



Florida Power
A Progress Energy Company

JAMES A. MCGEE
ASSOCIATE GENERAL COUNSEL

February 28, 2001

Ms. Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

010275-EI

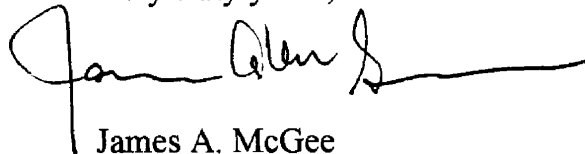
Re: Petition of Florida Power Corporation for approval of an amendment to its cogeneration contract with the Pinellas County Resource Recovery Facility.

Dear Ms. Bayó:

Enclosed for filing on behalf of Florida Power Corporation are an original and fifteen copies of the subject petition.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. Also enclosed is a 3.5 inch diskette containing the above-referenced document in WordPerfect format. Thank you for your assistance in this matter.

Very truly yours,



James A. McGee

JAM/scc
Enclosure

cc: Mr. Thomas Ballinger

One Progress Plaza, Suite 1500 • Post Office Box 14042 • St. Petersburg, Florida 33733-4042
Phone: 727.820.5184 • Fax: 727.820.5519 • Email: james.mcgee@pgnmail.com

DOCUMENT NUMBER-DATE
02811 MAR-10

FDSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. _____

Submitted for filing:
March 1, 2001

P E T I T I O N

Florida Power Corporation (Florida Power, or the Company), pursuant to Rule 25-17.0836, F.A.C., hereby petitions the Florida Public Service Commission (the Commission) for approval of the letter agreement between Florida Power and Pinellas County (the County) contained in the attached Exhibit A, which amends an existing cogeneration contract for the purchase of capacity and energy by Florida Power from the County's Resource Recovery Facility (the Facility), subject to Commission approval. The amendment would accommodate planned outages at the Facility for the replacement of several major components, while substantially reducing the Company's capacity payments for purchases from the Facility and its replacement power costs associated with the Facility's reduced output during the outages. In support of this petition, Florida Power states as follows:

1. Petitioner, Florida Power, is a public utility subject to the jurisdiction of the Commission under Chapter 366, Florida Statutes. Florida Power's General Offices are located at One Progress Plaza, St. Petersburg, Florida, 33701.

2. All notices, pleadings and other communications required to be served on petitioner should be directed to:

James A. McGee, Esquire
Post Office Box 14042
St. Petersburg, FL 33733-4042
Facsimile: (727) 820-5519

For express deliveries by private courier, the address is:

One Progress Plaza
Suite 1500
St. Petersburg, FL 33701

Background

3. Florida Power currently purchases capacity and energy from the County's Facility under an Amended and Restated Electrical Power Purchase Agreement dated February 21, 1989, a negotiated cogeneration contract with a Committed Capacity of 54.75 megawatts and a term that expires at the end of 2024. The agreement was approved for cost recovery by the Commission in Order No. 21952, Docket No. 890637-EQ, and was subsequently modified by an Amendment dated November 23, 1993, and by two Curtailment Letter Agreements dated October 11, 1994 and September 5, 1997,¹ (collectively, the Current Agreement). The Current Agreement, including modifications, is attached as composite Exhibit B.

4. The County has informed Florida Power of its plans to undertake a Capital Replacement Project in which major components of the Facility's three

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

boilers will be replaced to improve reliability and efficiency. The work on each boiler will require a 12-week outage of the boiler and a corresponding reduction in the Facility's output, with one of the three boiler outages scheduled each year in 2001, 2002 and 2003.

5. The Current Agreement requires the Facility to operate at a minimum On-Peak Capacity Factor and Total Capacity Factor of 70% (based on the Facility's Committed Capacity), measured on a rolling 12-month average, in order for the County to receive full capacity payments. Because of normal seasonal variations in waste disposal requirements, the Facility typically processes less waste, and as a result produces electricity at a lower capacity factor, during the summer months. This provides the County with an unintended incentive to schedule the three 12-week boiler outages during the summer, when the Facility's capacity factor would be relatively low anyway, in order to minimize (but not eliminate) its risk that the boiler outages will cause the Facility's 12-month rolling average capacity factor to fall below 70%, which would reduce or possibly eliminate the County's capacity payment revenues. The result of this unintended incentive to Florida Power is the untimely scheduling of a lengthy outage when the Facility's output is needed most by the Florida Power system to meet the prolonged high demand periods experienced during the summer.

6. In response to the potential financial and reliability problems posed by these outages, the County and Florida Power have negotiated an amendment to the

Current Agreement which is set forth in the letter agreement attached to this petition as Exhibit A (the Amendment).

The Amendment

7. The Amendment negotiated by the County and Florida Power contains the following key provisions:

- The term of the Amendment is three years, encompassing the Facility's three 12-week boiler outages.
- If the County schedules the boiler outages to begin on October 1st of each year during the term of the Amendment (or no earlier than September 15th by mutual agreement), each 12-week outage may be treated as a curtailment period under the Curtailment Letter Agreements, which allows the County to redesignate the Facility's Committed Capacity for the period to reflect its reduced generating capability.
- Florida Power's capacity payments to the County during each 12-week outage/curtailment period will be based on the Facility's redesignated Committed Capacity.
- The Facility's 12-month rolling average On-Peak and Total Capacity Factors will be calculated using its redesignated Committed Capacity for each 12-week outage/curtailment period, thereby minimizing the financial risk to the County that the boiler outages will cause the Facility's capacity factor to fall below the minimum required to receive full capacity payments.

8. The projected savings to Florida Power and its customers from the Amendment are shown in the cost/benefit analysis contained in Exhibit C. They consist of \$4,103,812 in lower capacity payments to the County based on the expected reduction in the Facility's Committed Capacity during the three 12-week outages, and \$3,836,106 in lower costs to replace the Facility's reduced capacity and energy during the three outages in the fall shoulder period instead of the high demand summer period. This is a total savings of \$7,939,918, or \$7,337,225 on a net present value (NPV) basis.

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

Respectfully submitted,

FLORIDA POWER CORPORATION

By 

James A. McGee
Post Office Box 14042
St. Petersburg, FL 33733-4042
Telephone: (727) 820-5184
Facsimile: (727) 820-5519

EXHIBIT A

**AMENDMENT TO
CURRENT AGREEMENT**



November 20, 2000

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

Re: Electrical Capacity Payments During Resource Recovery Facility Boiler Modifications

Dear Commissioners,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ATTEST:
KARLEEN F. DE BLAKER, CLERK

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

By: 
Deputy Clerk

By: 

APPROVED AS TO FORM:


Office of the County Attorney

ATTEST:

FLORIDA POWER CORPORATION

By: 

Its: SR. Vice Pres

EXHIBIT B

**CURRENT AGREEMENT
(INCLUDING MODIFICATIONS)**

AMENDED AND RESTATED ELECTRICAL
POWER PURCHASE AGREEMENT

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

WITNESSETH:

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

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

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

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

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

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

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

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

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

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

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

WITNESSETH:

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

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

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

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

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

1.0 DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.13 State means the State of Florida.

2.0 BASIC CONSIDERATIONS

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

3.0 TERM OF AGREEMENT

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

4.0 OPERATING CONDITIONS

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

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

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

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

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

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

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

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

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

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

5.0 TERMS OF PURCHASE AND SALE

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

5.1 Capacity Commitment

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

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

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

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

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

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

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

5.1.5 Declaration of Special Event

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

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

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

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

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

6.0 CAPACITY AND ENERGY PURCHASE PRICE

6.1 Capacity

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6.2 Energy

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

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

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

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

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

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

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

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

7.0 MEASUREMENT

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

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

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

8.0 PAYMENT PROCEDURE

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

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

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

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

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

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

9.0 DEFAULT AND TERMINATION

9.1 Mandatory Default.

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

9.2 Optional Default.

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

9.3 Default Remedy.

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

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

9.4 Revised Agreement Survival after Default.

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

10.0 GOVERNING LAW

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

11.0 COMMUNICATIONS

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

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

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

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

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

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

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

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

12.0 LOSS OF SOURCE

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

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

13.0 DISCLAIMER

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

14.0 SUCCESSORS AND ASSIGNS

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

15.0 SEVERABILITY

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

16.0 COMPLETE REVISED AGREEMENT AND AMENDMENTS

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

17.0 RESPONSIBILITY AND INDEMNIFICATION

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

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

18.0 FORCE MAJEURE

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

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

Prices paid by FPC for Committed Capacity after resumption of capacity payments, if any, shall not be greater than those prices applicable pursuant to the terms of this Revised Agreement. This Section, 18.0, shall have no effect on energy prices. The expiration of the term of this Revised Agreement as specified in Section 3.0 shall not be extended by the period of any force majeure event without the COUNTY's written approval; said approval, if any, to be given within sixty (60) days of the end of the force majeure.

The term "force majeure" shall be taken to mean natural disasters, fire, strikes, lockouts or other industrial disturbances, flood, explosions, acts of God or the public enemy, vandalism, riots, war, sabotage, action of a court or public authority, change in the characteristics or BTU value of waste processed or to be processed at the Facility, change in law (including the adoption or change in any rule or regulation or environmental, recycling, or packaging constraints lawfully imposed by federal, State, or local government bodies) beyond that in effect as of October 15, 1988, lightning, wind, perils of the sea, and accidents to equipment or machinery or similar occurrences; provided however, that no occurrence may be claimed to be a force majeure occurrence if it is caused by the negligence or lack of due diligence on the part of the party attempting to make such claim. COUNTY agrees to pay the costs necessary to reactivate the Facility and/or the interconnection with FPC's system if the same are rendered inoperable due to actions of COUNTY, its agents, or force majeure events affecting the Facility or affecting the interconnection with FPC. FPC agrees to reactivate at its own cost the interconnection with the Facility in circumstances where any interruptions to such interconnection are caused by FPC or its agents.

19.0 EXCLUSION OF INCIDENTAL AND CONSEQUENTIAL DAMAGES.

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

20.0 PERMITS

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

21.0 RENEGOTIATIONS DUE TO REGULATORY CHANGES

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

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

22.0 INCORPORATION OF RATE SCHEDULE.

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

23.0 SURVIVAL OF REVISED AGREEMENT.

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

24.0 WAIVERS

The failure of either party to insist in any one or more instances upon strict performance of any of the provisions of this Revised Agreement or to take advantage of any of its rights under this Revised 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.

25.0 COUNTERPARTS

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

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

ATTEST:

FLORIDA POWER CORPORATION

By: *Kathleen P. Fortright*
Assistant Secretary

By: *A. J. Keesler, Jr.*
A. J. Keesler, Jr.
President

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

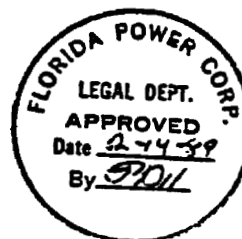
ATTEST: KARLEEN F. De BLAKER
Clerk

By: *Brian J. ...*
Chairman

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

Approved as to form:

[Signature]
County Attorney



APPENDIX A

TOTAL ≥ 70% < 70% ---
 ON-PEAK ≥ 70% ≥ 70% ≥ 60%
 MONTHLY CAPACITY PAYMENTS -\$/KW

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

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

**APPENDIX B
On-Peak Periods**

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

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



**RATE SCHEDULE COG-2
STANDARD OFFER CONTRACT RATE FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM QUALIFYING COGENERATION AND SMALL POWER PRODUCTION FACILITIES
(QUALIFYING FACILITIES)**

Availability:

Florida Power Corporation will purchase Firm Capacity and Energy offered by any Qualifying Facility, irrespective of its location, which is either directly or indirectly interconnected with the Company under the provisions of this schedule. Florida Power Corporation will negotiate and may contract with any Qualifying Facility, irrespective of its location, which is either directly or indirectly interconnected with the Company for the purchase of Firm Capacity and Energy pursuant to terms and conditions which deviate from this schedule where such negotiated contracts are in the best interest of the Company's ratepayers.

Applicable:

To any cogeneration or small power production Qualifying Facility, irrespective of its location, producing capacity and energy for sale to the Company on a firm basis pursuant to the terms and conditions of this schedule and the Company's "Standard Offer Contract" or a separately negotiated contract. Firm Capacity and Energy are described by the Florida Public Service Commission (FPSC) Rules 25-17.083, F.A.C., and are capacity and energy produced and sold by a Qualifying Facility pursuant to a negotiated or standard Company contract offer and subject to certain contractual provisions as to quantity, time, and reliability of delivery. Criteria for achieving Qualifying Facility status shall be those set out in FPSC Rule 25.17.080, F.A.C.

Character of Service:

Purchases within the territory served by the Company shall be, at the option of the Company, single or three phase, 60 hertz, alternating current at any available standard Company voltage. Purchases from outside the territory served by the Company shall be three phase, 60 hertz, alternating current at the voltage level available at the interchange point between the Company and the entity delivering Firm Capacity and Energy from the Qualifying Facility.

Limitation of Service:

Purchases under this schedule are subject to the Company's "General Standards for Safety and Interconnection of Cogeneration and Small Power Production Facilities to the Electric Utility System" and to FPSC Rules 25-17.080 through 25-17.091, F.A.C., and are limited to those Qualifying Facilities which:

- A. Execute a Company "Standard Offer Contract" prior to January 1, 1993 for the Company's purchase of Firm Capacity and Energy; and
- B. Commit to commence deliveries of Firm Capacity and Energy no later than January 1, 1995, and to continue such deliveries through at least December 31, 2004.
- C. Provide capacity which would not result in the subscription limit on capacity deficit (500 MW) as identified in the FPSC Order No. 17480 to be exceeded.

Rates for Purchases by the Company:

Firm Capacity and Energy are purchased at a unit cost, in dollars per kilowatt per month and cents per kilowatt hour, respectively, based on the value of deferring additional generating capacity in Florida. For the purpose of this schedule, a Statewide Avoided Unit has been designated by the FPSC and is considered to be a jointly owned, peninsular Florida base load generating plant consisting of one (1) 500 MW coal fired generating unit with an in-service date of April 1, 1992. Appendix A of this schedule describes the methodology used to calculate payment schedules, general terms, and conditions applicable to the Company's "Standard Offer Contract" pursuant to FPSC Rules 25-17.080 through 25-17.091, F.A.C.

A. Firm Capacity Rates

Three options, A through C, as set forth below, are available for payment for Firm Capacity which is produced by the Qualifying Facility and delivered to the Company. Once selected, an option shall remain in effect for (Continued on Page No. 2)

ISSUED BY: T. W. Raines, Jr., Director, Rate Department

EFFECTIVE: JANUARY 26, 1988



RATE SCHEDULE COG-2
STANDARD OFFER CONTRACT RATE FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM QUALIFYING COGENERATION AND SMALL POWER PRODUCTION FACILITIES
(QUALIFYING FACILITIES)
 (Continued from Page No. 1)

Firm Capacity Rates: (Continued)

the term of the contract with the Company. Exemplary payment schedules, shown below, contain the monthly rate per kilowatt of Firm Capacity the Qualifying Facility has contractually committed to deliver to the Company and are based on a contract term which extends a minimum of ten (10) years beyond the anticipated in-service date of the Statewide Avoided Unit (i.e., through December 31, 2004). Payment schedules for longer contract terms will be made available to a Qualifying Facility upon request and may be calculated based on the methodologies described in Appendix A.

Option A - Fixed Value of Deferral

Payment schedules under this option are based on the value of a year-by-year deferral of the Statewide Avoided Unit with an in-service date of January 1, 1995; calculated in accordance with FPSC Rule 25-17.083, F.A.C., as described in Appendix A. Once this option is selected, the current schedule of payments shall remain fixed and in effect throughout the term of the "Standard Offer Contract."

The Qualifying Facility shall select the month and year in which the delivery of Firm Capacity and Energy to the Company is to commence and capacity payments are to start. The Company will provide the Qualifying Facility with a schedule of capacity payment rates based on the month and year in which the delivery of Firm Capacity and Energy are to commence and the term of the contract. The following exemplary payment schedule is based on the minimum required contract term which must extend at least ten (10) years beyond the anticipated in-service date of the Statewide Avoided Unit. The currently approved parameters used to calculate the following schedule of payments are found in Appendix B of this schedule.

MONTHLY CAPACITY PAYMENT RATE \$/KW/MONTH

Contract Year		Normal Payment Option Starting	Early Payment Option Starting						
From	To		1/1/95	1/1/96	1/1/97	1/1/98	1/1/99	1/1/00	1/1/01
01/87	12/87	-	-	-	-	-	-	-	-
01/88	12/88	-	-	-	-	-	-	-	3.78
01/89	12/89	-	-	-	-	-	-	4.37	4.03
01/90	12/90	-	-	-	-	-	5.08	4.66	4.30
01/91	12/91	-	-	-	-	5.92	5.41	4.97	4.58
01/92	12/92	-	-	-	6.94	6.31	5.77	5.30	4.88
01/93	12/93	-	-	8.18	7.40	6.73	6.15	5.65	5.21
01/94	12/94	-	9.71	8.72	7.88	7.17	6.54	6.02	5.55
01/95	12/95	16.04	14.78	13.72	12.84	12.08	11.42	10.85	10.35
01/96	12/96	17.06	15.71	14.59	13.64	12.83	12.13	11.52	10.98
01/97	12/97	18.14	16.70	15.50	14.49	13.63	12.88	12.23	11.66
01/98	12/98	19.29	17.75	16.48	15.40	14.48	13.68	12.99	12.38
01/99	12/99	20.51	18.87	17.51	16.36	15.38	14.54	13.80	13.15
01/00	12/00	21.81	20.06	18.61	17.39	16.34	15.44	14.63	13.96
01/01	12/01	23.19	21.33	19.78	18.48	17.36	16.40	15.56	14.82
01/02	12/02	24.65	22.67	21.03	19.64	18.45	17.42	16.53	15.74
01/03	12/03	26.22	24.10	22.35	20.87	19.60	18.51	17.55	16.71
01/04	12/04	27.88	25.63	23.75	22.18	20.83	19.66	18.64	17.75

(Continued on Page No. 3)

ISSUED BY: T. W. Raines, Jr., Director, Rate Department

EFFECTIVE: JANUARY 26, 1988

RATE SCHEDULE COG-2
STANDARD OFFER CONTRACT RATE FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM QUALIFYING COGENERATION AND SMALL POWER PRODUCTION FACILITIES
(QUALIFYING FACILITIES)
 (Continued from Page No. 2)

Option B - Variable Value of Deferral

Payment schedules under this option are based on the value of a year-by-year deferral of the Statewide Avoided Unit with an in-service date of January 1, 1995. Once this option is selected, the Statewide Avoided Unit designation and its in-service date shall remain fixed for the term of the "Standard Offer Contract." The value of deferral, however, shall be recalculated annually and the payment schedule shall be adjusted, upon approval by the FPSC, to reflect the most recent factors affecting the cost of constructing the Statewide Avoided Unit. The Qualifying Facility shall select the month and year in which the delivery of Firm Capacity and Energy to the Company is to commence and capacity payments are to start pursuant to this option.

The methodology used to determine the level of payment each year is the same as that used in Option A of this schedule and is described in Appendix A. For informational purposes only, the current projection of payments are those contained in Option A on the previous page.

Option C - Average Embedded Book Cost of Fossil Steam Production Plant

Monthly capacity payments made under this option shall be based on the Company's current average embedded book cost of fossil steam production plant approved by the FPSC and in effect in the year in which payment is made.

The following monthly payment schedule is provided for informational purposes only. It reflects the Company's current projection of payments.

Projected Monthly Capacity Payment Rate - \$/KW/Month

<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
3.91	3.86	3.82	3.75	3.65	3.40	3.22	3.76	3.61	4.13	3.95	4.44	4.39	4.94	4.76	5.41	5.28

B. Energy Rates

1. Payments Prior to January 1, 1995

The energy rate in cents per kilowatt-hour (¢/KWH) shall be based on the Company's actual hourly avoided energy costs which are calculated by the Company in accordance with FPSC Rule 25-17.0825, F.A.C. Avoided energy costs include incremental fuel, identifiable operation and maintenance expenses, and an adjustment for line losses reflecting delivery voltage. When economy transactions take place, the incremental costs are calculated after the purchase or before the sale of the economy energy.

The calculation of payments to the Qualifying Facility shall be based on the sum, over all hours of the billing period of the product of each hour's avoided energy cost times the purchases by the Company for that hour. All purchases shall be adjusted for losses from the point of metering to the point of interconnection.

2. Payments Starting on January 1, 1995

The energy rate in cents per kilowatt-hour (¢/KWH), shall be the lesser of an hour-by-hour comparison of: (1) the fuel component of the Company's avoided energy costs calculated in accordance with Rule 25-17.0825, F.A.C.; and (b) the Statewide Avoided Fuel Cost. The Statewide Avoided Unit Fuel Cost, in cents per kilowatt-hour (¢/KWH) shall be defined as the product of: (a) the average monthly inventory charge out price of coal burned at Tampa Electric Company's Sig Unit No. 4, in cents per million BTU; and (b) an average annual heat rate of 9.79 million BTU per megawatt hours.

(Continued on Page No. 4)

ISSUED BY: T. W. Raines, Jr., Director, Rate Department

EFFECTIVE: JANUARY 26, 1988



**RATE SCHEDULE COG-2
 STANDARD OFFER CONTRACT RATE FOR PURCHASE OF FIRM CAPACITY AND ENERGY
 FROM QUALIFYING COGENERATION AND SMALL POWER PRODUCTION FACILITIES
 (QUALIFYING FACILITIES)
 (Continued from Page No. 3)**

Energy Rates: (Continued)

Calculation of payments to the Qualifying Facility shall be based on the sum, over all hours of the billing period, of the product of each hour's avoided energy cost times the purchases by the Company for that hour. All purchases shall be adjusted for losses from the point of metering to the point of interconnection.

Estimated Firm Energy Cost:

For informational purposes only, the estimated incremental avoided energy costs for the next four semi-annual periods are as follows. These estimates include a credit for estimated variable operating and maintenance expense of 0.056¢/KWH. The variable O & M credit will be recomputed monthly in accordance with the Company's methodology.

<u>Applicable Period</u>	<u>On-Peak ¢/KWH</u>	<u>Off-Peak ¢/KWH</u>	<u>Average ¢/KWH</u>
October, 1988 - March, 1989	2.502	1.747	2.057
April, 1989 - September, 1989	3.490	2.297	2.882
October, 1989 - March, 1990	3.405	2.538	2.888
April, 1990 - September, 1990	4.250	2.567	3.386

A 100 MW block has been used to calculate the estimated avoided energy cost.

Performance Criteria:

Payments for firm capacity are conditioned on the Qualifying Facility's ability to maintain the following performance criteria.

A. Commercial In-Service Date

Capacity payments shall not commence until the Qualifying Facility has attained and demonstrated, commercial in-service status. The commercial in-service date of a Qualifying Facility shall be defined as the first day of the month following the successful completion of the Qualifying Facility maintaining an hourly kilowatt (KW) output, as metered at the point of interconnection with the Company, equal to or greater than the Qualifying Facility's "Standard Offer Contract" committed capacity for a 24 hour period. A Qualifying Facility shall coordinate the selection of and operation of its facility during this test period with the Company to insure that the performance of its facility during this 24 hour period is reflective of the anticipated day to day operation of the Qualifying Facility.

B. Capacity Factor

Upon achieving commercial in-service status, payments for Firm Capacity shall be made monthly in accordance with the capacity payment rate option selected by the Qualifying Facility and subject to the provision that the Qualifying Facility maintains a 70% capacity factor on a 12 month rolling average basis as defined in Appendix A. Failure to achieve this capacity factor shall result in the Qualifying Facility's forfeiture of payments for Firm Capacity during the month in which such failure occurs. Where early capacity payments have been elected and starting with the month of January, 1995, failure of a Qualifying Facility to maintain a 70% capacity factor on a 12 month rolling average basis shall also result in payments by the Qualifying Facility to the Company. The amount of such payments shall be equal to the difference between: (1) what the Qualifying Facility would have been paid had it elected the normal payment option starting January 1, 1995; and (2) what it would have been paid pursuant to the early payment option had it maintained the capacity factor performance criteria.

(Continued on Page No. 5)

ISSUED BY: T. W. Raines, Jr., Director, Rate Department

EFFECTIVE: OCTOBER 1, 1988

RATE SCHEDULE COG-2
STANDARD OFFER CONTRACT RATE FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM QUALIFYING COGENERATION AND SMALL POWER PRODUCTION FACILITIES
(QUALIFYING FACILITIES)
 (Continued from Page No. 4)

Performance Criteria (Continued)

All capacity payments made by the Company prior to January 1, 1995 are considered "early payments." The owner or operator of the Qualifying Facility, as designated by the Company, shall secure its obligation to repay, with interest, the cumulative amount of early capacity payments in the event the Qualifying Facility defaults under the terms of its "Standard Offer Contract" with the Company. The Company will provide monthly summaries of the total outstanding balance of such security obligations. A summary of the types of security instruments which are generally acceptable to the Company is discussed in Appendix A.

C. Additional Criteria

1. The Qualifying Facility shall provide monthly generation estimates by October 1 for the next calendar year; and
2. The Qualifying Facility shall promptly update its yearly generation schedule when any changes are determined necessary; and
3. The Qualifying Facility shall agree to reduce generation or take other appropriate action as requested by the Company for safety reasons or to preserve system integrity; and
4. The Qualifying Facility shall coordinate scheduled outages with the Company; and
5. The Qualifying Facility shall comply with the reasonable requests of the Company regarding daily or hourly communications.

Delivery Voltage Adjustment:

Energy payments to Qualifying Facilities within the Company's service territory shall be adjusted according to the delivery voltage by the following multipliers:

<u>Qualifying Facility Delivery Voltage</u>	<u>Adjustment Factor</u>
69 KV or Greater	1.042
4 KV, 12 KV, 25 KV	1.058
600 Volts or Lower	1.085

Metering Requirements:

Qualifying Facilities within the territory served by the Company shall be required to purchase from the Company hourly recording meters to measure their energy production. Energy purchases from Qualifying Facilities outside the territory served by the Company shall be measured as the quantities scheduled for interchange to the Company by the entity delivering firm capacity and energy to the Company.

For the purpose of this schedule, the on-peak hours occur Monday through Friday except holidays, April 1 - October 31 from 12 noon to 9:00 p.m., and November 1 - March 31 from 6:00 a.m. to 10:00 a.m. and 6:00 p.m. to 10:00 p.m. All hours not mentioned above and all hours of the holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day are off-peak hours.

Billing Options:

The Qualifying Facility may elect to make either simultaneous purchases and sales or net sales. The decision to change billing methods can be made once every twelve (12) months coinciding with the next Fuel and Purchased Power Cost Recovery Factor billing period provided the Company is given at least thirty (30) days written notice before the change is to take place. In addition, allowance must be made for the installation or alteration of needed metering or interconnection equipment for which the qualifying facility must pay; and such purchases and/or sales must not abrogate any provisions of the tariff or contract with the Company.

(Continued on Page No. 6)

ISSUED BY: T. W. Raines, Jr., Director, Rate Department

EFFECTIVE: JANUARY 26, 1988



**RATE SCHEDULE COG-2
STANDARD OFFER CONTRACT RATE FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM QUALIFYING COGENERATION AND SMALL POWER PRODUCTION FACILITIES
(QUALIFYING FACILITIES)
(Continued from Page No. 5)**

Billing Options: (Continued)

A statement covering the charges and payments due the Qualifying Facility is rendered monthly, and payment normally is made by the twentieth business day following the end of the billing period.

Charges to Qualifying Facility:

A. Customer Charges:

Monthly Customer Charges for meter reading, billing and other applicable administrative costs by Rate Schedule are:

RS-1	\$ 5.32
RST-1	9.83
GS-1	5.32
GST-1	9.83
GSD-1	15.46
GSDT-1.	19.98
GSLD-1	79.30
GSLDT-1	83.81
GSLDT-2	230.91
GSLD-2	230.91
CS-1	152.49
CST-1	152.49
IS-1	413.91
IST-1	413.91
MS-1	5.32

B. Interconnection Charge for Non-Variable Utility Expenses:

The Qualifying Facility shall bear the cost required for interconnection including the metering. The Qualifying Facility shall have the option of payment in full for interconnection or making equal monthly installment payments over a thirty-six (36) month period together with interest at the rate then prevailing for thirty (30) days prior to the date of each payment.

When equal monthly payments are elected, the Qualifying Facility shall provide a surety bond or equivalent assurance of repayment of interconnection costs in the event the Qualifying Facility is unable to meet the terms and conditions of its contract. Depending on the nature of the Qualifying Facility's operation, financial health and solvency, one of the following may constitute an equivalent assurance of repayment:

- (1) Surety bond;
- (2) Escrow;
- (3) Irrevocable letter of credit;
- (4) Unsecured promise by a municipal, county, or state government to repay early capacity payments in the event of default in conjunction with a legally binding commitment from such government allowing the utility to levy a surcharge on either the electric bills of the government's electric consuming facilities or the constituent electric customers of such government to assure that early capacity payments are repaid;
- (5) Unsecured promise by a privately owned Qualifying Facility to repay early capacity payments in the event of default in connection with a legally binding commitment from the owner(s) of the Qualifying Facility, parent company, and/or subsidiary companies allowing the utility to levy a surcharge on the electric bills of the owner(s), parent company, and/or subsidiary companies located in Florida to assure that early capacity payments are repaid; or
- (6) Other guarantee acceptable to the Company.

(Continued on Page No. 7)

ISSUED BY: T. W. Raines, Jr., Director, Rate Department

EFFECTIVE: JANUARY 1, 1989

**RATE SCHEDULE COG-2
STANDARD OFFER CONTRACT RATE FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM QUALIFYING COGENERATION AND SMALL POWER PRODUCTION FACILITIES
(QUALIFYING FACILITIES)
(Continued from Page No. 6)**

Charges to Qualifying Facility: (Continued)

The Company will cooperate with each Qualifying Facility applying for monthly payments to determine the exact form of an "equivalent assurance of repayment" to be required based on the particular aspects of the Qualifying Facility. The Company will endeavor to accommodate an equivalent assurance which is in the best interests of both the Qualifying Facility and the Company's ratepayers.

C. Interconnection Charge for Variable Utility Expenses:

The Qualifying Facility shall be billed monthly for the cost of variable utility expenses associated with the operation and maintenance of the interconnection. These include (a) the Company's inspections of the interconnection and (b) maintenance of any equipments 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 may pay a monthly charge equal to 0.50% of the installed cost of the interconnection facilities.

D. Taxes and Assessments:

The Qualifying Facility shall be billed monthly an amount equal to the taxes, assessments, or other impositions, if any, for which the Company is liable as a result of its purchases of Firm Capacity and Energy produced by the Qualifying Facility.

Terms of Service:

1. It shall be the Qualifying Facility's responsibility to inform the Company of any change in its electric generating capability.
2. Any electric service delivered by the Company to the Qualifying Facility shall be metered separately and billed under the applicable retail rate schedule and the terms and conditions of the applicable rate schedule shall pertain.
3. A security deposit will be required in accordance with FPSC Rules 25-17.082(5) and 25-6.097, F.A.C. and the following:
 - a. In the first year of operation, the security deposit should be based upon the singular month in which the QF's projected purchases from the utility exceed, by the greatest amount, the utility's estimated purchases from the QF. The security deposit should be equal to twice the amount of the difference estimated for that month. The deposit should be required upon interconnection.
 - b. For each year thereafter, a review of the actual sales and purchases between the QF and the utility should be conducted to determine the actual month of maximum difference. The security deposit should be adjusted to equal twice the greatest amount by which the actual monthly purchases by the QF exceed the actual sales to the utility in that month.
4. The Company shall specify the point of interconnection and voltage level.
5. The Company will, under the provisions of this Schedule, require an agreement with the Qualifying Facility upon the Company's filed Standard Offer Contract and Standard Agreement for Parallel Operation between the Qualifying Facility and the Company. The Qualifying Facility shall recognize that its generation facility may exhibit unique interconnection requirements which will be separately evaluated, modifying the Company's General Standard for Safety and Interconnection where applicable.
6. Service under this rate schedule is subject to the rules and regulations of the Company and the Florida Public Service Commission.

(Continued on Page No. 8)

ISSUED BY: T. W. Raines, Jr., Director, Rate Department

EFFECTIVE: JANUARY 1, 1989



RATE SCHEDULE COG-2
STANDARD OFFER CONTRACT RATE FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM QUALIFYING COGENERATION AND SMALL POWER PRODUCTION FACILITIES
(QUALIFYING FACILITIES)
(Continued from Page No. 6)

The Company will cooperate with each Qualifying Facility applying for monthly payments to determine the exact form of an "equivalent assurance of repayment" to be required based on the particular aspects of the Qualifying Facility. The Company will endeavor to accommodate an equivalent assurance which is in the best interests of both the Qualifying Facility and the Company's ratepayers.

C. Interconnection Charge for Variable Utility Expenses

The Qualifying Facility shall be billed monthly for the cost of variable utility expenses associated with the operation and maintenance of the interconnection. These include (a) the Company's inspections of the interconnection and (b) maintenance of any equipments 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 may pay a monthly charge equal to 0.49% of the installed cost of the interconnection facilities.

D. Taxes and Assessments

The Qualifying Facility shall be billed monthly an amount equal to the taxes, assessments, or other impositions, if any, for which the Company is liable as a result of its purchases of Firm Capacity and Energy produced by the Qualifying Facility.

Terms of Service:

1. It shall be the Qualifying Facility's responsibility to inform the Company of any change in its electric generating capability.
2. Any electric service delivered by the Company to the Qualifying Facility shall be metered separately and billed under the applicable retail rate schedule and the terms and conditions of the applicable rate schedule shall pertain.
3. A security deposit will be required in accordance with FPSC Rules 25-17.082(5) and 25-6.097, F.A.C. and the following:
 - a. In the first year of operation, the security deposit should be based upon the singular month in which the QF's projected purchases from the utility exceed, by the greatest amount, the utility's estimated purchases from the QF. The security deposit should be equal to twice the amount of the difference estimated for that month. The deposit should be required upon interconnection.
 - b. For each year thereafter, a review of the actual sales and purchases between the QF and the utility should be conducted to determine the actual month of maximum difference. The security deposit should be adjusted to equal twice the greatest amount by which the actual monthly purchases by the QF exceed the actual sales to the utility in that month.
4. The Company shall specify the point of interconnection and voltage level.
5. The Company will, under the provisions of this Schedule, require an agreement with the Qualifying Facility upon the Company's filed Standard Offer Contract and Standard Agreement for Parallel Operation between the Qualifying Facility and the Company. The Qualifying Facility shall recognize that its generation facility may exhibit unique interconnection requirements which will be separately evaluated, modifying the Company's General Standard for Safety and Interconnection where applicable.
6. Service under this rate schedule is subject to the rules and regulations of the Company and the Florida Public Service Commission.

(Continued on Page No. 8)

ISSUED BY: T. W. Raines, Jr., Director, Rate Department

EFFECTIVE: JANUARY 26, 1988

RATE SCHEDULE COG-2
STANDARD OFFER CONTRACT RATE FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM QUALIFYING COGENERATION AND SMALL POWER PRODUCTION FACILITIES
(QUALIFYING FACILITIES)
 (Continued from Page No. 7)

Special Provisions:

1. Special contracts deviating from the above standard rate schedule are allowable provided they are agreed to by the Company and approved by the Florida Public Service Commission.
2. A Qualifying Facility located within the Company's service territory may sell Firm Capacity and Energy to a utility other than the Company. Where such agreements exist and existing transmission capacity is available, the Company will provide transmission wheeling service to deliver the Qualifying Facility's power to the purchasing utility or to an intermediate utility.

When a Qualifying Facility located within the Company's service territory exercises its option to sell As-Available Energy to a utility other than the Company prior to the in-service date (April 1, 1992) of the Statewide Avoided Unit and existing transmission capacity is available, the Company will also provide transmission wheeling service to deliver the Qualifying Facility's power to the purchasing utility or to an intermediate utility. In addition, the Company will provide transmission wheeling service through its territory of a Qualifying Facility located outside the Company's service territory, for delivery of the Qualifying Facility's power to the purchasing utility or to an intermediate utility. Transmission service that is determined to be an intrastate transaction will be provided, subject to availability, under the rates, terms and conditions set forth in Rate Schedule COG-3 or, as provided for therein, under a separate, compensatory contract. Transmission service that is determined to be an interstate transaction will be provided, subject to availability, under rates, terms and conditions filed with, and accepted for filing by, the Federal Energy Regulatory Commission (a copy of the Company's currently effective wholesale tariff rate schedule applicable to transmission service is on file with the Florida Public Service Commission and is available from the Company upon request).

Interstate transactions are defined as those determined to be jurisdictional by the Federal Energy Regulatory Commission. Intrastate transactions are defined as all other transactions.

The Qualifying Facility shall be responsible for all costs associated with such wheeling including:

- A. Wheeling charges
- B. Line losses incurred by the Company
- C. Inadvertent energy flows resulting from such wheeling

Energy delivered to the Company shall be adjusted before delivery to another utility as follows:

<u>Qualifying Facility Delivery Voltage</u>	<u>Adjustment Factor</u>
69 KV or Greater	.0.960
4 KV, 12KV, 25 KV	0.945*
600 Volts or Lower	0.922*

* The 69 KV or greater adjustment factor shall apply if the following conditions are met for Qualifying Facility power and energy input to the Company's distribution facilities:

- (1) The input power and energy fully displace power and energy that the Company would otherwise be required to supply to other customers on the same distribution facility, and
- (2) The delivery voltage to the receiving utility system is 69 KV or greater.

(Continued on Page 9)

ISSUED BY: T. W. Raines, Jr., Director, Rate Department

EFFECTIVE: JANUARY 26, 1988



**RATE SCHEDULE COG-2
STANDARD OFFER CONTRACT RATE FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM QUALIFYING COGENERATION AND SMALL POWER PRODUCTION FACILITIES
(QUALIFYING FACILITIES)
(Continued from Page No. 8)**

The Company may deny, curtail or discontinue providing transmission service under this special provision if the provision of such service would adversely affect the adequacy, reliability or cost of providing electric service to its general body of retail and wholesale customers.

For a more complete description of the rates, terms and conditions under which intrastate transmission service may be offered, refer to Rate Schedule COG-3 commencing on sheet 9.700 of this tariff section. For similar information related to interstate transmission service, refer to the Company's currently effective wholesale tariff rate schedule applicable to transmission service, a copy of which is on file with the Florida Public Service Commission and available from the Company upon request.

ISSUED BY: T. W. Raines, Jr., Director, Rate Department

EFFECTIVE: JANUARY 26, 1968

RATE SCHEDULE COG-2
APPENDIX A
STANDARD OFFER CONTRACT RATE FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM QUALIFYING COGENERATION AND SMALL POWER PRODUCTION FACILITIES
(QUALIFYING FACILITIES)

Applicability:

Appendix A provides a detailed description of the methodology used by the Company to calculate the monthly values of deferring the Statewide Avoided Unit referred to in Schedule COG-2. When used in conjunction with the current FPSC approved cost parameters associated with the Statewide Avoided Unit contained in Appendix B, a Qualifying Facility may determine the applicable value of deferral capacity payment rate associated with the timing and operation of its particular facility should the Qualifying Facility enter into a "Standard Offer Contract" with the utility.

Also contained in Appendix A is the methodology used by the Company to calculate the 12 month rolling average capacity factor of a Qualifying Facility and a discussion of the types and forms of surety bond requirements or equivalent assurance of repayment of early capacity payments acceptable to the Company in the event of contractual default by a Qualifying Facility.

Calculation of Value of Deferral:

FPSC Rules 25-17.083(7) specifies that avoided capacity costs, in dollars per kilowatt per month, associated with firm capacity sold to a utility by a Qualifying Facility pursuant to the utility's standard offer shall be defined as the value of a year-by-year deferral of the Statewide Avoided Unit and shall be calculated as follows:

$$VAC_m = \frac{C}{12} \left[KI_n \frac{1 - \frac{(1+i_p)}{(1+r)}}{1 - \frac{(1+i_p)^L}{(1+r)^L}} \right] \Rightarrow O_n \left[\frac{1+i_0}{1+r} \right]$$

Where, for a one year deferral:

- VAC_m = utility's value of avoided capacity, in dollars per kilowatt per month, during month m ;
 C = a constant risk multiplier equal to 0.8 for the purpose of the utility's standard offer agreement;
 K = present value of carrying charge for one dollar of investment over L years with carrying charges assumed to be paid at the end of each year;
 I_n = total direct and indirect cost, in dollars per kilowatt including AFUDC but excluding C/IP, of the statewide avoided unit with an in-service date of year n ;
 O_n = total first year's fixed and variable operating and maintenance expense, less fuel and in dollars per kilowatt per year, of the statewide avoided unit deflated to the beginning of year n by i_0 ;

(Continued on Page No. 2)

ISSUED BY: T. W. Raines, Jr., Director, Rate Department

EFFECTIVE: JANUARY 26, 1988

RATE SCHEDULE COG-2
APPENDIX A
STANDARD OFFER CONTRACT RATE FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM QUALIFYING COGENERATION AND SMALL POWER PRODUCTION FACILITIES
(QUALIFYING FACILITIES)
 (Continued from Page No. 1)

Calculation of Value of Deferral: (Continued)

- i_p = annual escalation rate associated with the plant cost of the statewide avoided unit;
- i_o = annual escalation rate associated with the plant O & M cost of the statewide avoided unit;
- r = annual discount rate, defined as the utility's incremental after tax cost of capital;
- L = expected life of the statewide avoided unit; and
- n = year for which the statewide avoided unit is deferred starting with its original anticipated in-service date and ending with the termination of the contract for the purchase of firm energy and capacity.

Normally, payment for firm capacity shall not commence until the in-service date of the statewide avoided unit. At the options of the Qualifying Facility, however, the utility may begin making early capacity payments consisting of the capital cost component of the value of a year-by-year deferral of the statewide avoided unit starting as early as seven years prior to the anticipated in-service date of the statewide avoided unit. When such early capacity payments are elected, the avoided capital cost component of capacity payments shall be paid monthly commencing no earlier than the Commercial In-Service date of the Qualifying Facility, and shall be calculated as follows:

$$A_m = \frac{A (1 + i_p)^n}{12} ; \text{ for } n = 0, n$$

Where:

- A_m = monthly avoided capital cost component of capacity payments to be made to the Qualifying Facility starting as early as seven years prior to the anticipated in-service date of the statewide avoided unit, in dollars per kilowatt per month;
- i_p = annual escalation rate associated with the plant cost of the statewide avoided unit;
- n = year for which early capacity payments to a Qualifying Facility are made;

Where:

$$A = F$$

$$\left[\frac{1 - \left[\frac{(1 + i_p)}{(1 + r)^p} \right]}{1 - \left[\frac{(1 + i_p)}{(1 + r)^p} \right]^c} \right]$$

(Continued on Page No. 3)

**RATE SCHEDULE COG-2
APPENDIX A
STANDARD OFFER CONTRACT RATE FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM QUALIFYING COGENERATION AND SMALL POWER PRODUCTION FACILITIES
(QUALIFYING FACILITIES)
(Continued from Page No. 2)**

- F** = the cumulative present value of the avoided capital cost component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the statewide avoided unit;
- r** = annual discount rate, defined as the utility's incremental after tax cost of capital; and (Continued on Page No. 3)

Calculation of Value of Deferral: (Continued)

- t** = the term, in years, of the contract for the purchase of firm capacity commencing prior to the in-service date of the statewide avoided unit, and commencing with the year in which the Qualifying Facility elects to receive early capacity payments.

Currently approved parameters applicable to the formulas above are found in Appendix B.

Calculation of 12 Month Rolling Average Capacity Factor:

Pursuant to FPSC Rule 25-17.083(3)(a)(ii), F.A.C., and Order 13247, Docket No. 830377-EU, a Qualifying Facility must maintain a 70% capacity factor in order to receive capacity payments. For the purpose of this schedule, the capacity factor of the Qualifying Facility shall be defined as: the total kilowatt-hours of energy delivered to the utility during the preceding 12 months, divided by the product of: (1) the maximum kilowatt capacity contractually committed for delivery to the Company by the Qualifying Facility during the preceding 12 months; and (2) the sum of the total hours during the preceding 12 months less those hours during which the Company was unable to accept energy and capacity deliveries from the Qualifying Facility. The Company shall be relieved of its obligation under FPSC Rule 25-17.082 F.A.C. to purchase electricity from a Qualifying Facility when purchases result in higher costs to the Company than without such purchases, and where service to the Company's other customers may be impaired by such purchases. The Company shall notify the Qualifying Facility(ies) as soon as possible or practical, and the FPSC of the problems leading to the need for such relief.

During the first 12 months in which the 70% capacity factor performance criteria is imposed, the Qualifying Facility's capacity factor shall be calculated by dividing the sum of the kilowatt hours delivered to the Company by the Qualifying Facility for the number of months since the performance criteria became applicable by the product of: (1) the number of hours in the months which have transpired and in which deliveries were accepted by the Company; and (2) the maximum kilowatt capacity contractually committed by the Qualifying Facility. This calculation shall be performed each month until enough months have transpired to calculate a true 12 month rolling average capacity factor.

Surety Bond Requirements:

FPSC Rule 25-17.083(3)(c), F.A.C., requires that when early capacity payments are elected, the Qualifying Facility must provide a surety bond or equivalent assurance of repayment of early capacity payments in the event the Qualifying Facility is unable to meet the terms and conditions of its contract. Depending on the nature of the Qualifying Facility's operation, financial health and solvency, and its ability to meet the terms and conditions of the Company's "Standard Offer Contract" one of the following may constitute an equivalent assurance of repayment:

- (1) Surety bond;
- (2) Escrow;

(Continued on Page No. 4)

ISSUED BY: T. W. Raines, Jr., Director, Rate Department

EFFECTIVE: JANUARY 26, 1988



**RATE SCHEDULE COG-2
APPENDIX A
STANDARD OFFER CONTRACT RATE FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM QUALIFYING COGENERATION AND SMALL POWER PRODUCTION FACILITIES
(QUALIFYING FACILITIES)
(Continued from Page No. 3)**

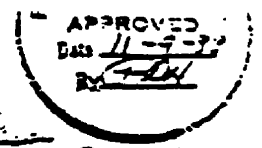
Surety Bond Requirements: (Continued)

- (3) Irrevocable letter of credit;
- (4) Unsecured promise by municipal, county, or state government to repay early capacity payments in the event of default in conjunction with a legally binding commitment from such government allowing the utility to levy a surcharge on either the electric bills of the government's electricity consuming facilities or the constituent electric customers of such government to assure that early capacity payments are repaid;
- (5) Unsecured promise by a privately owned Qualifying Facility to repay early capacity payments in the event of default in conjunction with a legally binding commitment from the owner(s) of the Qualifying Facility, parent company, and/or subsidiary companies allowing the utility to levy a surcharge on the electric bills of the owner(s), parent company, and/or subsidiary companies located in Florida to assure that early capacity payments are repaid;
or
- (6) Other guarantee acceptable to the Company.

The Company will cooperate with each Qualifying Facility applying for early capacity payments to determine the exact form of an "equivalent assurance of repayment" to be required based on the particular aspects of the Qualifying Facility. The Company will endeavor to accommodate an equivalent assurance of repayment which is in the best interests of both the Qualifying Facility and the Company's ratepayers.

ISSUED BY: T. W. Raines, Jr., Director, Rate Department

EFFECTIVE: JANUARY 26, 1988



INTERCONNECTION AGREEMENT

This Agreement, made and entered into as of the 9 day of November, 1988, by and between Pinellas County, a political subdivision of the State of Florida, hereinafter referred to as the "County", and Florida Power Corporation, a private utility corporation having its principal place of business at St. Petersburg, Florida, and authorized to do business in the State of Florida, hereinafter referred to as "FPC".

1. Facility.

The County's Resource Recovery Facility, hereinafter referred to as "Facility", is located at 3001 110 Ave. N., Pinellas County, within FPC's service territory.

The Facility has been certified as a Qualifying Facility pursuant to the rules and regulations of the Federal Energy Regulatory Commission (FERC). The County shall maintain the qualifying status of the Facility throughout the term of the interconnection.

2. Term of the Agreement

This Agreement shall begin 00:00, January 1, 1995, and shall end at 24:00, December 31, 2024, unless extended in accordance with the Electrical Power Purchase Agreement.

3. Interconnection Facilities.

Interconnection facilities on FPC's side of the ownership line and point of delivery at the overhead strain insulator on the high voltage structure of the Facility switchyard with the County shall be owned, operated, maintained and repaired by FPC at County's expense. The County shall be responsible for the cost of designing, installing, operating and maintaining the interconnection facilities on the County's side of the ownership line. The County shall be responsible for establishing and maintaining controlled

access by third parties to the interconnection facilities on the Facility premises.

4. Cost Estimates for Additional Interconnection Facilities.

If requested by the County, FPC will prepare a "County Interconnection Cost Estimate" at the County expense for any additional interconnection facilities that may subsequently be required. The parties agree that this is an estimate of costs to be incurred and that actual costs will be used to compute the interconnection costs to be billed in Section 6 hereof. An estimate of FPC's expenditure schedule shall be included in such cost estimate.

5. Construction Activities.

The County shall provide FPC with written instructions to proceed with design and construction of any additional interconnection facilities that may be required, with allowance for the time required to design, order materials, schedule construction and to construct the facilities. FPC agrees to complete the interconnection facilities within 24 months, or such other period agreed upon, of receipt of written instructions to proceed.

Upon the parties agreement as to the appropriate interconnection design requirements for such additional facilities, if any, and receipt of written instructions to proceed delivered by the County, FPC shall design and perform or cause to be performed all of the work on FPC's side of the ownership line.

6. Payment For Interconnection Costs.

The County agrees to pay the costs for portions of interconnection work pursuant to the terms of this Agreement where costs have been incurred within 30 days after FPC notifies the County that such interconnection costs have been incurred.

In the event the County notifies FPC in writing to cease interconnection work before its completion, the County shall be obligated to reimburse FPC for the interconnection costs incurred up to the date such notification is received.

7. Technical Requirements and Operations.

The parties agree that the County's interconnection with, and delivery of electricity into FPC's system must be accomplished in accordance with the provisions of Appendix A entitled "Interconnection and Standards" contained in Rule 25-17.087, Florida Administrative Code, attached to and made a part of this Agreement.

The County agrees to adjust reactive power flow in the interconnection so as to maintain a 1.00 power factor except as may be reasonably requested by FPC within the range of 85% leading to 85% lagging power factor.

The County agrees to require that the Facility operator immediately notify FPC's System Dispatcher by telephone in the event hazardous or unsafe conditions associated with the parties' parallel operations are discovered. If such conditions are detected by FPC, then FPC will likewise immediately contact the operator of the Facility and the County, where appropriate, by telephone. Each party agrees to immediately take whatever appropriate corrective action is necessary to correct the hazardous or unsafe conditions.

To the extent FPC reasonably determines the same to be necessary to ensure the safe operation of the Facility or to protect the integrity of FPC's system, the County agrees to reduce power generation or take other appropriate actions.

A separate operating agreement will be required to specify operating procedures necessary to coordinate the operations of the County with those of FPC. However, such an agreement shall not operate as a condition precedent to acceptance of the Electrical Power Purchase Agreement by the utility or acceptance by the County.

8. Maintenance and Repair Payments.

FPC will separately invoice the County monthly for COG-2 customer charges and for all costs associated with the operation, maintenance and repair of the interconnection facilities on a percentage basis, as set forth in Rate Schedule COG-2.

9. Site Access.

In order to help ensure the continuous, safe, reliable and compatible operation of the Facility with FPC's system, the County hereby grants to FPC for the period of interconnection the reasonable right of ingress and egress, consistent with the safe operation of the Facility, over property owned or controlled by the County to the extent FPC deems such ingress and egress necessary in order to examine, test, calibrate, coordinate, operate, maintain or repair any interconnection equipment involved in the parallel operation of the Facility and FPC's system, including FPC's metering equipment.

10. Facility Responsibility.

In no event shall any FPC statement, representation, or lack thereof, either express or implied, relieve the County of its exclusive responsibility for the Facility. Specifically, any FPC inspection of the Facility shall not be construed as confirming or endorsing the Facility's design or its operating or maintenance procedures nor as a warranty or guarantee as to the safety, reliability, or durability of the Facility's equipment. FPC's inspection, acceptance, or its failure to inspect shall not be deemed an endorsement of any Facility equipment or procedure.

11. General Provisions.

11.1 Permits The County hereby agrees to seek to obtain any and all governmental permits, certifications, or other authority the County is required to obtain as a prerequisite to engaging or continuing in the activities provided for in this Agreement. FPC hereby agrees, at the County's expense, to seek to obtain any and all governmental permits, certifications, or other authority FPC is required to obtain as a prerequisite to engaging in the specific activities provided for in this Agreement.

11.2 Responsibility and Indemnification. Both parties hereto expressly agrees to indemnify and save harmless and defend the other against all claims, suits, actions, demands, costs, or expense for loss, damage, or injury to persons or property, in any manner directly or indirectly connected with or growing out of the generation, transmission, or use of electrical capacity and energy on its own side of the point of transfer or ownership, unless such claim or demand shall arise out of or result from the negligence or willful misconduct of the other party, its agents, servants, or employees,

provided, however, that neither party hereby assumes responsibility for damage or injury to employees of the other party when in the course and scope of said employee's employment, said other party's employees are on first party's premises.

11.3 Exclusion of Incidental and Consequential Damages. Neither party shall be liable to the other for incidental, consequential, or indirect damages including, but not limited to, the cost of replacement power, whether arising in contract, tort, or otherwise.

11.4 Force Majeure. If either party is unable, by reason of force majeure, to carry out its obligations under this Agreement, either wholly or in part, the party so failing shall give written notice and full particulars of such cause or causes to the other party as soon as possible after the occurrence of any such cause; and such obligations shall be suspended, except as otherwise expressly provided in this Agreement, during the continuance of such hindrance which, however, shall be remedied with all possible dispatch; and the obligations, terms and conditions of this Agreement shall be extended for such period as may be necessary for the purpose of making good any suspension so caused; provided, however, that the expiration of the term of this Agreement as specified in Section 2.0 of this Agreement shall not be extended without the County's written approval. Notwithstanding any provision of this Agreement which may be construed or interpreted to the contrary, the obligation to pay money in a timely manner is absolute and shall not be subject to force majeure. The term "force majeure" shall be taken to mean natural disasters, fire, strikes, lockouts or other industrial disturbances, flood, explosions, acts of God or the public enemy, vandalism, riots, war, sabotage, action of a court or public authority, change in law (including the adoption or change in any rule or regulation or environmental,

recycling, or packaging constraints lawfully imposed by federal, State, or local government bodies), beyond that in effect as of October 15, 1988, and accidents to equipment or machinery or similar occurrences; provided, however, that no occurrences may be claimed to be a force majeure occurrence if it is caused by the negligence or lack of due diligence on the part of the party attempting to make such claim and, provided, further, that the settlement of strikes, lockouts and other labor disputes shall be entirely within the discretion of said party, and it shall not be required to make settlement of such labor disputes by acceding to demands which are unfavorable in the judgment of said party.

The County agrees to pay the costs necessary to reactivate the Facility and/or the interconnection with FPC's system if the same are rendered inoperable due to actions of the County, its agents, or force majeure events affecting the Facility or the interconnection with FPC. FPC agrees to reactivate at its own cost the interconnection with the Facility in circumstances where any interruptions to such interconnection are caused by FPC or its agents.

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

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

11.7 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the County and FPC and their respective successors by

operation of law, but shall not be assignable by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld.

11.8 Severability. In the event any of the terms, covenants, or conditions of this Agreement, its Appendix, or the application of any such terms, covenants, or conditions, shall be held invalid, illegal or unenforceable by any court having jurisdiction, all other terms, covenants, and conditions of this Agreement and their application not adversely affected thereby shall remain in force and effect.

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

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

11.11 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.

11.12 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.

12. Electric Service to the County.

FPC will provide the class or classes of electric service requested by the County to the extent that they are consistent with applicable tariffs, provided, however, that interruptible service will not be available under circumstances where interruptions would impair the County's ability to generate and deliver firm energy and capacity to FPC.

13. Notification.

For purpose of making emergency or any communications relating to the operation of the Facility, under the provisions of this Agreement, the parties designate the following people for notification:

For The Operator of the Facility:

William H. Ferguson

Plant Manager

3001 110th Ave. No.

St. Petersburg, FL 33716

Phone: (813) 572-9163

For The County:

Robert Van Deman, P.E.

Director, Solid Waste Mgmt., Pinellas Co.

2800 110th Ave. No.

St. Petersburg, FL 33716

Phone: (813) 892-7565

For FPC:

For Operational Matters:

System Dispatcher

For Generation

Phone: (813) 866-5888

For Transmission

Phone: (813) 384-0058

For Contractual Matters:

T. I. Wetherington

Florida Power Corporation

St. Petersburg, FL 33733

P.O. Box 14042 (MAC H2J)

Phone: (813) 866-5660

The parties may change representatives listed above upon written notice to other party which shall not be an amendment or modification to this Agreement for purposes of Section 11.9.

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

ATTEST:

FLORIDA POWER CORPORATION

By: *Josephine P. Fortright*
Assistant Secretary

By: *Robert J. McMillan*
Senior Vice President

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

ATTEST: KARLEEN F. D. BLAKER
Clerk

By: *John Chumley*
Chairman

By: *G. K. West*
Chief Deputy Clerk

Approved as to form:

Scott D. ...
County Attorney

25-17.087 Interconnection and Standards.

- (1) Each utility shall interconnect with any qualifying facility which:
 - (a) is in its service area;
 - (b) requests interconnection;
 - (c) agrees to meet system standards specified in this rule and,
 - (d) agrees to pay the cost of interconnection.

(2) Nothing in this rule shall be construed to preclude a utility from evaluating each request for interconnection on its own merits and modifying the general standards specified in this rule to reflect the result of such an evaluation.

(3) Where a utility refuses to interconnect with a qualifying facility or attempts to impose unreasonable standards pursuant to Section (2) of this rule, the qualifying facility may petition the Commission for relief. The utility shall have the burden of demonstrating to the Commission why interconnection with the qualifying facility should not be required or that the standards the utility seeks to impose on the qualifying facility pursuant to Section (2) are reasonable.

(4) The qualifying facility shall have the option of making monthly installment payments toward the full cost of interconnection. However, where the qualifying facility exercises that option the utility shall charge interest on the amount owing. The utility shall charge such interest at the 30-day commercial paper rate. In any event, no utility may bear the cost of interconnection.

(5) Application for Interconnection. A qualifying facility shall not operate electric generating equipment in parallel with the utility's electric system without the prior written consent of the utility. Formal application for interconnection shall be made by the qualifying facility prior to the installation of any generation related equipment. This application shall be accompanied by the following:

- (a) Physical layout drawings, including dimensions;
- (b) All associated equipment specifications and characteristics including, but not limited to, 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 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) Operating/instruction manuals.

Any subsequent change in the system must also be submitted for review and written approval prior to actual modification. The above mentioned review, recommendations and approval by the utility do not relieve the qualifying facility from complete responsibility for the adequate engineering design, construction and operation of the qualifying facility equipment and for any liability for injuries to property or persons associated with any failure to perform in a proper and safe manner for any reason.

(6) Personnel Safety. Adequate protection and safe operational procedures must be developed and followed by the joint system. These operating procedures must be approved by both the utility and the qualifying facility. The qualifying facility shall be required to furnish, install, operate and maintain in good order and repair, and be solely responsible for, without cost to the utility, all facilities required for the safe operation of the generation system in parallel with the utility's system.

The qualifying facility shall permit the utility's employees to enter upon its property at any reasonable time for the purpose of inspection and/or testing the qualifying facility's equipment, facilities, or apparatus. Such inspections shall not relieve the qualifying facility from its obligation to maintain its equipment in safe and satisfactory operating condition.

The utility's approval of isolating devices used by the qualifying facility will be required to ensure that these will comply with the utility's switching and tagging procedure for safe working clearances.

(a) Disconnect Switch. A manual disconnect switch, of the visible load break type, to provide a separation point between the qualifying facility's generation system and the utility's system, shall be required. The utility will specify the location of the disconnect switch. The switch shall be mounted separate from the meter socket and shall be readily accessible to the utility and be capable of being locked in the open position with a utility padlock. The utility may reserve the right to open the switch (i.e. isolating the qualifying facility's generation system) without prior notice to the qualifying facility. To the extent practicable, however, prior notice shall be given.

Any of the following conditions shall be cause for disconnection:

1. Utility system emergencies and/or maintenance requirements;
2. Hazardous conditions existing on the qualifying facility's generating or protective equipment as determined by the utility;
3. Adverse effects of the qualifying facility's generation to the utility's other electric consumers and/or system as determined by the utility;
4. Failure of the qualifying facility to maintain any required insurance, or;
5. Failure of the qualifying facility to comply with any existing or future regulations, rules, orders or decisions of any governmental or regulatory authority having jurisdiction over the qualifying facility's electric generating equipment or the operation of such equipment.

(b) Responsibility and Liability. The utility shall be responsible for utility owned facilities. The qualifying facility shall be responsible for the qualifying facility's entire system, ensuring adequate safeguards for other utility customers, utility personnel and equipment, and for the protection of its own generating system. The qualifying facility shall indemnify and save the utility harmless from any and all claims, demands, costs, or expense for loss, damage, or injury to persons or property (including the qualifying facility's generation system and the utility's system) caused by, arising out of, or resulting from:

1. Any act or omission by the qualifying facility, or qualifying facility's contractors, agents, servants and employees in connection with the installation or operation of the qualifying facility's generation system or the operation thereof in connection with the utility's system;
2. Any defect in, failure of, or fault related to the qualifying facility's generation system;
3. The qualifying facility's negligence or negligence of qualifying facility's contractors, agents servants and employees or;
4. Any other event or act that is the result of, or proximately caused by, the qualifying facility.

(c) Insurance. The qualifying facility shall deliver to the utility, at least fifteen days prior to the start of any interconnection work, a certified copy or duplicate original of a liability insurance policy issued by a reputable insurance company authorized to do business in the State of Florida, jointly protecting and indemnifying the qualifying facility and the utility, its officers, employees, and representatives against all liability and expense on account of claims and suits for injuries or damages to persons or property arising out of the interconnection to the qualifying facility, or caused by operation of any of the qualifying facility's equipment or by the qualifying facility's failure to maintain the qualifying facility's equipment in satisfactory and safe operating condition.

The policy providing such coverage shall provide public liability insurance, including property damage, in an amount not less than \$300,000 for each occurrence; more insurance may be required as deemed necessary by the utility. In addition, the above required policy shall be endorsed with a provision whereby the insurance company will notify the utility thirty days prior to the effective date of cancellation or material change in the policy.

The qualifying facility shall pay all premiums and other charges due on said policy and keep said policy in force during the entire period of interconnection with the utility.

(7) Protection and Operation. It will be the responsibility of the qualifying facility to provide all devices necessary to protect the qualifying facility's equipment from damage by the abnormal conditions and operations which occur on the utility system that result in interruptions and restorations of service by the utility's equipment and personnel. The qualifying facility shall protect its generator and associated equipment from overvoltage, undervoltage, overload, short circuits (including ground fault condition), open circuits, phase unbalance and reversal, over or under frequency condition, and other injurious electrical conditions that may arise on the utility's system and any reclose attempt by the utility.

The utility may reserve the right to perform such tests as it deems necessary to ensure safe and efficient protection and operation of the qualifying facility's equipment.

(a) Loss of Source: The qualifying facility shall provide, or the utility will provide at the qualifying facility's expense, approved protective equipment necessary to immediately, completely, and automatically disconnect the qualifying facility's generation from the utility's system in the event of a fault on the qualifying facility's system, a fault of the utility's system, or loss of source on the utility's system. Disconnection must be completed within the time specified by the utility in its standard operating procedure for its electric system for loss of a source on the utility's system.

This automatic disconnecting device may be of the manual or automatic reclose type and shall not be capable of reclosing until after service is restored by the utility. The type and size of the device shall be approved by the utility depending upon the installation. Adequate test data or technical proof that the device meets the above criteria must be supplied by the qualifying facility to the utility. The utility shall approve a device that will perform the above functions at minimal capital and operating costs to the qualifying facility.

(b) Coordination and Synchronization. The qualifying facility shall be responsible for coordination and synchronization of the qualifying facility's equipment with the utility'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.

(c) Electrical Characteristics. Single phase generator interconnections with the utility are permitted at power levels up to 20 KW. For power levels exceeding 20 KW, a three phase balanced interconnection will normally be required. For the purpose of calculating connected generation, 1 horsepower equals 1 kilowatt. The qualifying facility shall interconnect with the utility at the voltage of the available distribution or the transmission line of the utility for the locality of the interconnection, and shall utilize one of the standard connections (single phase, three phase, wye, delta) as approved by the utility.

The utility may reserve the right to require a separate transformation and/or service for a qualifying facility's generation system, at the qualifying facility's expense. The qualifying facility shall bond all neutrals of the qualifying facility's system to the utility's neutral, and shall install a separate driven ground with a resistance value which shall be determined by the utility and bond this ground to the qualifying facility's system neutral.

(d) Exceptions. A qualifying facility's generator having a capacity rating that can:

1. produce power in excess of 1/2 of the minimum utility customer requirements of the interconnected distribution or transmission circuit; or
2. produce power flows approaching or exceeding the thermal capacity of the connected utility distribution or transmission lines or transformers; or
3. adversely affect the operation of the utility or other utility customer's voltage, frequency or overcurrent control and protection devices; or
4. adversely affect the quality of service to other utility customers; or
5. interconnect at voltage levels greater than distribution voltages,

will require more complex interconnection facilities as deemed necessary by the utility.

(8) Quality of Service. The qualifying facility's generated electricity shall meet the following minimum guidelines:

(a) Frequency. The governor control on the prime mover shall be capable of maintaining the generator output frequency within limits for loads from no-load up to rated output. The limits for frequency shall be 60 hertz (cycles per second), plus or minus an instantaneous variation of less than 1%.

(b) Voltage. The regulator control shall be capable of maintaining the generator output voltage within limits for loads from no-load up to rated output. The limits for voltage shall be the nominal operating voltage level, plus or minus 5%.

(c) Harmonics. The output sine wave distortion shall be deemed acceptable when it does not have a higher content (root mean square) of harmonics than the utility's normal harmonic content at the interconnection point.

(d) Power Factor. The qualifying facility's generation system shall be designed, operated and controlled to provide reactive power requirements from 0.85 lagging to 0.85 leading power factor. Induction generators shall have static capacitors that provide at least 85% of the magnetizing current requirements of the induction generator field. (Capacitors shall not be so large as to permit self-excitation of the qualifying facility's generator field).

(e) DC Generators. Direct current generators may be operated in parallel with the utility's system through a synchronous inverter. The inverter must meet all criteria in these rules.

(9) Metering. The actual metering equipment required, its voltage rating, number of phases, size, current transformers, potential transformers, number of inputs and associated memory is dependent on the type, size and location of the electric service provided. In situations where power may flow both in and out of the qualifying facility's system, power flowing into the qualifying facility's system will be measured separately from power flowing out of the qualifying facility's system.

The utility will provide, at no additional cost to the qualifying facility, the metering equipment necessary to measure capacity and energy deliveries to the qualifying facility. The utility will provide, at the qualifying facility's expense, the necessary additional metering equipment to measure energy deliveries by the qualifying facility to the utility.

(10) **Cost Responsibility.** The qualifying facility is required to bear all costs associated with the change-out, upgrading or addition of protective devices, transformers, lines, services, meters, switches, and associated equipment and devices beyond that which would be required to provide normal service to the qualifying facility if no cogeneration were involved. These costs shall be paid by the qualifying facility to the utility for all material and labor that is required. The utility shall supply the qualifying facility with a written cost estimate of all its required materials and labor prior to any work being done. The utility shall also provide project timing and feasibility information to the qualifying facility.

Specific Authority: 366.05(9), 350.127(2), F.S.

Law Implemented: 366.05(9), F.S.

History: New 9/4/83, formerly 25-17.87.

Appendix E

ELECTRICAL TIE-LINE AGREEMENT

THIS AGREEMENT, Made and entered into as of the 13 day of May, 1980, by and between PINELLAS COUNTY, a political subdivision of the State of Florida, hereinafter referred to as the "COUNTY" and the Florida Power Corporation, a private utility corporation having its principal place of business at St. Petersburg, Florida and authorized to do business in the State of Florida, hereinafter referred to as "FPC."

WITNESSETH:

WHEREAS, the "COUNTY" will own a resource recovery facility for solid waste disposal which shall generate electricity as one of its products; and

WHEREAS, the "COUNTY" Facility will generate electrical energy utilizing steam produced by the recovery process and will generate more electricity than is used at the facility resulting in excess electric energy available for sale; and

WHEREAS, "FPC" is willing to transmit such electrical energy through a Tie-Line to its transmission system in accordance with the terms of this Agreement and is willing to provide such electrical energy as may be required from time to time by the Facility, and believes that providing this service would benefit its customers, its stockholders and the citizens of Pinellas County;

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

1.0 DEFINITIONS

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

- 1.1 Facility means the combined Resource Recovery Facility and Electric Generating Facility.
- 1.2 Electric Generating Facility means a nominal 30 megawatt rated electric power generating plant of conventional, modern design to be constructed in accordance with a certain Construction Agreement between the "COUNTY" and UOP Inc.

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(0042A)

- 1.3 Resource Recovery Facility means a refuse fired steam generating plant incorporating multiple steam generating units and processing equipment capable of recovering those materials remaining after burning operations. Such construction to be in accordance with a certain Construction Agreement between the "COUNTY" and UOP Inc.
- 1.4 Force Majeure means an act or event beyond the reasonable control of the party relying thereupon as justification to perform its obligations under this Agreement including but not limited to, natural disasters, fire, strikes, accidents (not caused by deliberate or negligent action or failure to act), floods, explosion, vandalism, riots, war, sabotage, State or Federal regulations.
- 1.5 Company means Pinellas REFUSETECH, Inc., a corporation authorized to do business in the State of Florida which is a wholly-owned subsidiary of UOP Inc. of Des Plaines, IL., which subsidiary is under contract with the "COUNTY" to operate the Facility.
- 1.6 Commercial Operation Date means 12:01 A.M. on the Monday next following the Acceptance Date as defined in the Electrical Power Purchase Agreement.
- 1.7 Tie-Line means the section of electrical transmission line tying the "COUNTY'S" Electric Generating Facility to "FPC'S" Northeast sub-station.
- 1.8 Tie-Line Capital Improvements means any additions to the Tie-Line, the betterment of any Retirement Units constituting a part of the Tie-Line, and the replacement of any such Retirement Units for other Retirement Units, irrespective of whether such replacement constitutes an enlargement or betterment of that which it replaces, which additions, betterments and enlargements and replacements would be capitalized, in accordance with "FPC" Accounting Practice.

2.0 BASIC CONSIDERATIONS

It is contemplated that the "COUNTY" will contract with UOP Inc. for the design and construction of the Facility. In conjunction therewith, the "COUNTY" intends to enter into another contract with the Company which will operate the Facility for the "COUNTY" in connection with refuse disposal services provided on a

county-wide basis. A product of such services will be the generation of electricity. Transferring of the excess electricity generated by the Facility both before and after the Commercial Operating Date will be accomplished by means of a Tie-Line constructed between the Facility and "FPCS" Northeast sub-station nearby. "FPC" will design, construct, own, operate, and maintain the Tie-Line in accordance with its standards and in compliance with all applicable codes and regulations and as further defined in Appendix A to this Agreement. "FPC" agrees to complete the Tie-Line ninety (90) days prior to the scheduled Commercial Operation Date. During periods of shutdowns of the Facility generator, power will be transmitted in the reverse direction from the sub-station to the Facility.

3.0 TERM OF AGREEMENT

The term of this Agreement shall begin when executed, and shall extend for a period of twenty (20) years from the Commercial Operation Date of the Facility, unless terminated earlier under the terms of this Agreement.

4.0 PRICE ESTABLISHMENT

The "COUNTY," beginning when written notice is given by the "COUNTY" to "FPC" that power is needed for start up and testing of the Facility, shall pay to "FPC" monthly the charges which are established as follows:

- (a) Operating and Maintenance costs for the "Tie Line" as determined by calculating the average monthly "FPC" costs for maintenance of its system transmission facilities per pole mile and multiplying by the length of the Tie-Line in pole miles; such maintenance costs to be determined annually.
- (b) Capital Service costs for construction of the Tie-Line built by "FPC" between the Facility and the Northeast sub-station. This amount to be determined upon completion of Tie-Line construction, in accordance with the provisions of Appendix B attached hereto, shall remain constant for the full payment term of twenty (20) years.
- (c) In the event that Tie-Line Capital Improvements are made, either because "COUNTY" and "FPC" agree they are mutually beneficial or because they are required due to a Force Majeure act or event, then the capital service cost and facility charge payment shall be increased by the amount necessary to cover the net cost of such improvements for the remaining term of this Agreement. Such

adjustments shall be based upon the fixed charge rate in effect at the time the improvements are made.

5.0 PAYMENT PROCEDURE

- 5.1 Commencing at the end of the first calendar month in which the Tie-Line is energized, "FPC" shall submit an invoice to the "COUNTY" for payment in accordance with the provisions of paragraph 4 of this Agreement. The "COUNTY" shall remit payment as promptly as possible but within thirty (30) days following receipt of invoice from "FPC". Any necessary adjustment will be made in the following month's submittal.
- 5.2 Monthly payments which have not been paid in full for more than forty-five (45) days following the end of the calendar month shall accrue interest at the prime rate of Morgan Guarantee Trust Company of New York on the date of the invoice, but not to exceed two percent (2%) per month from date of invoice or exceed applicable Florida usury limitations. Such interest shall be added only to any unpaid amount due except when the amount of the delivery is disputed. In such cases, interest shall be paid on the amount finally determined to be due and payable.

6.0 OPERATING CONDITIONS

Operation of the Tie-Line shall be in strict accordance with the terms and conditions set forth in the Electrical Power Purchase Agreement between "FPC" and the "COUNTY" of even date.

7.0 CONDITIONS PRECEDENT

The obligations of the "COUNTY" and "FPC" under this Agreement are conditioned upon the following conditions having been satisfied:

- (a) The "COUNTY" will have obtained all licenses, permits, agreements and funding necessary for the construction and management of the Facility and the implementation of the applicable provisions of this Agreement.
- (b) The "FPC" will have obtained any required approvals of this Agreement or other permits from the Florida Public Service Commission (PSC), the Florida Department of Transportation or

other utility regulatory body in the event such approvals or permits are found necessary.

- (c) The "COUNTY" will have provided "FPC" with those portions of the Facility plans relevant to the connection with the Tie-Line and will have provided the actual construction schedule.

8.0 CONDITIONS OF TERMINATION

In the event the Facility has not been constructed or the provisions of paragraph 7 (Conditions Precedent) have not been satisfied by December 31, 1985, then the obligations under this Agreement shall become void and of no future force or effect unless prior extension of the terms have been made by mutual agreement of the Parties.

Upon termination, as described above, the "COUNTY" agrees to reimburse "FPC" in such amounts as are verified to have been spent by "FPC" as a result of this Agreement after having been requested in writing, to proceed with steps necessary to implement its provisions.

9.0 TECHNICAL CONSIDERATIONS

Both parties commit to compliance with the provisions of the technical specifications identified as Appendix A and attached hereto.

10.0 TIE-LINE MAINTENANCE

"FPC" agrees to maintain the Tie-Line between the Facility and the Northeast sub-station in accordance with good utility operating practice throughout the entire term of this Agreement. In the event of damage to said Tie-Line either from natural or man-made causes, "FPC" agrees to exercise reasonable priority repair procedures considering other electric service requirements to insure the system is back in operation as soon as practicable.

11.0 GOVERNING LAW

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

12.0 COMMUNICATIONS

Any notice, request, consent, or other communication required by this Agreement shall be deemed properly given when deposited in the United States Mail,

postage prepaid, and if given to the "COUNTY" shall be addressed to: Pinellas County Courthouse, 315 Court Street, Clearwater, FL 33516, marked: NOTICE to Director of Solid Waste Management and if given to "FPC" shall be addressed to Florida Power Corporation, 3201 34th Street S., P. O. Box 14042, St. Petersburg, FL 33733, marked: NOTICE to Senior Vice President, Operations. Routine communications during construction and operation shall be exempt from this provision.

13.0 SUCCESSORS AND ASSIGNS

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

14.0 SEVERABILITY

In the event any of the terms, covenants, or conditions of this Agreement, its Appendices, and Exhibits, or the application of any such term, covenant, or condition, shall be held invalid by any court having jurisdiction, all other terms, covenants, and conditions of this Agreement and their application not adversely affected thereby shall remain in force and effect.

15.0 INTEGRATION

The terms and provisions contained in this Agreement and those contained in the Electric Power Purchase Agreement between the "COUNTY" and "FPC," of even date, constitute the entire Agreement between the "COUNTY" and "FPC" and shall supersede all previous communications, representations, or agreements, either verbal or written, between the "COUNTY" and "FPC" with respect to the Tie-Line and this Agreement.

16.0 RESPONSIBILITY AND INDEMNIFICATION

Both parties hereto expressly agree to indemnify and save harmless and defend the other against all claims, demands, costs, or expense for loss, damage, or injury to persons or property, in any manner directly or indirectly connected with or growing out of the generation, transmission, or use of electrical capacity and energy on its own side of the point of transfer of ownership, unless such claim or demand shall arise out of or result from the negligence or willful misconduct of the other

party, its agents, servants, or employees provided, however, that neither party hereby assumes responsibility for damage or injury to employees of the other party when in the course and scope of said employee's employment, said other party's employees are on the first party's premises.

17.0 LIMITS OF LIABILITY

The "COUNTY" and "FPC" shall not be liable or responsible for any loss, damage, injury or expense (including consequential damages and cost of replacement power) resulting from or arising out of any delay in the performance of or the inability to perform, any duty or obligation required by this Agreement in the event of a Force Majeure occurrence. The obligation to pay money in a timely manner is absolute and shall not be subject to the Force Majeure provisions. The party suffering an occurrence of Force Majeure shall remedy with all reasonable dispatch the cause(s) preventing the carrying out of this Agreement; provided, however, that the settlement of strikes, lockouts and other labor disputes shall be entirely within the discretion of said Party, and it shall not be required to make settlement of such labor disputes by acceding to demands which are unfavorable in the judgment of said Party.

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

ATTEST:

By: *Robert M. White*
Secretary

FLORIDA POWER CORPORATION

By: *Mark A. Triff*
Senior Vice President



ATTEST: HAROLD MULLENDORE
Clerk

By: *Alan W. Vantassel*
Chief Deputy Clerk

Approved as to form:

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

By: *John A. ...*
Chairman

W. Gray ...
County Attorney

ELECTRICAL TIE-LINE AGREEMENT I

APPENDIX A

TECHNICAL SPECIFICATIONS

1. Transmission Line

Florida Power Corporation will design, construct, own, operate and maintain a 230 KV transmission line ("Tie-Line") from the Northeast Substation to the County-owned electrical generating plant. The line will be built on County-owned right-of-way, with an easement provided to Florida Power Corporation for this purpose. Florida Power Corporation will provide termination for this line in the Northeast Substation.

2. Protection of Line

The County will have installed a 230 KV circuit breaker at the high side of the step-up transformer. This circuit breaker will have adequate automatic relays to protect the Florida Power Corporation electric system from any problems that may develop within the plant and to protect the plant from disturbances on the Florida Power Corporation system.

3. Step-Up Transformer

The step-up transformer with circuit breaker protection on the high side will be provided by the County in electrical switchyard to raise the voltage from 13.8 to 230 KV for transmission to the Florida Power Corporation system. The metering equipment as provided by Florida Power Corporation for measurement of the electrical energy will be at the low side of the step-up transformer.

Design of the transformer, metering system, and electrical bus system will be such that during periods such as when the facility is a net "user" rather than a "supplier" of electric power, such power will be supplied by Florida Power Corporation to the facility through the same step-up transformer and properly metered.

4. Power Generation Characteristics

Electrical power will be generated in the Electrical Generating Facility at 3 phase, 60 Hertz, 13,800 volts with a power factor capability between 95% leading and 85% lagging. Generator rating will be a minimum of 58,000 KVA.

5. Voltage Variations

The steady state high side voltage of the step-up transformer will be maintained between 1.0 and 1.03 p.u. at all system real and reactive load levels. The high side of the step-up transformer will be 230 KV nominal rating, with five taps on the high side to be compatible with Florida Power Corporation step-up transformers.

Sudden changes in the high side bus voltage arising by reason of operations within the Electrical Generating Facility will be maintained within the limits shown on the "Voltage Limits" graph.

Rate of change of power output from the plant which is scheduled with the Florida Power Corporation dispatcher will be by mutual agreement.

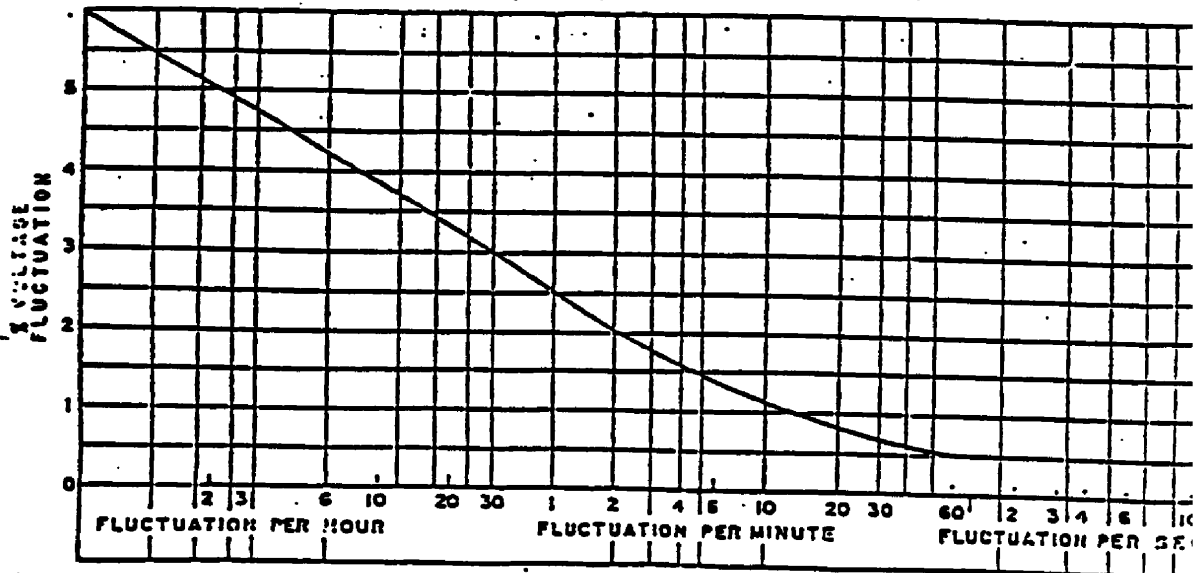
Unscheduled (uncommunicated) rate of change of power output will not exceed 0.1 MW per second where controllable by plant operators. (It is recognized that malfunctions/fault conditions on either the Florida Power Corporation system or within the Electrical Generating Facility may result in a rate of change of power output (unscheduled) in excess of 0.1 MW per second.)

Metering, as provided by Florida Power Corporation, will measure the Electrical Generating Facility plant's electrical consumption whenever the generator is not running.

6. Coordination of Design

Florida Power Corporation shall have the right to review and comment on, but not to approve, the proposed design of electrical equipment and systems (turbine-generator type, one line diagram and protective relaying scheme) as to compatibility for tie-in with Florida Power Corporation system.

VOLTAGE LIMITS



7. Termination of Line

A structure will be provided on the Florida Power Corporation side of the circuit breaker to terminate the 230 KV transmission line. The ownership change will be at the 230KV insulators of this structure.

8. Operating Compatibility

Voice communication will be provided between the plant and the Florida Power Corporation system dispatcher to facilitate the exchange of electrical energy between the Facility and the Florida Power Corporation facilities.

9. Space and DC Power Requirements

Space will be provided for:

- (a) two 19" x 84" communications equipment racks with a minimum of 3 foot clearance on front and back, in a climate controlled area,
- (b) one equipment cabinet to interface with the Florida Power Corporation energy control system, measuring 30" x 30" x 76" high with a minimum of 3 foot clearance on front and back, in a climate controlled area,
- (c) one metering compartment within the 13.8 KV switchgear to house potential transformers and current transformers provided by Florida Power Corporation for installation by the switchgear vendor,
- (d) two 40" H x 40" W x 14" D metering equipment cabinets with a minimum of 4 foot clearance on front and back.
- (e) Metering equipment will require a nominal 125 V DC power supply with a 2 amp rating.

The devices, sensors, meters, instruments, telemetering signal equipment, voice communication facilities and other apparatus for installation within the aforementioned racks, cabinets and compartments will be furnished by Florida Power Corporation to satisfy their contractual requirements for measurement of power and the energy interchanged between the County and Florida Power Corporation facilities, and for monitoring the rate of exchange and other electrical quantities to insure that control to the system is maintained.

ELECTRICAL TIE-LINE AGREEMENT

APPENDIX B

CAPITAL SERVICE COST

To provide a means of receiving the COUNTY'S electric energy, an extension of "FPC'S" transmission facilities will be required. These additional facilities are estimated (in 1981 dollars) to cost \$700,000. This cost estimate is based on a 1.9 mile long single circuit 230 KV steel pole line with 95% KCM conductor and one 230 KV terminal, including breaker, switches, metering, and all necessary labor for installation including applicable overhead charges. The estimate does not include land or right-of-way costs. The COUNTY will provide the line right-of-way and all termination facilities at the solid waste facility, including transformer, breaker, and dead-end structure. The annualized cost of this is \$126,360*. A facility charge payment of \$10,547 per month would be required to be paid by the COUNTY to FPC to cover this over the 20 year contract period.** If installation costs of these facilities prove higher or lower than estimated, or if the actual FPC fixed charge rate is higher or lower at the date of contract execution, then actual charges to the COUNTY would reflect actual rather than estimated costs and the actual fixed charge rate.

*The annual charge required by FPC is based on a fixed charge rate of 18.08%. This annual fixed charge rate includes the taxes, insurance, depreciation and return on investment associated with equipment of this type; this is also based on a 20 year life. The annual charge is determined by multiplying \$700,000 by .1808 yielding \$126,360 per year or \$10,547 per month.

**If this Agreement is extended beyond the 20 year term, then a new facility charge payment would be applied which would not include depreciation and return on investment of the original capital cost of the Tie-Line. Such revised payments would continue for the term of the extension.

AMENDMENT TO
AMENDED AND RESTATED
ELECTRICAL POWER PURCHASE AGREEMENT

THIS AMENDMENT, made and entered into as of this 23rd day of November 199~~8~~³, amending the Amended and Restated Electrical Power Purchase Agreement dated as of February 21, 1989 (the "Revised Agreement"), by and between Pinellas County, a political subdivision of the State of Florida (the "County") and Florida Power Corporation, a private utility corporation having its principal place of business at St. Petersburg, Florida, and authorized to do business in the State of Florida ("FPC").

WITNESSETH:

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

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

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

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

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

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

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

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

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

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

ATTEST:

William L. Baran
Witness

Robert D. Dola
Witness

FLORIDA POWER CORPORATION

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

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

By: Charles T. Brining
Chairman

ATTEST: KARLEEN F. De BLAKER
Clerk

By: Norma Grant
Deputy Clerk

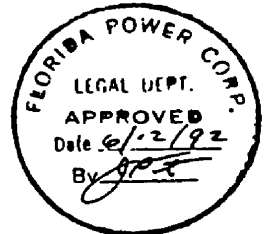
Approved as to form:

M. J. Yard
County Attorney

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

Witness my hand and seal of said County, this 29th day of November, A.D. 1992.
KARLEEN F. De BLAKER, Clerk of the Circuit Court Ex-Officio Clerk to the Board of County Commissioners, Pinellas County, Florida.

By: Norma Grant
Deputy Clerk





FEB 10 2001

October 11, 1994

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

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

Dear Commissioners:

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

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

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

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

See Sept 97

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

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

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

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

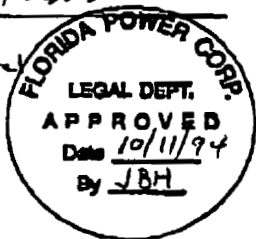
In all other respects, the terms, conditions and obligations under the Agreement shall be binding on the parties. In the event of any conflict between the provisions of this Letter and the Agreement, this Letter shall govern.

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

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

ATTEST:

By: Janes P. Farrow
Assistant Secretary
General Counsel



FLORIDA POWER CORPORATION

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

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

ATTEST: KARLEEN F. DeBLAKER
Clerk

By: Gene Zymball
Chairman

By: Norma Grant
Deputy Clerk

Approved as to form:

M. J. [Signature]
County Attorney

AJH#3:Pinellas.02



September 5, 1997

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

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

Dear Commissioners:

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

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

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

September 5, 1997

Page 2

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

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

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

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

ATTEST:
KARLEEN F. DeBLAKER, CLERK

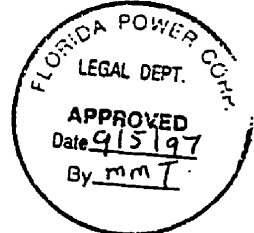
PINELLAS COUNTY, FLORIDA, by and through its Board of County Commissioners

By: *Spencer R. Barnes*
Deputy Clerk 10/21/97

By: *Robert B. ...*
Chairman

APPROVED AS TO FORM:

[Signature]
Office of the County Attorney



ATTEST:

[Signature]

FLORIDA POWER CORPORATION

By: *Jeffrey J. Hennrich*
Its Senior Vice President

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EXHIBIT C

**CALCULATION OF COST SAVINGS TO
FLORIDA POWER CUSTOMERS FROM
AMENDMENT TO CURRENT AGREEMENT**

Year	Existing Case - Do Nothing (Summer Outages)				Implement Curtailment Letter (Fall Outages)			
	Capacity Savings	Replacement Capacity Cost	Replacement Energy Cost	Net Savings (Cost)	Capacity Savings	Replacement Capacity Cost	Replacement Energy Cost	Net Savings (Cost)
2001	0	1,251,008	782,982	(2,033,990)	1,450,169	140,702	503,718	805,749
2002	0	1,113,911	463,843	(1,577,754)	1,373,232	89,113	158,726	1,125,394
2003	0	976,815	341,237	(1,318,051)	1,280,411	78,145	123,285	1,078,980
Total NPV (9%)	0	2,369,658	1,495,739	(4,590,849)	3,787,711	288,230	753,105	2,746,377

Total Savings NPV of the Agreement \$ 7,337,225