Inc. for the operation and maintenance of the Facility.
2. The County and FPC entered into the Amended and Restated Electrical Power Purchase Agreement dated February 21, 1989 (the "Amendment") wherein, subject to the terms and conditions of the Agreement, the County agreed to sell and deliver electric energy generated by the Facility to FPC and FPC agreed to accept and purchase such electric energy for the term of the Agreement. Effective January 1, 1995 and through the term of the Agreement, the County agreed to make available and FPC agreed to purchase electric capacity pursuant to the terms and conditions of the Agreement.
3. Pursuant to your letter to Bob Van Deman, the then Director, Pinellas County Department of Solid Waste Management, dated July 18, 1994 and your subsequent letter to Michael Rudd, the present Acting Director, Pinellas County Department of

Solid Waste Management, dated September 23, 1994, FPC advised that it was concerned about the reliability and economics of its electric system during and following low load conditions. Accordingly, FPC requested that all qualifying facility suppliers and other non-utility generators of electric energy on its system, including the County, meet with FPC to discuss and commit to an orderly reduction and curtailment plan relative to electric energy generation and sales to FPC during such low electric energy load periods.

4. The following details the understanding between the parties as to how the County will assist FPC during periods of low electric energy load on its system and the consideration FPC will give to the County in return for such assistance.
- a. The County shall reduce its electric energy sales and deliveries to FPC by approximately 20 megawatts for three calendar weeks each year consisting of seven 24 hour days each such week.
 - b. The three week reduction period referenced in "a" above shall be scheduled during the months of October and November. FPC shall have the right to designate the weeks during such months; provided, however, there shall be at least a two week interval between each week designated in October and November, provided further, that the County may by May 1 of each year give FPC notice that it is willing to wave a portion or all of said two week intervals. FPC shall give at least 90 days prior written notice to the County of each designated week, provided, however, that FPC may, in its discretion, change the designated week by redesignating the week immediately prior to or succeeding such designated week as the new designated week, except that FPC shall give the County 30 days prior written notice of such redesignation.
 - c. In addition to the three week period referenced in "a" and "b" above, the County shall exercise all reasonable efforts to perform scheduled and unscheduled maintenance during FPC's low electrical energy load periods. For purposes of this Letter, FPC's low electrical energy load periods shall be deemed to occur between the hours of 12:00 a.m. - 6:00 a.m. daily.
 - d. To the extent possible consistent with good operational standards applicable to the waste-to-energy industry, the County, during periods of low or declining solid waste fuel supplies, shall maximize electrical generation during FPC's on peak periods and minimize such generation during FPC's off-peak periods.
 - e. Subject to "f" below, FPC agrees to limit its electrical energy purchase curtailments to its low electrical energy load periods during the three week period referenced in "a" and "b" above.

see Sept 97

- f. To the extent FPC determines that additional reductions in FPC's electrical energy generation and/or purchases are necessary on its system during periods of low electrical energy loads, such further reductions shall be made in accordance with FPC's Minimum Load Emergency Curtailment Procedures contained in the FPC Curtailment Plan as filed with the Florida Public Service Commission ("FPSC"). For purposes of the Curtailment Plan, the County, by virtue of the execution of this Letter, will be placed in the least impacted group or category to which the County will qualify which, as of the date of this Letter, is as a Group A Non-Utility Generator. It is FPC's current intent that the County qualify for the least impacted group or category.

Nothing in this Letter shall (i) be deemed to alter the rights and obligations of the parties under FPSC Rule 25-17.086, as the same may be amended from time to time and (ii) be construed as limiting in any way the rights of the County to pursue and, if successful, secure its interests relative to FPC's Curtailment Plan before the FPSC and appropriate judicial forums.

- g. The hours of any reduction in electrical energy purchases from the County shall not be counted in determining the capacity factor for any given month under the Agreement.
- h. The term of this Letter shall be for the lesser of (i) five year years or (ii) the period of the exigent circumstances applicable to FPC's low electrical energy load period. To the extent that such exigent circumstances continue to exist after five years from the date of this Letter, the term of this Letter shall be automatically extended until the earlier to occur of (i) the conclusion or expiration of such exigent circumstances or (ii) the County's written notice to FPC terminating this Letter as of the date specified in such notice which date shall not precede the date of such notice.

5. This Letter shall serve to amend and clarify the rights and obligations of the County and FPC under the Agreement for the term of this Letter. The County's compliance with this Letter shall neither be construed or interpreted as default nor the occurrence and continuance of a force majeure under the Agreement.

In all other respects, the terms, conditions and obligations under the Agreement shall be binding on the parties. In the event of any conflict between the provisions of this Letter and the Agreement, this Letter shall govern.

Please indicate your acknowledgement and consent to this understanding by signing in the space provided below and returning the same to me.

IN WITNESS WHEREOF, the parties hereunto have caused these presents to be executed the day and year first above written.

ATTEST:

By: James P. Farrow
Assistant Secretary
General Counsel



FLORIDA POWER CORPORATION

By: Joseph H. Richardson
Name: Joseph H. Richardson
Title: Senior Vice President

PINELLAS COUNTY, FLORIDA
By and Through its Board of County Commissioners.

ATTEST: KARLEEN F. DeBLAKER
Clerk

By: Gene Zerkoff
Chairman

By: Norma Grant
Deputy Clerk

Approved as to form:

M. J. Ford
County Attorney

A7H03:Pinellas2



September 5, 1997

Pinellas County Board
of County Commissioners
315 Court Street
Clearwater, FL 33756

Re: Amendment to Letter of Understanding, Pinellas County Resource Recovery Facility, Electric Energy Generation, Sales and Purchase Reductions Per Florida Power Corporation Request

Dear Commissioners:

On October 11, 1994, Pinellas County, Florida (the "County") and Florida Power Corporation ("FPC") signed a Letter of Understanding ("Letter of Understanding") confirming and formalizing the understanding between the County and FPC concerning each party's commitments and responsibilities with respect to (1) reducing the sale and delivery obligation of the County of electric energy generated at the County's Resource Recovery Facility (the "Facility") to FPC, and (2) the obligation of FPC to accept and purchase all electric energy from the County, during low electric energy low periods on FPC's system. A copy of the Letter of Understanding is attached hereto as Exhibit A.

As a result of recent discussions between the County and FPC, the parties to the Letter of Understanding desire to make certain changes to subparagraphs a, b, and c of paragraph 4 of the Letter of Understanding. Subparagraphs a, b, and c of paragraph 4 are hereby amended as follows:

4. The following details the understanding between the parties as to how the County will assist FPC during periods of low electric energy load on its system and the consideration FPC will give to the County in return for such assistance.
 - a. The County shall reduce its electric energy sales and deliveries to FPC by approximately 20 megawatts for four calendar weeks each year, consisting of seven 24-hour days each such week.

September 5, 1997

Page 2

- b. The four-week reduction period referenced in "a" above shall be scheduled during the months of October, November and December. FPC shall have the right to designate the weeks during such months.

- c. In addition to the four-week period referenced in "a" and "b" above, the County shall exercise all reasonable efforts to perform scheduled and unscheduled maintenance during FPC's low electrical energy low periods. For purposes of this Letter, FPC's low electrical energy low periods shall be deemed to occur between the hours of 12 a.m. to 6 a.m. daily.

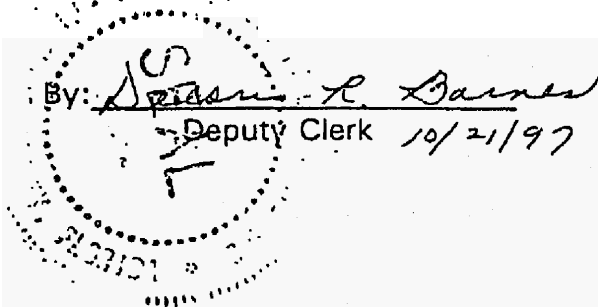
Except as provided in this Amendment, all terms, conditions, and obligations of the Letter of Understanding shall remain binding on the parties.

Please indicate your acknowledgment and consent to this understanding by signing in the space provided below and returning the same to me.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed the day and year first written above.

ATTEST:
KARLEEN F. DeBLAKER, CLERK

By: *Deborah L. Barnes*
 Deputy Clerk 10/21/97

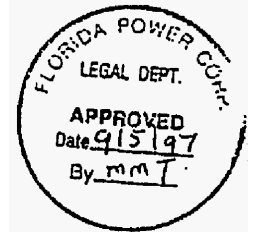


PINELLAS COUNTY, FLORIDA, by and through its Board of County Commissioners

By: *Robert B. Stewart*
 Chairman

APPROVED AS TO FORM:

[Signature]
 Office of the County Attorney



ATTEST:

[Signature]

FLORIDA POWER CORPORATION

By: *Jeffrey T. Henrich*
 Its Senior Vice President

p:\pinellaslou.doc



November 20, 2000

Pinellas County
Board of County Commissioners
315 Court Street
Clearwater, FL 33756

Re: Electrical Capacity Payments During Resource Recovery Facility Boiler Modifications

Dear Commissioners,

As a result of recent discussions between Pinellas County (the "County") and Florida Power Corporation ("FPC") (together, the "Parties"), it is our understanding that the County intends to replace portions of boiler unit trains and certain other Resource Recovery Facility (the "Facility") components (the "Capital Replacement Project") at the Facility during calendar years 2001, 2002 and 2003 (the "Reference Years") to improve the reliability and efficiency of the Facility. The work will be performed by or through the Facility operator, Wheelabrator Pinellas Inc. As currently envisioned, the Capital Replacement Project will replace a portion of one boiler unit train and other Facility components each of the three Reference Years, during an approximate three month period commencing October 1, or such earlier date as the Parties may mutually agree, of each such Reference Year. During each such period, the Parties anticipate that Facility electric capacity availability will be reduced and, correspondingly, electrical energy generation and delivery to FPC.

The purpose of this letter is to confirm and formalize our agreement as to how reductions in electrical generation at the Facility as a consequence of the Capital Replacement Project will be addressed for purposes of calculating electrical capacity payments under the Amended and Restated Electrical Power Purchase Agreement dated February 21, 1989 between the Parties ("AREPPA"). In furtherance thereof, the Parties hereby agree as follows:

1. Commencing on October 1, or such earlier date as the Parties may mutually agree, but in no event earlier than September 15, of each Reference Year, the County may take off-line one boiler unit train at the Facility to undergo certain modifications and component replacements contemplated as part of the Capital Replacement Project.
2. The County is permitted, for purposes of this letter agreement, to treat each downtime period described in Paragraph 1 above as a partial and temporary curtailment period.

3. If the County exercises its right pursuant to Paragraph 2 above, the County shall give at least one (1) week prior written notice (the "Curtailment Notice") to FPC specifying the estimated duration of such partial and temporary curtailment. Such partial and temporary curtailment periods shall commence at 12:01 a.m. on the date referenced in Paragraph 1 above and end at 12:00 a.m. on the last day of the applicable period as specified in the applicable Curtailment Notice. The maximum duration of any single period shall be twelve (12) consecutive weeks, inclusive of the curtailment period referenced in Paragraph 8.

4. For each period that the County elects to exercise Paragraph 2 above, the County shall specify in each Curtailment Notice, on a one time basis each Reference Year, the Committed Capacity for the period specified in such Curtailment Notice. This Committed Capacity shall be in substitution for the otherwise applicable Committed Capacity (as of the date of this letter agreement, 54.75 MW) under the Agreement for such period; provided, however, to the extent Paragraph 8 shall be applicable during the twelve (12) week period, the applicable Committed Capacity value and the level of capacity payments provided during the curtailment period (as of the date of this letter agreement, four (4) weeks), described in Paragraph 8 shall govern.

5. **Capacity factor requirements under the Agreement shall be determined on an ongoing, twelve month rolling average basis as shown below.**

- Where:
- MHW_D = megawatt hours delivered to FPC
 - MW = megawatts
 - CC_{NOR} = normally applicable Committed Capacity (currently 54.75 MW) in MW
 - CC_{PT} = County elected partial and temporary curtailment period Committed Capacity for period n in MW
 - CF₁₂ = 12 month rolling capacity factor
 - H_{NOR} = hours at the normally applicable Committed Capacity in past 12 months
 - H_{PT} = hours at the County elected partial and temporary curtailment period Committed Capacity for period n in the past 12 months
 - Outages = the number of County elected partial and temporary curtailment period outages under this letter agreement

$$CF_{12} = \frac{MWH_D}{\text{outages} + (CC_{NOR} \cdot H_{NOR}) + \sum_{n=1} CC_{PT} \cdot H_{PT}}$$

6. For each elected partial and temporary curtailment period, the capacity payment value shall be the applicable value (\$/kW) specified in Appendix A of the Agreement. If the On-Peak Capacity Factor falls below 60%, then FPC will not make a capacity payment. Therefore, the capacity payment will equal the product of the capacity payment value (as determined in this Paragraph) and the Committed Capacity elected in Paragraph 4 above.

7. For purposes of capacity payments, each elected partial and temporary curtailment period shall be measured on an hourly basis, i.e., the specified Committed Capacity for such period shall commence and conclude on an hourly basis.

8. Curtailment periods recognized pursuant to the Parties letter agreement dated October 11, 1994, as amended by letter agreement between the Parties dated September 5, 1997, (together, the "Curtailment Letter Agreements") shall, to the extent referenced in this letter agreement, take precedence over the otherwise applicable provisions of this letter agreement.

Thus, by way of example, if Boiler Unit Train No. 1 of the Facility is taken offline for modifications and component replacement for twelve (12) weeks during the Fall of 2001, (and assuming no curtailment periods are applicable) the County (if it elects to declare such period) shall, in addition to the notice requirements of Paragraph 3, specify the Committed Capacity for such period. Assume the County specifies 40 MWs as its Committed Capacity for such period. Then, providing the capacity factor requirements for full capacity payments are met, the County will be paid on the basis of Appendix A, Column 1 for 40 MWs for such period with such period beginning and ending on an hourly basis.

Except as otherwise provided in this letter agreement, all terms, conditions and obligations of the Curtailment Letter Agreements and the AREPPA shall remain binding on the Parties.

The term of this letter agreement shall commence on the date hereof and expire at midnight, December 31, 2003. This letter agreement shall be contingent upon the parties receiving a final order from the Florida Public Service Commission approving this agreement and which is acceptable to FPC, in its sole discretion.

This letter agreement may be executed in more than one counterpart, each of which shall be deemed an original.

Please indicate your acknowledgment and consent to this letter agreement by signing in the space below and returning the same to me.

IN WITNESS WHEREOF, the Parties hereto have caused these presents to be executed the day and year first written above.

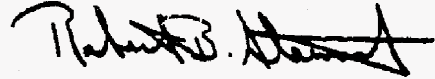
ATTEST:
KARLEEN F. DE BLAKER, CLERK

PINELLAS COUNTY, FLORIDA, by and through its Board of County Commissioners

By:


Deputy Clerk

By:



APPROVED AS TO FORM:

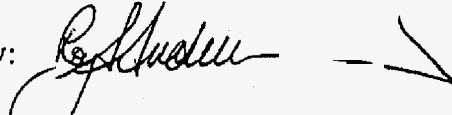

Office of the County Attorney

ATTEST:



FLORIDA POWER CORPORATION

By:



Its:

SR. VICE PRES