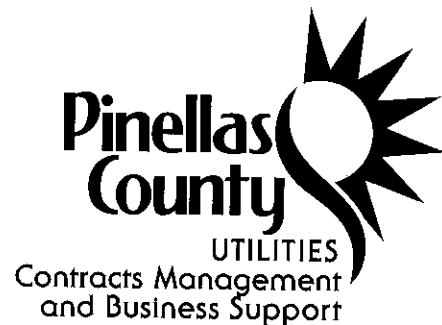


**BOARD OF COUNTY
COMMISSIONERS**

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

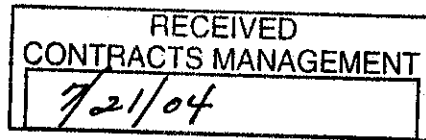


No. 43
BCC 7-13-04
9:35 A.M. Rubio/HARB/Penhale

#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





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.

- 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.

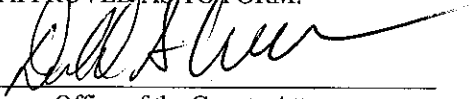
PINELLAS COUNTY, FLORIDA, by and through its Board of County Commissioners

By: 
Chairman


ATTEST:

By: 
Deputy Clerk

APPROVED AS TO FORM:


Office of the County Attorney

FLORIDA POWER CORPORATION, INC.

By: 
Vice President

ATTEST:

