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GAS PURCHASE AGREEMENT

between

BP ENERGY COMPANY

"Seller"

and

FLORIDA POWER CORPORATION

"Buyer"

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DOCKET NO. 000

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GAS PURCHASE AGREEMENT

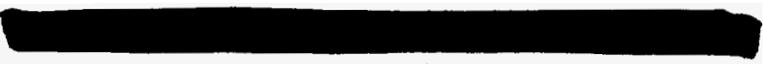
This Agreement ("Agreement") is made and entered into as of the 1st day of April, 2001, (the "Effective Date") by and between Florida Power Corporation, hereinafter referred to as "Buyer," and BP Energy Company, a Delaware corporation, hereinafter referred to as "Seller," and both Buyer and Seller collectively referred to as the "Parties" or individually as "Party".

WHEREAS, Buyer desires to obtain a firm supply of natural gas on the terms, provisions and conditions set forth below; and

WHEREAS, Seller desires to sell to Buyer natural gas on the terms, provisions and conditions set forth below;

NOW, THEREFORE, in consideration of the premises and of the mutual benefits, covenants, and agreements herein contained, Buyer and Seller hereto do hereby agree as follows:

ARTICLE I DEFINITIONS

- 1.1 "Affiliates" means with respect to any person or entity, any other person or entity that, directly or indirectly, through one or more intermediaries, controls, or is under common control with, such person or entity. For purposes of the foregoing definition, "control" means the direct or indirect ownership of more than fifty (50%) percent of the outstanding capital stock or other equity interests having ordinary voting power.
- 1.2 "Agreement" means this document and Exhibit A hereto executed as of the Effective Date stated herein, as it may be amended from time to time by written amendment signed by both Parties
- 1.3 "British thermal unit" or "Btu" shall mean the quantity of heat required to raise the temperature of one pound of water one degree Fahrenheit as measured at sixty (60) degrees Fahrenheit on a dry basis and a pressure of 14.73 psia.
- 1.4 "Business Day" means a period of twenty-four (24) consecutive hours beginning at 7:00 a.m. Central Clock Time ("CT") on one calendar Day and ending at 7:00 a.m. CT on the following calendar Day, exclusive of Saturdays, Sundays and Federal Reserve Bank Holidays. Central Clock Time is Central Time Zone as adjusted for Daylight Savings Time and Standard Time.
- 1.5 "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu set forth in Exhibit A.
- 1.6 
- 1.7 "Day" shall mean the period of time beginning at 9:00 a.m. Central Clock Time (CT) and ending at 9:00 a.m. CT on the following day. The date of the Day shall be that of its beginning.

- 1.8 "Delivery Point(s)" shall mean the Primary Delivery Points specified on Exhibit A and such other delivery point(s) at which Seller and Buyer mutually agree in writing that Seller shall deliver or cause Gas to be delivered to Buyer's Transporter for Buyer's account in accordance with the terms and provisions of this Agreement.
- 1.9 "FERC" as used herein, shall mean the Federal Energy Regulatory Commission or any successor thereto with jurisdiction over all or part of the subject matter to this Agreement.
- 1.10 "Gas" shall mean any mixture of hydrocarbons and non-combustible gases in a gaseous state consisting primarily of methane.
- 1.11 "Interest Rate" shall mean the prime rate on corporate loans at large U.S. money center commercial banks found in the *Wall Street Journal* "Money Rates" table on the first date of publication for the calendar month in which payment is due, plus two percent (2%) compounded monthly, or the maximum contract rate permitted by any applicable usury laws, whichever is the lesser.
- 1.12 "MMBtu" shall denote one million British thermal units. One (1) MMBtu is equivalent to one (1) Dekatherm.
- 1.13 "Month" shall mean a period beginning at 9:00 a.m. CT on the first day of a calendar month and ending at 9:00 a.m. CT on the first day of the next succeeding calendar month.
- 1.14 "Psia" shall mean pounds per square inch absolute.
- 1.15 "Schedule" or "Scheduled" shall mean the process by which a Transporter accepts the nomination of, and confirms for receipt, delivery and/or transportation, as applicable, a quantity of Gas.
- 1.16 
- 1.17 "Transporter(s)" shall mean all Gas gathering or pipeline companies or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point(s).

**ARTICLE II
SCOPE**

- 2.1 Seller agrees to sell and deliver or cause to be delivered the Contract Quantity of Gas to Buyer or for Buyer's account, and Buyer agrees to receive or cause to be received for Buyer's account, and pay for such Contract Quantity of Gas, all in accordance with the terms, provisions and conditions set forth herein and in Exhibit A hereto.

**ARTICLE III
PRICE**

- 3.1 The price payable by Buyer to Seller for Gas tendered to Buyer or for Buyer's account at the Delivery Point(s) shall be the Contract Price specified on Exhibit A.

**ARTICLE IV
QUANTITY**

- 4.1 Unless otherwise excused under the provisions of this Agreement, Seller is obligated daily to sell to Buyer on a firm basis, and Buyer is obligated daily to purchase from Seller on a firm basis, the Contract Quantity of Gas. For purposes of this Agreement, firm shall mean that either Party may only interrupt its performance to the extent caused by (i) interruption or curtailment of necessary firm transportation (at primary points) or (ii) an applicable Force Majeure event.

**ARTICLE V
TAX**

- 5.1 Seller shall pay or cause to be paid all applicable taxes, fees or assessments now or hereafter imposed by any governmental authority ("Tax") on or with respect to the Gas prior to the Delivery Point(s). In the event Buyer is required to remit such Tax, the amount thereof shall be deducted from any sums becoming due to Seller hereunder. Seller shall indemnify, defend and hold harmless Buyer from any claims for such Taxes.
- 5.2 Buyer shall pay or cause to be paid all applicable Taxes on or with respect to the Gas at and after the Delivery Point(s). Buyer shall indemnify, defend and hold harmless Seller from any and all such claims for such Taxes.

**ARTICLE VI
TERM**

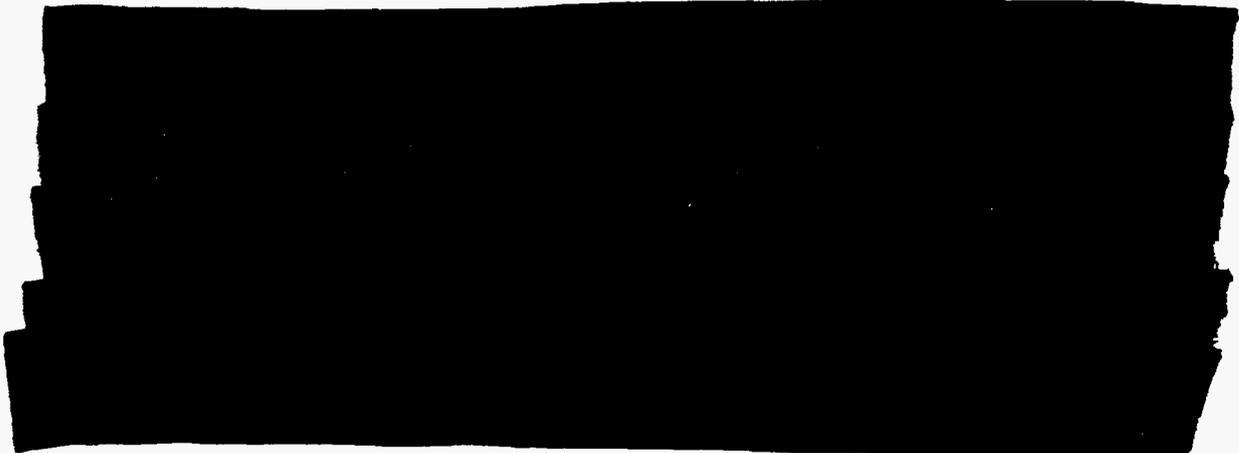
- 6.1 This Agreement shall become effective on the date specified above and shall remain in effect through December 31, 2010. Upon the expiration or termination of the Parties' sale and purchase obligations under this Agreement, any moneys, penalties, or other charges due and owing Seller shall be paid, any corrections or adjustments to payments

previously made shall be determined, and any refunds due Buyer made, within sixty (60) Days. The Parties' obligations provided herein shall remain in effect for the purpose of complying with this Article VI. All indemnity and confidentiality obligations and audit rights set forth in this Agreement shall survive for twenty four (24) calendar months after the expiration or termination of this Agreement, as shall the remedies set forth in Article XX, if applicable.

**ARTICLE VII
NOMINATIONS, SCHEDULING AND CONFIRMATIONS**

7.1 Seller is obligated daily to Schedule or cause to be Scheduled for delivery to or for the account of Buyer at the Primary Delivery Points specified on Exhibit A or such alternate Delivery Points mutually agreed upon in writing by Seller and Buyer, the Contract Quantity of Gas. Buyer is obligated daily to Schedule with or cause to be Scheduled by Buyer's Transporter for receipt for Buyer's account at the applicable Delivery Points the Contract Quantity of Gas. All Scheduling will comply with the applicable Transporter requirements.

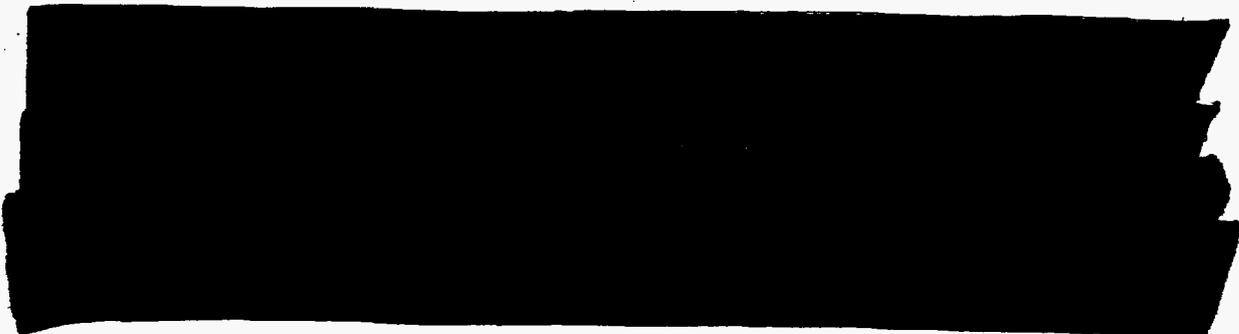
7.2



7.3 If either Party becomes aware of any reason why delivery of the confirmed quantity may not be accepted, that Party shall notify the other Party as soon as practicable in order to meet any nomination deadlines imposed by the Transporters.

7.4 Each Party agrees to promptly notify the other of any transportation imbalances incurred under either Party's separate transportation agreements. The Parties agree to cooperate with one another in their efforts to rectify any imbalances that may exist and to avoid the imposition of penalties.

7.5



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**ARTICLE XII
BILLING AND PAYMENT**

- 12.1 No later than ten (10) Days following the end of a Month, Seller shall invoice Buyer for Gas actually delivered hereunder and in accordance herewith during the preceding Month and for any applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged to Buyer. Similarly, Buyer shall invoice Seller for any amounts due Buyer hereunder for any preceding Month(s). Buyer and Seller shall make payment due to the other Party by wire transfer within ten (10) Days of receipt of such Party's invoice, which payment amount may include an offset of any amounts due Buyer from Seller or Seller from Buyer pursuant to the terms of this Agreement.
- 12.2 Payment shall be made by electronic funds transfer of immediately available funds to the below listed accounts or such other account as Seller or Buyer may designate in writing from time to time.
- 12.3 If either Party fails to make timely payment and such failure to pay continues for ten (10) Business Days after written notice of such failure to pay, the Party to whom such payment is due may, in addition to its other available remedies, suspend further performance under this Agreement until such amount is paid; provided, however, that if a Party in good faith, shall dispute the amount of any such billing or part thereof and shall pay to the other Party such amounts as it concedes to be correct, the other Party shall be obligated to continue to perform its obligations under this Agreement pending resolution of the dispute. The Parties shall promptly investigate the matter and submit an adjusted bill, if necessary. The Parties shall endeavor to resolve any disputes promptly and the finally resolved portion of the disputed amount plus accrued interest at the Interest Rate from the original due date until paid shall be due ten (10) Days following resolution of the dispute. All disputes with respect to billings and payments not

resolved by agreement between the Parties shall be resolved in accordance with Article XXII.

- 12.4 In the event either Party fails to pay any amount due to other Party when the same is due, regardless of whether the other Party suspends payment in accordance with Section 12.3, interest at the Interest Rate shall accrue and be payable on such unpaid amount from the date originally due until payment is received.
- 12.5 In the event that either Party determines that there is an error in the amount billed in any invoice or statement rendered by it or received by it from the other Party, the Party discovering such error shall promptly notify the other Party in writing of such error, and unless within ten (10) Business Days after receipt of such notice the Party so notified disputes such error by written notice to the notifying Party, the error shall be adjusted by the Party whose statement contained such error by statement or invoice to the other Party in the next billing cycle, if this Agreement remains in effect, or if this Agreement is no longer in effect, within thirty (30) Days after the foregoing dispute period has expired. The foregoing notwithstanding, no retroactive adjustments shall be made beyond a period of two (2) years after the date of the erroneous invoice or statement. If an error adjusted in accordance with this Section 12.5 resulted in an overpayment, interest at the Interest Rate shall be due on the overpayment from the date thereof until such overpayment has been credited or refunded to the overpaying Party, and if an error adjusted in accordance with this Section 12.5 resulted in an underpayment, interest at the Interest Rate shall be due on the underpayment from the date thereof until such underpayment has been credited or paid to the underpaid Party.

ARTICLE XIII TRANSPORTATION

Buyer shall arrange all transportation necessary to accept delivery of Gas at the Primary Delivery Points and any alternate Delivery Point(s) agreed upon by the Parties, and agree to pay or cause to be paid all fees associated with such transportation arrangements from the Primary Delivery Points and any alternate Delivery Point(s) agreed upon by the Parties.

Seller shall have sole responsibility for transporting the Gas hereunder to the Primary Delivery Points and any alternate Delivery Point(s) agreed upon by the Parties, and shall pay or cause to be paid all fees associated with such transportation arrangements to the Delivery Point(s) and for delivering such Gas at a pressure sufficient to effect such delivery.

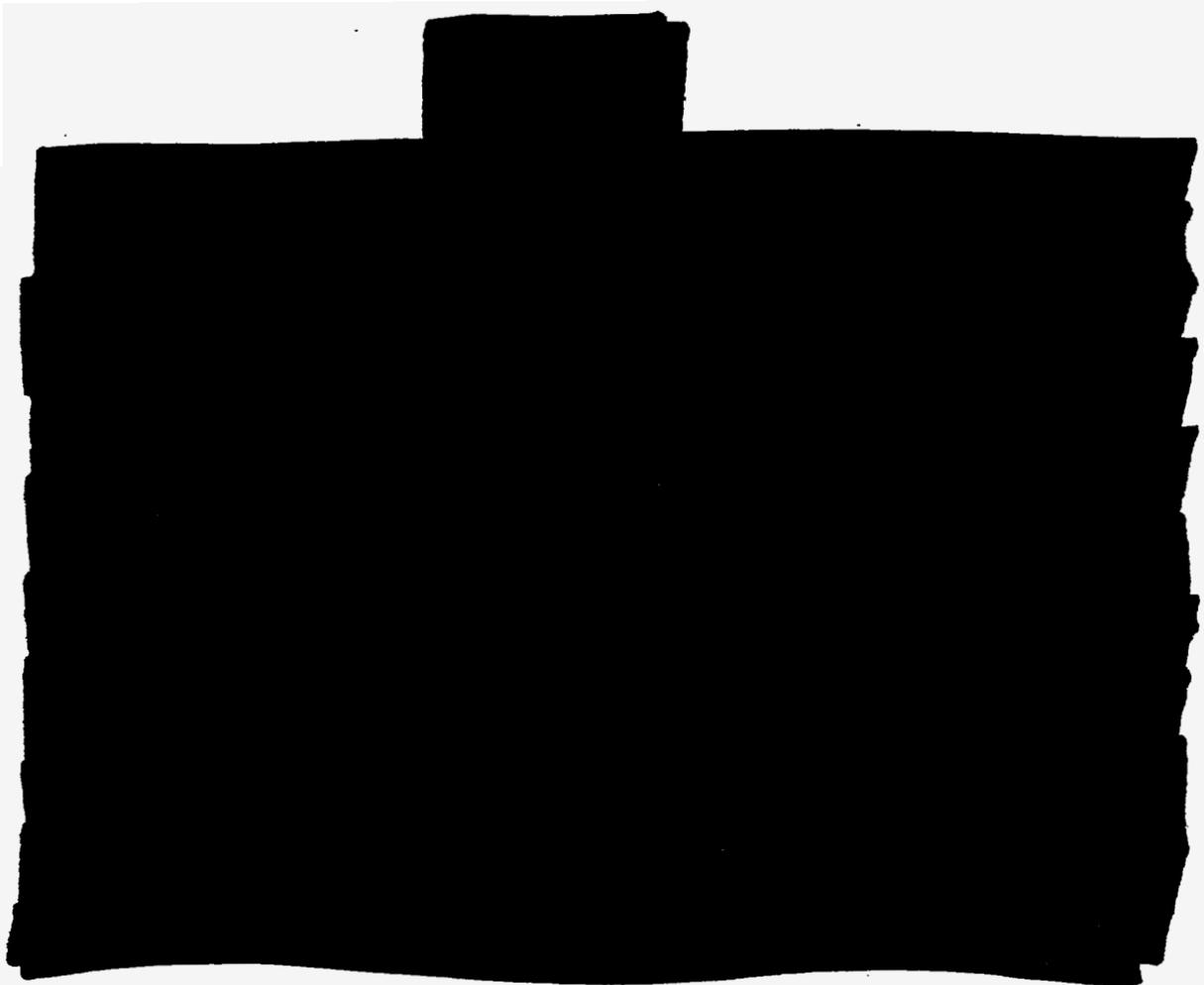
ARTICLE XIV MEASUREMENT

- 14.1 The quantity of Gas delivered hereunder will be calculated from measurement data, including volumetric and heating value data yielded by the meters and other equipment, and in accordance with the tariff of the applicable Transporter; and subject to the other provisions of this Article XIV, that data shall be accepted by the Parties as correct for the purposes of this Agreement. Upon receiving such data from Seller's Transporter,

Seller, if so requested by Buyer, will promptly furnish a photocopy of it to Buyer. Nothing in this Article prevents either party from contesting any allocation of Gas volumes that affect the quantity of Gas delivered hereunder.

- 14.2 If either Party's Transporter submits measurement data which corrects previously submitted data, the Parties will use that corrected data to recalculate quantities delivered hereunder in the periods covered by the correction, and, by refunds from Seller or additional payments from Buyer, as appropriate, will make the adjustments necessitated by those recalculations.
- 14.3 Pursuant to its transportation contracts, Buyer or Seller may have certain rights related to the measurement by such Party's Transporter of the Gas sold hereunder, such as rights to witness tests of measurement equipment and to review lab results. At either Party's written request to the other party, the other Party will cooperate with the requesting Party to make such arrangements with the other Party's Transporter as are necessary to enable the requesting Party, either solely or jointly with the other Party, to exercise such rights, including the sharing of data obtained from the exercise of such rights. The Parties will assist each other in requiring Transporters to make corrections necessitated by any inaccuracies discovered in data. Each Party agrees to be bound by any corrections necessitated by discovered inaccuracies.

15.1



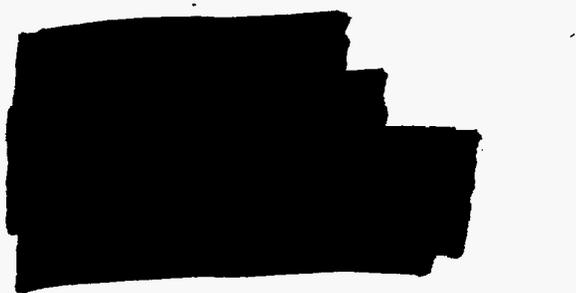
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**ARTICLE XVII
NOTICES AND CORRESPONDENCE**

17.1 Until changed by written notice, all billing, documents, notices, nominations documents or correspondence shall be sent to the Parties hereto at the following addresses:

To Seller:



To Buyer:

Billing:
Florida Power Corporation
P. O. Box 1551, PEB 10
Raleigh, North Carolina 27602
Attn: FPC Gas Back Office
Phone No. (919) 546-6512
Fax No. (919) 546-3258

Other Notices:
Florida Power Corporation
P. O. Box 1551, PEB 9
Raleigh, North Carolina 27602
Attn: Gas Contract Administration
Phone No. (919) 546-4280
Fax No. (919) 546-2826

Duns No.: 95-972-4956
Federal Tax ID: 59-0247770

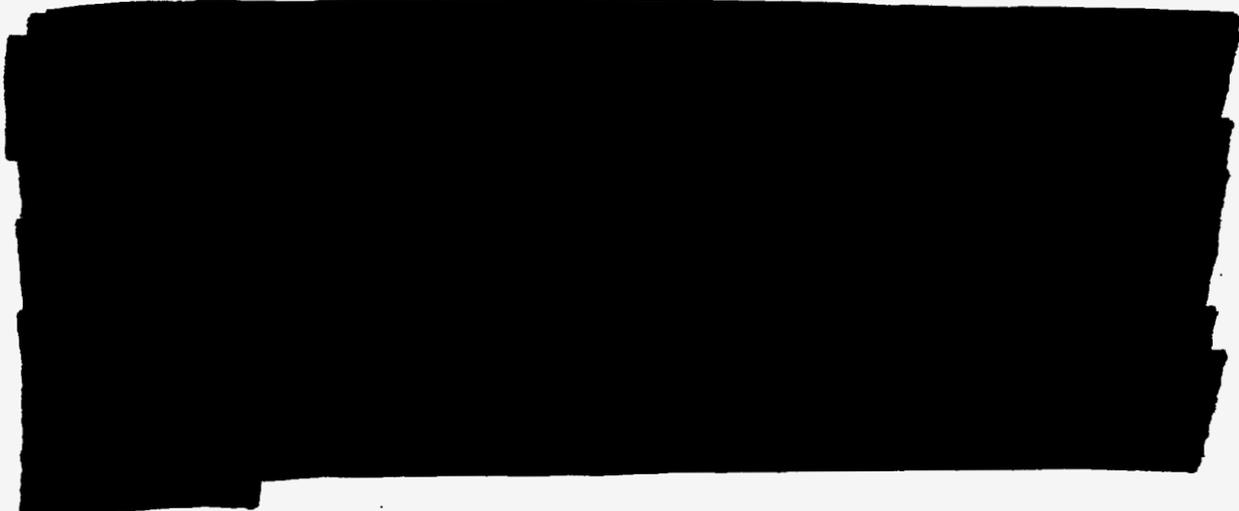
Payments-Wire Transfer
Sun Trust Bank, Tampa Bay
ABA #063106569
Florida Power Corporation
Acct. No. 6032032022500

- 17.2 All invoices shall be sent by facsimile to the Party's facsimile number set out above.
- 17.3 An invoice or notice sent under any of the provisions of this Agreement shall be deemed received (i) on the Business Day on which such notice was transmitted by facsimile if receipt by the receiving Party is confirmed during such Party's normal business hours on such Business Day, and if after such normal business hours, on the following Business Day, (ii) on the second (2nd) Business Day after the date such notice was transmitted by overnight mail or courier, and (iii) on the fifth (5th) Business Day after the date such notice was deposited in the U.S. Mail.

ARTICLE XVIII AUDIT RIGHTS.

- 18.1 Each Party shall maintain all accounting and scheduling records, including but not limited to, all meter readouts and other records pertaining to the quantities of Gas scheduled, delivered and received, for a period of not less than two (2) years from the Month of service. Each Party shall have the right, at its own expense, at all reasonable times and upon reasonable notice, subject to the provisions of this Agreement, to examine or have its representative examine the accounting books and records of the other Party, to the extent reasonably necessary to verify the accuracy of any billing statement, payment, demand, change or computation made under this Agreement or the Terminated Contract (as defined in Section 18.2); provided that any such audit must be conducted within two (2) years of the date of the billing, statement, payment, demand, change or computation that is the subject matter of the audit.

18.2



**ARTICLE XIX
WARRANTY**

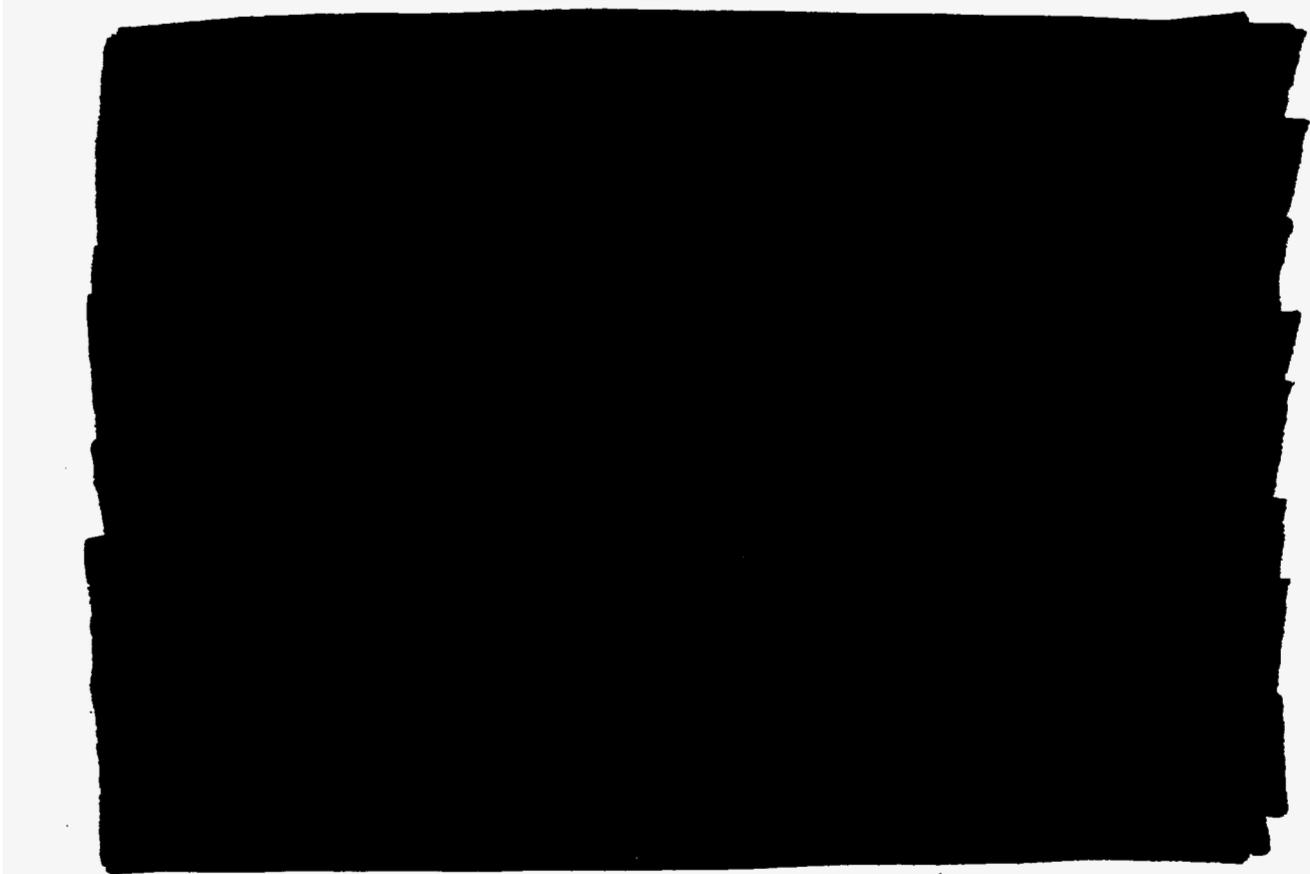
- 19.1 Title to all Gas delivered hereunder shall pass to Buyer at the Delivery Point(s). As between the Parties hereto, Seller shall be deemed to be in exclusive control and possession of the Gas until the same shall have been delivered to Buyer at the Delivery Point(s), and Buyer shall be deemed to be in exclusive control and possession thereof after receipt of same at the Delivery Point(s). The risk of loss for all Gas delivered hereunder shall be and remain with the Party having control and possession of the Gas as herein provided.
- 19.2 Seller warrants that: (a) it has good title to the Gas sold and delivered to Buyer hereunder; (b) it has good right and lawful authority to sell the Gas sold and delivered to Buyer hereunder, and (c) all such Gas is free and clear of any and all liens, encumbrances, and adverse claims whatsoever, whether or not of record. Notwithstanding any other provisions of this Agreement, and in addition thereto, Seller shall indemnify Buyer and hold it harmless from and against any and all actions, debts, accounts, costs, losses and expenses arising from or out of adverse claims of any or all persons to said Gas or out of any other failures to meet the above warranties.
- 19.3 As between the Parties hereto, Seller shall pay or cause to be paid any royalty payments, working interest payments, severance taxes or other amounts due in connection with the production and transportation of the Gas prior to delivery at the Delivery Point(s) and shall hold Buyer harmless from any and all liabilities or obligations for the same.

[REDACTED]

20.1 [REDACTED]

20.2 [REDACTED]

REDACTED



20.5



**ARTICLE XXI
MISCELLANEOUS PROVISIONS**

- 21.1 Each Party hereto represents and warrants to the other Party that (i) it is a corporation duly organized and validly existing and in good standing under the laws applicable to it in its place of incorporation; (ii) it has the full power and authority to enter into this Agreement; (iii) the undersigned individual has been duly authorized to execute and deliver this Agreement by all necessary corporate action; and (iv) upon execution of this Agreement it shall be fully enforceable against each party in accordance with its terms.
- 21.2 This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns. Because the Parties are relying upon the experience, reputation, and creditworthiness of the other Party, this Agreement, in whole or in part, shall not be transferred or assigned by either Party without the prior written consent of the other Party. Such consent shall not be unreasonably withheld. Any assignment shall be conditioned on the creditworthiness of that assignee, as determined by the non-assigning Party, at the time of the assignment.

21.3 All provisions hereof are subject to all valid state and federal laws, rules and regulations of the FERC, and any state and federal agencies with jurisdiction over any or all of the subject matter of this Agreement. Such laws, rules and regulations shall be presumed valid when issued and the Parties shall be entitled to act in accordance therewith until the same shall be invalidated by final non-appealable order of a court of competent jurisdiction.

21.4 No waiver by either Party of one or more defaults by the other in the performance of any of the provisions of this Agreement shall operate or be construed as a waiver of any other or future default or defaults, whether of a like or different character.

21.5 Liability of either party under or arising out of this Agreement shall be limited to actual, direct damages. In no event shall either Party be liable to the other for consequential, incidental, indirect, punitive, exemplary, or special damages, regardless of whether the claim for such damages is asserted under a theory of breach of Agreement, tort, or any other theory of liability, and any claim to such damages is expressly waived.

21.6



21.7 This Agreement, including Exhibit A , contains the entire agreement of the Parties with respect to the subject matter hereto and may not be amended except by written instrument executed by both Parties.

21.8



21.9 This Agreement may be executed in multiple counterparts, each of which shall constitute an original of this Agreement, but all of which together shall constitute but one and the same instrument.

21.10 This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof.

22.1



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22.5



IN WITNESS WHEREOF, duly authorized representatives of the Parties hereto have executed this Agreement in duplicate originals on the day and year first written above.

FLORIDA POWER CORPORATION
("Buyer")

BP ENERGY COMPANY
("Seller")

By: 
Name: W. S. Orser
Title: Executive Vice President

W.S.O.
W.S.O.

By: 
Name: Tony Fountain
Title: President

T.F.

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Docket No. 041414-EI

DOCUMENT NUMBER: 041

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EXHIBIT 1

NATURAL GAS SERVICES AGREEMENT

THIS NATURAL GAS SERVICES AGREEMENT ("Agreement"), by and between CITRUS TRADING CORP, a Delaware corporation ("Citrus"), and FLORIDA POWER CORPORATION, a Florida corporation ("Florida Power"), made and entered into this 22nd day of July, 1996,

WITNESSETH:

WHEREAS, Florida Power is constructing a new natural gas-fired electric power generating facility, Unit 1 of approximately 500 MW, in Polk County, Florida (the "Facility"), and requires as part of the Facility's fuel supply arrangements a natural gas supply lateral (the "Lateral") to connect the Facility to the natural gas pipeline system of Florida Gas Transmission Company (the "FGT system"), and a firm supply of natural gas as part of the total fuel supply for the Facility; and

WHEREAS, Citrus holds firm transportation capacity rights on the FGT system and is a supplier of natural gas, and desires to provide for the construction of the Lateral and to sell and deliver to Florida Power a firm supply of natural gas for the Facility in accordance with the terms and provisions set forth herein, and Florida Power is willing to so contract with Citrus;

THEREFORE, for and in consideration of the mutual promises and agreements hereinafter set forth, the receipt and sufficiency of which is acknowledged by each of Florida Power and Citrus, and intending to be legally bound, Florida Power and Citrus agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Defined Terms. For purposes of this Agreement, except where another meaning is expressly stated, the following capitalized words and phrases shall have the following meanings:

"Business Day" means a working day as that term is defined and used in the FGT Tariff.

"Citrus" has the meaning set forth above in this Agreement.

"Commodity Charge" has the meaning attributed thereto in Section 2.4.

"Confirm" means Florida Power's response to FGT's request for acceptance or non-acceptance of quantities covered by a Delivery Request into Florida Power's operator account or otherwise act as a Delivery Point operator, as that term is defined and used in the FGT Tariff, in the process of Scheduling Gas to a Delivery Point(s).

"Contract Price" has the meaning attributed thereto in Section 2.4.

"Contract Year" means a period of twelve (12) consecutive Months beginning with the Month in which the In Service Date occurs or the anniversary of the first day of the Month in which the In Service Date occurs.

"Day" means a delivery gas day as such term is defined and used in the FGT Tariff.

"Delivery Point" means the Primary Delivery Point or the applicable Secondary Delivery Point(s).

"Delivery Request" means Florida Power's notification to Citrus of the quantity and Delivery Point(s) to which Florida Power requires that Citrus Schedule Gas on any Day or Days.

"Event of Force Majeure" has the meaning attributed thereto in Article VI.

"Facility" has the meaning set forth above in this Agreement.

"FERC" means the Federal Energy Regulatory Commission or any governmental agency or body which is its successor.

"FGT" means Florida Gas Transmission Company.

"FGT FTS-2 Demand Charge" means the per MMBtu maximum reservation rate for firm transportation service under FGT's FTS-2 Rate Schedule, including all applicable reservation surcharges.

"FGT system" has the meaning set forth above in this Agreement.

"FGT Tariff" means FGT's natural gas tariff as approved by the FERC and in effect from time to time during the existence of this Agreement.

"Firm" means that Citrus' obligation to sell and deliver and Florida Power's obligation to purchase and receive quantities of Gas in response to a Delivery Request properly submitted by Florida Power in accordance herewith can be excused only by an Event of Force Majeure (as defined in Section 6.1 hereof) as to which a Party has given timely notice to the other Party in accordance with the provisions of Section 6.2 and with respect to which such Party has otherwise complied with the provisions of Article VI hereof.

prices is published for that particular Day, then the Gas Daily City Gate Price shall be the average of the following: the price (determined as stated above) for each of the first Day immediately preceding and following the particular Day for which a Gas Daily City Gate Price is published.

"Gas Daily Zone Price" means the average of the averages of the range of prices for FGT's supply zones 2 and 3 as published in the "Daily Price Survey" listed under the column "Common" under the heading "Louisiana Onshore South" in Gas Daily reflecting a column of prices for the day for which the Gas Daily Zone Price is being determined. In the event that no price or range of prices is published for that particular Day, then the Gas Daily Zone Price shall be the average of the following: the price (determined as stated above) for each of the first Day immediately preceding and following the particular Day for which a Gas Daily Zone Price is published.

"Initial Monthly Quantity" has the meaning set forth in Section 2.2 (a).

"In Service Date" means the later of i) the earlier of (a) the date on which Florida Power commences the commercial operation of the Facility or (b) November 1, 1998, or (ii) the Lateral Completion Date. However, upon 120 days notice to Citrus prior to November 1, 1998, Florida Power can extend the date listed in item (b) above to April 1, 1999.

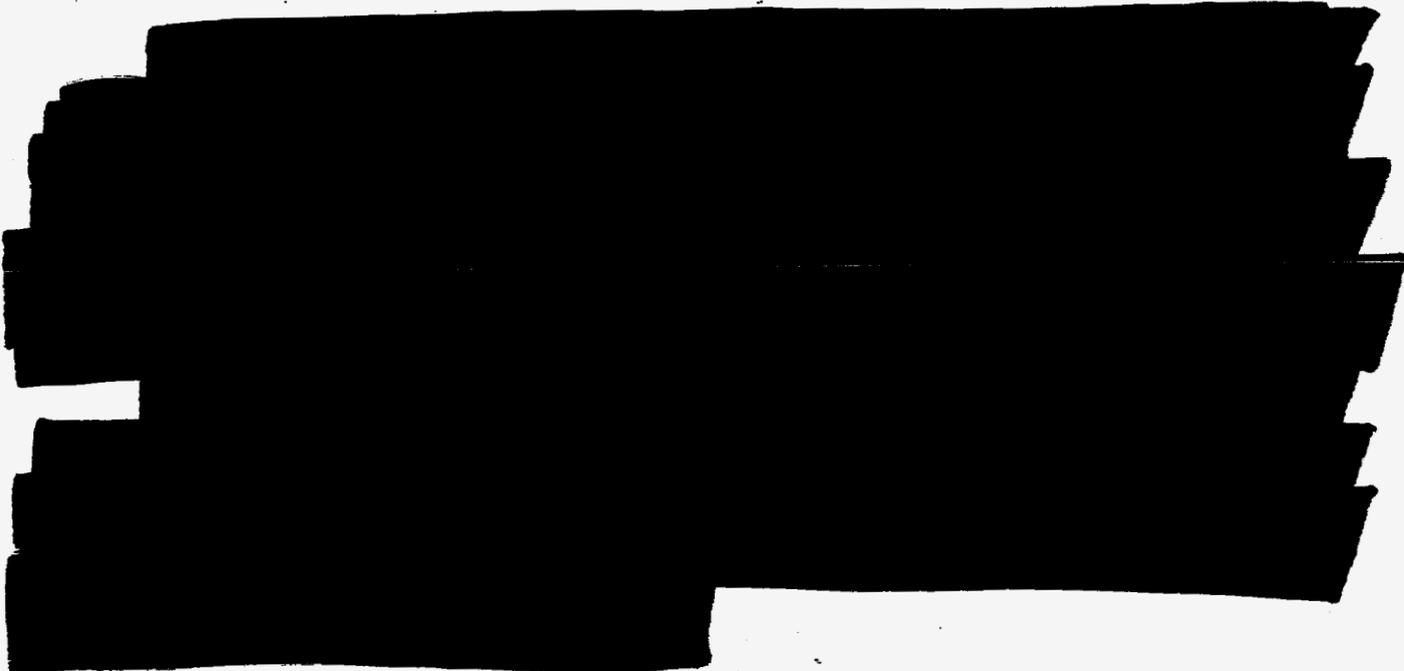
"Inside FERC Index Price" means the average of the prices for FGT's supply zones 2 and 3 in the column labeled "Index" as published in the first issue for the Month in question of Inside FERC's Gas Market Report in the table titled "Prices of Spot Gas Delivered to Pipelines".

"Interest Rate" means the rate first published as the "Prime Rate" under "Money Rates" in the Wall Street Journal during each Month for which interest is being calculated,

plus one percent (1%), but in no event a rate greater than the maximum rate allowed by applicable law.

"Lateral" means the pipeline and appurtenant facilities described on Exhibit A to this Agreement that, when constructed in accordance herewith, will connect the Facility, at the Primary Delivery Point, to the FGT system.

"Lateral Completion Date" means the date on which the Lateral is placed in service by Citrus or affiliates and full operational use of the Lateral's capacity is available to Florida Power; such Lateral Completion Date to be the later of (i) April 1, 1998, or (ii) a date nine (9) months after the receipt by Citrus or affiliates of all necessary permits, easements, licenses and regulatory approvals necessary for the construction and operation of the Lateral.



"MMBtu" means one million British thermal units, the unit of measurement of the quantities of Gas and capacity that are the subject matter of this Agreement.

"Month" means the period beginning on the first Day of a calendar month and ending on the first Day of the following calendar month.

"Nomination" means Citrus' notice to FGT of the daily quantity of Gas covered by a Florida Power Delivery Request, and to "Nominate" means the timely giving of such notice by Citrus to FGT.

"Party" means Citrus or Florida Power, according to the context, and "Parties" means both Citrus and Florida Power.

"Pricing Hours" means the hours C.T. from 8:00 a.m. to 5:00 p.m. of each Business Day.

"Primary Delivery Point" means the FGT measurement facility for the Facility, located on the Lateral downstream of the point of interconnection of the FGT system and the Lateral, described as "location 15" on Exhibit B hereto.

"Replacement Gas" has the meaning attributed thereto in Section 2.4.

"Schedule" or "Scheduled" means, with reference to Citrus, to make Gas available or cause Gas to be made available, including making all necessary nominations, on a Firm Basis at the Primary Delivery Point or, subject to capacity availability as determined by FGT, at any Secondary Delivery Point(s). Gas shall be deemed to have been Scheduled when tendered at the Delivery Point or confirmed by FGT.

"Secondary Delivery Point" means any point of delivery on the FGT system other than the Primary Delivery Point.

"Secondary Term" has the meaning attributed thereto in Section 4.1.

"Taxes" means any or all ad valorem, property, occupation, severance, production, extraction, first use, conservation, Btu or energy, gathering, transport, Pipeline, utility, gross receipts, gas or oil revenue, gas or oil import, privilege, sales, use, consumption, excise, lease, transaction, and other or new taxes, governmental

charges, licenses, fees, permits and assessments, or increases therein, other than taxes based on net income or net worth.

"Term" has the meaning attributed thereto in Section 4.1.

" Usage Rate" means the per MMBtu maximum usage rate for firm transportation service under FGT's FTS-2 Rate Schedule, including fuel and all applicable usage surcharges.

Section 1.2 Usage. The words "hereof", "hereunder" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision hereof, and the words "Article", "Section", "Exhibit" and similar references followed by a number and/or letter designation refer to such portions of this Agreement unless otherwise specified. Each Exhibit attached hereto is made a part hereof for all purposes. Unless otherwise defined or required by the context in which used, words or phrases defined in Section 1.1 shall have such defined meanings when used in each notice or other communication delivered or given from time to time under or in connection with this Agreement.

ARTICLE II

SALE AND PURCHASE OF GAS

Section 2.1 Citrus' Obligation to Schedule Gas. Commencing on the In Service Date, Citrus shall Schedule, or cause to be Scheduled, on a Firm basis, the quantity of Gas set out in Florida Power's Delivery Request for such Day, up to the MDQ, in accordance with the applicable terms and provisions of this Agreement, without relying upon specific

wells, gas fields or other sources of supply. Citrus shall be liable to remedy, in accordance with the applicable provisions of the FGT Tariff, any imbalance on the FGT system that results from Citrus' failure to Schedule the quantity of Gas Requested hereunder for any Day or any other act or omission by Citrus, and Citrus shall indemnify and hold Florida Power harmless with respect to any such imbalances, including without limitation any penalties imposed with respect to any such imbalances. Citrus shall perform its obligation to Schedule Gas in accordance with the following procedures:

(a) Upon receipt of a Delivery Request from Florida Power conforming to the provisions of Section 2.2, Citrus shall promptly Schedule the quantity of Gas specified in such Delivery Request. Citrus' Nomination to FGT shall specify all information required under the FGT Tariff for FGT to Schedule and transport such quantity of Gas for Citrus' account to the Primary Delivery Point or applicable Secondary Delivery Point(s).

(b) Citrus shall promptly after FGT has Scheduled a quantity of Gas for delivery to Florida Power's or Citrus' account at the Primary Delivery Point or any Secondary Delivery Point(s), provide Florida Power such information by facsimile.

Section 2.2 Florida Power's Obligation to Request, Confirm, Receive and Pay For Gas. Commencing on the In Service Date, Florida Power shall be obligated to request, receive and pay for all Gas Scheduled by Citrus in accordance with the terms and provisions of this Agreement. Florida Power shall by Delivery Request specify the quantities of Gas it requires hereunder on each Day, not to exceed the MDQ. Florida Power shall be liable to remedy, in accordance with the applicable provisions of the FGT Tariff, any imbalance on the FGT system that results from Florida Power's failure to Confirm

or otherwise accept or receive from FGT, the quantity of Gas Scheduled hereunder for any Day or any other act or omission by Florida Power, and Florida Power shall indemnify and hold Citrus harmless with respect to any such imbalances, including without limitation any penalties imposed with respect to any such imbalances. Florida Power shall perform its obligation to Request Gas in accordance with the following procedures:

[REDACTED]

[REDACTED]

[REDACTED]

REDACTED

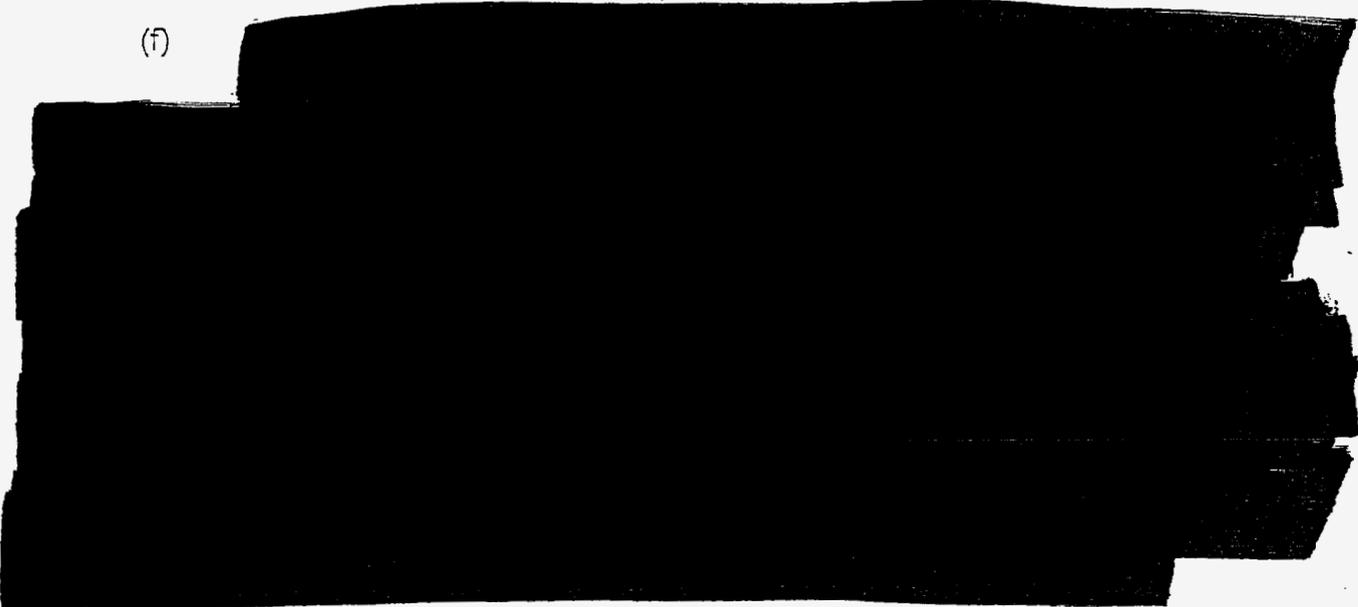
REDACTED

REDACTED

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(f)



Section 2.5 Taxes. The Contract Price includes full reimbursement for, and Citrus is liable for and shall pay, or cause to be paid, or reimburse Florida Power if Florida Power has paid, all Taxes applicable to the Gas sold upstream of the Delivery Point(s). In the event Florida Power is required to remit such Taxes, the amount thereof shall be deducted from any sums becoming due to Citrus hereunder. Citrus shall indemnify, defend and hold harmless Florida Power from any Claims for such Taxes. The Contract Price does not include reimbursement for, and Florida Power is liable for and shall pay, cause to be paid, or reimburse Citrus if Citrus has paid, all Taxes applicable to the Gas sold downstream of or at the Delivery Point(s), including any Taxes imposed or collected by a taxing authority with jurisdiction over Florida Power. Florida Power shall indemnify, defend and hold harmless Citrus from any Claims for such Taxes. Upon request, a Party shall provide a certificate of exemption or other evidence of exemption from any Taxes and each Party agrees to cooperate with the other in obtaining an exemption and minimizing Taxes payable in respect of this Agreement.

REDACTED

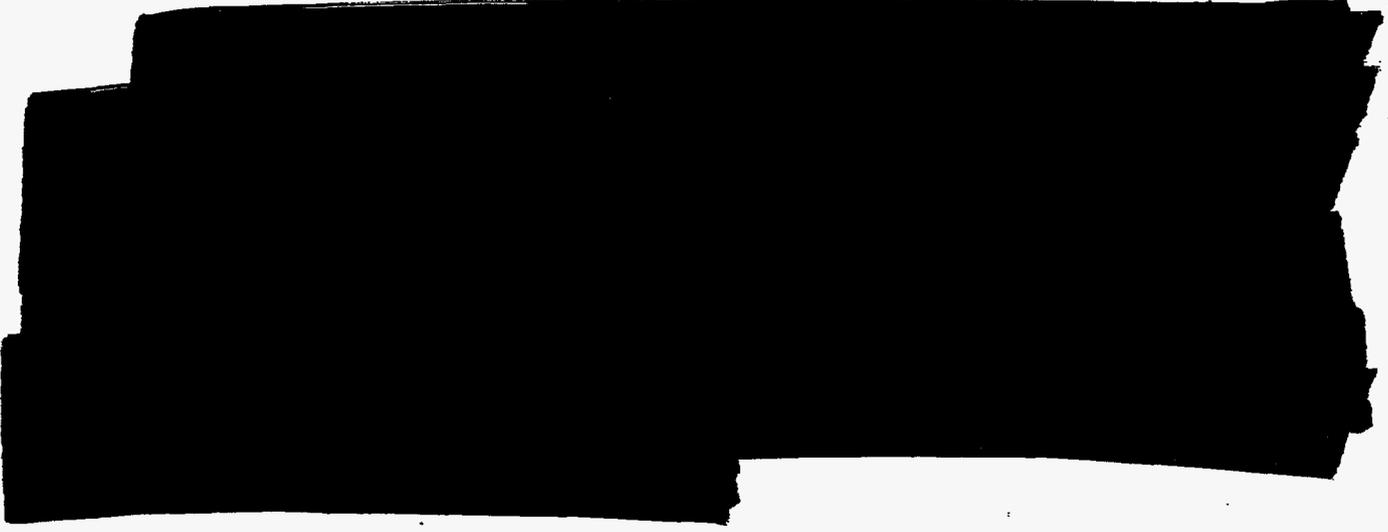
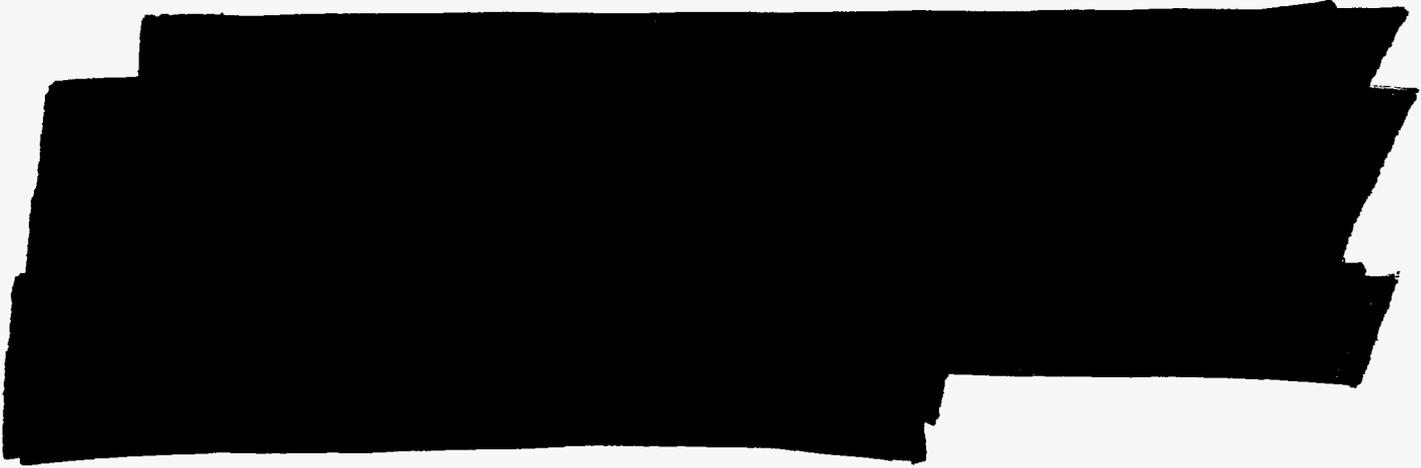
Section 2.7 Metering and Measurement. The Gas Scheduled by Citrus to Florida Power hereunder shall be metered and measured by FGT at each of the Primary Delivery Point and/or any Secondary Delivery Point(s) at which Gas is Scheduled hereunder, in accordance with the provisions, specifications and standards contained in the FGT Tariff. Each Party shall preserve for at least two (2) years after receipt thereof, all test data, allocation statements and other similar data provided to it by FGT.

Section 2.8 Possession and Title. Possession of and title to Gas Scheduled by Citrus to Florida Power hereunder shall pass to Florida Power immediately downstream of the applicable Primary Delivery Point and/or Secondary Delivery Point(s). As between Citrus and Florida Power, Citrus shall be deemed to be in exclusive control and possession and have title to and be responsible for all Gas Scheduled until it shall have been metered and measured at such metering and measurement facility, after which, as between Citrus and Florida Power, Florida Power shall be deemed to be in exclusive control and possession of and have title to and be responsible for such Gas. Each of Citrus and Florida Power assumes full responsibility and liability for, and shall indemnify, defend and save harmless the other Party, its officers, directors, employees, agents and representatives from all liability and expense (including reasonable attorneys' fees and costs of investigating and defending against any claims, damages or actions) on account of any and all damages, claims or actions, including without limitation injury to or death of persons, arising from any act, omission or accident occurring while title to the Gas is vested in the indemnifying Party as provided herein.

Section 2.9 Warranty of Title. Citrus warrants title to all Gas Scheduled by it to Florida Power under this Agreement, that Citrus has the full and unencumbered right to sell and deliver such Gas, and that such Gas when Scheduled is free from liens and adverse claims of every kind. Citrus shall indemnify and hold Florida Power harmless from and against all suits, actions, damages, claims, costs and expenses arising out of any breach of Citrus' said warranty.

ARTICLE III
CONSTRUCTION, OPERATION AND MAINTENANCE
OF THE LATERAL

Section 3.1 Construction and Placing In Service. Citrus or affiliates shall construct the Lateral in accordance with plans and specifications therefor prepared and approved by FGT, attached hereto as Exhibit A and Exhibit B, and place the Lateral in service by no later than the Lateral Completion Date. As between Citrus and Florida Power, Florida Power shall not be responsible for any cost of constructing and placing the Lateral in service, including the obtaining of any and all authorizations required for construction from any governmental body. Citrus or affiliates shall use all reasonable diligence to acquire all necessary regulatory approvals, easements, licenses and permits to facilitate a Lateral Completion Date no later than April 1, 1998. Citrus shall submit regular (monthly) reports of project milestones achieved and remaining, in order for construction of the Lateral to be Completed, beginning with the month following execution of this Agreement.



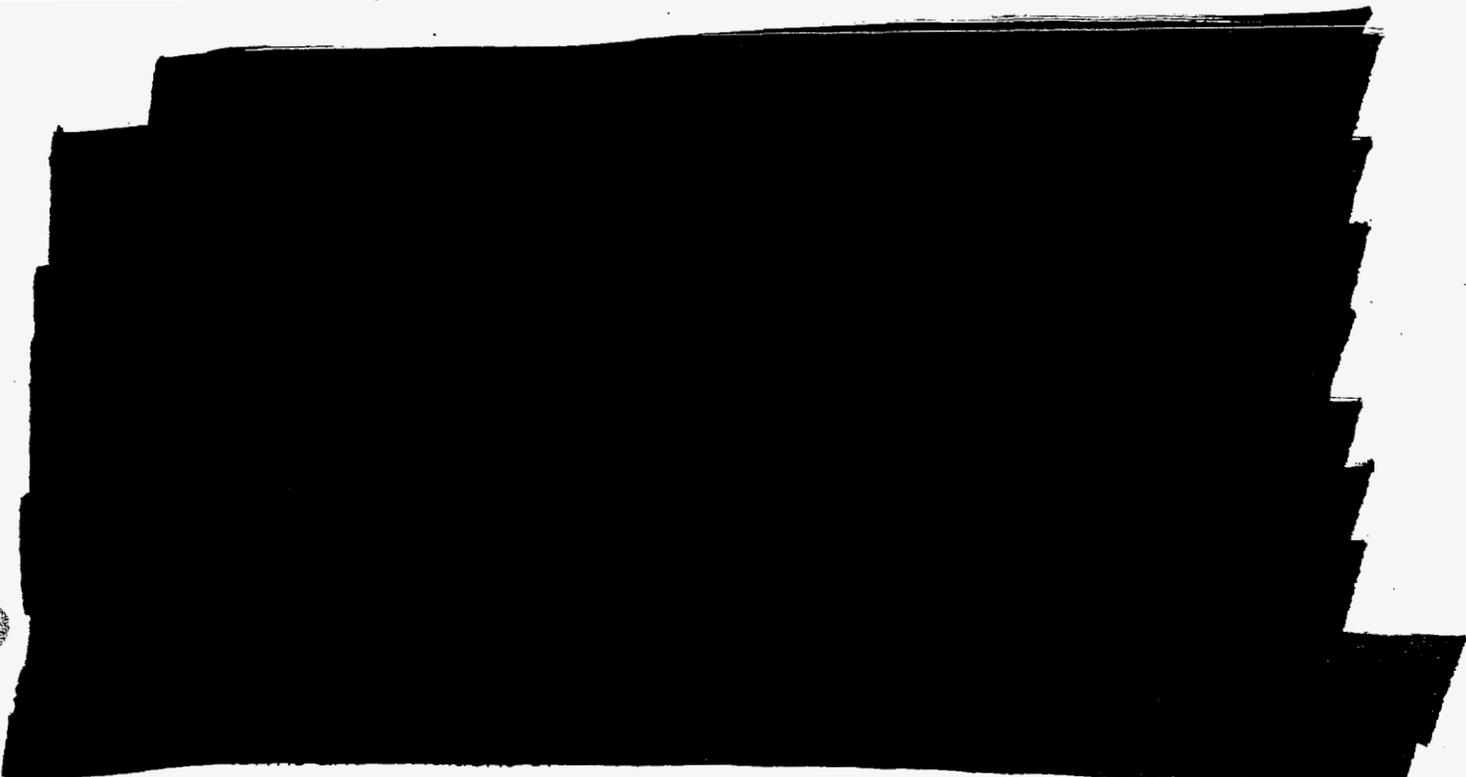
ARTICLE IV

TERM

Section 4.1 Term. The Primary Term of this Agreement shall commence upon its execution by the Parties and continue for fifteen (15) Contract Years from and after the first Day of the Month in which the In Service Date occurs. Florida Power shall have the right, exercisable by written notice to Citrus not later than one hundred twenty (120) Days prior to the expiration of such Primary Term or any Secondary Term, to request that the term of the Agreement be extended for successive one Contract Year periods (each a "Secondary

Term"), up to five (5) Secondary Terms. Within thirty (30) Days of Citrus' receipt of Florida Power's request for an extension of the term, Citrus will advise Florida Power of the Contract Price to be applicable during the Secondary Term. If such Contract Price is acceptable to Florida Power, such term extension and Contract Price shall be documented in a written amendment to this Agreement prior to the expiration of the Primary Term or any then existing Secondary Term.

Section 4.2 Termination. Unless previously terminated pursuant to some other term or provision hereof, this Agreement shall terminate upon the first to occur of (i) expiration of the Primary Term without the exercise by Florida Power of the right to extend this Agreement for a Secondary Term, (ii) expiration of any Secondary Term without the exercise of the right to extend this Agreement for a further Secondary Term, or (iii) the expiration of the fifth Secondary Term.



ARTICLE V

BILLING AND PAYMENT

Section 5.1 Citrus' Statements. On or before the tenth (10th) day of each Month, Citrus shall issue a statement to Florida Power showing the (i) quantity of and amount due for Gas Scheduled during the prior Month, and (ii) any other amounts due hereunder for such prior Month. Florida Power shall pay Citrus the undisputed amount of each such statement by wire transfer on or before the later of the twenty fifth (25th) day of the Month in which such statement is received or the twentieth (20th) day after Florida Power receives Citrus' statement for such Month. If the actual quantity of Gas Scheduled by Citrus in a Month is different from the amount used by Citrus for billing purposes, Citrus shall adjust its billing for such Month, without interest, on its statement for the Month in which such actual quantity information becomes available to Citrus.

Section 5.2 Florida Power's Statements. On or before the fifteenth (15th) day of the Month following any Month in which Citrus incurred any payment obligation to Florida Power hereunder, including without limitation for any amount for which Florida Power is entitled to indemnity from Citrus, Florida Power shall issue a statement to Citrus for all amounts due from Citrus on account of such obligations to Florida Power. Citrus shall credit the amount of its obligation to Florida Power pursuant to any Florida Power statement against the next statement issued to Florida Power pursuant to Section 5.1 following Citrus' receipt of any Florida Power statement, and in the event that the credit so due Florida Power exceeds the amount due Citrus on such statement, the remaining amount of Citrus'

obligations to Florida Power shall be credited to Florida Power on Citrus' statement for the following Month(s) until Florida Power has received full credit for the amount of such obligation; provided, however, that if after crediting the amount of any such Citrus obligation to Florida Power against Citrus' statement for the final Month in which Citrus Schedules Gas hereunder there remains any amount due Florida Power, Citrus shall pay such remaining amount in cash to Florida Power within twenty (20) days after such amount is determined.

Section 5.3 Late Payment. If either Florida Power or Citrus fails to pay the undisputed amount of any statement issued pursuant to Sections 5.1 and 5.2 when due, interest at the Interest Rate shall accrue and be payable on such unpaid amounts from the due date thereof until paid.

Section 5.4 Examination of Books and Records. Each Party shall have the right to examine the books and records of the other Party with respect to operations under or in connection with this Agreement, including without limitation measurement charts and allocation statements for Gas deliveries, during regular business hours after reasonable advance written notice. Each Party agrees to retain and preserve all of its books and records with respect to operations under this Agreement for a period of two (2) years following the date any such information was created by the Party or received by it from FGT or any third party.

Section 5.5 Correction of Errors. In the event that either Party determines that there is an error in the amount billed in any statement rendered by it or received by it from the other Party, the error shall be adjusted by the Party whose statement contained such error within thirty (30) days after the determination that such error has occurred, by statement submitted by the Party in error (in the next billing cycle if this Agreement remains in effect); provided, however, that any claim by a Party for an error by the other Party shall be submitted within sixty (60) days after the discovery of such error. If the error resulted in an overpayment, interest at the Interest Rate shall be due on the overpayment from the date thereof until such overpayment has been credited or refunded to the overpaying Party, and likewise if an error resulted in an underpayment, interest at the Interest Rate shall be due on the underpayment from the due date thereof until such underpayment has been credited or paid to the underpaid Party.

Section 5.6 Resolution of Billing Disputes. The Party disputing any statement, or any portion of any statement, issued by the other Party shall, on or before the due date of such statement, give notice to the Party issuing the statement of the nature and extent of the dispute. The Parties shall endeavor in good-faith to resolve any such dispute within thirty (30) days after the due date of the disputed statement. If no resolution is reached during such period, either Party may submit the matter to arbitration in accordance with Section 12.4.

[REDACTED]

REDACTED

REDACTED

[REDACTED]

[REDACTED]

[REDACTED]

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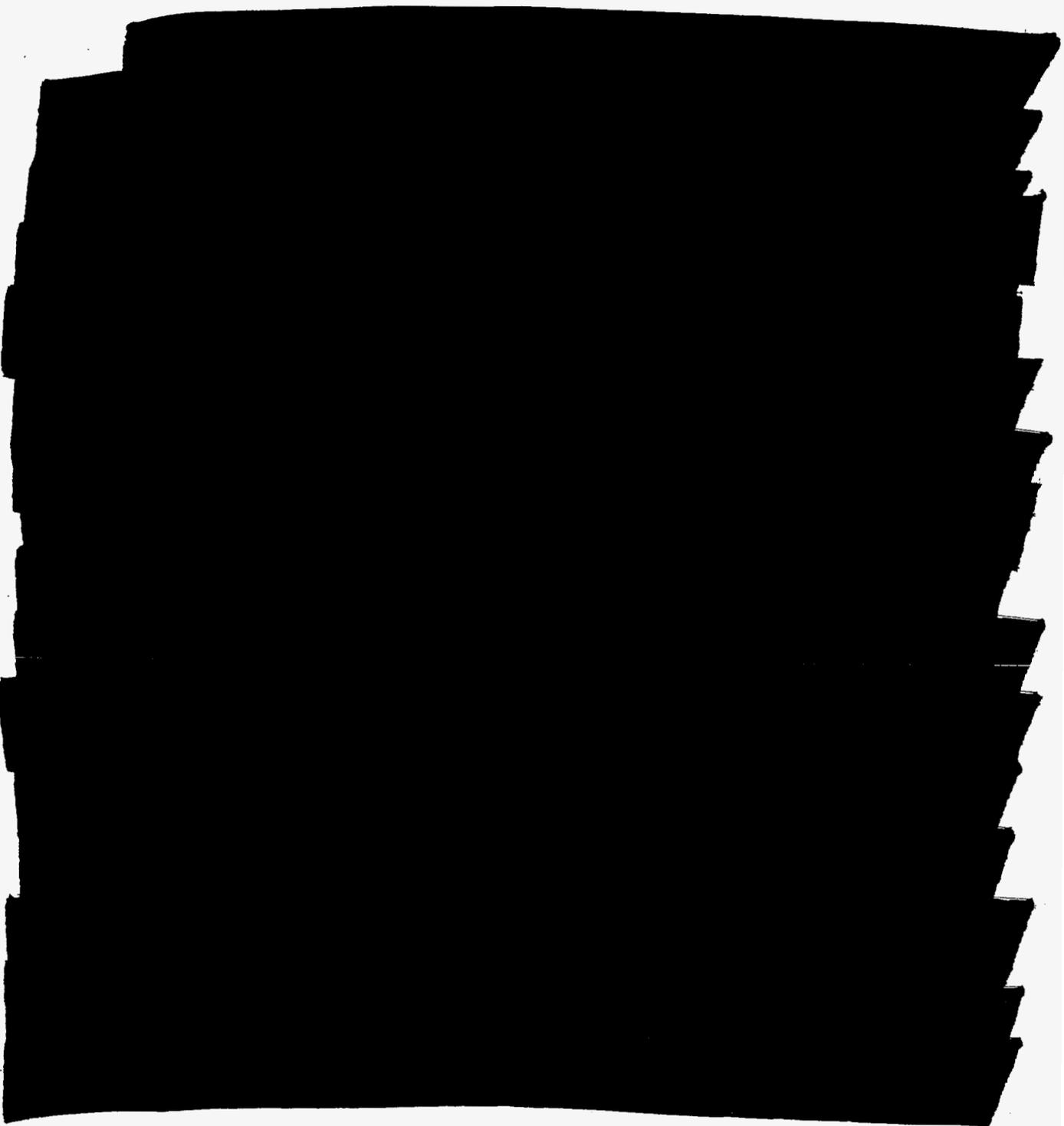
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ARTICLE VIII

LAWS AND REGULATORY BODIES

Section 8.1 Laws and Regulatory Bodies. This Agreement and the rights and obligations of the Parties hereunder are subject to all applicable present and future laws.

rules, regulations, acts, restraints and orders of any legislative, regulatory or judicial body or other duly constituted authority having jurisdiction over Citrus or Florida Power.



ARTICLE IX

REPRESENTATIONS AND WARRANTIES

Section 9.1 Representations and Warranties of Florida Power. Florida Power represents and warrants to Citrus as follows:

(a) Florida Power is a corporation duly organized and in good standing under the laws of the State of Florida. Florida Power has all requisite power and authority to enter into and perform its obligations under this Agreement.

(b) The execution and delivery of this Agreement and the transactions contemplated hereby have been duly authorized by Florida Power. This Agreement constitutes a legal, valid and binding obligation of Florida Power enforceable against it in accordance with its terms, provisions and conditions, subject, however, to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditor's rights generally and except as the enforceability thereof may be limited by applicable general principles of equity (regardless of whether considered in a proceeding in equity or at law).

(c) The execution, delivery and performance by Florida Power of this Agreement and the transactions contemplated hereby do not (i) violate, constitute a default under or conflict with any provision of Florida Power's articles of incorporation, by-laws or similar instruments, (ii) violate or constitute a default under any agreement to which Florida Power is a party or by which it is bound, which violation or default will have a material and adverse effect on Florida Power's ability to perform its obligations hereunder, (iii) violate any existing

statute or law or any judgment, decree, order, regulation or rule of any court or governmental authority applicable to Florida Power, which violation will have a material and adverse effect on its ability to perform its obligations hereunder, or (iv) under existing law require any consent, approval or authorization of, or designation, declaration or filing with, any governmental authority on the part of Florida Power, except such authorizations or filings as Florida Power's performance under this Agreement may require in the ordinary course of business.

(d) There are no suits, judicial or administrative actions, proceedings or investigations (including without limitation bankruptcy, reorganization or insolvency actions) pending or, to Florida Power's knowledge, threatened that (i) challenge the validity of this Agreement or the transactions contemplated hereby, (ii) seek to restrain or prevent any action taken or to be taken by Florida Power in connection with this Agreement, or (iii) of adversely determined, would have a material and adverse effect on Florida Power's ability to perform its obligations under this Agreement.

Section 9.2 Representations and Warranties of Citrus. Citrus represents and warrants to Florida Power as follows:

(a) Citrus is a corporation duly organized, validity existing and in good standing under the laws of the State of Delaware. Citrus has all requisite power and authority to enter into and perform this Agreement.

(b) The execution and delivery of this Agreement has been duly authorized by Citrus and this Agreement constitutes a legal, valid and binding obligation of Citrus, enforceable against it in accordance with its terms, provisions and conditions, subject,

however to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and except as the enforceability thereof may be limited by applicable general principles of equity (regardless of whether considered in a proceeding in equity or at law).

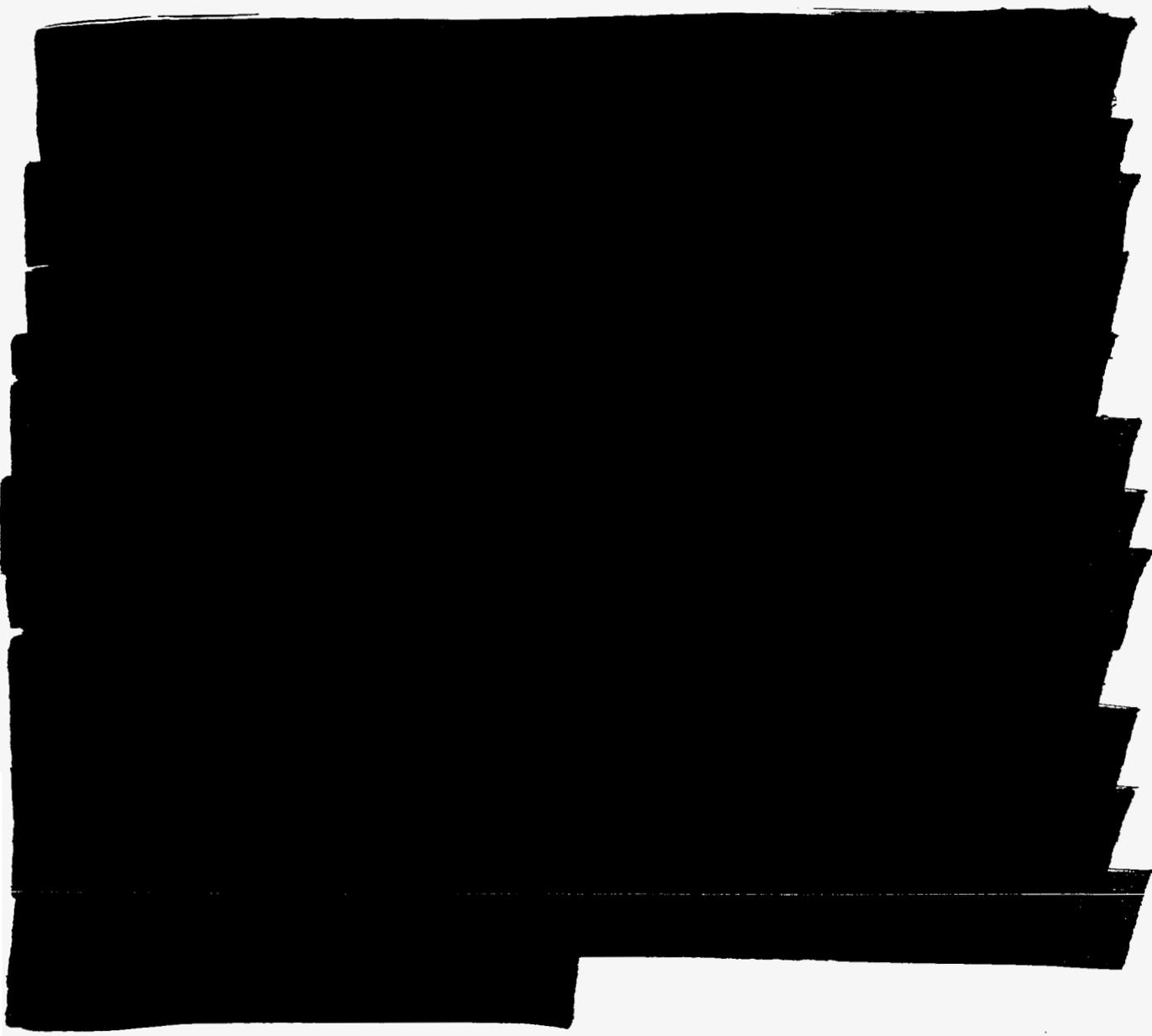
(c) The execution, delivery and performance by Citrus of this Agreement and the transactions contemplated hereby do not (i) violate, constitute a default under or conflict with any provision of Citrus' charter, articles of incorporation, by-laws or similar instruments, (ii) violate or constitute a default under any agreement to which Citrus is a party or by which it is bound which violation or default will have a material and adverse effect on Citrus' ability to perform its obligations hereunder, (iii) violate any existing statute or law or any judgment, decree, order, regulations or rule of any court or governmental authority applicable to Citrus which violation will have a material and adverse effect on its ability to perform its obligations hereunder, or (iv) under existing law require any consent, approval or authorization of, or designation, declaration or filing with, any governmental authority on the part of Citrus, except such authorizations and filings as Citrus' performance under this Agreement may require in the ordinary course of business.

(d) There are no suits, judicial or administrative actions, proceedings or investigations (including without limitation bankruptcy, reorganization or insolvency actions) pending or, to Citrus' knowledge, threatened that (i) challenge the validity of this Agreement or the transactions contemplated hereby, (ii) seek to restrain or prevent any action taken or to be taken by Citrus connection with this Agreement, or (iii) if adversely determined, would have a material and adverse effect on Citrus' ability to perform its obligations under this Agreement.

REDACTED

REDACTED

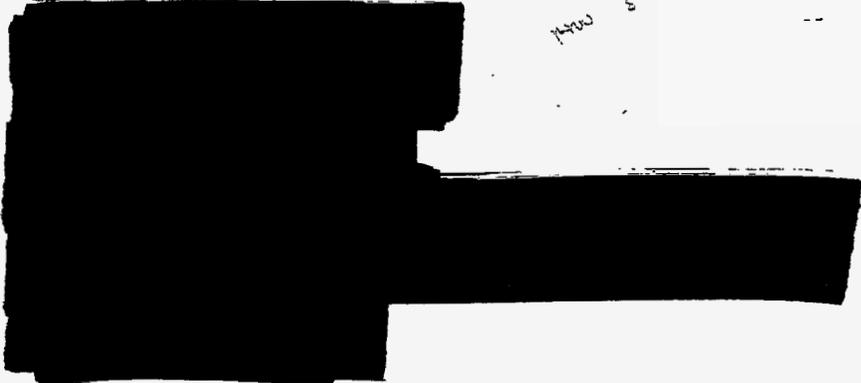
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ARTICLE XI

NOTICES

Section 11.1 Notice. Every notice provided for in this Agreement shall be in writing directed to the Party to whom given at such Party's address as follows:



FLORIDA POWER: Florida Power Corporation

Attention: Director, Fuels Supply Department
3201 Thirty-Fourth Street South
St. Petersburg, Florida 33711-3828
Telephone: (813) 866-5601
Facsimile: (813) 866-4905

Any notice given under this Agreement by mail to the addressee Party at the address set out above shall be deemed received by such Party at the end of the fifth (5th) Business Day after the date of mailing. If a notice is delivered by hand, overnight courier or telecopier, it shall be deemed to have been received by the addressee Party on the date and at the time reflected on the confirmation of its delivery.

Section 11.2 Change of Address. Either Party may change its address for notices under this Agreement by notice thereof to the other Party, such change of address to be effective on the date it is deemed to have been received in accordance with Section 11.1

ARTICLE XII

MISCELLANEOUS PROVISIONS

Section 12.1 Captions. The headings used throughout this Agreement are inserted for reference purposes only and are not to be considered or taken into account in construing the terms, provisions and conditions thereof, nor to be deemed in any way to qualify, modify or explain the effect of any such term, provision or condition.

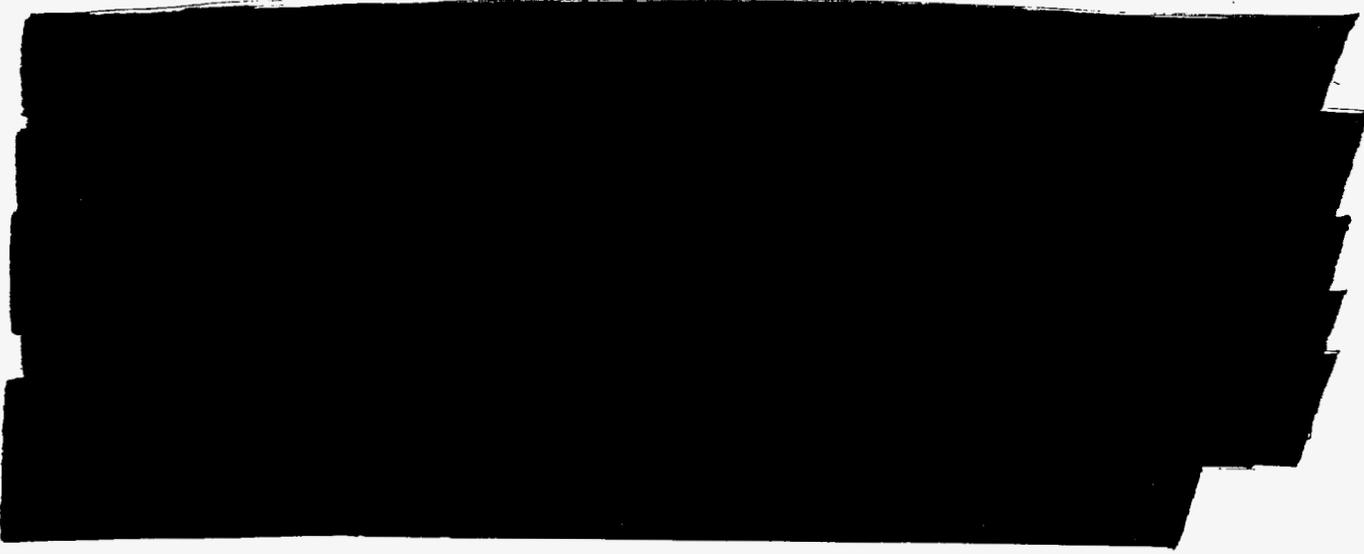
Section 12.2 Preparation. This Agreement was negotiated and prepared by both Parties, with advice of counsel to the extent deemed necessary by each Party, and was not prepared by either Party to the exclusion of the other, and accordingly, should not be construed against either Party by reason of its preparation.

[REDACTED]

[REDACTED]

REDACTED

REDACTED



Section 12.7 Other Agreements. This Agreement constitutes the entire agreement among the Parties relating to the subject matter hereof, and supersedes any other agreements, written or oral, between the Parties concerning such subject matter.

Section 12.8 Assignment. Neither party may assign its rights in, to and under this Agreement to a third party without the express written consent of the other Party, such consent not to be unreasonably withheld or delayed.

Section 12.9 Binding Effect. The terms, provisions and conditions of this Agreement, and the respective rights and obligations of the Parties, shall be binding upon, and enure to the benefit of their respective successors and permitted assigns. Nothing expressed or implied herein is intended to confer any rights on any third party with respect to this Agreement.

Section 12.10 Non-waiver of Defaults. No waiver by either Party of any default of the other Party under this Agreement shall operate as waiver of any future default, whether of a like or different character.

Section 12.11 Written Amendments. No modifications of the terms, provisions or conditions of this Agreement shall become effective except by written amendment executed by the Parties.

Section 12.12 Severability. Should any term, provision or condition of this Agreement for any reason be declared invalid or unenforceable by final and unappealable order of any court governmental agency having jurisdiction, such decision shall not affect the validity and enforceability of the remaining portions hereof, and the remaining portions shall remain in force and effect as if this agreement had been executed without the invalid portions(s), so long as the economic and legal substance of the transactions contemplated hereby is not affected in a manner that is materially adverse to either Party.

Section 12.13 Survival. Any term, provision or condition of this Agreement that expressly or by implication comes into or remains in force following the termination hereof shall survive such termination.



REDACTED

REDACTED

REDACTED

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

CITRUS TRADING CORP

By: [Signature]
Name: Gregory L. Sharp
Title: Attorney-in-Fact

FLORIDA POWER CORPORATION

By: [Signature]
Name: John A. Hancock
Title: Senior VP



EXHIBIT "A"

DESCRIPTION OF FACILITIES
20" POLK COUNTY LATERAL TO SERVE
FLORIDA POWER CORPORATION'S POLK COUNTY PLANT SITE

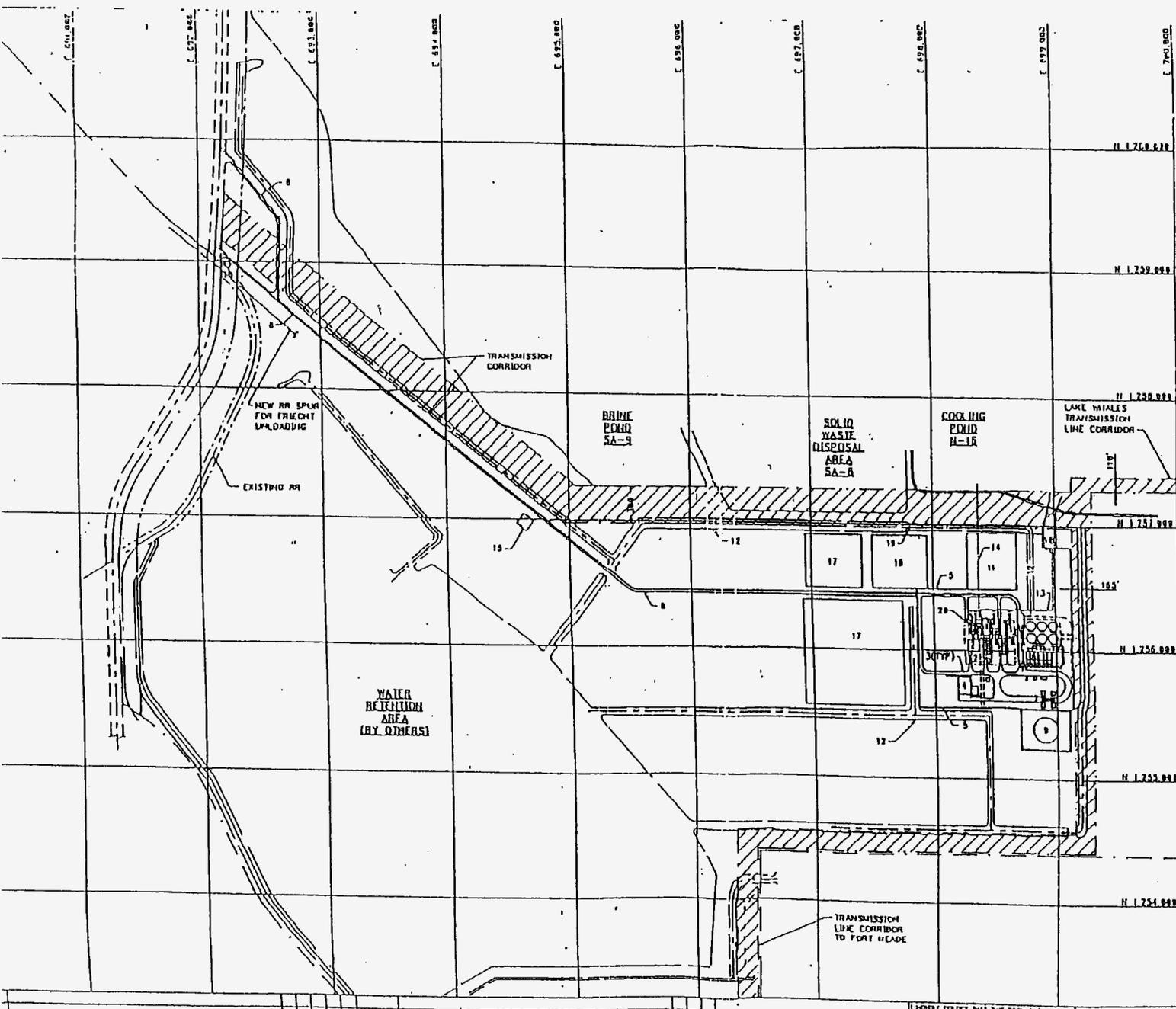
The Lateral consists of approximately 19 miles of 20-inch pipeline interconnecting with FGT's existing facilities and extending to Florida Power Corporation's new Polk County Plant site.

The Lateral and appurtenant facilities will deliver gas to Florida Power Corporation in quantities up to 4,800 MMBtus per hour at the outlet of the Polk County Meter at a pressure of not less than 500 pounds per square inch gauge

The Lateral will interconnect with FGT's 18-inch St. Petersburg/Sarasota Connector at or near mile post 23.5 in Hillsborough County, Florida, and with the 8-inch Sarasota Lateral at or near mile post 37.3 in Polk County, Florida, and with the 6-inch Fr. Meade Lateral at or near mile post 0.5 in Polk County, Florida. The Lateral will terminate at the "Polk County Meter" at the point designated "15" on the Map of the site of Florida Power Corporation's Polk County Facility attached hereto (Approximate location N 1.257.000 and E 694.500).

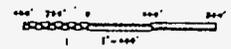
The alignment of the Lateral begins at the intersection of Jameson Road and Plant City-Picnic Road (C.R. 39) in Hillsborough County, approximately half way between the towns of Pinecrest and Picnic. The Lateral crosses the South Prong of the Alafia River and continues eastward through the phosphate mining area to Bradley Junction in Polk County. At Bradley Junction, the alignment follows Agricola Road through the phosphate mines eastward past S.R. 555 and ends approximately 500 feet south of the abandoned Agricola Railroad Station. The Lateral starts in Hillsborough

County in Section 5 and continues eastward through sections 5, 8, 9, 16, 15, 10, 11, and 12 in Township 31S, Range 22E in Hillsborough County. This portion of the Lateral can be seen on the U.S.G.S. Lithia and Keysville 7.5 Minute Series Quadrangle. The Lateral continues eastward into Polk County through Sections 7, 8, 9, 10, 11, and 12 in Township 31S, Range 23E. The alignment continues through Sections 6, 7, 8, 9, 10, 15, 11, and 14 in Township 31S, Range 24E. These sections are found on the Keysville and Bradley Junction quadrangle sheets (drawings POL-P3-QM-2 and POL-P3-QM-3 respectively).



1. COMBUSTION TURBINE GENERATOR
2. ELECTRICAL EQUIPMENT BUILDING
3. PARKING
4. CONTROL/SERVICE BUILDING
5. SECURITY FENCE
6. WATER TREATMENT COMPLEX
7. FUEL OIL UNLOADING AREA
8. SITE ACCESS ROAD
9. FUEL OIL STORAGE TANK W/ CONTAINMENT
10. INTAKE CANAL
11. SWITCHYARD
12. SITE RECLAMATION GRASSHATCH DITCH
13. CIRCULATING WATER INTAKE LINE
14. CIRCULATING WATER DISCHARGE LINE
15. GAS REGULATING/METERING STATION
16. GUARDHOUSE
17. CONSTRUCTION LAYDOWN AREA
18. CONSTRUCTION PARKING AREA
19. STORM WATER TRANSFER PUMP STRUCTURE
20. STEAM TURBINE GENERATOR

EXHIBIT B



NO.	DESCRIPTION	DRAWN	CHECK	DATE

REVISIONS



FLORIDA
POWER
CORPORATION

ENERGY SUPPLY ENGINEERING SUPPORT SERVICES

Polk County Site

SITE PLAN
PROPOSED
SITE ARRANGEMENT

EXHIBIT "C"

SUGGESTED FORM OF TRANSACTION CONFIRMATION

This Transaction Confirmation shall form and effectuate the current proposal between Florida Power Corp. ("Customer") and Citrus Trading Corp. ("Company") regarding the firm purchase and sale of Gas under the following terms and conditions. Customer to purchase and receive (Buyer) and Company to sell and deliver (Seller). Transaction number _____

ALTERNATE PRICE QUANTITY: _____

DELIVERY POINT(S): _____

COMMODITY CHARGE (per MMBtu): _____

FIXED PRICE _____

FIXED BASIS PRICE _____

FLOATING BASIS PRICE _____

PERIOD OF DELIVERY: _____

SPOT PRICE LOCATION: _____

This Transaction Confirmation is being provided pursuant to and in accordance with the Natural Gas Services Agreement in effect between Customer and Company and constitutes part of and is subject to all of the terms and provisions of such Agreement. Any objection of Customer to this Confirmation must Agreement. be made by written notice to Company by the Confirm Deadline.

EXHIBIT "D"
GUARANTY AGREEMENT

This Guaranty Agreement ("Guaranty"), dated as of July 22, 1996, made and entered into by Citrus Corp., a Delaware corporation ("Guarantor"), to and for the benefit of Florida Power Corporation, a Florida Corporation ("Buyer"), and its successors and permitted assigns,

WITNESSETH

WHEREAS, Buyer and Citrus Trading Corp., a Delaware corporation ("CTC"), have entered into a Natural Gas Services Agreement dated as of July 22, 1996, a copy of which is attached hereto as Exhibit A (as the same may from time to time be modified, amended, or supplemented by the Parties thereto, referred to herein as the "Gas Supply Agreement"); and

WHEREAS, CTC is a direct, wholly owned subsidiary of Guarantor, and Guarantor will derive substantial benefit from the performance by Buyer of its obligations under the Gas Supply Agreement; and

WHEREAS, Guarantor is willing to enter into this Guaranty;

NOW, THEREFORE, in consideration of the foregoing premises and the representations, warranties, covenants and agreements contained herein, and for other good and valuable considerations, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, Guarantor hereby covenants and agrees as follows:

1. Guaranty. Subject to the terms hereof, Guarantor hereby irrevocably, absolutely, and unconditionally guarantees to Buyer and its successors and permitted assigns the due, punctual and full payment of each and every obligation of CTC under the Gas Supply Agreement (each such obligation is referred to herein, individually, as a "Guaranteed Obligation" and, collectively, as the "Guaranteed Obligations") and agrees that, if for any reason whatsoever CTC shall fail or be unable duly, punctually, and fully to pay or perform any such Guaranteed Obligation, Guarantor shall forthwith, upon demand as provided in Section 4 hereof, pay or perform such Guaranteed Obligation, or cause such Guaranteed Obligation to be paid or performed, without regard to any exercise or nonexercise by Buyer, its successors or permitted assigns of any right, power or privilege under or in respect of the Gas Supply Agreement or the Guaranteed Obligations. This Guaranty shall be direct, immediate, and primary and shall be a guarantee of payment and not of collection, and is not conditioned or contingent upon any attempt to collect from CTC or upon any other event, contingency, or circumstance whatsoever, except as expressly provided otherwise herein.

2. Obligations Unconditional. Guarantor covenants to and agrees with Buyer and its successors and permitted assigns that, to the fullest extent permitted by law, Guarantor's obligations under this Guaranty are irrevocable, absolute, and unconditional, shall remain in full force and effect and shall not be impaired or affected by, or be subject to, any reduction, termination or other impairment by set-off, deduction, counterclaim, recoupment, interruption, or otherwise, and Guarantor shall have no right to terminate this Guaranty or to be

released, relieved, or discharged, in whole or in part, from its payment or performance obligations pursuant to this Guaranty for any reason whatsoever (other than the payment or performance in full of the Guaranteed Obligations), including (a) any amendment, supplement, or modification to, waiver of, consent to, or departures from, or failure to exercise any right, remedy, power, or privilege under or in respect of, the Gas Supply Agreement, the Guaranteed Obligations, or any other agreement or instrument relating thereto; (b) any insolvency, bankruptcy, reorganization, dissolution, or liquidation of, or any similar occurrences with respect to, or cessation of existence of, or change of ownership of CTC, or any rejection of any of the Guaranteed Obligations in connection with any Proceeding (as defined in Section 3 below) or any disallowance of all or any portion of any claim by Buyer, its successors, or permitted assigns in connection with any Proceeding; (c) any lack of genuineness, legality, validity, regularity, enforceability, or value of the Gas Supply Agreement, any of the Guaranteed Obligations, or any other agreement or instrument relating thereto; (d) the failure to create, preserve, validate, perfect, or protect any security interest granted to, or in favor of, any person; (e) any substitution, modification, exchange, release, settlement, or compromise of any security or collateral for or guarantee of any of the Guaranteed Obligations, or failure to apply such security or collateral or failure to enforce such guarantee; or (f) any other event or circumstance whatsoever that might otherwise constitute a legal or equitable discharge of a surety or guarantor (other than the payment or performance in full of the Guaranteed Obligations), it being the intent of Guarantor that its obligations under this Guaranty shall be irrevocable, unconditional, and absolute under any and all circumstances, except as expressly provided herein. This Guaranty and the obligations of Guarantor hereunder shall continue to be effective or be automatically reinstated, as the case may be, if at any time any payment by or on behalf of CTC is rescinded or must otherwise be restored by Buyer, its successors or permitted assigns for any reason, including, but not limited to, as a result of any Proceeding with respect to CTC or any other person, as though such payment has not been made.

3. Interest The Guaranteed Obligations shall include, without limitation, interest accruing as part of the Guaranteed Obligations by the terms thereof and interest accruing following the commencement by or against CTC of any case or proceeding under any law relating to bankruptcy, insolvency, reorganization, winding up, liquidation, dissolution, or composition or adjustment of debt (herein a "Proceeding"), whether or not allowed as a claim in any such Proceeding.

4. Demand. If CTC shall fail or be unable duly, punctually, and fully to pay or perform any Guaranteed Obligation, Buyer, its successors or permitted assigns may at any time prior to the full payment or performance of such Guaranteed Obligation deliver notice of such failure or inability of CTC to pay or perform to Guarantor in writing, which notice shall reasonably and briefly specify the nature of such failure or inability to pay or perform, as the case may be and, in the case of failure or inability to pay, the amount thereof (each such written notice a "Demand"). Guarantor shall, upon receipt of a Demand, forthwith pay or perform such Guaranteed Obligation, or cause such Guaranteed Obligation to be paid or performed in full. Promptly on request, Guarantor shall reimburse Buyer, its successors and permitted assigns for all costs and expenses (including reasonable attorneys' fees) incurred in enforcing Buyer's, its successors' or permitted assigns' rights under this Guaranty.

5. Representation and Warranties. Guarantor represents and warrants to Buyer and its successors and permitted assigns that as of the date hereof.

(a) it is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware, it has the corporate power and authority to execute, deliver, and carry out the terms and provisions of this Guaranty, and it is duly qualified and in good standing in the State of Delaware.

(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.

(c) this Guaranty has been duly executed and delivered by Guarantor and constitutes a valid and legally binding agreement of Guarantor enforceable against Guarantor in accordance with its terms, subject, however, to applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting creditors' rights generally and except as the enforceability hereof may be limited by general principles of equity (regardless of whether considered in a proceeding in equity or at law);

(d) the execution, delivery, and performance of this Guaranty have been duly authorized by all necessary corporate action and do not require any other corporate actions or proceedings or any stockholder approval or consent of any trustee or holder of any indebtedness of Guarantor;

(e) the execution, delivery, and performance of this Guaranty and compliance by Guarantor with the terms hereof (i) will not violate any governmental approval or law applicable to it or any of its property, (ii) will not violate any provision of its certificate of incorporation, bylaws, or other governing documents, and (iii) will not violate or constitute a default under any agreement or instrument to which it is a party or by which it or any of its property may be bound, or result in the creation or imposition of any lien upon any of its property, which violation, default, or lien would have a material adverse effect on its ability to perform its obligations under this Guaranty;

(f) there are no actions, suits, investigations, or proceedings against Guarantor by or before any court, arbitrator, administrative or regulatory agency, or other governmental authority pending, or to its knowledge, threatened against or affecting it, its properties or its assets that, if adversely determined, would reasonably be expected to have a material and adverse effect on its ability to perform its obligations under this Guaranty; and

(g) Guarantor directly or indirectly owns all of the issued and outstanding shares of each class of capital stock of CTC.

6. Amendment of Guaranty. No term or provision of this Guaranty shall be amended modified, altered, waived, supplemented or terminated except in a writing signed by Guarantor and Buyer or Buyer's successors and permitted assigns.

7. Waivers. To the fullest extent permitted by law, and except for the Demand required pursuant to Section 4 hereof, Guarantor hereby waives (a) all set-offs, counterclaims, presentments, demands for performance, notices of nonperformance, protests, notice of any of the matters referred to in Section 2, notices of protests, notices of dishonor, notice of any waivers or indulgences or extensions, and notices of every kind that

may be required to be given by any statute or rule of law, and notice of acceptance of this Guaranty; (b) diligence, presentment, and demand for payment, filing of claims with a court in connection with any Proceeding, protest, or notice with respect to the Guaranteed Obligations and all demands whatsoever, and (c) any requirement that any action or proceeding be brought against CTC or any other person, or any requirement that any person exhaust any right, power, or remedy or proceed against any other person, prior to any action against Guarantor under the terms hereof. No delay on the part of Buyer, its successors or permitted assigns in the exercise of, or failure to exercise, any right or remedy shall operate as a waiver thereof, a waiver of any other rights or remedies, or a release of Guarantor from any obligation hereunder, and no single or partial exercise by Buyer, its successors or permitted assigns of any right or remedy shall preclude any further exercise thereof or the exercise of any other right or remedy.

8. Waiver of Subrogation. Guarantor hereby agrees that it will not exercise, and hereby irrevocably, absolutely, and unconditionally waives, any rights of subrogation contribution, reimbursement, indemnification, or other rights of payment or recovery for any payments made by it hereunder until all Guaranteed Obligations then outstanding have been fully paid and performed.

9. Notice. Any Demand, notice, request, instruction, correspondence, or other document to be given hereunder (herein collectively called "Notice") shall be in writing and delivered personally or mailed by certified mail, postage prepaid and return receipt requested, or by telegram or telecopier, as follows:

GUARANTOR: Citrus Corp.
1400 Smith Street
Houston, Texas 77002
Attn. Ron Hayslett
Telephone: (713) 853-6178
Facsimile:

BUYER: Florida Power Corporation
Attention: Director, Fuels Supply Department
3201 thirty-fourth Street South
Saint Petersburg, Florida 33711-3828
Telephone: (813) 866-5601
Facsimile: (813) 866-4905

Notice given by personal delivery or mail shall be effective upon actual receipt. Notice given by telegram or telecopier shall be effective upon actual receipt if received during the recipient's normal business hours, or at the beginning of the recipient's next business day after receipt if not received during the recipient's normal business hours. All Notices by telegram or telecopier shall be confirmed promptly after transmission in writing by certified mail or personal delivery. Any Party may change any address to which Notice is to be given to it by giving notice as provided above of such change of address.

10. Assignment Guarantor shall have no right, power, or authority to delegate, assign, or transfer all or any of its obligations hereunder. Buyer may assign all or any of its rights hereunder to any assignee of its rights under the Gas Supply Agreement as permitted thereby with the prior written consent of Guarantor, which consent shall not be unreasonably withheld or delayed.

11. Miscellaneous. This Guarantee shall be covered by, and construed in accordance with, the law of the state of Texas, excluding conflict-of-laws rules. Each of Guarantor and Buyer hereby irrevocably waives to the fullest extent permitted by law, any and all right to trial by jury in any legal proceedings arising out of or relating to this Guaranty or any of the other agreements referred to herein or any of the transactions contemplated hereby or thereby. This Guaranty is a continuing guaranty, shall apply to all Guaranteed Obligations whenever arising, shall be binding upon Guarantor and its successors and shall inure to the benefit of and be enforceable by Buyer and its successors and permitted assigns. This Guaranty embodies the entire agreement of Guarantor and Buyer and supersedes all prior agreements and understandings relating to the subject matter hereof. The headings of this Guaranty are for the purposes of references only, and shall not affect this meaning hereof. If any provision of this Guaranty shall for any reason be held invalid, illegal or enforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Guaranty, and this Guaranty shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, but only to the extent of its invalidity, illegality, or enforceability. This Guaranty may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

12. Maximum Limit. The amount covered by this Guaranty for all Guaranteed Obligations under the Gas Supply Agreement that shall ever be required to be paid by Guarantor shall not exceed \$57,000,000.00 until the In Service Date as that term is used in the Gas Supply Agreement and \$20,000,000.00 thereafter (the "Maximum Limit"); provided, this Guaranty shall cover and Guarantor shall pay, in addition to the Maximum Limit, all reasonable expenses, including without limitation, attorneys' fees, court costs and similar costs, of Buyer in the event of judgment, settlement or other enforcement against Guarantor.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be executed and delivered by its duly authorized officer as of the day and year first above written.

ACCEPTED:

Florida Power Corporation

By: [Signature]

Name: John A. Hancock
(Please print)

Title: Senior VP

Citrus Corp.

By: [Signature]

Name: R.J. Hayslett
(Please print)

Title: VP & CFO

