

Florida Power
CORPORATION

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ORIGINAL
FILE COPY

December 10, 1991

Mr. Steven C. Tribble, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399-0870

Re: Joint Petition of Florida Power Corporation and CFR-Bio-Gen Corporation for Approval of Contract for Purchase of Firm Capacity and Energy and Motion for Dismissal of Complaint Following Commission Approval.

Dear Mr. Tribble:

Enclosed please find 15 copies of the contract which is the subject of the Joint Petition of Florida Power Corporation and CFR-Bio-Gen Corporation for Approval of Contract for Purchase of Firm Capacity and Energy and Motion for Dismissal of Complaint Following Commission Approval. This contract was inadvertently excluded when the petition was filed. The docket number on this case is 90-083-EQ. PD 0383-EQ

Thank you for your kind assistance in this matter.

Very truly yours,

Charles F. Reischmann

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TB

FPSC-BUREAU OF RECORDS

CFR/eh

cc: Richard Benton, Esq.

Enclosure

FPSC-BUREAU OF RECORDS
12251 DEC 11 09
FPSC-BUREAU OF RECORDS

**Interconnected and
Non-Interconnected**

**DISPATCHABLE CONTRACT FOR THE
PURCHASE OF FIRM CAPACITY AND ENERGY
FROM A QUALIFYING FACILITY**

between

CFR/BIOGEN

and

FLORIDA POWER CORPORATION

DOCUMENT NUMBER-DATE

12251 DEC 11 1991

FPSC-RECORDS/REPORTING

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**DISPATCHABLE CONTRACT FOR THE PURCHASE OF
FIRM CAPACITY AND ENERGY
FROM A QUALIFYING FACILITY**

This Agreement ("Agreement") is made and entered by and between CFR Biogen, a Florida Corporation, having its principal place of business at Tallahassee, Florida (hereinafter referred to as the "QF"), and Florida Power Corporation, a private utility corporation organized under the laws of the State of Florida, having its principal place of business at St. Petersburg, Florida (hereinafter referred to as the "Company"). The QF and the Company may be hereinafter referred to individually as a "Party" and collectively as the "Parties."

WITNESSETH:

WHEREAS, the QF desires to sell, and the Company desires to purchase, electricity to be generated by the Facility and made available for sale to the Company, consistent with FPSC Rules 25-17.080 through 25-17.091 in effect as of the Execution Date;

WHEREAS, the QF will be a qualifying cogenerator as defined by FERC and FPSC regulations using natural gas as its primary fuel source and other hydrocarbon fuels as its secondary or standby fuel source and

WHEREAS, the QF will engage in interconnected operation of the QF's generating facility with the Company or with another utility's system (hereinafter referred as the "Transmission Service Utility") which is directly interconnected at one or more points with the Company.

NOW, THEREFORE, for mutual consideration, the Parties covenant and agree as follows:

As used in this Agreement and in the Appendices hereto, the following capitalized terms shall have the following meanings:

1.1 Appendices means the schedules, exhibits and attachments which are appended hereto and are hereby incorporated by reference and made a part of this Agreement.

1.1.1 Appendix A sets forth the Company's Interconnection Scheduling and Cost Procedures.

1.1.2 Appendix B sets forth the Company's Parallel Operating Procedures.

1.1.3 Appendix C sets forth the Company's Rates for Purchase of Firm Capacity and Energy from a Qualifying Facility.

1.1.4 Appendix D sets forth the Company's Transmission Service Standards.

1.1.5 Appendix E sets forth FPSC Rules 25-17.080 through 25-17.091 in effect as of the Execution Date.

1.2 Accelerated Capacity Payment means payments based upon the accelerated payment rates in Appendix C.

1.3 As-Available Energy Cost means the energy rate calculated in accordance with FPSC Rule 25-17.0825 as such rule may be amended from time to time.

1.4 Automatic Generation Control (AGC) means the remote regulation by the Company of the output of electric generators within a prescribed area in response to change in system frequency, tie-line loading, or the relation of these to each other, so as to maintain the scheduled system frequency or the established interchange with other areas within predetermined limits or both as determined by the North American Electric Reliability Council.

1.5 Avoided Unit Fuel Reference Plant means that Company unit(s) whose delivered price of fuel shall be used as a proxy for the fuel associated with the avoided unit type selected in section 8.2.1 hereof as such unit(s) are defined in Appendix C.

1.6 Avoided Unit Heat Rate means the heat rate associated with the avoided unit type selected in section 8.2.1 hereof as it is defined in Appendix C.

1.7 Avoided Unit Variable O & M means the variable operation and maintenance expense associated with the unit type selected in section 8.2.1 hereof as it is defined in Appendix C.

1.8 BTU means British thermal unit.

1.9 Capacity Account means that account which complies with the procedure in section 8.5 hereof.

1.10 Capacity Discount Factor means the value specified pursuant to section 8.4 hereof.

1.11 Capacity Payment Adjustment means the value calculated pursuant to Appendix C.

1.12 Commercial In-Service Status means (i) that the Facility is in compliance with all applicable Facility permits; (ii) that the Facility has maintained an hourly KW output, as metered at the Point of Delivery, equal to or greater than the Committed Capacity for a consecutive twenty-four (24) hour period or during the On-Peak Hours specified in Appendix C of (2) two consecutive days; and (iii) that such period is reasonably reflective of the Facility's day to day operations.

1.13 Committed Capacity means the KW capacity, as defined in Article VI hereof, which the QF has agreed to make available on a firm basis at the Point of Delivery.

1.14 Company's Interconnection Facilities means all equipment which is constructed, owned, operated and maintained by the Company located on the Company's side of the Point of Delivery, including without limitation, equipment for connection, switching, transmission, distribution, protective relaying and safety provisions which, in the Company's reasonable judgment, is required to be installed for the delivery and measurement of electric energy into the Company's system on behalf of the QF, including all metering and telemetering equipment installed for the measurement of such energy regardless of its location in relation to the Point of Delivery.

1.15 Completion Security Guaranty means the deposits or other assurances as specified in section 13.1 hereof.

1.16 Contract Approval Date means the date of issuance of a final FPSC order approving this Agreement, without change, finding that it is prudent and cost recoverable by the Company through the FPSC's periodic review of fuel and purchased power costs, which order shall be considered final when all opportunities for requesting a hearing, requesting reconsideration, requesting clarification and filing for judicial review have expired or are barred by law.

1.17 Contract In-Service Date means the date, as specified in Article IV hereof, by which the QF has agreed to achieve Commercial In-Service Status.

1.18 Construction Commencement Date means the date on which work on the concrete foundation for the turbine generator begins and construction activity at the Facility site thereafter continues in accordance with a verifiable and satisfactory schedule of construction.

1.19 Control Area means a utility system capable of regulating its generation in order to maintain its interchange schedule with other utility systems and contribute its frequency bias obligation to the interconnection.

1.20 Dispatch means the right of the Company to determine the level of required output in MW and MVAR of the QF by automatic or other means as may be used by the Company's system dispatcher from time to time.

1.21 Dispatch Protocol means the policies and procedures established in this Agreement and by using established industry standards, policies and procedures.

1.22 Equivalent Availability Factor (EAF) means the hourly ability of the unit to produce its Committed Capacity during any hour the reference unit would have run during the On-Peak Hours as shown in Appendix C.

1.23 Execution Date means the latter of the date on which the Company or the QF executes this Agreement.

1.24 Facility means all equipment, as described in this Agreement, used to produce electric energy and, for a cogeneration facility, used to produce useful thermal energy through the sequential use of energy and all equipment that is owned or controlled by the QF required for parallel operation with the interconnected utility.

1.25 FERC means the Federal Energy Regulatory Commission and any successor.

1.26 Firm Energy Cost means the energy rate calculated in accordance with section 9.1.2 hereof.

1.27 Florida-Southern Interface means the points of interconnection between the electric Control Areas of (1) Florida Power & Light Company, Florida Power Corporation, Jacksonville Electric Authority, and the City of Tallahassee and (2) Southern Company.

1.28 Force Majeure Event means an event or occurrence that is not reasonably foreseeable by a Party, is beyond its reasonable control, and is not caused by its negligence or lack of due diligence, including, but not limited to, natural disasters, fire, lightning, wind, perils of the sea, flood, explosions, acts of God or the public enemy, strikes, lockouts, vandalism, blockages, insurrections, riots, war, sabotage, action of a court or public authority, or accidents to or failure of equipment or machinery.

1.29 FPSC means the Florida Public Service Commission and any successor.

1.30 Fuel Multiplier means that value associated with the unit type selected in section 8.2.1 hereof as it is defined in Appendix C.

1.31 Import Capability means the capability to import power at the Florida-Southern Interface, giving consideration to the various limitations imposed upon those facilities by the electric systems to which they are directly or indirectly connected.

1.32 Interconnection Costs means the actual costs incurred by the Company for the Company's Interconnection Facilities, including, without limitation, the cost of equipment, engineering, communication and administrative activities.

1.33 Interconnection Costs Offset means the estimated costs included in the Interconnection Costs that the Company would have incurred if it were not purchasing

Committed Capacity and electric energy but instead itself generated or purchased from other sources an equivalent amount of Committed Capacity and electric energy and provided normal service to the Facility as if it were a non-generating customer.

1.34 KW means one (1) kilowatt of electric capacity.

1.35 KWH means one (1) kilowatthour of electric energy.

1.36 Minimum On-Peak Capacity Factor means that value which is associated with the unit type selected in section 8.2.1 hereof as it is defined in Appendix C.

1.37 MWH means one (1) megawatthour of electric energy.

1.38 MVAR means one megavoltampere of reactive power.

1.39 On-Peak Hours means those daily time periods specified in Appendix C.

1.40 Operational Event of Default means an event or circumstance defined as such in Article XV hereof.

1.41 Operational Security Guaranty means the deposits or other assurances as specified in section 13.3 hereof.

1.42 Performance Adjustment means the value calculated pursuant to Appendix C.

1.43 Point of Delivery means the point(s) where electric energy delivered to the Company pursuant to this Agreement enters the Company's system.

1.44 Point of Metering means the point(s) where electric energy made available for delivery to the Company, subject to adjustment for losses, is measured.

1.45 Point of Ownership means the interconnection point(s) between the Facility and the interconnected utility.

1.46 Pre-Operational Event of Default means an event or circumstance defined as such in Article XV hereof.

1.47 Qualifying Cogeneration Facility means a facility that meets the requirements defined in section 3(18)(B) of the Federal Power Act, as amended by section 201 of the Public Utility Regulatory Policies Act of 1978, and that is certified as such by the FERC pursuant to applicable FERC regulations.

1.48 Term means the duration of this Agreement as specified in Article IV hereof.

1.49 Transmission Service Agreement means that agreement between the QF and the Transmission Service Utility which meets the requirements of Appendix D.

1.50 Transmission Service Utility means the utility interconnected with the QF other than the Company.

ARTICLE II:

TRANSMISSION LIMITATIONS

2.1 For a QF with a Facility located north of the latitude of the Company's Central Florida Substation, the Company will use its best efforts to obtain an amount of Import Capability equal to the diminution of Import Capability caused by the Facility during the Term of this Agreement and the QF agrees to reimburse the Company for the costs of such Import Capability.

2.2 The Company will notify the QF in writing of the availability and cost of the required Import Capability (within sixty (60) days after the Execution Date). Such reimbursement shall not be considered as a reduction in the payments made by the Company to the QF for capacity and energy under this Agreement. The QF may terminate this Agreement after receiving such notification without penalty prior to the date that the Completion Security Guaranty is due pursuant to section 13.1 hereof.

ARTICLE III: **FACILITY**

3.1 The Facility shall be located South of the Company's Central Florida Substation. The Facility shall meet all other specifications identified in the Appendices hereto in all material respects and no change in the designated location of the Facility shall be made by the QF. The Facility shall be designed and constructed by the QF or its agents at the QF's sole expense.

3.2 Throughout the Term of this Agreement, the Facility shall be a Qualifying Cogeneration Facility.

3.3 Except for Force Majeure Events declared by the Facility's fuel supplier(s) or fuel transporter(s) which comply with the definition of Force Majeure Events as specified in this Agreement and occur after the Contract In-Service Date, the Facility's

ability to deliver its Committed Capacity shall not be encumbered by interruptions in its fuel supply.

3.4 The QF shall either (i) arrange for and maintain standby electrical service under a firm tariff; or (ii) maintain the ability to restart and/or continue operations during interruptions of electric service; or (iii) maintain multiple independent sources of generation.

3.5 From the Execution Date through the Contract In-Service Date, the QF shall provide the Company with progress reports on the first day of January, April, July and October of each year which describe the current status of Facility development in such detail as the Company may reasonably require.

ARTICLE IV: TERM AND MILESTONES

4.1 The Term of this Agreement shall begin on the Execution Date and shall expire at 24:00 hours on the last day of December, 2025 unless extended pursuant to section 4.2.4 hereof or terminated in accordance with the provisions of this Agreement. Upon termination or expiration of this Agreement, the Parties shall be relieved of their obligations under this Agreement except for the obligation to pay each other all monies under this Agreement, which obligation shall survive termination or expiration. Each Party shall use its best efforts to enforce the validity of this Agreement and to expedite FPSC action on the Company's request for FPSC approval of this Agreement. The Company shall submit this Agreement and related documentation to the FPSC for approval within ten (10) days of the Execution Date.

4.2 The Parties agree that time is of the essence and that: (i) The QF shall designate the Facility's location Section, Township and Range on or before the last day of December 1992; (ii) the QF shall execute the Transmission Service Agreement, if applicable, which shall be approved or accepted for filing by the FERC on or before the last day of June 1993; (iii) the Construction Commencement Date shall occur on or before the last day

of June 1994; and (iv) the Facility shall achieve Commercial In-Service Status on or before the 16th (sixteenth) day of December 1995 which date shall constitute the Contract In-Service Date. These three dates shall not be modified except as provided in section 4.2.1, 4.2.2, 4.2.3 and 4.2.5 hereof.

4.2.1 Upon written request by the QF, these four dates each may be extended on a day-for-day basis for each day that the Contract Approval Date exceeds one hundred twenty (120) days after the date the Company submits this Agreement and related documentation to the FPSC for approval; provided, however, that the QF's notice shall specifically identify the date and duration for which extension is being requested. Such delay shall not be considered a Force Majeure Event for purposes of this Agreement.

4.2.2 Upon written request by the QF not more than sixty (60) days after the declaration of a Force Majeure Event by the QF, which event contributes proximately and materially to a delay in the QF's schedule, these four dates each may be extended on a day-for-day basis for each day of delay so caused by the Force Majeure Event; provided, however, that the QF shall specifically identify: (i) each date for which extension is being requested; and (ii) the expected duration of the Force Majeure Event; and provided further, that the maximum extension of any of these four dates shall in no event exceed a total of one hundred and eighty (180) days, irrespective of the nature or number of Force Majeure Events declared by the QF.

4.2.3 The Contract In-Service Date shall be extended on a day-for-day basis for any delays directly attributable to the Company's failure to complete its obligations hereunder.

4.2.4 If the Contract In-Service Date is extended pursuant to sections 4.2.1, 4.2.2 or 4.2.3 hereof, then the Term of the Agreement may be extended for the same number of days upon separate written request by the QF not more than thirty (30) days after the Contract In-Service Date.

4.2.5 The QF shall have the one-time option of accelerating the Contract In-Service Date by up to six (6) months upon written notice to the Company not less than thirty (30) days before the accelerated Contract In-Service Date; provided, however, that (i) the QF shall be in compliance with all applicable requirements of this Agreement as of such earlier date; and (ii) the Company's Interconnection Facilities can reasonably be expected to be operational as of such earlier date.

ARTICLE V: DISPATCH & OPERATING RESPONSIBILITIES

5.1 During the Term of this Agreement, the QF shall:

5.1.1 Have the sole responsibility to, and shall at its sole expense, operate and maintain the Facility in accordance with all requirements set forth in this Agreement.

5.1.2 Provide the Company prior to October 1 of each calendar year the estimated amounts of electricity to be generated by the Facility and delivered to the Company for each month of the following calendar year, including the estimated time, duration and magnitude of any planned outages or reductions in capacity.

5.1.3 Promptly notify the Company of any changes to the yearly generation and maintenance schedules.

5.1.4 Provide the Company by telephone or facsimile prior to 9:00 A.M. of each day an estimate of the hourly amounts of electric energy that could be delivered at the Point of Delivery for the next two days.

5.1.5 Coordinate scheduled outages and maintenance of the Facility with the Company. The QF shall recognize and accommodate the Company's system demands and obligations and shall make all reasonable efforts to schedule outages and maintenance during such times as are designated by the Company.

5.1.6 Comply with reasonable requirements of the Company regarding day-to-day or hour-by-hour communications with the Company or with the Transmission Service Utility relative to the performance of this Agreement.

5.2 The estimates and schedules provided by the QF under this Article V shall be prepared in good faith, based on conditions known or anticipated at the time such estimates and schedules are made, and shall not be binding upon either Party; provided, however, that the QF shall in no event be relieved of its obligation to deliver Committed Capacity under the terms and conditions of this Agreement.

5.3 Dispatch Rights. The QF agrees that the Company shall have the rights to Dispatch the Facility, commencing on the Commercial Operation Date, provided that the Company Dispatches the Facility in accordance with the protocols set forth in Section 5.4 and complies with the notice obligations set forth in Section 5.5. As long as the Company has the right to Dispatch the Facility, the QF agrees to control the Facility in a manner consistent with the Company's Dispatch of the Facility; provided, however, that in the event of an emergency affecting the Facility, the Interconnection Facilities or the Company's electrical system, the QF shall have the right to control the Facility (and may take back

direct control if the Facility is on automatic generation control) to protect either or both the Facility and the Interconnection Facilities, subject, however, to the Company's rights and the QF obligations.

5.4 Dispatch Protocols.

5.4.1 The Company shall Dispatch the Facility as a baseload unit considering both the heat rate curves and start-up and shut-down costs of the equivalent unit. The QF Facility will operate at a minimum dispatch level of at least 50% annual capacity factor each year during the term of this Agreement after the Contract In-Service Date. This minimum annual capacity factor will be reduced by the number of hours the Facility is (1) on a scheduled partial, (2) full outage, (3) forced partial, (4) full outage or (5) has been disconnected pursuant to Section 15.3 or 21.1 or Appendix B-3. The Facility shall be subject to automatic generation and voltage control whenever the Facility is being operated above its minimum load and below its committed capacity. The Facility operator shall regulate the Facility output to the Company's desired level whenever it is being operated, at the Company's request, at or below its minimum load or above its Committed Capacity, or whenever automatic control is discontinued at the Company's request.

5.4.2 The minimum loading of the Facility during the months of May through October will be fifty percent (50%) of the Committed Capacity. Below fifty percent (50%) required loading, the Facility will be scheduled off. During the months of November through April (fruit processing season), the Facility may be dispatched to a minimum of twenty percent (20%) loading. Below this level, the unit will be scheduled off. The Facility will be capable of a dispatch ramp rate of at least 5,000 KW per minute for a sustained five minute period. For

all hourly periods the Facility is unable to operate on AGC, or that the operator, at his request, has the unit off of AGC for 15 minutes or more of the hourly period, the energy payment for the hourly period will be discounted by the non-AGC penalty which is five percent (5%). If AGC operation is discontinued at the Company's request, no penalty will be applied.

5.4.3 The QF's Facility will operate at any MVAR output level automatically or by other means at the request of the dispatcher within the limits of the generator capability curve, both leading and lagging. The QF will provide the generator capability curve to the Company 60 days prior to the Contract In-Service Date.

5.5 Notice Obligations. In order to maintain its right to dispatch the Facility, the Company shall provide the following notices to the QF:

5.5.1 Each day during the term of this Agreement, the Company shall provide the QF with a projected schedule for the operation of the Facility for at least the next two days; provided, however, that the QF acknowledges that the actual operation levels of the Facility will be determined by the requirements of the Company's dispatch;

5.5.2 At all times during the term of this Agreement, the Company shall document and make available to the QF's Facility operator the actual operation levels (in MWH's) of the Facility during the previous hour; and

5.5.3 At all times during the term of this Agreement, the Company shall provide the QF with five (5) minutes notice of any change in operating levels to be achieved by the Facility; provided, however, that such notice shall not be required if the Facility is being controlled by

its automatic generation control equipment, or in the event of a system emergency requiring an immediate change in operating level.

ARTICLE VI: PURCHASE AND SALE OF CAPACITY AND ENERGY

6.1 Commencing on the Contract In-Service Date, the QF shall commit, sell and arrange for delivery of the Committed Capacity to the Company and the Company agrees to purchase, accept and pay for the Committed Capacity made available to the Company at the Point of Delivery in accordance with the terms and conditions of this Agreement. The QF also shall sell and deliver or arrange for the delivery of the electric energy to the Company and the Company agrees to purchase, accept, and pay for such electric energy as is made available for sale to and received by the Company at the Point of Delivery.

6.2 The Committed Capacity and electric energy made available at the Point of Delivery to the Company shall be (X) net of any electric energy used on the QF's side of the Point of Ownership ~~(or (-) simultaneous with any purchases from the interconnected utility). This selection in billing methodology shall not be changed.~~

6.3 If the Company is unable to receive part or all of the Committed Capacity which the QF has made available for sale to the Company at the Point of Delivery by reason of (i) a Force Majeure Event; or (ii) pursuant to FPSC Rule 25-17.086, notice and procedural requirements of Article XXI shall apply and the Company will nevertheless be obligated to make capacity payments which the QF would be otherwise qualified to receive, and to pay for energy actually received, if any. The Company shall not be obligated to pay for energy which the QF would have delivered but for such occurrences and the QF shall be entitled to sell or otherwise dispose of such energy in any lawful manner; provided, however, such entitlement to sell shall not be construed to require the Company to transmit such energy to another entity.

6.4 The QF shall not commence initial deliveries of energy to the Point of Delivery without the prior written consent of the Company, which consent shall not be unreasonably withheld. The QF shall provide the Company not less than thirty (30) days written notice before any testing to establish the Facility's Commercial In-Service Status. Representatives of the Company shall have the right to be present during any such testing.

ARTICLE VII: CAPACITY COMMITMENT

7.1 The Committed Capacity shall be 74,000 KW, unless modified in accordance with this Article VII. The Committed Capacity shall be made available at the Point of Delivery from the Contract In-Service Date through the remaining Term of this Agreement at a Committed Equivalent Availability Factor of 90%.

7.2 For the period ending one (1) year immediately after the Contract In-Service Date, the QF may, on one occasion only, decrease the initial Committed Capacity by no more than ten percent (10%) of the Committed Capacity specified in section 7.1 hereof as of the Execution Date upon written notice to the Company before such change is to be effective.

7.3 After the one (1) year period specified in section 7.2, and except as provided in section 7.4, the QF may decrease its Committed Capacity over the Term of this Agreement by amounts not to exceed in the aggregate more than twenty percent (20%) of the initial Committed Capacity specified in section 7.1 hereof as of the Execution Date. Notwithstanding any other provision of this Agreement, if less than three (3) years prior written notice is provided for any such decrease, the QF shall be subject to an adjustment to the otherwise applicable payments (except as provided in section 7.4) which shall begin when the Committed Capacity is decreased and which shall end three (3) years after notice of such decrease is provided. For each month, this adjustment shall be equal to the lesser of (i) the estimated increased costs incurred by the Company to generate or purchase an equivalent amount of replacement capacity and energy and (ii) the reduction in Committed Capacity times the applicable Normal Capacity Payment rate from Appendix C. Such

adjustment shall assume that the difference between the original Committed Capacity and the redesignated Committed Capacity, during all hours of the replacement period, would operate at the On-Peak Capacity Factor at the time notice is provided.

7.4 During a Force Majeure Event declared by the QF, the QF may temporarily redesignate the Committed Capacity for up to twenty-four (24) consecutive months; provided, however, that no more than one such temporary redesignation may be made within any twenty-four (24) month period unless otherwise agreed by the Company in writing. Within three (3) months after such Force Majeure Event is cured, the QF may, on one occasion, without penalty, designate a new Committed Capacity to apply for the remaining Term; provided, however, that such new Committed Capacity shall be subject to the aggregate capacity reduction limit specified in section 7.3. Any temporary or final redesignation of the Committed Capacity pursuant to this section 7.4 must, in the Company's judgment, be directly attributable to the Force Majeure Event and of a magnitude commensurate with the scope of the Force Majeure Event. Redesignation of Committed Capacity pursuant to this section 7.4 shall not be subject to the payment adjustment provisions of section 7.3.

7.5 A redesignated Committed Capacity pursuant to this Article VII shall be stated to the nearest whole KW and shall be effective only on the commencement of a full billing period.

7.6 The Company shall have the right to require that the QF, not more than once in any twelve (12) month period, re-demonstrate the Commercial In-Service Status of the Facility within sixty (60) days of the demand; provided, however, that such demand shall be coordinated with the QF so that the sixty (60) day period for re-demonstration avoids, if practical, previously notified periods of planned outages and reduction in capacity pursuant to Article V.

ARTICLE VIII: CAPACITY PAYMENTS

8.1 Capacity payments shall not commence before the Contract Approval Date and before the Contract In-Service Date and (i) until the QF has achieved Commercial In-Service Status and (ii) until the QF has posted the Operational Security Guaranty pursuant to section 13.2 hereof.

8.2 Capacity payments shall be based upon the following selections as described in Appendix C.

8.2.1 Unit type:

~~() Combustion turbine, Schedule 2~~

(X) Pulverized coal, Schedule 4, Option B

8.2.2 Payment options:

(X) Normal Capacity Payments

~~() Payments~~

8.3 At the end of each billing month, beginning with the first full month following the Contract In-Service Date, the Company will calculate the EAF on a rolling average basis for the most recent twelve (12) month period, including such month, or for the actual number of full months since the Contract In-Service Date if less than twelve (12) months. The EAF in percent for the period shall be calculated by summing the capacity in megawatts, up to and including the Committed Capacity, or the dispatch level that the QF is ready to deliver, hour-by-hour during the period divided by the total hours times the Committed Capacity in the period, said quotient multiplied by 100 to get percent EAF. If the QF fails to respond to Dispatch for additional capacity after being Dispatched off or to a lower output, the QF shall be deemed to be wholly or partially unavailable all hours of the time since the previous Dispatch for EAF calculation purposes. If the QF can demonstrate that the full or partial unavailability occurred between the call for additional capacity and

the time that the QF was previously Dispatched to less than full load, that time will be used to start the period of unavailability.

8.4 The monthly capacity payment shall equal the product of (i) the applicable capacity payment rate; (ii) the Committed Capacity; (iii) the ratio of the Committed EAF to the Minimum EAF (except as modified when Schedule 5, Appendix C applies); (iv) the Capacity Payment Adjustment; (v) the Capacity Discount Factor of 0.98.

8.5 The Parties recognize that Accelerated Capacity Payments are in the nature of "early payment" for a future capacity benefit to the Company when such payments exceed Normal Capacity Payments without consideration of the Capacity Discount Factor. To ensure that the Company will receive a capacity benefit for such difference in capacity payments which have been made, or alternatively, that the QF will repay the amount of such difference in payments received to the extent the capacity benefit has not been conferred, the following provisions will apply:

8.5.1 When the QF is first entitled to a capacity payment, the Company shall establish a Capacity Account. Each month the Capacity Account shall be credited in the amount of the Company's Accelerated Capacity Payments and shall be debited in the amount which the Company would have paid for capacity in the month pursuant to the Normal Capacity Payment without consideration of the Capacity Discount Factor.

8.5.2 In addition to the amounts pursuant to section 8.5.1 hereof, each month the Capacity Account shall be credited in the amount of any increased income taxes owed by the Company resulting from Accelerated Capacity Payments and shall be debited in the amount of any decreased income taxes owned by the Company resulting from Accelerated Capacity Payments. If such tax impacts are recovered by

the Company, the Company will adjust the Capacity Account accordingly.

8.5.3 The monthly balance in the Capacity Account shall accrue interest at the annual rate of 9.96%, or 0.79436% per month.

8.5.4 The QF shall owe the Company and be liable for the credit balance in the Capacity Account. The Company agrees to notify the QF monthly as to the current Capacity Account balance. Prior to receipt of Accelerated Capacity Payments, the QF shall execute a promise to repay any credit balance in the Capacity Account; provided that the entity issuing such promise, the form of the promise, and the means of securing payment all shall be acceptable to the Company in its sole discretion.

8.5.5 The QF's obligation to pay the credit balance in the Capacity Account shall survive termination or expiration of this Agreement.

ARTICLE IX: ENERGY PAYMENTS

9.1 For that electric energy received by the Company at the Point of Delivery each month, the Company will pay the QF an amount computed as follows:

9.1.1 Prior to the Contract In-Service Date, and for the duration of an Event of Default or a Force Majeure Event declared by the QF prior to a permitted redesignation of the Committed Capacity by the QF, the QF will receive electric energy payments based on the Company's As-Available Energy Cost as calculated hourly in accordance with FPSC Rule 25-17.0825; provided, however, that the calculation shall be based on such rule as it may be amended from time to time.

9.1.2 Except as otherwise provided in section 9.1.1 and the non-AGC penalty of 5.4.2 hereof, for each billing month beginning with the Contract In-Service Date, the QF will receive electric energy payments based upon the Firm Energy Cost calculated on an hour-by-hour basis as follows: (i) the product of the average monthly inventory chargeout price of fuel burned at the Avoided Unit Fuel Reference Plant, the Fuel Multiplier, and the Avoided Unit Heat Rate from Appendix C, Attachment 2 and 2a, at the appropriate level, for each hour that the Company would have had a unit with these characteristics operating; and (ii) during all other hours, and for all energy delivered in excess of the requested dispatch percentage of the Committed Capacity, the energy cost shall be equal to the As-Available Energy Cost as calculated in 5.4.2 and 9.1.1 above.

9.1.2.1 For the purpose of administering 9.1.2, the Facility will be dispatched using AGC in the same percentage as the committed capacity of the Facility is to the full capacity of the reference avoided unit as shown on Appendix C, Attachments 2 and 2a. The avoided unit heat rate is determined at the point on the heat rate curve where the percentage dispatch of the Facility committed capacity equals the same percentage of the avoided unit. The generator heat rate curve will be represented by an algebraic formula for use in the AGC and to determine avoided fuel cost.

9.1.3 Energy payments shall be equal to the sum, over all hours of the month, of the product of each hour's energy cost as determined pursuant to section 9.1.1 hereof or section 9.1.2 hereof, whichever is applicable, and the energy received by the Company at the Point of Delivery, plus the Performance Adjustment.

9.2 Energy payments pursuant to section 9.1.3 hereof shall be subject to the Delivery Voltage Adjustment pursuant to Appendix C.

ARTICLE X: CHARGES TO THE QF

10.1 The Company shall bill and the QF shall pay all charges applicable under this Agreement.

10.2 To the extent not otherwise included in the charges under section 10.1 hereof, the Company shall bill and the QF shall pay a monthly charge equal to any taxes, assessments or other impositions for which the Company may be liable as a result of its installation of facilities in connection with this Agreement, its purchases of Committed Capacity and electric energy from the QF or any other activity undertaken pursuant to this Agreement. Such amounts billed shall not include any amounts (i) for which the Company would have been liable had it generated or purchased from other sources an equivalent amount of Committed Capacity and electric energy; or (ii) which are recovered by the Company; or (iii) which are accrued in the Capacity Account pursuant to section 8.5.2 hereof.

ARTICLE XI: METERING

11.1 All electric energy delivered to the Company shall be capable of being measured hourly at the Point of Metering. All electric energy delivered to the Company shall be adjusted for losses from the Point of Metering to the Point of Delivery. Metering equipment required to measure electric energy delivered to the Company and the telemetering equipment required to transmit such measurements to a location specified by the Company shall be installed, calibrated and maintained by the Company and all related

applicable costs shall be charged to the QF, pursuant to Appendix A, as part of the Company's Interconnection Facilities.

11.2 All meter testing and related billing corrections, for electricity sold and purchased by the Company, shall conform to the metering and billing guidelines contained in FPSC Rules 25-6.052 through 25-6.060 and FPSC Rule 25-6.103, as they may be amended from time to time, notwithstanding that such guidelines apply to the utility as the seller of electricity.

11.3 The QF shall have the right to install, at its own expense, metering equipment capable of measuring energy on an hourly basis at the Point of Metering. At the request of the QF, the Company shall provide the QF hourly energy cost data from the Company's system; provided that the QF agrees to reimburse the Company for its cost to provide such data.

ARTICLE XII: PAYMENT PROCEDURE

12.1 Bills shall be issued and payments shall be made monthly to the QF and by the QF in accordance with the following procedures:

12.1.1 The capacity payment, if any, calculated for a given month pursuant to Article VIII hereof shall be added to the electric energy payment, if any, calculated for such month pursuant to Article IX hereof, and the total shall be reduced by the amount of any payment adjustments pursuant to section 7.3 hereof. The resulting amount, if any, shall be tendered, with cost tabulations showing the basis for payment, by the Company to the QF as a single payment. Such payments to the QF shall be due and payable twenty (20) business days following the date the meters are read.

12.1.2 When any amount is owing from the QF, the Company shall issue a monthly bill to the QF with cost tabulations showing the basis for the charges. All amounts owing to the Company from the QF shall be due and payable twenty (20) business days after the date of the Company's billing statement. Amounts owing to the Company for retail electric service shall be payable in accordance with the provisions of the applicable rate schedule.

12.1.3 At the option of the QF, the Company will provide a net payment or net bill, whichever is applicable, that consolidates amounts owing to the QF with amounts owing to the Company.

12.1.4 Except for charges for retail electric service, any amount due and payable from either Party to the other pursuant to this Agreement that is not received by the due date shall accrue interest from the due date at the rate specified in section 13.3 hereof.

ARTICLE XIII: SECURITY GUARANTIES

13.1 Within thirty (30) days after the Contract Approval Date, the QF shall post a Completion Security Guaranty with the Company equal to \$5.00 per KW of Committed Capacity and an additional \$5.00 per KW two and one-half (2.5) years before the Contract In-Service Date, to ensure completion of the Facility in a timely fashion as contemplated by this Agreement. This Agreement shall terminate if the Completion Security Guaranty is not tendered by the QF on or before the applicable due date(s) specified herein. The QF shall either: (i) pay the Company cash in the form of a certified check in an amount equal to the Completion Security Guaranty; or (ii) provide the Company an unconditional and irrevocable direct pay letter of credit or other promise to pay such amount upon failure of the QF to perform its obligations under this Agreement; provided that the entity issuing such promise, the form of the promise, and the means of securing payment all shall be acceptable to the Company in its sole discretion.

13.2 From the date on which the QF first becomes entitled to capacity payments under this Agreement through the remaining Term, the QF shall post an Operational Security Guaranty with the Company equal to \$20.00 per KW of Committed Capacity to ensure timely performance by the QF of its obligations under this Agreement. The QF shall either: (i) pay the Company cash in the form of a certified check in an amount equal to the Operational Security Guaranty; or (ii) provide the Company an unconditional and irrevocable direct pay letter of credit or other promise to pay such amount upon failure of the QF to perform its obligations under this Agreement; provided that the entity issuing such promise, the form of the promise, and the means of securing payment all shall be acceptable to the Company in its sole discretion. Furthermore, if option (ii) is selected, the Operational Security Guaranty shall be increased monthly as if it had accrued interest pursuant to section 13.3 hereof.

13.3 All Completion and Operational Security Guaranties paid in cash to the Company shall accrue interest at a rate equal to the thirty (30) day highest grade commercial paper rate as published in the Wall Street Journal on the first business day of each month. Such interest shall be compounded monthly.

13.4 If the Facility achieves Commercial In-Service Status on or before the Contract In-Service Date, the Company shall refund to the QF any cash Completion Security Guaranty and accrued interest within thirty (30) days thereafter and shall cancel any other form of Completion Security Guaranty which the Company has accepted in lieu of a cash deposit. If the Facility fails to achieve Commercial In-Service Status on or before the Contract In-Service Date for any reason, including Force Majeure Events, except as provided in section 4.2.2 hereof, then in addition to any other rights or obligations of the Parties, the QF shall immediately forfeit and the Company, in lieu of any other remedies except as provided in Section 15.1.6 hereof, shall retain any cash Completion Security Guaranty and accrued interest, and any other form of Completion Security Guaranty which the Company has accepted in lieu of a cash deposit shall become immediately due and payable to the Company.

13.5 Upon conclusion of the Term of this Agreement, without early termination by either Party, the Company shall refund to the QF any cash Operational Security Guaranty and accrued interest within thirty (30) days thereafter and shall cancel any other form of Operational Security Guaranty which the Company has accepted in lieu of a cash deposit. Upon any earlier termination of this Agreement for any reason, including Force Majeure Events, but excluding an early termination by the QF permitted pursuant to this Agreement, then in addition to any other rights or obligation of the Parties, the QF shall immediately forfeit and the Company shall retain the Operational Security Guaranty and accrued interest, and any other form of Operational Security Guaranty which the Company has accepted in lieu of a cash deposit shall become immediately due and payable to the Company.

ARTICLE XIV: REPRESENTATIONS, WARRANTIES AND COVENANTS

14.1 The QF makes the following additional representations, warranties and covenants as the basis for the benefits and obligations contained in this Agreement:

14.1.1 The QF represents and warrants that it is a corporation, partnership or other business entity duly organized, validly existing and in good standing under the laws of the State/Commonwealth of Florida and is qualified to do business under the laws of the State of Florida.

14.1.2 The QF represents, covenants and warrants that, to the best of the QF's knowledge, throughout the Term of this Agreement the QF will be in compliance with, or will have acted in good faith and used its best efforts to be in compliance with, all laws, judicial and administrative orders, rules and regulations, with respect to the ownership and operation of the Facility, including but not limited to applicable certificates, licenses, permits and governmental approvals; environmental impact analyses, and, if applicable, the mitigation of environmental impacts.

14.1.3 The QF represents and warrants that it is not prohibited by any law or contract from entering into this Agreement and discharging and performing all covenants and obligations on its part to be performed pursuant to this Agreement.

14.1.4 The QF represents and warrants that there is no pending or threatened action or proceeding affecting the QF before any court, governmental agency or arbitrator that could reasonably be expected to affect materially and adversely the ability of the QF to perform its obligations hereunder, or which purports to affect the legality, validity or enforceability of this Agreement.

14.2 All representations and warranties made by the QF in or under this Agreement shall survive the execution and delivery of this Agreement and any action taken pursuant hereto.

ARTICLE XV: EVENTS OF DEFAULT; REMEDIES

15.1 PRE-OPERATIONAL EVENTS OF DEFAULT

Any one or more of the following events occurring before the Contract In-Service Date, except events caused by the Company, shall constitute a Pre-Operational Event of Default and shall give the Company the right to exercise, without limitation, the remedies specified under section 15.2 hereof:

15.1.1 The QF, without a prior assignment permitted pursuant to Article XXIII hereof, becomes insolvent, becomes subject to

bankruptcy or receivership proceedings, or dissolves as a legal business entity.

15.1.2 Any representation or warranty furnished by the QF to the Company is false or misleading in any material respect when made and the QF fails to conform to said representation or warranty within sixty (60) days after a demand by the Company to do so.

15.1.3 The Qf has not entered into the Transmission Service Agreement, if applicable, which as been approved or accepted for filing by the FERC on or before the date specified in Article IV hereof, as extended only pursuant to said Article IV.

15.1.4 The Construction Commencement Date has not occurred on or before the date specified in Article IV hereof, as extended only pursuant to said Article IV.

15.1.5 The QF fails to diligently pursue construction of the Facility after the Construction Commencement Date.

15.1.6 The Facility fails to achieve Commercial In-Service Status on or before the Contract In-Service Date unless the QF notifies the Company on or before the Contract In-Service Date that it agrees to pay the Company in weekly installments in cash or certified check an amount equal to \$0.15 per KW times the Committed Capacity specified in section 7.1 hereof for every day between the date that the Facility achieves Commercial In-Service Status and the Contract In-Service Date and the Facility subsequently achieves Commercial In-Service Status no later than ninety (90) days after the Contract In-Service Date.

15.1.7 The QF fails to comply with any other material terms and conditions of this Agreement and fails to conform to said term and condition within sixty (60) days after a demand by the Company to do so.

15.2 REMEDIES FOR PRE-OPERATIONAL EVENTS OF DEFAULT

For any Pre-Operational Event of Default specified under section 15.1 hereof, the Company may, in its sole discretion and without an election of one remedy to the exclusion of the other remedy, take any of the actions pursuant to sections 15.2.1 and 15.2.2 hereof; provided, however, that the Company shall first exercise the remedy pursuant to section 15.2.1 hereof if (i) the Construction Commencement Date has occurred on or before the date specified in Article IV hereof, as extended only pursuant to said Article IV; and (ii) the QF is not in arrears for any monies owed to the Company pursuant to this Agreement.

15.2.1 Renegotiate any applicable provisions of this Agreement with the QF when necessary to preserve its validity. If the Parties cannot agree within thirty (30) days from the date of the Pre-Operational Event of Default, the Company shall have the right to exercise the remedy pursuant to section 15.2.2 hereof.

15.2.2 Terminate this Agreement.

15.3 OPERATIONAL EVENTS OF DEFAULT

Any one or more of the following events except events caused by Force Majeure Events unless otherwise stated, occurring on or after the Contract In-Service Date shall constitute an Operational Event of Default by the QF and shall give the Company the right, without limitation, to exercise the remedies under section 15.4 hereof:

15.3.1 The Operational Security Guaranty required under Article XIII is not tendered on or before the applicable due date specified in the Article.

15.3.2 The QF fails upon request by the Company pursuant to section 7.6 hereof to re-demonstrate the Facility's Commercial In-Service Status to the satisfaction of the Company.

15.3.3 The QF fails for any reason, including Force Majeure Events, to qualify for capacity payments under Article VIII hereof for any consecutive twenty-four (24) month period.

15.3.4 The QF, without a prior assignment permitted pursuant to Article XXIII hereof, becomes insolvent, becomes subject to bankruptcy or receivership proceedings, or dissolves as a legal business entity.

15.3.5 The QF fails to perform or comply with any other material terms and conditions of this Agreement and fails to conform to said term and conditions within sixty (60) days after a demand by the Company to do so.

15.4 REMEDIES FOR OPERATIONAL EVENTS
OF DEFAULT

For any Operational Event of Default specified under section 15.3 hereof, the Company may, without an election of one remedy to the exclusion of the other remedies, take any of the actions pursuant to sections 15.4.1, 15.4.2, and 15.4.3 hereof; provided,

however, that the Company shall first exercise the remedy pursuant to section 15.4.1 hereof except for an Operational Event of Default pursuant to section 15.3.3 hereof.

15.4.1 Allow the QF a reasonable opportunity to cure the Operational Event of Default and suspend its capacity payment obligations upon written notice whereupon the QF shall be entitled only to energy payments calculated pursuant to section 9.1.1 hereof. Thereafter, if the Operational Event of Default is cured: (i) capacity payments shall resume and subsequent energy payments shall be paid pursuant to section 9.1.2 hereof; and (ii) the On-Peak Capacity Factor shall be calculated on the assumption that the first full month after the Operational Event of Default is cured is the first month that the On-Peak Capacity factor is calculated.

15.4.2 Terminate this Agreement.

15.4.3 Exercise all remedies available at law or in equity.

ARTICLE XVI: PERMITS

The QF hereby agrees to seek to obtain, at its sole expense, any and all governmental permits, certificates, or other authorization the QF is required to obtain as a prerequisite to engaging in the activities provided for in this Agreement. The Company hereby agrees, at the QF's expense, to seek to obtain any and all governmental permits, certificates, or other authorization the Company is required to obtain as a prerequisite to engaging in the activities provided for in this Agreement.

ARTICLE XVII: INDEMNIFICATION

The QF agrees to indemnify and save harmless the Company and its employees, officers, and directors against any and all liability, loss, damage, costs or expense which the Company, its employees, officers and directors may hereafter incur, suffer or be required to pay by reason of negligence on the part of the QF in performing its obligations pursuant to this Agreement or the QF's failure to abide by the provisions of this Agreement. The Company agrees to indemnify and save harmless the QF and its employees, officers, and directors against any and all liability, loss, damage, cost or expense which the QF, its employees, officers, and directors may hereafter incur, suffer, or be required to pay by reason of negligence on the part of the Company in performing its obligations pursuant to this Agreement or the Company's failure to abide by the provisions of this Agreement. The QF agrees to include the Company as an additional insured in any liability insurance policy or policies the QF obtains to protect the QF's interests with respect to the QF's indemnity and hold harmless assurance to the Company contained in Article XVII.

**ARTICLE XVIII: EXCLUSION OF INCIDENTAL
CONSEQUENTIAL AND INDIRECT DAMAGES**

Neither Party shall be liable to the other for incidental, consequential or indirect damages, including, but not limited to, the cost of replacement capacity and energy (except as provided for in section 7.3 hereof), whether arising in contract, tort, or otherwise.

ARTICLE XIX: INSURANCE

The provisions of this Article do not apply to a QF whose facility is not directly interconnect to the Company's system.

19.1 In addition to other insurance carried by the QF in accordance with the Agreement, the QF shall deliver to the Company, at least fifteen (15) days prior to the

commencement of any work on the Company's Interconnection Facilities, a certificate of insurance certifying the QF's coverage under a liability insurance policy issued by a reputable insurance company authorized to do business in the State of Florida naming the QF as a named insured and the Company as an additional named insured, which policy shall contain a broad form contractual endorsement specifically covering liabilities arising out of the interconnection with the Facility, or caused by the operation of the Facility or by the QF's failure to maintain the Facility in satisfactory and safe operating condition.

19.2 The insurance policy providing such coverage shall provide public liability insurance, including property damage, in an amount not less than \$1,000,000 for each occurrence. The required insurance policy shall be endorsed with a provision requiring the insurance company to notify the Company at least thirty (30) days prior the effective date of any cancellation or material change in the policy.

19.3 The QF shall pay all premiums and other charges due on said insurance policy and shall keep said policy in force during the entire period of interconnection with the Company.

ARTICLE XX: REGULATORY CHANGES

20.1 The Parties agree that the Company's payment obligations under this Agreement are expressly conditioned upon the mutual commitments set forth in this Agreement and upon the Company's being fully reimbursed for all payments to the QF through the Fuel and Purchased Power Costs Recovery Clause or other authorized rates or charges. Notwithstanding any other provision of this Agreement, should the Company at any time during the Term of this Agreement be denied the FPSC's or the FERC's authorization, or the authorization of any other regulatory bodies which in the future may have jurisdiction over the Company's rates and charges, to recover from its customers all payments required to be made to the QF under the terms of this Agreement, payments to the QF from the Company shall be reduced accordingly. Neither Party shall initiate any action to deny recovery of payments under this Agreement and each Party shall participate in defending

all terms and conditions of this Agreement, including, without limitation, the payment levels specified in this Agreement. Any amounts initially recovered by the Company from its ratepayers but for which recovery is subsequently disallowed by the FPSC or the FERC and charged back to the Company may be off-set or credited against subsequent payments made by the Company for purchases from the QF, or alternatively, shall be repaid by the QF. If any disallowance is subsequently reversed, the Company shall repay the QF such disallowed payments with interest at the rate specified in section 13.3 hereof to the extent such payments and interest are recovered by the Company.

20.2 If the QF's payments are reduced pursuant to section 20.1 hereof, the QF may terminate this Agreement upon thirty (30) days notice; provided that the QF gives the Company written notice of said termination within eighteen (18) months after the effective date of such reduction in the QF's payments.

ARTICLE XXI: FORCE MAJEURE

21.1 If either Party because of Force Majeure Event is rendered wholly or partly unable to perform its obligations under this Agreement, other than the obligation of that Party to make payments of money, that Party shall, except as otherwise provided in this Agreement, be excused from whatever performance is affected by the Force Majeure Event to the extent so affected, provided that:

21.1.1 The non-performing Party, as soon as possible after it becomes aware of its inability to perform, shall declare a Force Majeure Event and give the other Party written notice of the particulars of the occurrence(s), including without limitation, the nature, cause, and date and time of commencement of the occurrence(s), the anticipated scope and duration of any delay, and any date(s) that may be affected thereby.

21.1.2 The suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure Event.

21.1.3 Obligations of either Party which arose before the occurrence causing the suspension of performance are not excused as a result of the occurrence.

21.1.4 The non-performing Party uses its best efforts to remedy its inability to perform with all reasonable dispatch; provided, however, that nothing contained herein shall require the settlement of any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the affected Party, are contrary to its interests. It is understood and agreed that the settlement of strikes, walkouts, lockouts or other labor disputes shall be entirely within the discretion of the affected Party.

21.1.5 When the non-performing Party is able to resume performance of its obligations under this Agreement, that Party shall so notify the other Party in writing.

21.2 Unless and until the QF temporarily redesignates the Committed Capacity pursuant to section 7.4 hereof, no capacity payment obligation pursuant to Article VII hereof shall accrue during any period of a declared Force Majeure Event pursuant to section 21.1.1 through 21.1.5. During any such period, the Company will pay for such energy as may be received and accepted pursuant to section 9.1.1 hereof.

21.3 If the QF temporarily or permanently redesignates the Committed Capacity pursuant to section 7.4 hereof, then capacity payment obligations shall thereafter resume at the applicable redesignated level and the Company will resume energy payments pursuant to section 9.1.2 hereof.

ARTICLE XXII: FACILITY RESPONSIBILITY AND ACCESS

22.1 Representatives of the Company shall at all reasonable times have access to the Facility and to property owned or controlled by the QF for the purpose of inspecting, testing, and obtaining other technical information deemed necessary by the Company in connection with this Agreement. Any inspections or testing by the Company shall not relieve the QF of its obligation to maintain the Facility.

22.2 In no event shall any Company statement, representation, or lack thereof, either express or implied, relieve the QF of its exclusive responsibility for the Facility. Any Company inspection of property or equipment owned or controlled by the QF or any Company review of or consent to the QF's plans, shall not be construed as endorsing the design, fitness or operation of the Facility equipment nor as a warranty or guarantee.

22.3 The QF shall reactivate the Facility at its own expense if the Facility is rendered inoperable due to actions of the QF or its agents, or a Force Majeure Event. The Company shall reactivate the Company's Interconnection Facilities at its own expense if the same are rendered inoperable due to actions of the Company or its agents, or a Force Majeure Event.

ARTICLE XXIII: SUCCESSORS AND ASSIGNS

Neither Party shall have the right to assign its obligations, benefits, and duties without the written consent of the other Party, which shall not be unreasonably withheld or delayed.

ARTICLE XXIV: DISCLAIMER

In executing this Agreement, the Company 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 QF or any assignee of this Agreement, nor does it create any third party beneficiary rights. Nothing contained in this Agreement shall be construed to create an association, trust, partnership, or joint venture between the Parties. No payment by the Company to the QF for energy or capacity shall be construed as payment by the Company for the acquisition of any ownership or property interest in the Facility.

ARTICLE XXV: WAIVERS

The failure of either Party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights under this Agreement shall not be construed as a general waiver of any such provision or the relinquishment of any such right, but the same shall continue and remain in full force and effect, except with respect to the particular instance or instances.

ARTICLE XXVI: COMPLETE AGREEMENT

The terms and provisions contained in this Agreement constitute the entire agreement between the Parties and shall supersede all previous communications, representations, or agreements, either verbal or written, between the Parties with respect to the Facility and this Agreement. In addition, the execution of this Agreement by both Parties specifically supercedes and terminates all prior Agreements and Contracts between the Parties, including specifically, the Standard Offer Contracts For The Purchase Of Firm Energy And Capacity From A Qualifying Facility dated March 17, 1987 (50 MW) and dated September 20, 1988 (24 MW).

ARTICLE XXVII: COUNTERPARTS

This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument.

ARTICLE XXVIII: COMMUNICATIONS

28.1 Any non-emergency or operational notice, request, consent, payment or other communication made pursuant to this Agreement to be given by one Party to the other Party shall be in writing, either personally delivered or mailed to the representative of said other Party designated in this section, and shall be deemed to be given when received. Notices and other communications by the Company to the QF shall be addressed to:

Dr. Richard Glick
CFR Bio-Gen
PO Box 20205
Tallahassee, Fla. 32316-0205

Notices to the Company shall be addressed to:

Manager, Cogeneration Contracts & Administration
Florida Power Corporation
P. O. Box 14042
St. Petersburg, FL 33733

28.2 Communications made for emergency or operational reasons may be made to the following persons and shall thereafter be confirmed promptly in writing.

To The Company: System Dispatcher on Duty
Title: System Dispatcher
Telephone: (813)866-5888
Telecopier: (813)384-7865

To The QF: Dr. Richard Glick
Title: President
Telephone: (904) 385-9054
Telecopier: (904) 561-6834

28.3 Either Party may change its representatives in sections 28.1 or 28.2 by prior written notice to the other Party.

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

ARTICLE XXIX: SECTION HEADINGS FOR CONVENIENCE

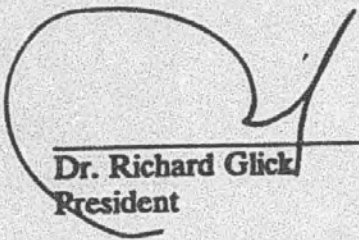
Article or section headings appearing in this Agreement are inserted for convenience only and shall not be construed as interpretations of text.

ARTICLE XXX: GOVERNING LAW

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

IN WITNESS WHEREOF, the QF and the Company have caused this Agreement to be executed by their duly authorized representatives on the day and year first above written.

The Qualifying Facility:

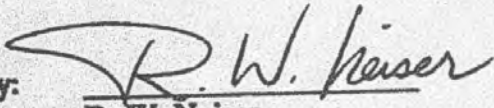
By: 
Dr. Richard Glick
President

Date: 11/19/91

WITNESS:

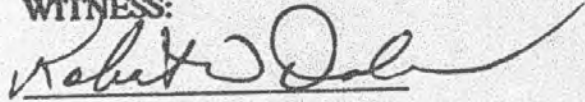


The Company:

By: 
R. W. Neiser
Senior Vice President

Date: 11/18/1991

WITNESS:



FLORIDA POWER CORP.
LEGAL DEPT.
APPROVED
Date 11/18/91
By CA

APPENDIX A

INTERCONNECTION SCHEDULING AND COST RESPONSIBILITY

1.0 Purpose.

This appendix provides the procedures for the scheduling of construction for the Company's Interconnection Facilities as well as the cost responsibility of the QF for the payment of Interconnection Costs. This appendix applies to all QF's, whether or not their Facility will be directly interconnected with the Company's system. All requirements contained herein shall apply in addition to and not in lieu of the provisions of the Agreement.

2.0 Submission of Plans and Development of Interconnection Schedules and Cost Estimates.

2.1 No later than sixty (60) days after the Contract Approval Date, the QF shall specify the date it desires the Company's Interconnection Facilities to be available for receipt of the electric energy and shall provide a preliminary written description of the Facility and, if applicable, the QF's anticipated arrangements with the Transmission Service Utility, including, without limitation, a one-line diagram, anticipated Facility site data and any additional facilities anticipated to be needed by the Transmission Service Utility. Based upon the information provided, the Company shall develop preliminary written Interconnection Costs and scheduling estimates for the Company's Interconnection Facilities within sixty (60) days after the information is provided. The schedule developed hereunder will indicate when the QF's final electrical plans must be submitted to the Company pursuant to section 2.2 hereof.

2.2 The QF shall submit the Facility's final electrical plans and all revisions to the information previously submitted under section 2.1 hereof to the Company no later than the date specified under section 2.1 hereof, unless such date is modified in the Company's reasonable discretion. Based upon the information provided and within sixty (60) days after the information is provided, the Company shall update its written Interconnection Costs and schedule estimates, provide the estimated time period required for construction of the Company's Interconnection Facilities, and specify the date by which the Company must receive notice from the QF to initiate construction, which date shall, to the extent practical, be consistent with the QF's schedule for delivery of energy into the Company's system. The final electrical plans shall include the following information, unless all or a portion of such information is waived by the Company in its discretion:

- a. Physical layout drawings, including dimensions;
- b. All associated equipment specifications and characteristics including technical parameters, ratings, basic impulse levels, electrical main one-line diagrams, schematic diagrams, system protections, frequency, voltage, current and interconnection distance;
- c. Functional and logic diagrams, control and meter diagrams, conductor sizes and length, and any other relevant data which might be necessary to understand the Facility's proposed system and to be able to make a coordinated system;
- d. Power requirements in watts and vars;
- e. Expected radio-noise, harmonic generation and telephone interference factor;
- f. Synchronizing methods; and
- g. Facility operating/instruction manuals.
- h. If applicable, a detailed description of the facilities to be utilized by the Transmission Service Utility to deliver energy to the Point of Delivery.

2.3 Any subsequent change in the final electrical plans shall be submitted to the Company and it is understood and agreed that any such changes may affect the Company's schedules and Interconnection Costs as previously estimated.

2.4 The QF shall pay the actual costs incurred by the Company to develop all estimates pursuant to section 2.1 and 2.2 hereof and to evaluate any changes proposed by the QF under section 2.3 hereof, as such costs are billed pursuant to Article XII of the Agreement. At the Company's option, advance payment for these cost estimates may be required, in which event the Company will issue an adjusted bill reflecting actual costs following completion of the cost estimates.

2.5 The Parties agree that any cost or scheduling estimates provided by the Company hereunder shall be prepared in good faith but shall not be binding. The Company may modify such schedules as necessary to accommodate contingencies that affect the Company's ability to initiate or complete the Company's Interconnection Facilities and actual costs will be used as the basis for all final charges hereunder.

3.0 Payment Obligations for Interconnection Costs.

3.1 The Company shall have no obligation to initiate construction of the Company's Interconnection Facilities prior to a written notice from the QF agreeing to the Company's interconnection design requirements and notifying the Company to initiate its activities to construct the Company's Interconnection Facilities; provided, however, that such notice shall be received not later than the date specified by the Company under section 2.2 hereof. The QF shall be liable for and agrees to pay all Interconnection Costs incurred by the Company on or after the specified date for initiation of construction.

3.2 The QF agrees to pay all of the Company's actual Interconnection Costs as such costs are incurred and billed in accordance with Article XII of the Agreement. Such amounts shall be billed pursuant to section 3.2.1 if the QF elects the payment option permitted by FPSC Rule 25-17.087(4). Otherwise the QF shall be billed pursuant to section 3.2.2

3.2.1

Upon a showing of credit worthiness, the QF shall have the option of making monthly installment payments for Interconnection Costs over a period no longer than thirty six (36) months. The period selected is thirty-six (36) months. Principal payments will be based on the estimated Interconnection Costs less the Interconnection Costs Offset, divided by the repayment period in months to determine the monthly principal payment. Payments will be invoiced in the first month following first incurrence of Interconnection Costs by the Company. Invoices to the QF will include principal payments plus interest on the unpaid balance, if any, calculated at a rate equal to the thirty (30) day highest grade commercial paper rate as published in the Wall Street Journal on the first business day of each month. The final payment or payments will be adjusted to cause the sum of principal payments to equal the actual Interconnection Costs.

ACK W/H 2
AFA _____
APP _____
CAF _____
CMU _____
CTR _____
EAG _____
LEG 1
LIN 6
OPC _____
RCH _____
SEC 1
WAS _____
OTH _____

3.2.2

When Interconnection Costs are incurred by the Company, such costs will be billed to the QF to the extent that they exceed the Interconnection Costs Offset.

3.3 If the QF notifies the Company in writing to interrupt or cease interconnection work at any time and for any reason, the QF shall nonetheless be obligated to pay the Company for all costs incurred in connection with the Company's Interconnection Facilities through the date of such notification and for all additional costs for which the Company is responsible pursuant to binding contracts with third parties.

4.0 Payment Obligations for Operation, Maintenance and Repair of the Company's Interconnection Facilities

The QF also agrees to pay monthly through the Term of the Agreement for all costs associated with the operation, maintenance and repair of the Company's Interconnection Facilities, based on a percentage of the total Interconnection Costs net of the Interconnection Costs Offset, as set forth in Appendix C.

APPENDIX B
PARALLEL OPERATING PROCEDURES

1.0 **Purpose**

This appendix provides general operating, testing, and inspection procedures intended to promote the safe parallel operation of the Facility with the Company's system. All requirements contained herein shall apply in addition to and not in lieu of the provisions of the Agreement.

2.0 **Schematic Diagram**

Exhibit B-1, attached hereto and made a part hereof, is a schematic diagram showing the major circuit components connecting the Facility and the Company's [substation] and showing the Point of Delivery and the Point of Metering and/or Point of Ownership, if different. All switch number designations initially left blank on Exhibit B-1 will be inserted by the Company on or before the date on which the Facility first operates in parallel with the Company's system.

3.0 **Operating Standards**

3.1 The QF and the Company will independently provide for the safe operation of their respective facilities, including periods during which the other Party's facilities are unexpectedly energized or de-energized.

3.2 The QF shall reduce, curtail, or interrupt electrical generation or take other appropriate action for so long as it is reasonably necessary, which in the judgment of the QF or the Company may be necessary to operate and maintain a part of either Party's system, to address, if applicable, an emergency on either Party's system.

3.3 As provided in the Agreement, the QF shall not operate the Facility's electric generation equipment in parallel with the Company's system without prior written consent of the Company. Such consent shall not be given until the QF has satisfied all criteria under the Agreement and has:

- (i) submitted to and received consent from the Company of its as-built electrical specifications;
- (ii) demonstrated to the Company's satisfaction that the Facility is in compliance with the insurance requirements of the Agreement; and
- (iii) demonstrated to the Company's satisfaction that the Facility is in compliance with all regulations, rules, orders, or decisions of any governmental or regulatory authority having jurisdiction over the Facility's generating equipment or the operation of such equipment.

3.4 After any approved Facility modifications are completed, the QF shall not resume parallel operation with the Company's system until the QF has demonstrated that it is in compliance with all the requirements of section 4.2 hereof.

3.5 The QF shall be responsible for coordination and synchronization of the Facility's equipment with the Company's electrical system, and assumes all responsibility for damage that may occur from improper coordination or synchronization of the generator with the utility's system.

3.6 The Company shall have the right to open and lock, with a Company padlock, manual disconnect switch number(s) _____ and isolate the Facility's generation system without prior notice to the QF. To the extent practicable, however, prior notice shall be given. Any of the following conditions shall be cause for disconnection:

1. Company system emergencies and/or maintenance repair and construction requirements;
2. hazardous conditions existing on the Facility's generating or protective equipment as determined by the Company;
3. adverse effects of the Facility's generation to the Company's other electric consumers and/or system as determined by the Company;
4. failure of the QF to maintain any required insurance; or
5. failure of the QF to comply with any existing or future regulations, rules, orders or decisions of any governmental or regulatory authority having jurisdiction over the Facility's electric generating equipment or the operation of such equipment.

3.7 The Facility's electric generation equipment shall not be operated in parallel with the Company's system when auxiliary power is being provided from a source other than the Facility's electric generation equipment.

3.8 Neither Party shall operate switching devices owned by the other Party, except that the Company may operate the manual disconnect switch number(s) _____ owned by the QF pursuant to section 3.6 hereof.

3.9 Should one Party desire to change the operating position of a switching device owned by the other Party, the following procedures shall be followed:

- (i) The Party requesting the switching change shall orally agree with an authorized representative of the other Party regarding which switch or switches are to be operated, the requested position of each switching device, and when each switch is to be operated.
- (ii) The Party performing the requested switching shall notify the requesting Party when the requested switching change has been completed.
- (iii) Neither Party shall rely solely on the other party's switching device to provide electrical isolation necessary for personnel safety. Each Party will perform work on its side of the Point of Ownership as if its facilities are energized or test for voltage and install grounds prior to beginning work.
- (iv) Each Party shall be responsible for returning its facilities to approved operating conditions, including removal of grounds, prior to the Company authorizing the restoration of parallel operation.
- (v) The Company shall install one or more red tags similar to the red tag shown in Exhibit B-2 attached hereto and made a part hereof, on all open switches. Only Company personnel on the Company's switching and tagging list shall remove and/or close any switch bearing a Company red tag under any circumstances.

3.10 Should any essential protective equipment fail or be removed from service for maintenance or construction requirements, the Facility's electric generation equipment shall be disconnected from the Company's system. To accomplish this disconnection, the QF shall either (i) open the generator breaker number(s) _____; or (ii) open the manual disconnect switch number(s) _____.

3.10.1 If the QF elects option (i), the breaker assembly shall be opened and drawn out by QF personnel. As promptly as practicable, Company personnel shall install a Company padlock and a red tag on the breaker enclosure door.

3.10.2 If the QF elects option (ii), the switch shall be opened by QF personnel or by Company personnel and, as promptly as practicable, Company personnel will install a Company padlock and a red tag.

4.0

Inspection and Testing

4.1 The inspection and testing of all electrical relays governing the operation of the generator's circuit breaker shall be performed in accordance with manufacturer's recommendations, but in no case less than once every 12 months. This inspection and testing shall include, but not be limited to, the following:

- (i) electrical checks on all relays and verification of settings electrically;
- (ii) cleaning of all contacts;
- (iii) complete testing of tripping mechanisms for correct operating sequence and proper time intervals; and
- (iv) visual inspection of the general condition of the relays.

4.2 In the event that any essential relay or protective equipment is found to be inoperative or in need of repair, the QF shall notify the Company of the problem and cease parallel operation of the generator until repairs or replacements have been made. The QF shall be responsible for maintaining records of all inspections and repairs and shall make said records available to the Company upon request.

4.3 The Company shall have the right to operate and test any of the Facility's protective equipment to assure accuracy and proper operation. This testing shall not relieve the QF of the responsibility to assure proper operation of its equipment and to perform routine maintenance and testing.

5.0 Notification

5.1 Communications made for emergency or operational reasons may be made to the following persons and shall thereafter be confirmed promptly in writing:

To The Company: System Dispatcher on Duty
Title: System Dispatcher
Telephone: (813)866-5888
Telecopier: (813)384-7865

To The QF: Name _____
Title: _____
Telephone: _____
Telecopier: _____

5.2 Each Party shall provide as much notification as practicable to the other Party regarding planned outages of equipment that may affect the other Party's operation.

EXHIBIT B-1

Exhibit B-1 will be unique for each Facility and must be completed prior to parallel operation of the Facility with the Company.

EXHIBIT B-2

A switch or switch point (i.e., elbow, open jumpers, etc.) with a red tag attached is open and shall not be closed under any circumstances. After a switch has been red tagged, that switch cannot be closed until the red tag is removed. Red tags can only be removed when authorized by a specific written order.

RED TAG NO. _____		
Station _____	Date _____	
Tag on for Mr. _____	Time _____	
Opr. _____	Ordered on by _____	
Switch Number or Name _____		
Information _____		
<input type="checkbox"/> ELECT	<input type="checkbox"/> MECH	<input type="checkbox"/> BOTH
<small>Rev. 1/81</small>		<small>CSO 05228</small>

WORK IN PROGRESS

SAFETY FIRST

"Do not remove this tag or close switches or operate equipment until person having same attached has cleared with system load dispatcher/distribution dispatcher or plant shift supervisor/chief operator who has ordered its removal."

APPENDIX C
RATES FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM A QUALIFYING FACILITY

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APPENDIX C
RATES FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM A QUALIFYING FACILITY

SCHEDULE 1

GENERAL INFORMATION FOR 1991 COMBUSTION TURBINE UNIT

Page 1 of 1

GENERAL

YEAR OF AVOIDED UNIT = 1991
AVOIDED UNIT FUEL REFERENCE PLANT = BARTON CT UNITS

OPERATING DATA

AVOIDED UNIT VARIABLE O&M COSTS IN 1/90 \$'s = \$1.74/MM
SYSTEM VARIABLE O&M COSTS IN 1/90 \$'s = \$0.592/MM
ANNUAL ESCALATION RATE OF O&M COSTS = 5.10%
MINIMUM ON-PEAK CAPACITY FACTOR = 90.0%
AVOIDED UNIT HEAT RATE = 12,480 BTU/KWH
TYPE OF FUEL = DISTILLATE

ON-PEAK HOURS

- (1) FOR THE CALENDAR MONTHS OF NOVEMBER THROUGH MARCH,
ALL DAYS: 6:00 A.M. TO 12:00 NOON, AND
5:00 P.M. TO 10:00 P.M.
- (2) FOR THE CALENDAR MONTHS OF APRIL THROUGH OCTOBER,
ALL DAYS: 11:00 A.M. TO 10:00 P.M.

**APPENDIX C
RATES FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM A QUALIFYING FACILITY**

SCHEDULE 2

Payments for Avoided 1991 Combustion Turbine Unit

Page 1 of 1

Fuel Multiplier = 1.0

(1) CALENDAR YEAR	(2) CAPACITY PAYMENT - \$/KW/MONTH		(4) (5) (6) ENERGY PAYMENT - \$/MWH (c) (ESTIMATED)		
	NORMAL PAYMENT RATE	ACCELERATED PAYMENT RATE (b)	FUEL	OM	TOTAL
1991	3.96		29.78	0.76	30.54
1992	4.17		31.62	0.80	32.42
1993	4.37		34.28	0.84	35.12
1994	4.59		39.75	0.88	40.63
1995	4.84		44.64	0.93	45.57
1996	5.08		47.98	0.98	48.96
1997	5.33		52.63	1.03	53.66
1998	5.61		55.82	1.08	56.90
1999	5.90		53.70	1.13	54.83
2000	6.20		58.78	1.19	59.97
2001	6.51		56.42	1.25	57.67
2002	6.84		62.36	1.32	63.68
2003	7.19		66.46	1.38	67.84
2004	7.56		72.25	1.45	73.70
2005	7.96		79.70	1.53	81.23
2006	8.36		83.76	1.61	85.37
2007	8.77		88.04	1.69	89.73
2008	9.22		92.53	1.77	94.30
2009	9.70		97.25	1.86	99.11
2010	10.19		102.20	1.96	104.16
2011	10.71		107.42	2.06	109.48
2012	11.25		112.90	2.16	115.06
2013	11.83		118.65	2.27	120.92
2014	12.43		124.70	2.39	127.09
2015	13.07		131.06	2.51	133.57
2016	13.73		137.75	2.64	140.39
2017	14.43		144.77	2.78	147.55
2018	15.17		152.16	2.92	155.08
2019	15.94		159.92	3.07	162.99
2020	16.76		168.07	3.22	171.29
2021	17.61		176.64	3.38	180.02
2022	18.51		185.65	3.56	189.21
2023	19.46(a)		195.12	3.74	198.86

NOTES:

(a) If the Term of the Agreement is extended beyond 2023 pursuant to Article IV hereof, the normal payment rate schedule shall be escalated at 5.1% per year.

(b) The GF may structure an accelerated payment rate schedule that has the same or lower net present value over the Term as the normal payment rate schedule using the discount rate specified in section 8.5.3 hereof and which assumes the Contract In-Service Date specified as of the Execution Date. At the request of the GF prior to the commencement of capacity payments of if the Contract In-Service Date differs from the date specified as of the Execution Date, the accelerated payment rate schedule in this schedule will be recalculated so that the ratio of the net present value as of January 1, 1991, of the recalculated schedule to the normal payment schedule over the Term is not increased.

(c) Information provided is estimated and excludes the Delivery Voltage Adjustment.

APPENDIX C
DATES FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM A QUALIFYING FACILITY

SCHEDULE 3
GENERAL INFORMATION FOR 1991 PULVERIZED COAL UNIT

Page 1 of 1

GENERAL

YEAR OF AVOIDED UNIT = 1991
AVOIDED UNIT FUEL REFERENCE PLANT = CRYSTAL RIVER UNITS 1&2

OPERATING DATA

AVOIDED UNIT VARIABLE O&M COSTS IN 1/90 \$'s = 24.36/MWH (Option A only)
ANNUAL ESCALATION RATE OF O&M COSTS = 5.10%
MINIMUM EAF 83.0%
TYPE OF FUEL = COAL WITH 1.15% SULFUR BY WEIGHT MAXIMUM AT 11,000 BTU/LB.,
ADJUSTABLE IN DIRECT PROPORTION TO THE BTU/LB. OF COAL

ON-PEAK HOURS

- (1) FOR THE CALENDAR MONTHS OF NOVEMBER THROUGH MARCH,
ALL DAYS: 6:00 A.M. TO 12:00 NOON, AND
5:00 P.M. TO 10:00 P.M.
(2) FOR THE CALENDAR MONTHS OF APRIL THROUGH OCTOBER,
ALL DAYS: 11:00 A.M. TO 10:00 P.M.

**APPENDIX C
RATES FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM A QUALIFIED FACILITY**

SCHEDULE 4

Payments for Avoided 1991 Pulverized Coal Unit

Page 1 of 2

Option A

Fuel Multiplier = 1.0

(1) CALENDAR YEAR	(2) CAPACITY PAYMENT - \$/KW/MONTH		(4) (5) (6) ENERGY PAYMENT - \$/MWH (c) (ESTIMATED)		
	NORMAL PAYMENT RATE	ACCELERATED PAYMENT RATE (b)	FUEL	OMB	TOTAL
1995	13.34		21.08	5.73	26.81
1996	14.02		22.15	6.02	28.17
1997	14.74		23.28	6.33	29.61
1998	15.50		24.47	6.65	31.12
1999	16.29		25.72	6.99	32.71
2000	17.12		27.03	7.35	34.38
2001	17.99		28.40	7.73	36.13
2002	18.91		29.85	8.12	37.97
2003	19.87		31.38	8.53	39.91
2004	20.88		32.98	8.97	41.95
2005	21.95		34.66	9.43	44.09
2006	23.07		36.43	9.91	46.34
2007	24.24		38.28	10.41	48.69
2008	25.48		40.24	10.94	51.18
2009	26.78		42.29	11.50	53.79
2010	28.15		44.44	12.09	56.53
2011	29.58		46.71	12.70	59.41
2012	31.09		49.09	13.35	62.44
2013	32.68		51.60	14.03	65.63
2014	34.34		54.23	14.75	68.98
2015	36.09		56.99	15.50	72.49
2016	37.94		59.90	16.29	76.19
2017	39.87		62.96	17.12	80.08
2018	41.90		66.17	18.00	84.17
2019	44.04		69.54	18.91	88.45
2020	46.29		73.09	19.88	92.97
2021	48.65		76.82	20.89	97.71
2022	51.13		80.73	21.96	102.69
2023	53.74		84.85	23.08	107.93
2024	56.48(a)		89.18	24.26	113.43

NOTES:

(a) If the Term of the Agreement is extended beyond 2024 pursuant to Article IV hereof, the normal payment rate schedule shall be escalated at 5.1% per year.

(b) The GF may structure an accelerated payment rate schedule that has the same or lower net present value over the Term as the normal payment rate schedule using the discount rate specified in section 8.5.3 hereof and which assumes the Contract In-Service Date specified as of the Execution Date. At the request of the GF prior to the commencement of capacity payments or if the Contract In-Service Date differs from the date specified as of the Execution Date, the accelerated payment rate schedule in this schedule will be recalculated so that the ratio of the net present value as of January 1, 1991, of the recalculated schedule to the normal payment schedule over the Term is not increased.

(c) Information provided is estimated and excludes the Delivery Voltage Adjustment.

**APPENDIX C
RATES FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM A QUALIFYING FACILITY**

SCHEDULE 4

Payments for Avoided 1991 Pulverized Coal Unit

Page 2 of 2

Option B

Fuel Multiplier = 1.0

(1) CALENDAR YEAR	(2) CAPACITY PAYMENT - \$/KW/MONTH NORMAL PAYMENT RATE	(3) ACCELERATED PAYMENT RATE (b)	(4) ENERGY PAYMENT - \$/MWH (c) (ESTIMATED) FUEL
1995	16.48		21.08
1996	17.32		22.15
1997	18.21		23.28
1998	19.14		24.67
1999	20.12		25.72
2000	21.14		27.03
2001	22.22		28.40
2002	23.34		29.85
2003	24.54		31.38
2004	25.79		32.98
2005	27.11		34.66
2006	28.50		36.43
2007	29.94		38.28
2008	31.47		40.26
2009	33.08		42.29
2010	34.77		44.44
2011	36.53		46.71
2012	38.40		49.09
2013	40.36		51.60
2014	42.42		54.23
2015	44.58		56.99
2016	46.86		59.90
2017	49.26		62.96
2018	51.76		66.17
2019	54.39		69.54
2020	57.17		73.09
2021	60.09		76.82
2022	63.15		80.73
2023	66.38		84.85
2024	69.76		89.18

NOTES:

- (a) If the Term of the Agreement is extended beyond 2023 pursuant to Article IV hereof, the normal payment rate schedule shall be escalated at 5.1% per year.
- (b) The GF may structure an accelerated payment rate schedule that has the same or lower net present value over the Term as the normal payment rate schedule using the discount rate specified in section 8.5.3 hereof and which assumes the Contract In-Service Date specified as of the Execution Date. At the request of the GF prior to the commencement of capacity payments or if the Contract In-Service Date differs from the date specified as of the Execution Date, the accelerated payment rate schedule in this schedule will be recalculated so that the ratio of the net present value as of January 1, 1991, of the recalculated schedule to the normal payment schedule over the Term is not increased.
- (c) Information provided is estimated and excludes the Delivery Voltage Adjustment.

**APPENDIX C
 RATES FOR PURCHASE OF FIRM CAPACITY AND ENERGY
 FROM A QUALIFYING FACILITY**

**SCHEDULE 5
 Capacity Payment Adjustment for On-Peak Equivalent Availability Factor** Page 1 of 1

O.P.E.A.F.	CAPACITY PAYMENT ADJUSTMENT MULTIPLYING FACTOR	
Greater than or Equal to the Committed O.P.E.A.F.	1.0	
From 50.0% to the Committed O.P.E.A.F.	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> $\frac{\text{O.P.E.A.F.}}{\text{Committed O.P.E.A.F.}}$ </div>	1.5
Below 50.0%	0	

NOTE: O.P.E.A.F. = On-Peak Equivalent Availability Factor

APPENDIX C
RATES FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM A QUALIFYING FACILITY

SCHEDULE 6
Performance Adjustment

Page 1 of 1

The Performance Adjustment provision of Article IX in this Agreement shall be calculated as follows each month after the Contract In-Service Date for all hours in the month except those hours in which the GF is being dispatched at output levels of less than its committed capacity:

$$\sum_{\text{hr } i = \text{Start hour}}^{\text{End hour}} \text{PERAD}_i = (\text{DEM}_i - (\text{CC} \times 1.0 \text{ hr.} \times \text{OPEAF}/100)) \times (\text{EP}_1 - \text{EP}_2)$$

Where:

- PERAD_i = the Performance Adjustment for hour i.
- DEM_i = the hourly energy delivered to the Company by the GF during hour i.
- CC = the Committed Capacity in KW.
- OPEAF = if the On-Peak Equivalent Availability Factor (%) is 50.0% or greater, then OPEAF equals the lesser of (a) the Committed OPEAF (%) or (b) the OPEAF (%); If the OPEAF is less than 50.0%, then OPEAF equals zero.
- EP_1 = the As-Available Energy Cost in \$/KWH for hour i.
- EP_2 = the Firm Energy Cost in \$/KWH for hour i.

Note:

The Performance Adjustment shall not apply to any hour in which the following condition occurs:

- (a) the energy payment is determined on the basis of the of As-Available Energy Cost;
- (b) the Company cannot perform its obligation to receive all energy which the GF has made available for sale at the Point of Delivery;
- (c) the Firm Energy Cost exceeds the As-Available Energy Cost.

APPENDIX C
RATES FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM A QUALIFYING FACILITY

SCHEDULE 7
Charges to Qualifying Facility

Page 1 of 1

Customer Charges:

The Qualifying Facility shall be billed monthly for the costs of meter reading, billing, and other appropriate administrative costs. The charge shall be set equal to the stated Customer Charge of the Company's applicable rate schedule for service to the Qualifying Facility load as a non-generating customer of the Company.

Operation, Maintenance, and Repair Charges:

The Qualifying Facility shall be billed monthly for the costs associated with the operation, maintenance, and repair of the interconnection. These include (a) the Company's inspections of the interconnection and (b) maintenance of any equipment beyond that which would be required to provide normal electric service to the Qualifying Facility if no sales to the Company were involved.

In lieu of payments for actual charges, the Qualifying Facility shall pay a monthly charge equal to 0.50% of the Interconnection Costs less the Interconnection Costs Offset. This monthly rate shall be adjusted periodically to the same rate applicable to standard offer contracts pursuant to the rules in Appendix E.

**APPENDIX C
RATES FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM A QUALIFYING FACILITY**

**SCHEDULE 8
Delivery Voltage Adjustment**

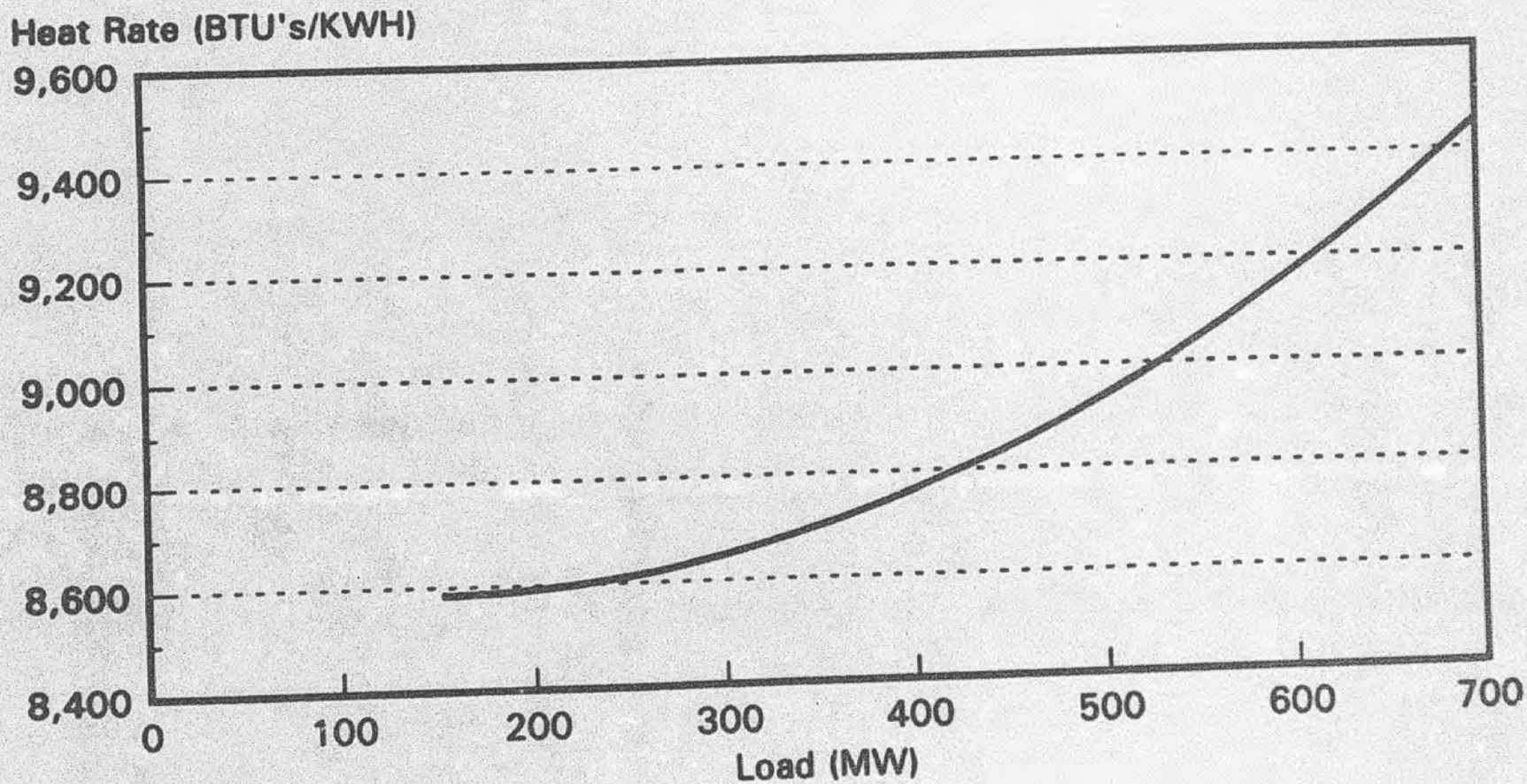
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The GF's energy payment will be multiplied by a Delivery Voltage Adjustment whose value will depend upon (i) the delivery voltage at the Point of Delivery and (ii) the methodology approved by the FPSC to determine the adjustment for standard offer contracts pursuant to the rules in Appendix E.

Attachment 1

Incremental Heat Rate Curve

Proposed 700 MW Coal Plant



Incremental Heat Rate

Attachment 1A

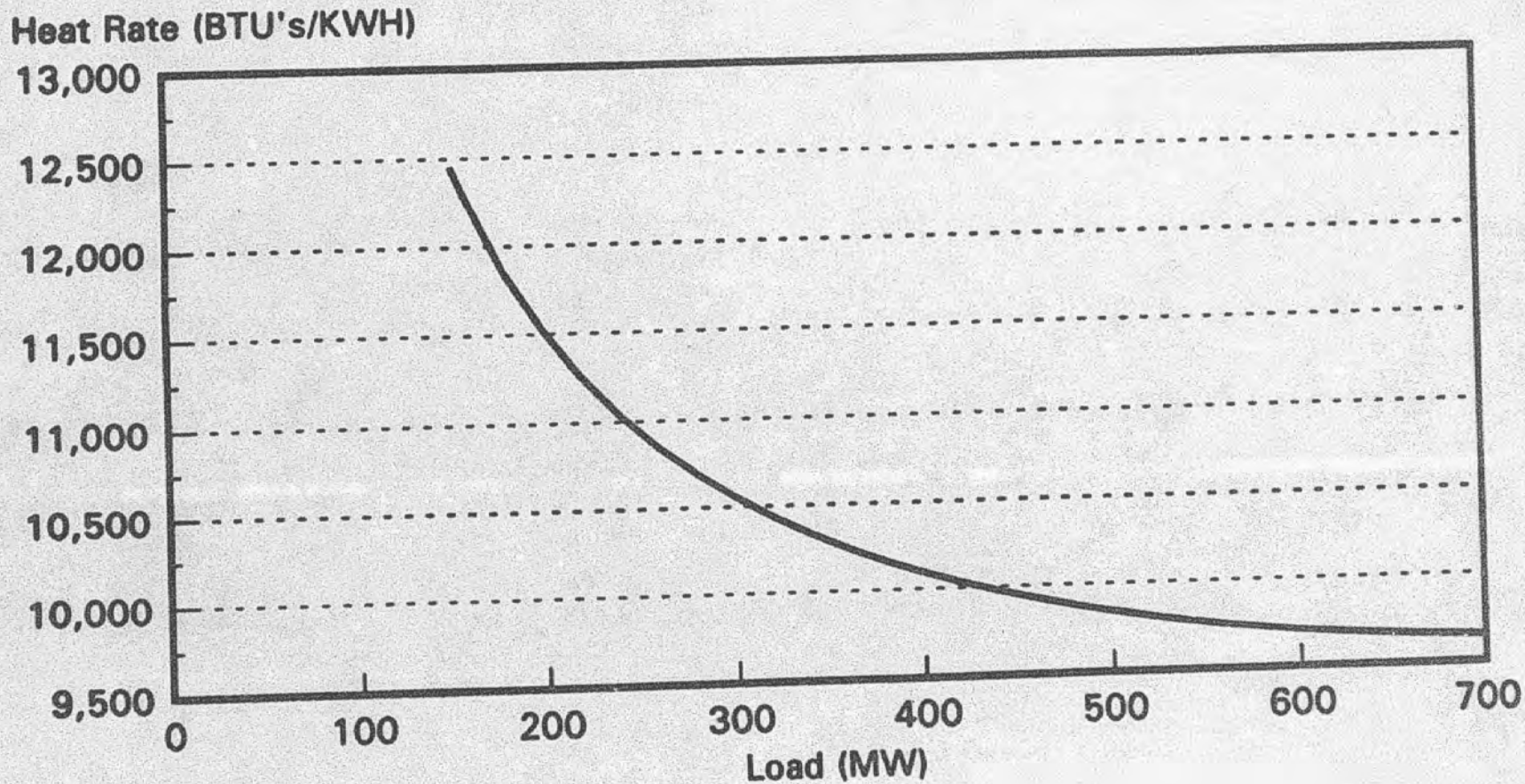
**Table of Incremental Heat Rate Curve
(Proposed 700 MW Coal Plant)**

Load (MW)	Heat Rate (BTU's/KWH)
152	8584
160	8584
180	8586
200	8591
220	8598
240	8607
260	8618
280	8632
300	8648
320	8667
340	8688
360	8711
380	8736
400	8764
420	8794
440	8826
460	8861
480	8898
500	8937
520	8978
540	9022
560	9068
580	9117
600	9168
620	9221
640	9276
660	9334
680	9394
700	9456

Attachment 2

Average Heat Rate Curve

Proposed 700 MW Coal Plant



Average Heat Rate

Attachment 2A

**Table of Average Heat Rate Curve
(Proposed 700 MW Coal Plant)**

Load (MW)	Heat Rate (BTU's/KWH)
152	12451
160	12258
180	11850
200	11524
220	11257
240	11036
260	10850
280	10691
300	10554
320	10435
340	10332
360	10241
380	10161
400	10091
420	10028
440	9973
460	9924
480	9880
500	9842
520	9808
540	9778
560	9752
580	9729
600	9709
620	9693
640	9679
660	9667
680	9659
700	9652

APPENDIX D

TRANSMISSION SERVICE STANDARDS

1.0 Purpose.

This appendix provides minimum standards required by the Company in the Transmission Service Agreement and applies to QF's whose Facility is not directly interconnected with the Company and who are selling firm capacity and energy to the Company.

2.0 Standards for QF's Selling Firm Capacity and Energy.

2.1 The QF shall ensure that, throughout the Term of the Agreement, the Transmission Service Utility or its lawful successors but no other party shall deliver the Committed Capacity and electric energy to the Company on behalf of the QF.

2.2 A proposed Transmission Service Agreement and any amendments thereto shall be submitted to the Company for its review and consent no less than sixty (60) days before said Transmission Service Agreement or amendment is proposed to be tendered for filing with the FERC. Such consent shall not be unreasonably withheld. No review, recommendations or consent by the Company shall be deemed an approval of any safety or other arrangements between the QF and the Transmission Service Utility nor shall it relieve the QF and the Transmission Service Utility of their responsibility with respect to the adequate engineering, design, construction and operation of any facilities other than the Company's Interconnection Facilities and for any injury to property or persons associated with any failure to perform in a proper and safe manner for any reason. Nothing contained herein shall prevent the Company from exercising any rights that it otherwise would have

to participate as a full party before the FERC when the Transmission Service Agreement or amendments thereto is tendered for filing.

2.3 To ensure the continuous availability to the Company of the Committed Capacity during the Term of the Agreement, the Transmission Service Agreement shall contain provisions satisfying the following minimum criteria:

- (i) the Transmission Service Utility's transmission commitment shall be for the full amount of the Committed Capacity plus any losses assessed by the Transmission Service Utility from the Point of Metering to the Point of Delivery;
- (ii) the duration of the Transmission Service Utility's transmission commitment shall be for a term at least as long as the Term of the Agreement with termination provisions that are acceptable to the Company;
- (iii) the Transmission Service Utility's transmission commitment shall not be interruptible or curtailable to a greater extent than the Transmission Service Utility's transmission service to its own firm requirements customers;
- (iv) The QF and the Transmission Service Utility shall not be permitted to amend the Transmission Service Agreement in a manner that adversely affects the Company's rights without the Company's prior written consent;
- (v) the Company shall be provided with prompt notification of any default under the Transmission Service Agreement;

Transmission Service Utility and such electric energy as is scheduled shall be considered as electric energy delivered to the Company for billing purposes.

- (xi) The Transmission Service Utility and the Company shall coordinate with one another concerning any inability to deliver or receive the electric energy as adjusted pursuant to section 8.3 (ix) hereof. Whenever the Transmission Service Utility is unable to deliver or the Company does not accept such energy, such energy shall no longer be considered within the Company's Control Area if energy is delivered pursuant to section 2.3(ix) hereof; and**

- (xii) a contact person for the Transmission Service Utility shall be designated for day-to-day communications between the Transmission Service Utility and the Parties.**

- (vi) the QF and/or the Transmission Service Utility shall expressly indemnify and hold the Company harmless for any and all liability or cost responsibility in connection with the Transmission Service Agreement and the activities undertaken thereunder, including, without limitation, any facility costs, service charges, or third party impact claims;
- (vii) the Company shall be entitled to reasonable access at all times to property and equipment owned or controlled by either the QF or the Transmission Service Utility and at reasonable times to records and schedules maintained by either the QF or the Transmission Service Utility, in order to carry out the purposes of the Agreement in a safe, reliable and economical manner;
- (viii) unless otherwise agreed by the Company, the Point of Delivery into the Company's system shall be defined as all points of interconnection at transmission voltages between the Company and the Transmission Service Utility pursuant to any tariffs or interchange agreements on file with the FERC and in effect from time to time;
- (ix) the electric energy made available from the Facility for transmission to the Company shall be telemetered to the Company and shall be reduced for all losses assessed by the Transmission Service Agreement from the Point of Metering to the Point of Delivery; the electric energy as so adjusted shall be considered the electric energy delivered to the Company for billing purposes and shall be considered as if within the Company's Control Area, provided that the Transmission Service Utility can deliver and the Company accept the electric energy as so adjusted;
- (x) As an alternative to section 2.3(ix) hereof, electric energy from the Facility shall be scheduled for delivery to the Point of Delivery by the

APPENDIX E
FPSC RULES 25-17.080 THROUGH 25-17.091