

FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT

REFLECTED

undktjd

TO: Maritza Iacono

UTILITY: Progress Energy - Florida

Carl Vinson
AUDIT MANAGER

FROM: Vinson

REQUEST NUMBER: DR-3

DATE OF REQUEST: 4/08/08

AUDIT PURPOSE: Nuclear Controls Review

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: 4/21/08

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

Levy Units 1 and 2

- 1. a. Please provide current copies of all project planning documents for Levy Units 1 and 2.
- b. Please list and describe the planning and design documents and/or systems used to support, develop and maintain the project plan for Levy Units 1 and 2.
- 2. a. Please provide current copies of all project management documents for the Levy Units 1 and 2.
- b. Please list and describe the project management documents and/or systems used to track work completion and schedule status for Levy Units 1 and 2.
- 3. a. Please provide current copies of all contractor evaluation and quality assurance documents for Levy Units 1 and 2.
- b. Please list and describe the contractor evaluation and quality assurance documents and/or systems used to assess contract compliance, work completion and quality assurance for Levy Units 1 and 2.
- 4. a. Provide an organizational chart of the organizations and work units responsible for completing Levy Units 1 and 2, including the names of key managers in place.
- b. Provide a description of the primary responsibilities for each group involved in the projects' completion.
- c. Provide the number of employees in each group.
- 5. Provide copies of the purchasing, bidding, and contracting procedures applicable to Levy Units 1 and 2.
- 6. Provide copies of any project management procedures applicable to Levy Units 1 and 2.
- 7. a. Please list and describe all reporting mechanisms used to provide project status reports and updates to company management, corporate Board of Directors and joint owners.
- b. Please provide copies of all Board of Directors and managing committee meeting minutes that pertain to Levy Units 1 and 2.
- 8. Provide a list of all internal or external audits of Levy Units 1 and 2 planned for the period 2008-2010.
- 9. Please provide copies of all scoping studies and feasibility studies regarding the construction of Levy Units 1 and 2.
- 10. Please provide a recap and description of Levy County Units 1 and 2 planning, history, and work accomplished to date.
- 11. a. Please provide a description of the status of service and/or materials contracts for Levy Units 1 and 2. Please include descriptions of any negotiations that have not yet resulted in bids or contracts.
- b. Please provide copies of all executed service and/or materials contracts and addendums for Levy Units 1 and 2.
- c. Please provide copies of all sole-source or single-source justification explanations for any applicable Levy Units 1 and 2 contracts.
- 12. Please provide copies of any RFPs issued by PEF for Levy Units 1 and 2 and any RFP responses, bids or proposals received from potential contractors or suppliers.

COM _____
 ECR _____
 GCL _____
 OPC _____
 RCP T _____
 SSC _____
 SGA _____
 ADM _____
 CLK _____

DOCUMENT NUMBER-DATE

06593 JUL 29 08

FPSC-COMMISSION CLERK

CONFIDENTIAL

CR No. 727171

CONTRACT

352541

BETWEEN

PROGRESS ENERGY SERVICE COMPANY, LLC
not in its individual capacity, but solely as agent for

PROGRESS ENERGY CAROLINAS, INC.

AND

O'STEEN BROTHERS, INC.

CONFIDENTIAL

TABLE OF CONTENTS

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1	Scope of Work
2	Schedule of Work
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4	Owner's Designated Representative
5	Compensation
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	B. Taxes
	C. Invoices and Payments
	D. Overtime and Portal-to-Portal Pay
	E. Overbillings/Offsets/Credits/Refunds
6	Amendments
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	A. Termination for Cause
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13	Status of Contractor
14	Subletting or Assigning Contract
15	Reports
16	Tools, Materials, and Equipment
17	Not Used
18	Not Used
19	Contractor Personnel Matters
20	Insurance
21	Indemnity
22	Security
23	Fitness-for-Duty Policy

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24	Laws and Project Rules
	A. General
	B. Employment Taxes and Contributions
	C. Drawings and Specifications
	D. General Contractor's License Requirements
	E. Environmental Provisions
	F. Federal Subcontracting Requirements
25	Work at or Associated With Nuclear Facilities
	A. Nuclear Security Screening Criteria
	B. 10 C.F.R. Part 21
26	Quality Assurance Requirements
27	Severability
28	Governing Law
29	Confidentiality; Use of Information
30	Public Communication
31	Nonwaiver
32	Merger
33	Workplace Violence Prevention
Attachment	Scope – Limerock Entrance Road
Attachment	Code of Ethics Acknowledgment Form

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CONFIDENTIAL

001 ORIGINAL

The parties execute this Contract by their signature or the signature of their authorized agents.

O'STEEN BROTHERS, INC.

PROGRESS ENERGY SERVICE COMPANY, LLC,
not in its individual capacity, but solely as agent for
PROGRESS ENERGY FLORIDA, INC.

BY: [Signature]

BY: [Signature]

NAME (printed) Sergio Osteen

NAME: Tony Owen

TITLE Secretary

TITLE: Manager, NGG Major Projects

DATE: 12-6-07

DATE: 12/04/07

Should the person's title who is executing this document not indicate that he/she is a corporate officer, an affidavit signed by a corporate officer shall be provided stating that the person whose name appears above is duly authorized to execute Contracts on behalf of the firm.

Indicate your Social Security Number OR your Federal Tax Identification Number (FTIN). This number shall correspond with the Contractor name indicated above and shall be the same Federal Tax Identification Number under which you report income. COMPLETE ONLY ONE.

Federal Tax ID # <u>59-1360875</u>	Social Security # _____
------------------------------------	-------------------------

The Internal Revenue Service (IRS) requires us to obtain certain information from you to meet IRS Form 1099 reporting and filing requirements. If you do not provide your correct FTIN, your payments may be subject to 20% backup withholding. Under penalties of perjury, I certify that the FTIN shown above is correct for the Contractor named.

(Contractor to fill in name and title)
is appointed as the person to whom all official correspondence to Contractor concerning this Contract should be directed.

In accordance with the Federal Acquisition Regulation section 52.219, please check all that apply to your company. Please provide supporting documentation or certification to confirm the status for any categories checked under Small/Diverse Vendors.

- Certified small business*
- Veteran-owned business*
- Service-disabled veteran-owned business*
- Not a Small Business
- HUBZone, 8(a) or disadvantaged business*
- Minority-owned business **
- Women-owned small business **

* As defined by the Small Business Administration (SBA): www.sba.gov
** Certified by Progress Energy and as defined by SBA.

Register online at www.progress-energy.com/supplierdiversity

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CONFIDENTIAL

CONFIDENTIAL

Contract Employee Code of Ethics Acknowledgment Form

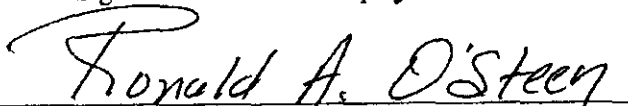
Please go to the following website to review the Progress Energy Code of Ethics prior to signing this Acknowledgment Form. Hard copies are available upon request.

<http://www.progress-energy.com/investors/corpgov/codeofethics.asp>

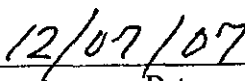
I have read the Progress Energy Code of Ethics. I understand that the principles stated in the Code of Ethics represent those of Progress Energy as they relate to the work I perform as an independent contractor (or as an employee of an independent contractor of Progress Energy), and that violating those principles, or the legal and regulatory requirements applicable to my work may result in disciplinary action by my employer. I agree to abide by and support the legal and regulatory requirements applicable to my work. I understand that if I have questions concerning appropriate ethics or relevant legal and regulatory requirements, I should consult with my supervisor.



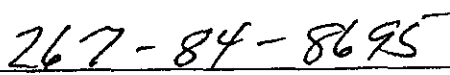
Signature of Contract Employee



Name of Contract Employee



Date



Social Security Number



Contractor Organization

Contractor shall maintain completed forms. Do not return completed forms unless they are specifically requested by Owner.



CONFIDENTIAL

- This document must be executed and returned as well a Certificate of Insurance is to be faxed to Progress Energy Corporation before work is started.

ABB, INC.
 940 Main Campus Drive, Suite 300
 Raleigh, NC 27606-5202

Attention: Willie Wong

CONTRACT NO. 31624-00001
 AMENDMENT NO. 04
 EFFECTIVE November 21, 2007

This Amendment is governed by the terms and conditions of the above-referenced Contract. By this Amendment, Progress Energy Service Company, LLC, not in its individual capacity, but solely as agent for Progress Energy Carolinas, Inc. and Progress Energy Florida, Inc. (hereinafter "Owner"), offers to change the terms of the above-referenced Contract as follows:

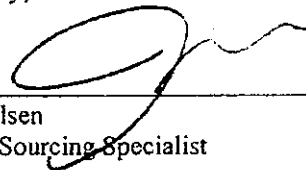
The contract is amended to include the following:

REDACTED

All other terms in the Contract or other Contract Amendments remain unchanged.

Please execute this Amendment in duplicate and return both copies to Janet Reichelderfer, Progress Energy Service Company, LLC, 299 First Avenue North PEF-143, Saint Petersburg, FL 33701. Upon receipt this Amendment will be executed on behalf of Progress Energy Service Company and a copy will be returned to you for your files.

Sincerely,

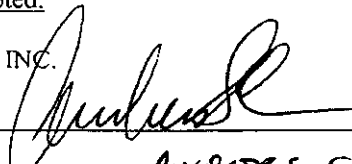


Jeff Nelsen
 Senior Sourcing Specialist

Accepted:

ABB, INC.

By:



Name (printed): ANDERS SPORIN

Title: SVP & GM GRID SYSTEMS



WILLIE WONG
 DIRECTOR, SYSTEMS CONSULTING
 12/14/07

CONFIDENTIAL

Date: _____

Should the person's title who is executing this document not indicate that he/she is a corporate officer, an affidavit signed by a corporate officer shall be provided stating that the person whose name appears above is duly authorized to execute Contracts on behalf of the firm.

In accordance with the Federal Acquisition Regulation section 52.219, please check all that apply to your company. Please provide supporting documentation or certification to confirm the status for any categories checked under Small/Diverse Vendors.

- | | |
|---|---|
| <input type="checkbox"/> Certified small business* | <input type="checkbox"/> HUBZone, 8(a) or disadvantaged business* |
| <input type="checkbox"/> Veteran-owned business* | <input type="checkbox"/> Minority-owned business * * |
| <input type="checkbox"/> Service-disabled veteran-owned business* | <input type="checkbox"/> Women-owned small business * • |
| <input type="checkbox"/> Not a Small Business | |

* As defined by the Small Business Administration (SBA): www.sba.gov

* * Certified by Progress Energy and as defined by SBA.

Register online at www.progress-energy.com/supplierdiversity

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Reichelderfer, Janet L

From: prabu.prabhakara@us.abb.com
Sent: Friday, September 28, 2007 12:57 PM
To: White, Bart B; Tillis, Brantley
Cc: willie.wong@us.abb.com; ryan.paulsen@us.abb.com; del.misenheimer@us.abb.com
Subject: Re: Estimate of Effort

Redacted

Thanks
F.S. (Prabu) Prabhakara
Executive Consultant
ABB Inc.
12 Cornell Road
Latham, NY, 12110, USA
Tel: +1 518 783 4744
Fax: +1 518 783 4777
e-mail: prabu.prabhakara@us.abb.com

12/12/2007

CONFIDENTIAL

Redacted



CONFIDENTIAL

Golder Associates, Inc.
5100 West Lemon Street
Suite 114
Tampa, Florida 33609

Attention: Richard A. Zwolak

CONTRACT NO. 118130
AMENDMENT NO. 001
EFFECTIVE March 6, 2007

This Amendment is governed by the terms and conditions of the above-referenced Contract. By this Amendment, Progress Energy Service Company, LLC, not in its individual capacity, but solely as agent for Progress Energy Carolinas, Inc. and Progress Energy Florida, Inc. (hereinafter "Owner"), offers to change the terms of the above-referenced Contract as follows:

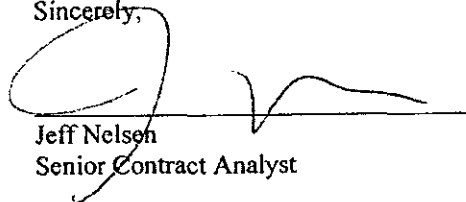
The contract is amended to include the following:

REDACTED

All other terms in the Contract or other Contract Amendments remain unchanged.

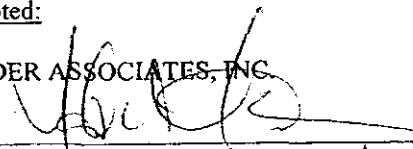
Please execute this Amendment, retain a copy for your file, and return the original within ten (10) calendar days to Janet Reichelderfer, Progress Energy Service Company, LLC, 299 First Avenue North. PEF-143, Saint Petersburg, FL 33701.

Sincerely,


Jeff Nelson
Senior Contract Analyst

Accepted:

GOLDER ASSOCIATES, INC.

By: 

Name (printed): Maritza Maultree

Title: Assoc / Office Manager

Date: 3/8/07

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Should the person's title who is executing this document not indicate that he/she is a corporate officer, an affidavit signed by a corporate officer shall be provided stating that the person whose name appears above is duly authorized to execute Contracts on behalf of the firm.

In accordance with the Federal Acquisition Regulation section 52.219, please check all that apply to your company. Please provide supporting documentation or certification to confirm the status for any categories checked under Small/Diverse Vendors.

- Certified small business* HUBZone, 8(a) or disadvantaged business*
- Veteran-owned business* Minority-owned business **
- Service-disabled veteran-owned business* Women-owned small business **
- Not a Small Business

* As defined by the Small Business Administration (SBA): www.sba.gov

** Certified by Progress Energy and as defined by SBA.

Register online at www.progress-energy.com/supplierdiversity

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CONFIDENTIAL

7 PAGES

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CR No. 229485

CONFIDENTIAL

CONTRACT

142855

BETWEEN

**PROGRESS ENERGY SERVICE COMPANY, LLC
Not in its individual capacity but solely as agent for
PROGRESS ENERGY CAROLINAS, INC. AND
PROGRESS ENERGY FLORIDA, INC.**

AND

E-PRO ENGINEERING & ENVIRONMENTAL CONSULTING, LLC

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19	Plans, Drawings, Specifications, and Documentation
20	Contractor Personnel Matters
21	Insurance
22	Indemnity
23	Security
24	Fitness-for-Duty Policy

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SECTION

TITLE

- 25 **Laws and Project Rules**
A. **General**
B. **Taxes and Contributions**
C. **General Contractor's License Requirements**
D. **Drawings and Specifications**
E. **Environmental Provisions**
F. **Federal Subcontracting Requirements**
- 26 **Severability**
- 27 **Amendment of Contract**
- 28 **Governing Law**
- 29 **Confidentiality; Use of Information**
- 30 **Public Communication**
- 31 **Nonwaiver**
- 32 **Merger**
- 33 **Workplace Violence Prevention**

Attachment A

Rate Schedule

Exhibit A

Supplier Diversity & Business Development Subcontracting Report

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PAGES 1 THROUGH 20

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The parties execute this Contract by their signature or the signature of their authorized agents.

E-PRO ENGINEERING & ENVIRONMENTAL CONSULTING, LLC.

PROGRESS ENERGY SERVICE COMPANY, LLC.
not in its individual capacity but solely as agent for
PROGRESS ENERGY CAROLINAS, INC. AND
PROGRESS ENERGY FLORIDA, INC.

BY: *James Mayer*
NAME (printed): JAMES MAYER
TITLE: Principal
DATE: 8/18/03

BY: *Lyle P. Capps*
Lyle P. Capps
Supply Chain Management
DATE: 7/28/03

Indicate your Social Security Number (SS#) OR your Employer Identification Number (EIN). This number shall correspond with the Contractor name indicated above and shall be the same TIN under which you report income. COMPLETE ONLY ONE.

EIN 01-0526475 SS# _____

The Internal Revenue Service (IRS) requires us to obtain certain information from you to meet IRS Form 1099 reporting and filing requirements.

If you do not provide your correct Taxpayer Identification Number (TIN), your payments may be subject to 20% backup withholding.

Under penalties of perjury, I certify that the TIN shown above is correct for the Contractor named.

(Contractor to fill in name and title)
is appointed as the person to whom all official correspondence to Contractor concerning this Contract should be directed.

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Engineering & Environmental Consulting, LLC

Maine Office
249 Western Avenue
Augusta, ME 04330-4977
Tel: (207) 621-7000
Fax: (207) 621-7001

August 22, 2003

Mr. Lyle P. Capps
Progress Energy
PO Box 1551
Raleigh, NC 27602

Dear Mr. Capps:

I am returning an executed original of Contract No. 142855. We have also attached a certificate of insurance as specified in the contract.

We look forward to working with you in the future. If you have any questions, please give me a call.

Best regards

James Mayer, P.E.
Principal, Transmission & Substation Engineering

JM:jm:hr
Attachments
cc: File:

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8	Changes
9	Financial Audits
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14	Patents and Copyrights
15	Status of Contractor
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19	Plans, Drawings, Specifications, and Documentation
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21	Insurance
22	Indemnity
23	Security
24	Fitness-for-Duty Policy

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SECTION

TITLE

25	Laws and Project Rules
	A. General
	B. Taxes and Contributions
	C. General Contractor's License Requirements
	D. Drawings and Specifications
	E. Environmental Provisions
	F. Federal Subcontracting Requirements
26	Severability
27	Amendment of Contract
28	Governing Law
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30	Public Communication
31	Nonwaiver
32	Merger
33	Dispute Resolution
34	Background Investigation and Drug Screen
35	Workplace Violence Prevention
Attachment A	Not applicable
Attachment B	Code of Ethics
Attachment C	Code of Ethics Acknowledgment Form
Attachment D	Contractor's Affidavit

CONFIDENTIAL

**MASTER
CONTRACT**

CONFIDENTIAL

253343-00000

BETWEEN

**PROGRESS ENERGY SERVICE COMPANY, LLC
Not in its individual capacity but solely as agent for
PROGRESS ENERGY FLORIDA, INC.
(ALSO KNOWN AS FLORIDA POWER CORPORATION)**

AND

ENERGY SERVICES & PRODUCTS CORP.

PAGES 1 THROUGH 22

CONFIDENTIAL

CONFIDENTIAL

The parties execute this Contract by their signature or the signature of their authorized agents.

ENERGY SERVICES & PRODUCTS CORPORATION

PROGRESS ENERGY SERVICE COMPANY, LLC
Not in its individual capacity but solely as agent for
PROGRESS ENERGY FLORIDA (Also known as
Florida Power Corporation)

BY: *[Signature]*
NAME (printed): ANTONIO A. PADILLA
TITLE: PRESIDENT
DATE: 12-22-05

BY: *[Signature]*
Jeff Nelsen
Senior Contract Analyst
DATE: 12-21-05

Indicate your Social Security Number (SS#) OR your Employer Identification Number (EIN). This number shall correspond with the Contractor name indicated above and shall be the same TIN under which you report income. COMPLETE ONLY ONE.

EIN 59-3241383 SS# _____

The Internal Revenue Service (IRS) requires us to obtain certain information from you to meet IRS Form 1099 reporting and filing requirements.

If you do not provide your correct Taxpayer Identification Number (TIN), your payments may be subject to 20% backup withholding.

Under penalties of perjury, I certify that the TIN shown above is correct for the Contractor named.

ANTONIO A PADILLA - PRESIDENT
(Contractor to fill in name and title)

is appointed as the person to whom all official correspondence to Contractor concerning this Contract should be directed.

FEDERAL TAX I.D. NO.: 59-3241383

In accordance with the Federal Acquisition Regulation section 52.219, please check all that apply to your company:

Small/Diverse Vendors:

- Certified small business* HUBZone, 8(a) or disadvantaged business*
- Veteran-owned business* Minority-owned business**
- Service-disabled veteran-owned business* Women-owned small business**

* As defined by the Small Business Administration (SBA): www.sba.gov
** Certified by Progress Energy and as defined by SBA. Register online at www.progress-energy.com/supplierdiversity

Please provide supporting documentation or certification to confirm the status for any categories checked above.

Other Vendors:

Not a Small Business



CONFIDENTIAL

MASTER CONTRACT
(Conformed 09/03)

80678-00000

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

BETWEEN

PROGRESS ENERGY SERVICE COMPANY, LLC
Not in its individual capacity but solely as agent for
PROGRESS ENGERGY FLORIDA, INC.
(ALSO KNOWN AS FLORIDA POWER CORPORATION)

AND

GOLDER ASSOCIATES INC.

Progress Energy Service Company, LLC
P.O. Box 14042
St. Petersburg, FL 33733

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30 Public Communication
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34 Workplace Violence Prevention

- Appendix A PROFESSIONAL FEE SCHEDULE REV. 3/00
Appendix B CODE OF ETHICS
Appendix C CODE OF ETHICS ACKNOWLEDGEMENT FORM
Appendix D CONTRACTOR'S AFFIDAVIT

Attachment A RATE SCHEDULE


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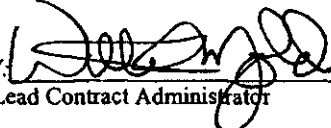
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The parties execute this Contract by their signature or the signature of their authorized agents.

GOLDER ASSOCIATES, INC.

PROGRESS ENERGY VICE COMPANY, LLC
Not in its individual capacity but solely as agent for
PROGRESS ENERGY FLORIDA (Also known as
Florida Power Corporation)

BY: 
NAME (printed): Benny Sudi
TITLE: Office Manager
DATE: 9/12/03

BY: 
Lead Contract Administrator
DATE: January 14, 2003

Indicate your Social Security Number (SS#) OR your Employer Identification Number (EIN). This number shall correspond with the Contractor name indicated above and shall be the same TIN under which you report income. COMPLETE ONLY ONE.

EIN _____

The Internal Revenue Service (IRS) requires us to obtain certain information from you to meet IRS Form 1099 reporting and filing requirements.

If you do not provide your correct Taxpayer Identification Number (TIN), your payments may be subject to 20% backup withholding.

Under penalties of perjury, I certify that the TIN shown above is correct for the Contractor named.

(Contractor to fill in name and title)

is appointed as the person to whom all official correspondence to Contractor concerning this Contract should be directed.

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CONFIDENTIAL

CONFIDENTIAL

CONTRACT

118130

BETWEEN

PROGRESS ENERGY SERVICE COMPANY, LLC
Not in its individual capacity, but solely as agent for
PROGRESS ENERGY FLORIDA, INC.

AND

GOLDER ASSOCIATES INCORPORATED

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26	Confidentiality; Use of Information

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SECTION

TITLE

27	Public Communication
28	Nonwaiver
29	Merger
30	Background Investigation and Drug Screen
31	Workplace Violence Prevention
Attachment A	Golder Associates' Proposal February 2003
Attachment B	Contract Billing Rate Schedule

01 13 2003

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The parties execute this Contract by their signature or the signature of their authorized agents.

GOLDER ASSOCIATES INCORORATED

PROGRESS ENERGY SERVICE COMPANY, LLC
Not in its individual capacity but solely as agent for
PROGRESS ENGERGY FLORIDA, INC.

BY: *Anthony L. Grasso*

BY: *James W. Pearce*
James W. Pearce, P. E.
Supply Chain Management
Corporate Services Department

NAME (printed): Anthony L. Grasso, P.G.

TITLE: Associate and Office Manager

DATE: February 27, 2003

DATE: 2-20-03

Indicate your Social Security Number (SS#) OR your Employer Identification Number (EIN). This number shall correspond with the Consultant name indicated above and shall be the same TIN under which you report income. COMPLETE ONLY ONE.

EIN <u>5 8 - 1 4 0 1 0 9 1</u>	SS# <u> - - </u>
--------------------------------	---

The Internal Revenue Service (IRS) requires us to obtain certain information from you to meet IRS Form 1099 reporting and filing requirements.

If you do not provide your correct Taxpayer Identification Number (TIN), your payments may be subject to 20% backup withholding.

Under penalties of perjury, I certify that the TIN shown above is correct for the contractor named.

Manitia Moultrie, Senior Project Manager

(Consultant to fill in name and title)

is appointed as the person to whom all official correspondence to Consultant concerning this Contract should be directed.

Attachment "A"

Golder Associates Inc.

5100 West Lemon Street, Suite 114
Tampa, FL USA 33609
Telephone (813) 287-1717
Fax (813) 287-1716



REVISED

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PROPOSAL AND SCOPE OF WORK

**ANCLOTE CT ADDITION PROJECT
PASCO COUNTY, FLORIDA**

Submitted to:

*Progress Energy/Florida Power
P.O Box 14042
St. Petersburg, FL 33733*

Submitted by:

*Golder Associates
5100 West Lemon Street
Suite 114
Tampa, Florida 33609*

Distribution

3 Copies – Progress Energy
2 Copies – Golder Associates, Inc.

February 2003

PR2-9570B

Golder Associates Inc.

5100 West Lemon Street, Suite 114
Tampa, FL USA 33609
Telephone (813) 287-1717
Fax (813) 287-1716



February 14, 2003

PR2-9570

Environmental Services Department
Florida Power Corporation
P.O. Box 14042
St. Petersburg, FL 33733-4042

Attention: Mr. John Hunter

**RE: FLORIDA POWER
PROPOSAL TO PROVIDE PERMITTING SUPPORT FOR
TWO SIMPLE CYCLE COMBUSTION TURBINES
TO BE LOCATED AT ANCLOTE POWER PLANT**

Dear Mr. Hunter:

Golder Associates Inc. (Golder) is pleased to provide this revised proposal to assist Progress Energy in permitting associated with the siting, construction and operation of two GE Frame 7-type simple cycle combustion turbines (CTs) to be located at the Anclote Power Plant site.

Golder proposes to perform the scope of work as described herein in the attached Proposal and Scope of Work. The Project Schedule provided in Table 1 identifies the project schedule, based on duration and agency approval timeframes for the various permits and tasks in order to meet a commencement of construction date of November 2003. Table 2 identifies the anticipated Budget for the various tasks and the project as a whole. For your planning purposes, Table 3 provides the associated permit fees associated with the various permit application processes. Golder will bill Progress Energy on a time-and-materials basis according to the existing Contract #C9002430.

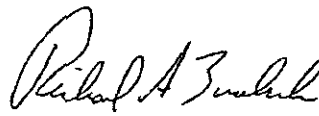
Following your review of the proposal, please contact us to discuss Project Authorization so that we can meet the anticipated schedule. Golder always appreciates the opportunity to assist Progress Energy and we look forward to working with you on this project.

Please call Manitia Moultrie at (813) 287-1717 if you have any questions.

Sincerely,

GOLDER ASSOCIATES INC.


Manitia Moultrie
Senior Project Manager


Richard A. Zwolak, AICP
Principal

cc: Howard Stobbs
Richard Yates

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1.0 INTRODUCTION

It is Golder's understanding the Progress Energy plans to construct two simple cycle combustion turbines at an existing power plant site located in Pasco County, Florida. The power plant site is situated near the outlet of the Anclote River at the Gulf of Mexico.

The proposed area of site development is situated west of the existing bulk fuel oil tanks and west of the intake canal and is comprised of 5 to 10 acres of undeveloped land.

The proposed project will connect to an existing electrical grid at an existing Florida Power (FP) substation located northeast of the power plant property. The project will connect to an existing Florida Gas Transmission (FGT) natural gas metering station located northeast of the proposed project site.

Based on the preliminary information, we have made the following assumptions regarding the proposed site layout:

- Each simple cycle combustion turbine (SCCT) will be constructed on a power block that is about 160 feet by 30 ft;
- Future conversion to combined cycle operation is not anticipated and therefore, a heat recovery steam generator (HRSG) is not anticipated;
- A paved access road from the existing plant site to the project area and surrounding the two power blocks will be constructed;
- An administration/control and warehouse building will be constructed;
- Two aboveground liquid storage tanks will be constructed including a fuel tank and a water storage tank;
- Fuel will be delivered via truck, therefore, a fuel oil unloading station located within the project area will be required;
- A right-of-way to connect from the proposed project site to the existing electrical grid located northeast of the site will be identified. The right-of-way will be identified by Progress Energy; and
- A connection from the existing FGT natural gas metering station to the project site will be identified. Progress Energy will identify the route.

2.0 PASCO COUNTY REQUIREMENTS

The proposed project will occupy land that is currently used as a permitted industrial wastewater pond that is associated with the Anclote facility. The parcel and surrounding plant site is located in *unincorporated Pasco County, northwest of the City of Tarpon Springs.*

2.1 Comprehensive Plan

The Anclote Power Plant site has been designated as Industrial-Heavy (IH) on the Future Land Use Map for the Year 2015. The map series and the Future Land Use Element are components of the Comprehensive Plan of Unincorporated Pasco County (October 2002). Wetland portions of the site contain a Class I Wetlands Only overlay. The IH land use classification allows for light and heavy industry, mining, ports, intensive commercial uses, convenience retail uses, and warehouse/distribution facilities. The types of uses proposed with the CT addition project are consistent with both the IL and the IH designation. Policy 4.2.1 of the Future Land Use Element addresses utilities and states, "It shall be the policy of Pasco County to: Permit utilities (including gas and electric suppliers) in all land use plan categories subject to the goals, objectives, and policies of this Comprehensive Plan". Based on Policy 4.2.1, it is Golder's interpretation that no Land Use Plan Amendment will be required as long as the project layout and design is accomplished in a manner that is consistent with the goals, objectives, and policies of the Comprehensive Plan.

2.2 Pasco County Land Development Code

The current land development regulations effective for unincorporated Pasco County is the Pasco County Land Development Code (LDC), which was last revised on January 24, 2002. The code contains several articles which have been reviewed in order to identify compliance requirements applicable to site planning, design and construction.

2.3 Zoning

The Anclote Power Plant is located on property currently zoned AC-Agricultural. The existing generating facility is a grandfathered use within the AC zoning district. Adding additional generation capacity at the plant site as currently proposed may require rezoning all or a portion of the area proposed for development to Light Industrial Park, I-1 or General Industrial, I-2. The I-1 zoning district allows "manufacturing, compounding, processing, packaging, or treatment uses and processes as permitted uses when and if they do not represent a health or safety hazard to the community

through air, water, and noise pollution including the production or emission of dust, smoke, refuse matter, toxic or noxious odors, explosives, gas and fumes, excessive noise or vibration, similar substances and conditions based on determination by the zoning official". The I-1 zoning district is the most appropriate classification for the CT expansion project since I-2 uses are heavier land uses such as fertilizer plants and pulp or paper manufacturing. Additionally, a listed permitted use in the I-1 zoning district is "Utility Operations (electric and gas company operators, sewer and water authorities)".

In accordance with the provisions of Article 303 of the Pasco County LDC, the Pasco County Board of County Commissioners (BOCC) can amend the zoning code upon recommendations of the Pasco County Planning Commission. An application for rezoning must be submitted to the Pasco County Development Review Department at least 60 days prior to a Planning Commission meeting. Public advertising and posting of notice is required prior to the public hearing. Following approval by the Planning Commission, the rezoning request will be submitted to the BOCC for approval. As with the Planning Commission approval process, the BOCC will hold a public hearing on the proposed amendment with public advertising and notice prior to the public hearing.

The criteria and standards which will be considered in review of the Application for Zoning Amendment are provided in Attachment 1.

2.4 Special Exception Use

As an alternative to rezoning, Article 303.4 of the Pasco County LDC, allows the Planning Commission to issue a Special Exception to allow the development of the land for uses other than those identified within the zoning district. Article 504.5 allows for the special exception use of land currently zoned AC for "public and private utility facilities; to include the following: County, State and Federal structures and uses, water pumping plants, transmission lines for gas, electric and telephones, or broadcasting or communication towers and facilities, and other conforming uses which do not cause an undue nuisance or adversely affect existing structures, uses and residents".

An application for Special Exception use must be submitted to the Development Review Department at least 45 days prior to a Planning Commission meeting. Public advertising and posting of notice is required prior to the public hearing. Final approval by the BOCC is not required, however, anyone

"aggrieved by the Planning Commission decision can appeal to the BOCC within 30 days of the decision".

It should be noted that precedence has been established within Pasco County with the issuance of a "Special Exception Use" for the Shady Hills Generating Station. The property is zoned AC-Agricultural and the land use for the site is classified as RES1, Residential-1. The Pasco County Planning Commission granted a Special Exception Use for the Shady Hills parcel on December 8, 1999, which allowed the development of a power generating plant which consisted of three (3) simple cycle combustion turbines and associated infrastructure. Coordination with County planning and zoning staff will be necessary to determine if this procedure is still applicable.

The criteria and standards which will be considered in review of the Application for Special Exception Use are provided in Attachment 2.

It is strongly recommended that a pre-application conference be scheduled with Pasco County Development Review staff to discuss the various review procedures available to Progress Energy. A conceptual development plan should be available to provide clarification on the site plan, zoning, land use and stormwater retention issues as well as other physical features that may be useful in assisting the Development Review Department staff in evaluation of the proposed project.

2.5 Simultaneous Submission Of Preliminary, Stormwater And Construction Plans

Article 306.8 of the Pasco County LDC allows the submittal of the preliminary site plan; stormwater management and construction site plans simultaneously. The plans must be signed and sealed by a Professional Engineer.

The plans will be evaluated for completeness within five days of submittal and submitted to the Development Review Committee for technical review. The Development Review will have 40 days to formulate technical review comments and hold a public meeting on the proposed development within 60 days of receipt of the application. Public advertising and posting of notice is required.

Golder has professional planning staff available with over 23 years of land use planning in Florida. Staff experience in Pasco County includes local approvals for Shady Hills Generating Station and the Pasco Cogen, located near Dade City.

Golder proposes to assist Progress Energy with strategy development, agency meetings, community open houses, public relations, preparation of the applicable local approval documentation and testimony before the Planning Commission (and BOCC if required) associated with the above referenced local approvals.

3.0 SITE DEVELOPMENT/ENGINEERING

Golder proposes to conduct an analysis of the site's suitability to support the proposed project from an environmental and land use perspective and assist with site layout and engineering. Several activities are involved in this scope of work and are described below.

1. A site survey of existing contours at a maximum of two (2) foot intervals based on NGVD of 1929 on project site and 100 feet beyond the site boundary in accordance with Pasco County Preliminary Site Plan submittal requirements;
2. A reconnaissance level threatened and endangered species survey to determine compliance with various federal and state requirements that protect federal and state listed plant and animal species (See Section 3.3.1);
3. An air quality impact analysis for applicable pollutants, such as NO_x and CO (See Section 5.1);
4. A noise impact evaluation to determine daytime and nighttime baseline noise levels at the boundary of the existing facility and predict noise levels from the operation of the new units (See Section 3.0); and
5. A visual impact assessment to evaluate the visibility of the proposed project from adjacent areas, public properties, and county rights-of-way (See Section 4.0).

This information will be used to confirm the feasibility of the proposed project and develop a conceptual site plan and form the basis for the development of the project communication plan.

4.0 PUBLIC INVOLVEMENT

Overview – The siting and construction of the proposed CT addition project may stimulate the interest of state, county, and local elected officials; property owners; environmental organizations; and interested individuals and groups. Progress Energy/Florida Power acknowledges the need for the public to remain informed of site selection procedures and encourages public input in the local approval process.

Golder and the Project Team established by Progress Energy/Florida Power can develop and implement a Public Involvement Program that satisfies the goal of informing state, regional, and local agencies and elected officials, as well as the general public on various aspects of the project. The program can also be designed to maximize the opportunities for the public to participate in the process with the benefit of timely and accurate technical and environmental information.

Objectives of the Public Involvement include:

- Objective 1 Involve interested parties in the process;
- Objective 2 Notify stakeholders of events;
- Objective 3 Facilitate sharing of information;
- Objective 4 Dissemination of accurate information; and
- Objective 5 Provide a forum for early identification of issues and opportunities.

Additional objectives may arise out of initial discussions with agencies, interest groups, and other stakeholders. The Golder project team will remain flexible regarding the needs of the Progress Energy/Florida Power Project Team and the reaction to agencies, interest groups, and other stakeholders as the project evolves.

The initiation of Public Involvement activities will require a meeting to review Program objectives, confirm adequacy of the Program activities identified herein, prepare a preliminary list of issues and identify stakeholders. Ongoing Program coordination is anticipated to include monthly meetings and weekly conference calls.

A Communications plan is recommended and should include a description of objectives, identification of key individuals and groups, identification of major issues, key messages and announcements, public participation strategy/activities and a timeline.

Output for the Public Involvement Program will include the following materials, which will be developed with the oversight and coordination of Corporate Communications:

- Project information sheet;
- Key messages;
- Newsletters;
- Media briefing package;
- Graphics and display information; and
- Project brochure.

Golder proposes that a multi-faceted public involvement program can be used to reach the appropriate audiences through the most expeditious means. This approach would include the several public involvement activities: open houses, newsletters, and close partnerships with the local government staff and elected officials.

5.0 NOISE MONITORING AND IMPACT ANALYSIS

A detailed noise impact assessment of the proposed Anclote Power Plant expansion project will be performed in three phases. The first phase will be the on-site noise monitoring field effort. This phase will determine the daytime and nighttime baseline noise levels at the boundary of the existing facility. The second phase will be a comprehensive noise impact analysis of the facility during the operations phase of the expansion. A computer model specifically developed for sound level propagation will calculate and assess the potential noise impacts of the facility's operations by utilizing the ambient, as well as the equipment specific, noise levels collected in previous studies by Golder. The projected impacts from the second phase will be addressed in the development and production of the impact assessment report in the third phase.

Regulatory Requirements

The noise standards for the Anclote Power Plant Expansion CT project are contained in Part I Chapter 66 Offenses and Miscellaneous Provisions Article IV Offenses Involving Public Peace and Order Division 2 Noise Section 66-97(3)a Specific Noise Prohibited. They are:

No noise shall be created in an industrial or commercial zone that exceeds those levels given, as follows, as measured on the adjacent property line.

Maximum Noise Levels Permitted in Industrial and Commercial Zones

District from which Noise Emanates	Adjoining Commercial District (No Time Limit)	Adjoining Residential District (7:00 a.m.-6:00 p.m., Monday thru Saturday)
Industrial	72 dBA	66 dBA
Commercial	66 dBA	60 dBA

The maximum permitted noise level emanating from a commercially or industrially zoned district, measured at the closest adjacent residentially zoned property line for the hours between 6:00 p.m. and 7:00 a.m. Monday through Saturday and during all hours of Sunday shall be 55 dBA.

Background on Noise Levels

The noise resulting from human activities can impact the health and welfare of both workers and the general public. The level of impact is related to the magnitude of noise, which is referred to as sound pressure level (SPL) with units in decibels (dB). Decibels are calculated as a logarithmic function of SPL in air to a reference effective pressure, which is considered the hearing threshold, or:

$$\text{SPL} = 20 \log_{10} (P_e/P_o)$$

where: P_e = measured effective pressure of sound wave in micropascals (μPa), and;

P_o = reference effective pressure of 20 μPa .

To account for the effect of how the human ear perceives sound pressure, sound pressure level is adjusted for frequency. This is referred to as A-weighting (dBA), which adjusts measurements for the approximated response of the human ear to low-frequency SPLs [i.e., below 1,000 hertz (Hz)] and high-frequency SPLs (i.e., above 1,000 Hz).

Typically, environmental baseline sound levels may vary over short periods of time (minutes to hours). The measured noise levels are given in terms of the equivalent sound level (L_{eq}) as well as percentiles of occurrence (L_n), where n is a user-selectable value, ranging from 0.01 to 99.99. The L_{eq} is the equivalent constant SPL that would be equal in sound energy to the varying SPL over the same time period. Its equation is:

$$L_{eq} = 10 \text{ Log } \frac{\sum_{i=1}^N 10^{(SPL_i/10)}}{N}$$

where:

N = number of observations.

SPL_i = individual sound pressure level in data set.

The sound pressure levels (SPLs) and octave band data will be collected using measurement techniques set forth by American National Standard Institute S12.9-1993/Part 3 *Quantities and Procedures for Description and Measurement of Environmental Sound, Part 3: Short-term measurements with an observer present* (ANSI, 1993).

Noise Monitoring

The first phase will require a comprehensive noise monitoring survey to be performed at the existing power plant. The survey will determine the baseline (background) noise levels, during the daytime and nighttime, which will include existing major noise sources, in the area of the proposed facility. The first phase will consist of the following tasks:

1. Visit the plant site and conduct a "walk-over" of the property to determine the critical noise receptors outside the proposed property boundaries utilizing maps and ground-truthing;
2. The exact location of the identified critical receptors will be noted, as well as any local topography, barriers or other sound attenuating elements in the area that would effect the noise propagation to the receptors. Photographs will be taken of the monitoring locations to assist in the assessment phase of the CT project;
3. Utilize a Type 1 Precision, integrating sound level meter (SLM) to identify and quantify the noise sources in the area;
4. Collect and record frequency spectral data using a real-time octave band analyzer (RTA) for the identified noise sources. Determine the distances and locations of the identified noise sources during the noise monitoring effort; and
5. Tabulate the noise source data collected and prepare the monitoring data for use in the noise propagation model.

Noise Impact Evaluation

The second phase of the CT project will predict noise levels from the operations of the new units. Sound propagation involves three principal components: a noise source, a person or a group of people, and the transmission path. While two of these components, the noise source and the transmission path, are easily quantified (i.e., direct measurements or through predictive calculations), the effects of noise to humans are the most difficult to determine due to the varying responses of humans to the same or similar noise patterns. The perception of sound (noise) by humans is very subjective, and just like odors and taste, is very difficult to predict a response from one individual to another.

The impact evaluation of the proposed CT project will be performed using Cadna A, an environmental noise propagation computer program that was developed to assist with noise propagation calculations for major noise sources and projects. The computer model predicts noise levels utilizing recognized atmospheric sound propagation techniques, such as terrain and vegetation variability, sound path directivity, barrier or enclosure attenuation and area-specific meteorology.

Noise sources are entered as octave band sound power levels, L_w . Locations of the noise sources, buildings, and receptors are input directly on the base map and can be edited throughout the modeling process. All noise sources are assumed to be a point, line, area or vertical area source, and can be specified by the user. Sound propagation is calculated by accounting for hemispherical spreading and other previously identified attenuation options. Using the data specified, atmospheric attenuation is calculated by International Standards Organization 9613-1993/Part 1 *Attenuation of Sound during Propagation Outdoors - Part 1: Calculation of the absorption of sound by the atmosphere* (ISO, 1993). Path-specific attenuations options may be specified to account for the effects of vegetation, foliage, and wind shadow. Directional source characteristics and reflection can be simulated using path-specific attenuation. Barrier attenuation is calculated by assuming an infinitely long barrier perpendicular to the source-receptor path. A weighted SPLs are calculated by the model. The sound power levels for the various new noise sources (i.e., the gas turbines, pumps, etc.) are to be provided by the equipment manufacturers and are assumed that this new equipment meets the noise level design criteria by the vendor. Both the model and the equipment sound power levels are conservative and therefore, would predict conservative impacts. That is, measured noise levels are expected to be less than the predicted values.

The third phase will be the preparation of a summary report, incorporating the noise levels calculated by the propagation model. The report will determine regulatory compliance of the proposed CT project to the existing local and/or state noise ordinances. The report sections will be in text, tabular and graphical form. The report will include tables containing the source characteristics (octave band analysis) of the modeled noise sources and their locations. The noise impact modeling will be performed to predict the maximum noise levels produced by the proposed and existing noise sources with background noise levels. Atmospheric attenuation will be assumed for all sites. Background L_{eq} levels measured during the previous noise study will be included in the predicted maximum SPLs calculated for each critical receptor. The modeled noise level impacts will be graphically presented as decibel isopleths overlaid on the site map for easy interpretation.

The information and analysis will be incorporated into a PSD air construction permit application and PSD report for the proposed CTs. The report can stand-alone and will be sufficient to submit as an attachment to the air construction permit application using the appropriate DEP form with supportive computer model information provided to DEP on computer disks.

6.0 VISUAL IMPACT ANALYSIS

In order to assess the visual impacts of the proposed project, Golder will implement a standard visual impact assessment technique that is typically used to determine the location and extent of a proposed project's visibility to the surrounding area. The employed technique also identifies the need for visual screening and buffering of a project from adjacent land uses. In order to assess visual impacts, Golder will conduct the following activities:

- 1) Aerial photographs and USGS Quadrangle maps will be obtained to determine the types and intensities of existing land use, the topography of onsite and nearby land, and the land cover (vegetation) onsite and in adjacent areas.
- 2) Land use and land cover will be mapped and/or reviewed on either the aerial photograph or quadrangle map.
- 3) Five-foot diameter dark colored meteorological balloons will be inflated onsite and released in the location of the proposed plant stacks which represent the tallest structures of the project. The balloons will be tethered and released to an elevation that represent the height of the proposed CT stacks. Both location and height will be adjusted to account for the wind's effects on the tethered balloon.
- 4) After the balloons are released, staff will drive all public ROW in the vicinity of the project site to determine where the balloons could be observed. Observations will be made in each travel directions and all locations where the balloons are observable with particular reference to the nearby parks.
- 5) All offsite locations where the balloons are observed will be photo documented. In addition, the balloon's height and location will be used to photo simulate the proposed CT stacks onto the photographs of the existing landscape.
- 6) Golder will superimpose the proposed stacks (and inlet air filters if applicable) onto the images based on the visibility of the balloons from offsite locations to assess the change in viewshed and the degree of impact.
- 7) Golder will analyze the photographs, aerials and quadrangle maps after the field investigation and make recommendations for site development.

7.0 ENVIRONMENTAL PERMITTING

Golder has identified several permits as necessary to support the construction and operation of the CT project. The scope of work described for the various permits is based on Golder's experience with power plant development projects within the state of Florida and Pasco County. The scope of work includes reasonable efforts to provide complete application submittals and address agency sufficiency questions in the event questions arise following the submittal of permit applications as well as attendance at agency meetings and project meetings.

7.1 Prevention of Significant Deterioration

Golder will prepare the air construction permit application for the proposed project. Since the project site is located in an attainment area for all criteria pollutants, the CT addition project will be subject to the new source review under the Prevention of Significant Deterioration (PSD) regulations.

The project will consist of two GE Frame 7-type CTs firing natural gas as the primary fuel and distillate oil as a backup fuel. Because the CT project's impacts are expected to be below the PSD significant impact levels, the air impact analyses are based on addressing impacts for the CT project alone. Additional analyses that require addressing cumulative impacts with other sources are not considered in this scope.

One of the critical areas of the air permit application will be the evaluation of air quality impacts and Air Quality Related Values (AQRVs) at the Chassahowitzka National Wilderness Refuge Area (NWRA), a PSD Class I area located approximately 112 and 50 kilometers (km), from the Intercession City and Anclote Power Plants, respectively. The Federal Land Manager (FLM) responsible for this Class I area is the U.S. Fish and Wildlife Service. This is the only PSD Class I area located within 200 km of either site.

Over the last several years, federal and state agencies have developed and incorporated methods and assumptions that are more sophisticated in the air modeling analyses to address air impacts in PSD Class I areas. These analyses are performed to assess a project's impacts on PSD Class I increment as well as potential effects on AQRVs, including visibility in the form of regional haze. It should be noted that air construction permit applications have been submitted for other projects located near Class I areas in which the modeling techniques were refined based on methods and assumptions that have not been previously recommended or identified in EPA (U.S. Environmental Protection Agency)

or FLM guidance documents. Therefore, it is important that discussions are held with EPA and the FLM in order to follow the latest recommendations and techniques that would be acceptable to perform the air modeling analysis.

Regulatory Requirements

The applicable air quality requirements will include obtaining an air construction permit and PSD approval from the Florida Department of Environmental Protection (DEP). Each of the existing power plants has pollutant emissions that are greater than 100 tons per year (TPY) and are classified as existing major sources.

The PSD approval would be required since the proposed CT project is assumed to be a major modification at a major source. The potential emissions of several pollutants from the CT project are expected to be greater than the PSD significant emission rates [e.g., 40 TPY for nitrogen oxide (NO_x) and 100 TPY for carbon monoxide (CO)]. Under PSD review, a determination of best available control technology (BACT) will be required.

NO_x control will have to be evaluated and is a significant issue with the (EPA). Recent BACT decisions by DEP have required NO_x emission rates for CTs firing natural gas to be 9 parts per million by volume, dry (ppmvd) corrected to 15-percent oxygen, or less. There has also been increasingly more pressure from the EPA and FLMs of PSD Class I areas to limit NO_x emissions for CTs firing fuel oil to be less than 42 ppmvd.

The new source performance standards (NSPS) contained in 40 Code of Federal Regulations (CFR), Part 60, will apply to the combustion turbine (Subpart GG). Modern combustion turbines can easily meet the NSPS.

Obtaining PSD approval also will require an air impact analysis that must demonstrate compliance with ambient air quality standards (AAQS) and PSD increments. Previous analyses performed by Golder for similar-sized facilities suggest that aerodynamic downwash due to associated buildings may be important.

PSD review also must include an ambient air quality evaluation that could include up to 1 year of continuous air quality monitoring data. Golder's experience from previous modeling at similar-sized facilities indicates that an exemption to the air quality monitoring requirements could be obtained.

In addition, the project's air quality impacts and its potential affect on AQRVs at the Chassahowitzka NWA, a PSD Class I area, will be assessed. There have been recent changes to the methods and assumptions that EPA and the FLM have recommended in guidance documents. As a result, discussions with EPA and the FLM will be held in order to follow the latest recommendations and techniques that would be acceptable to perform the air modeling analysis.

The scope of work includes the preparation of the PSD air construction permit application and pursuit of permit approval. Several activities are involved in this scope of work and are described below.

Data Gathering and PSD Applicability

Golder will obtain the necessary engineering and design information from Florida Power and/or the manufacturer. Typical design information needed is as follows:

1. Combustion turbine design data at ISO conditions, as well as at minimum and maximum expected ambient operating temperatures for 100 percent, 75 percent, and 50 percent load conditions. This data should include:
 - Electrical output;
 - Fuels and fuel firing rates;
 - Heat input rates;
 - Air emission rates (guaranteed); and
 - Exhaust gas parameters (flow rate, temperature, etc.).
2. Plot plan that shows locations of stacks, buildings, and plot property;
3. Stack heights and diameters; and
4. Building dimensions (i.e., height, length, and width) of planned major buildings.

Manufacturers typically have a data sheet that can supply the combustion turbine design data. While this may not represent an all-inclusive list, it includes the major information elements needed. Additional information may be necessary as the study progresses.

Based on the data gathering effort, a PSD source applicability analysis will be performed to identify pollutants subject to PSD review. It is anticipated that NO_x and CO will be the primary pollutants

requiring PSD review. Sulfur dioxide emissions could be in excess of PSD thresholds depending on the amount of fuel oil permitted.

Air Quality Impact Analysis

A PSD modeling air quality impact analysis will be performed for applicable pollutants, such as NO_x and CO, for the proposed CTs. The air quality impact analysis will first consider the CT project's impacts for comparison to EPA's PSD Class II and I significant impact levels. If the CT project's impacts were predicted to be less than the significant impact levels, then additional modeling with other major sources would not be needed to address compliance with the PSD Class I and II increments and AAQS. Otherwise, if the CT project's impacts were predicted to be greater than the significant impact levels, a cumulative impact analysis would be needed to address the impacts of the Project with other sources. At this time, the assumption is that the CT project's impacts will not be greater than the significant impact levels and a cumulative impact analysis will not be required.

All modeling analyses conducted will use using DEP and EPA guidelines and recommended methodology and using appropriate meteorological data. Modeling procedures, emission inventories, and meteorological data used in the modeling will be discussed with the DEP before conducting the analysis to ensure that approved modeling procedures are used. This will minimize review time by the agency, as well as ensure that modeling does not have to be redone.

For addressing impacts within 50 km of the CT project, pollutant concentrations will be predicted using the Industrial Source Complex Short-term model, Version 3 (ISCST3), with five years of meteorological data from the National Weather Service station closest to the CT project site. For the Anclote plant site, meteorological data from the Tampa International Airport will be used. For the Intercession plant site, meteorological data from the Orlando International Airport will be used. The data from each of these meteorological stations are representative of weather conditions at the respective plant sites and have been recommended by the DEP for use in modeling analyses performed in those areas. Golder maintains in-house the necessary meteorological databases.

The modeling analysis will address compliance with the ambient air quality standards and with the PSD Class II increments. These impacts will be addressed in the immediate vicinity of the plant and in the maximum impact area of the plant. Building downwash will be evaluated in these analyses using EPA-recommended procedures.

Air quality impacts will also be predicted at the PSD Class I area of the Chassahowitzka NWA located approximately 112 and 50 km from the Intercession City and Anclote Power Plants, respectively. Because all other PSD Class I areas are located more than 200 km away from the CT project, air impacts will not need to be predicted at other PSD Class I areas.

For addressing impacts at 50 km and more from the CT project, the California Puff (CALPUFF, version 5.4) air modeling system will be used to predict the proposed Project's maximum air quality concentrations. CALPUFF is a non-steady state Lagrangian Gaussian puff long-range transport model that includes algorithms for chemical transformations (important for visibility controlling pollutants), and wet/dry deposition. This model is recommended by the EPA and FLM to address impacts at the Class I areas. As a result, the CALPUFF model will be used to assess air quality impacts for comparison to the PSD Class I significant impact levels, effects on regional haze and AQRVs, and contribution to sulfur and nitrogen deposition levels.

Golder will develop the meteorological data needed for the model domain to run CALPUFF. These data will be input to CALMET, the meteorological preprocessor program for CALPUFF.

Currently there are several air quality modeling approaches recommended by the Interagency Workgroup on Air Quality Models (IWAQM) to perform these analyses. The IWAQM consists of EPA and FLM for ensuring that AQRVs are not adversely impacted by new and existing sources. These recommendations have been summarized in two documents:

- *Interagency Workgroup on Air Quality Models (IWAQM), Phase 2 Summary Report and Recommendations for Modeling Long Range Transport Impacts* (EPA, 1998), referred to as the IWAQM Phase 2 report.
- *Federal Land Managers' Air Quality Related Values Workgroup (FLAG), Phase I Report*, USFS, NPS, USFWS (December, 2000), referred to as the FLAG document.

In addition, there have been recent modeling analyses performed by other applicants using methods and assumptions that have not been previously recommended or identified in EPA or FLM guidance documents to address air impacts at PSD Class I areas. The methods and assumptions recommended in the guidance documents as well as updated information provided by EPA and the FLM will be used to assess visibility impairment due to the Project.

The CT project is assumed to be located far enough from the PSD Class I area so that the CT project's maximum predicted impacts are anticipated to be less than the PSD Class I significant impact levels. Therefore, a cumulative impact analysis is not anticipated to be required for those pollutants.

Best Available Control Technology (BACT) Evaluation

The BACT evaluation is an integral part of the PSD application because of the significant consequences BACT emission limits can have on the economic viability of a project. Golder's BACT evaluations produce a detailed analysis to support the appropriate BACT level.

A BACT evaluation will likely be required for NO_x and CO emissions. For NO_x, the evaluation will include technically feasible alternatives (e.g., dry-low NO_x combustion, wet injection, selective catalytic reduction [SCR]). For CO emissions, the evaluation will include the add-on control of catalytic oxidation. The BACT evaluation will be conducted using the currently mandated "top-down" approach. Capital and operating costs will be determined, and control effectiveness in terms of dollars per ton pollutant controlled will be developed. The BACT will be geared to support the use of the dry, low-NO_x combustor for natural gas firing and wet injection for oil firing as BACT.

Preconstruction Monitoring Analysis

The PSD preconstruction monitoring analysis will be required to address the air quality impacts of the project relative to the *de minimis* monitoring concentration levels. If the levels are exceeded, then ambient data must be submitted as part of the application. Based on Golder's experience with similar projects, existing ambient data collected at monitoring stations located in the county in which the plant is located or from neighboring counties will be obtained and presented to satisfy the preconstruction monitoring requirements. This will involve justification that the data meet all the PSD criteria for use of representative existing data. It is unlikely that the DEP would require the collection of on-site PSD preconstruction monitoring data.

Additional Impact Analysis

The additional impact analysis required under PSD review will entail analysis of the impacts of emissions from the proposed CT project upon soils, vegetation, wildlife, and visibility both near the CT project and for the PSD Class I area.

To address such impacts near the plant, soil and vegetation types must be identified. A literature review will be conducted to identify the most recent data concerning threshold effect levels for the soil and vegetation types. An assessment of air emissions impacts upon these values will then be prepared. Analysis of impacts due to associated growth in the area must also be addressed. Growth effects will be addressed qualitatively, including impacts due to secondary emissions from the facility (i.e., emissions occurring as a result of the Project but emitted at offsite locations).

To address air quality impacts at the PSD Class I area, an AQRV analysis will be conducted to assess the potential effects of the Project's emissions to AQRVs at the Chassahowitzka NWA. This analysis will include performing a literature review to identify the most recent data concerning threshold effect levels for the soils, vegetation, and wildlife. The CT project's impacts on regional haze and contribution to sulfur and nitrogen deposition levels at the Class I area will also be assessed.

7.1.1 FAA – Notice of Proposed Construction

The Federal Aviation Administration (FAA) requires notification under 14 CFR 77 for stack heights greater than 200 feet or which penetrate an air navigation corridor in the vicinity of local and/or municipal airports. Construction crane height is also regulated within this program. The FAA review criteria involves the potential for encroachment of the structure into navigable air space or into the approach patterns for airports identified in the proximity of the project.

Golder will determine the nearest airport(s) and aviation corridors applicable to the proposed site and prepare a letter notification to the FAA advising of the project and the stack height. Since an existing stack is currently located at the Anclote plant site and the stack height is anticipated to be less than 200 feet high, this is not considered a significant level of effort.

7.1.2 Title IV – Acid Rain

The 1990 CAA Amendments established a program to reduce potential pre-cursors of acidic deposition. The Acid Rain Program was delineated in Title IV of the CAA Amendments and required EPA to develop the program. EPA's final regulations were promulgated on January 11, 1993, and included permit provisions (40 CFR 72), an allowance system (40 CFR 73), CEM (40 CFR 75), excess emission procedures (40 CFR 77), and appeal procedures (40 CFR 78). Florida has adopted

by reference the federal permit regulations applicable to facilities affected by the requirements of Title IV of the CAA Amendments.

EPA's Acid Rain Program applies to all existing and new utility units except those serving a generator less than 25 MW, existing simple cycle CTs, and certain non-utility facilities. Units that fall under the program are referred to as affected units. The EPA regulations are applicable to the proposed projects for the purposes to obtain a permit and allowances, as well as emission monitoring. New units are required to obtain permits under the program by submitting a complete application 24 months before the date that the unit begins serving as an electric generator greater than 25 MW. The Acid Rain Permit applications will updated for the new units and submitted to DOE (ORIS code) and FDEP.

7.2 Environmental Resource Permit

At the Anclote Plant, the siting and construction of the two CTs within a pervious area will require the submittal of a Standard General Environmental Resource Permit (ERP) to the FDEP. In general, the ERP constitutes a number of combined environmental issues related to surface waters, threatened and endangered species, and primarily, storm water management. The ERP permitting process dictates proper site design in order to provide the necessary measures to control stormwater runoff as a result of site development activities. The permit requires a complete design of the site layout and erosion and control plan development to establish post-development stormwater management. Site survey and geotechnical investigations are required to compete the ERP permitting process. It should be noted that the permitting process is similar to the Pasco County Stormwater Management Plan requirements and therefore, this task will be completed concurrent with the development of information necessary to complete the Pasco County submittal.

7.2.1 Threatened and Endangered Species Compliance

Incorporated in the ERP permit process and the Pasco County Preliminary Site Plan Submittal process is the requirement to determine compliance with various federal and state regulations that protect federal and state-listed plant and animal species. Golder proposes to perform a reconnaissance level listed species survey of the proposed project area. Listed plant species are those plants that are listed by the United State Fish and Wildlife Service (USFWS) or the Florida Department of Agriculture and Consumer Services (FDACS) as endangered, threatened, of special concern, or commercially exploited. Listed Animal Species are those animals that are listed as

endangered, threatened, or of special concern by the USFWS, or the Florida Fish and Wildlife Conservation Commission (FFWCC). Observations will be made during field activities for the presence of listed species based upon sight, call, burrow, nest, track, scat, and probable habitat. To support this, Golder will acquire an element occurrence report of listed species from the Florida Natural Areas Inventory (FNAI) for the project site.

Golder proposes to coordinate the results of the listed species survey and conceptual site plan with the USFWS and the FFWCC in order to achieve agency letters of approval (if possible) of the proposed site plan.

7.2.2 Cultural Resources Review

Incorporated in the Pasco County Preliminary Site Plan Submittal process is the requirement to identify the following:

- Archaeological or historic resources onsite;
- The potential for additional or unknown sites to be present; and
- Whether a cultural resource survey will be necessary to comply the National Historic Preservation Act requirements.

Golder will coordinate with the State Historic Preservation Officer (SHPO) in order to obtain a letter which will either 1) document that the project can proceed with no further review from the agency or 2) require a cultural resource survey of the property. Based on site conditions, the probability of a cultural resource survey is low. Should SHPO determine that a cultural resource survey is required, the survey would be beyond the scope of this proposal.

7.3 Wastewater Discharge

7.3.1 Industrial Wastewater

The proposed project will be constructed on land that is currently used as a permitted industrial wastewater disposal pond. The industrial wastewater permit will require modification to allow the closure and use of a portion of this pond for the CT footprint. The northern portion will remain in use

as an industrial wastewater pond and the southern portion of the pond will be redesigned and permitted as a stormwater retention pond (See Figures 1 and 2).

The proposed project may require the treatment of additional raw water to provide demineralized water supply for the CTs and subsequently result in the need to dispose of additional industrial wastewater. Based on discussions with plant staff, the addition of a reverse osmosis (RO) unit may be required. It is anticipated that the additional industrial wastewater can be disposed of in the portion of the existing evaporation/percolation pond system which will remain in operation. An internal evaluation will be required to ensure that the pond has adequate capacity to provide for the adequate treatment and disposal of the additional wastewater. The FDEP industrial wastewater permit will require modification to 1) allow the closure and use of a portion of the pond for the CT footprint, 2) allow the design and use of the southern portion of the pond as a stormwater retention pond and 3) to incorporate the operation of the additional CTs into the industrial wastewater pond system.

7.3.2 Domestic Wastewater

During operation of the CTs, it is anticipated that up to six additional staff will be employed to operate the new CT facility. This will result in the generation of additional domestic wastewater which must be routed, treated and disposed of in the existing domestic wastewater treatment plant system. Based on preliminary discussions with Anclote plant staff, the existing system may require engineering modifications in order to provide adequate treatment capacity for the proposed CT project. Golder will coordinate with facility staff to evaluate the existing system, design the necessary upgrades (if required) and modify the FDEP domestic wastewater permit to support the proposed CT project.

7.4 Water Supply

The Anclote Power Plant relies on the City of Tarpon Springs to provide water supply for power operations. The addition of the two CTs will require additional water supply during operation on oil. Golder has not evaluated the water supply needs for the expanded facility; however, Golder will work with Progress Energy staff to identify water supply requirements and modify the Water Supply Agreement to ensure that adequate water supply will be provided by the City to support the addition of the two CTs.

7.5 NPDES Permit - Stormwater Discharge From Construction Activities

Construction activities, including clearing, grading, and excavation, that result in the disturbance of areas greater than one acre with potential to discharge stormwater runoff to U.S. waters requires the submittal of a Notice of Intent (NOI). Additionally, a Stormwater Pollution Prevention Plan (SWPPP) must be developed in order to obtain coverage under the NPDES General Permit for Stormwater Discharge from Construction Activities that disturb greater than one acre of land from the FDEP and EPA.

Following construction, the existing SWPPP can be modified to incorporate the operational activities.

7.6 Overweight And Over Dimensional Vehicle Guidance

Golder proposes to prepare documentation to assist the appropriate equipment transportation vendor in obtaining Florida Department of Transportation (FDOT) Special Road Use Permits necessary to transport overweight and over dimensional vehicles/equipment associated with the proposed project. The guidance report will provide the applicable FDOT permit applications, fee schedules, map of proposed routes and proposed route constraints and/or limitations.

8.0 GEOTECHNICAL INVESTIGATION

Golder proposes to complete a geotechnical investigation to facilitate the determination of foundation requirements for facility equipment and structures. The investigation will be needed to characterize engineering properties of the subsurface materials for use in foundation design and site earthworks for grading. The purpose of the proposed study is to provide design and construction recommendations. Specific objectives of the proposed study are:

- Characterize engineering properties of subsurface materials within the load-bearing strata for the structures;
- Identify groundwater conditions at the subject site;
- Provide design recommendations for:
 - Foundations for the proposed structures; and
 - Excavation requirements.
- Pavement for the access road and surface parking lot;
- Estimate settlement potential; and
- Develop construction recommendations including handling of groundwater.

An integrated field, laboratory, and engineering program will be conducted to achieve the above objectives. The specific tasks of the proposed study are listed below:

- 1) Performing Eleven Standard Penetration Test (SPT) borings, including:
 - Four, 50-100 feet deep borings in the footprints of the SCCTs;
 - Three, 20-foot deep borings along the proposed access road;
 - Two, 50-100 feet deep borings in the footprints of fuel tanks;
 - Two, 25-foot deep borings in the footprint of admin/control building; and
 - Assessment of sinkhole activity potential at the site.
- 2) Conducting a field resistivity survey at the site to obtain resistivity values for the design of grounding cables at the site;
- 3) Performance of other laboratory tests such as California Bearing Ratio (CBR), Proctor compaction test;
- 4) Conducting an engineering evaluation of the foundation systems based on the above information and refined structural information to either confirm or revise design and construction recommendations derived in the preliminary geotechnical investigation; and

- 5) Preparation of an engineering report to summarize the above results and to incorporate the results from the preliminary geotechnical investigation.

9.0 PROJECT SCHEDULE

The proposed schedule for the tasks and scope of work identified to support the engineering, environmental, land use and geotechnical services required to support the Anclote CT addition project is provided in Table 1. The schedule depicts the projected duration of the various tasks in order to support a November 2003 commencement of construction date.

10.0 PROJECT COST ESTIMATE

Golder proposes to perform the scope of work associated herein as estimated in Table 2. A cost estimate of the associated permit application fees is provided in Table 3.

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ATTACHMENTS

Attachment 1

Criteria and Standards to be Considered in Review of Application for Zoning Amendments

The Zoning staff, the Planning Commission, and the Board of County Commissioners may review and consider any of the following criteria and standards in regard to the advisability of adopting a zoning amendment:

- a. Whether the proposed amendment would be spot zoning;
- b. The existing land use pattern;
- c. The possible creation of an isolated district unrelated to adjacent and nearby districts;
- d. Whether the existing district boundaries are illogically drawn in relation to existing conditions on the property proposed for the change;
- e. Whether changed or changing conditions make passage of the proposed amendment necessary;
- f. Whether the proposed change will adversely affect living conditions in the immediate and surrounding neighborhoods;
- g. Whether there is adequate access to the site and whether the proposed change will create or excessively increase traffic congestion or otherwise affect traffic safety;
- h. Whether the proposed change might result in the reduction of light and air to adjacent properties or areas;
- i. Whether the proposed change might result in lower property values in adjacent areas;
- j. Whether the property, as rezoned, could be developed in a manner which would comply with other existing County and State regulations governing development;
- k. Whether the proposed change would result in, or act as a deterrent to, the improvement or development of adjacent property in accordance with the existing regulations;
- l. Whether the property which is the subject of the proposed change is a suitable site location for the uses available under a proposed zoning district;
- m. Whether certain portions of the property are not suitable for development under the proposed zoning classifications;
- n. Whether adequate public facilities are available to the site including, but not limited to, water and sewer facilities;
- o. Whether the property is developable under the zoning classification without appropriate public facilities, including, but not limited to, water and sewer facilities;

- p. Whether the site proposed for zoning change would be subject to flooding and the effect of such flooding on the proposed or possible improvements on the site;
- q. The physical characteristics of the site and degree of site alteration which would be required to make the site usable for any of the range of potential used under the proposed zoning classification;
- r. Whether the proposed zoning change would be consistent with the goals, objectives, and policies set forth in adopted comprehensive plans or elements; and
- s. Such other factors, standards, or criteria which the Board of County Commissioners shall deem important in the protection of the public health, safety, and welfare.

Attachment 2

Standards for Approval of Special Exceptions

Following consideration of the following standards and evidence presented at the public hearing, the Planning Commission will grant the request for special exception, unless the Planning Commission makes a specific finding, based upon the facts presented, that the request would have an adverse effect on the health, safety, or welfare of the public:

- a. That the request is consistent with the goals, objectives, and policies of an adopted Comprehensive Plan, element, or portions thereof;
- b. That adequate ingress and egress exists, or will be provided, to the property for which the special exception has been requested and that such ingress and egress will provide pedestrian safety, safe traffic flow, access in case of fire, and convenience;
- c. That the applicant has made adequate provisions for off-street parking and loading areas, where required;
- d. That the requested special exception will not result in any substantially adverse economic, noise, glare, or odor effects on adjoining or surrounding properties;
- e. That the adequate provision for refuse collection and service will be provided for the requested special exception use;
- f. That there are adequate utilities, such as water, sewer, and electric that will be available to service the site;
- g. That the special exception use is, or will be, screened and buffered if necessary in order to prevent adverse effects upon adjoining or surrounding property;
- h. That signs, if any, and proposed exterior lighting used in conjunction with the special exception use will not create any adverse glare; traffic safety, economic, or other significant problems on adjoining or surrounding properties; and
- i. That there is adequate yard and open space to serve the property upon which the special exception use will be maintained.

Attachment 3

Preliminary Site Plan (Class I and II Development)

Projects which qualify as Class I or Class II developments (i.e., Anclote CT addition) shall submit a preliminary site plan draw at a readable scale and sealed by a Florida Registered Engineer showing:

1. A legend, title, and number of revision, date of preliminary site plan and revision(s), scale of plan, north arrow, acreage in the project, name, address, and telephone number of developer, owner, surveyor, and engineer;
2. Location map showing the relationship between the area proposed for development and surrounding developments or lots, including a current aerial photograph, which in no case shall be older than that available at the Pasco County Property Appraiser's Office, with boundaries of development and roadway layout delineated. The location map shall show all functionally classified roadways established by the Pasco County Comprehensive Plan Future Roadway Network within one mile of the development boundary;
3. Legal description, sufficient to describe the size and location of the project site;
4. Phasing plan (if applicable) designating each phase by number or letter and a heavy line border, at a scale appropriate with the size of the project site;
5. Existing streets: the name, location, right-of-way width, and pavement status (i.e., dirt, limerock, concrete, asphalt, etc.) of all existing streets, platted or recorded easements, other rights-of way, and platted streets within 100 feet of the proposed development;
6. Existing storm sewers, potable water facilities, and sewerage facilities on or abutting the tract within 100 feet;
7. Other existing structures or uses on the project site with a statement as to their intended use;
8. Configuration of that portion of abutting developments within 100 feet, with preliminary plan approval or if platted, with plat book and page number shown;
9. If individual lot sewage disposal is proposed to be utilized, a map indicating the distribution of soil types, categorized using Soil Conservation Service's classification, and their limiting factors as they relate to the intended land use scheme;
10. Existing contours at a maximum of two (2) foot intervals, based on the National Geographic Vertical Datum of 1929, identifying the site to be developed and, where practicable, extending a minimum 100 feet beyond the site boundary;
11. Present land use classification and zoning of parcel proposed for development and abutting land. Plans may not be processed for review without appropriate land use classifications and/or zoning;
12. Approximate location and acreage of natural features, including lakes, marshes or swamps, watercourses, and other jurisdictional areas;

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13. Tree data meeting the requirements code;
 14. Proposed building height(s), number of floors, intended use(s), and finished floor elevations(s);
 15. Parking: calculations showing the number of parking spaces required and a statement as to the number of parking spaces provided;
 16. Indicate type of paving surface proposed for use on site;
 17. Proposed streets, if any, with the name, location, width, proposed classification and design standards, and typical design cross sections with a description of pavement as required by Code;
 18. Proposed and existing platted or recorded easements or rights-of-way for drainage, pedestrian ways, bridle paths or bicycle paths, etc., including location, width, design criteria, and purpose within 100 feet of the proposed development;
 19. Provide a statement identifying the supplier of the potable water facilities, sewage facilities, fire service and electrical serve. The developer shall notify the appropriate electric utility, in advance, of their intent to request service and provide confirmation to the County of service availability prior to preliminary site plan approval;
 20. Indicate method of fire protection (i.e., hydrants, tanks, etc.);
 21. The Base Flood elevation, where available, and delineation of flood zone(s) shall be superimposed on the preliminary site plan in accordance with the latest Flood Insurance Rate Map published by the Federal Emergency Management Agency or the latest study as accepted by the Federal Emergency Management Agency;
 22. Drainage concept with direction of flow and method of disposition indicated, along with a general description of the relationship of the proposed drainage system to the natural drainage system and adjacent properties;
 23. Dates of rezonings, special exceptions, variances, conditional uses, or vested rights that have been granted, if applicable;
 24. Identify and designation of any historic resources or sites within the proposed development as identified by the Pasco County Comprehensive Plan;
 25. Completed evaluation form (available for the Growth Management/Zoning Department) of development proposal's impact on employment, schools, fire, police, health services, and hurricane evacuation; and
 26. Proof of ownership or legal interest

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Preliminary Plan (Class III Developments)

1. Class III E – Projects which qualify as Class III E developments shall submit:
 - a. A scaled and dimensioned plan drawn on a current aerial photograph, that in no case shall be older than that available at the Pasco County Property Appraiser's Office, showing the proposed lot layout and proposed lot area or a survey showing the proposed lot layout and lot area. The plan survey must include a title and date;
 - b. Southwest Florida Water Management District (SFWMD) exemption or stormwater management plan and report where parcels less than five (5) acres are being created;
 - c. Proposed driveway locations; and
 - d. Proof of ownership or legal interest.

2. Class III R – Projects which qualify as Class III R developments shall submit:
 - a. A preliminary plan, including a sketch and description of the entire parent parcel, drawn at a readable scale, signed and sealed by a Florida Registered Engineer or Surveyor, showing the following:
 - (1) A legend, title, and number of revision, date of preliminary plan and revision(s), scale of plan, north arrow, acreage in the project, and the name, address, and telephone number of the developer, owner, and engineer/surveyor;
 - (2) Sketch and legal description of parent parcel;
 - (3) Legal description sufficient to describe the size and location of the project site;
 - (4) Existing street: the name, location, right-of-way width, and pavement status (i.e., dirt, limerock, concrete, asphalt, etc.) of all existing streets, platted or recorded easements, other rights-of-ways, and platted streets within 200 feet of the proposed development;
 - (5) Proposed streets: the name, location, width, proposed street classification;
 - (6) Proposed lot lines, lot numbers, and dimensions;
 - (7) Location of existing buildings or structures on site with setbacks from lot lines shown;
 - (8) Approximate location and acreage of natural features, including lakes, marshes or swamps, watercourses, and other jurisdictional areas. In the event this information is not submitted, the County may provide this information from the Geographic Information System data;
 - (9) The Base Flood Elevation, where available, and delineation of flood zone(s) shall be superimposed on the preliminary plan in accordance with the latest Flood Insurance Rate Map published by the Federal Emergency Management Agency or the latest study as accepted by the Federal Emergency Management Agency;

(10) Proposed access; and

(11) Existing utilities with a statement of the proposed method of water supply, sewage disposal, electric and fire protection.

Attachment 4

Stormwater Management Plan and Report

1. Prior to site development, the applicant must to include in the Stormwater Management Plan and Report sufficient information for the County Administrator, or his designee to evaluate the environmental characteristics of the affected area, the potential and predicted impacts of the proposed activity on area surface waters, and the effectiveness and acceptability of those measures proposed by the applicant for reducing adverse impacts.
2. The Stormwater Management Plan and Report shall contain, as a minimum, the following information;
 - a. The name, address, and telephone number of the applicant and the engineer;
 - b. The location map; and
 - c. The predevelopment environmental and hydrological conditions of the site and/or receiving waters and wetlands shall be described in detail, including the following;
 - (1) The direction, peak flow rate, and for closed basins, the volume of predevelopment stormwater runoff;
 - (2) The location of areas on the site where predevelopment stormwater collects or percolates into the ground;
 - (3) A description of all water courses, water bodies, and wetlands on or adjacent to the site or into which stormwater flows;
 - (4) Seasonal high water table elevations;
 - (5) Location of 100-year flood plan, or best available information;
 - (6) Description of vegetation;
 - (7) Topography;
 - (8) Soils;
 - (9) Location of drainage basins and sub-basins;
 - (10) Rainfall data for the appropriate design storms; and
 - (11) SCS curve numbers.
 - d. Proposed post development conditions of the site shall be described in detail, including:
 - (1) Areas to be filled and/or excavated;
 - (2) Areas where vegetation will be cleared or otherwise removed;

- (3) The size and location of nonresidential buildings or other structures. The typical lot layout shall be used to compute the coefficient of run-off;
 - (4) Location of drainage basins and sub-basins;
 - (5) SCS curve numbers; and
 - (6) Effect of any proposed open space irrigation systems.
- e. All components of the drainage system and any measures for the detention, retention, infiltration of water or for the protection of water quality shall be described in detail, including:
- (1) The direction, flow rate, and for closed basins, the volume of stormwater that will be conveyed from the site, if any, with a comparison to the predevelopment conditions;
 - (2) Detention and retention areas, including plans for the discharge of waters;
 - (3) Areas of the, if any, site to be used or reserved for percolation;
 - (4) A plan for the control of erosion which describes in detail the type and location of control measures; and
 - (5) Any other information, which the developer or the County Administrator, or his designee, believes, is reasonably necessary for an evaluation of the stormwater management plan.

Attachment 5

Construction Plans

Construction plans shall, at a minimum, conform to the following requirements:

1. The construction plans shall be drawn to a scale of one (1) inch to fifty (50) feet or larger (or other scale, if approved by the County Administrator, or his designee, in writing, prior to submittal), and shall be submitted with the engineering specifications for the following improvements;
 - a. Water: Existing and proposed water supply and/or distribution system;
 - b. Sanitary sewerage system; horizontal and vertical alignments shall be shown graphically (in the plan profile) of existing and proposed sanitary sewage collection and/or treatment systems;
 - c. Drainage facilities, showing horizontal and vertical alignments shall be shown graphically (in the plan profile) of both natural and man-made systems (i.e., storm sewer systems and retention/detention ponds). The cover sheet of the construction plan shall provide a statement indicating whether the drainage plan provided was based on the existing field conditions of the abutting property or was based on the proposed development design of the abutting property;
 - d. Street: Proposed design speed, vertical and horizontal alignment, pavement cross section, structural components, design calculations, and street names;
 - e. Flood zone delineation, base flood elevation (when available), and the Federal Emergency Management Agency current Florida Insurance Rate Map panel reference;
 - f. Pedestrian and bicycle facilities;
 - g. Parks and open space;
 - h. Existing contours at maximum two (2) foot intervals and proposed lot grades;
 - i. Proposed landscaping and any required buffers;
 - j. Easements;
 - k. Traffic control device plan showing all required signs and pavement markings and informational signs (i.e., street signs);
 - l. The plans shall certify that the roadway system is in substantial conformance with the Manual of Uniform Minimum Standards for Design, Construction, and Maintenance of Streets and Highways, State of Florida, in effect at the time the plans were prepared;
 - m. Fire protection system;
 - n. All sheets shall be signed, sealed, and dated by a Florida Registered Engineer;

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- o. Master plan showing lot lines, minimum lot sizes, lot numbers and phasing designating each phase by number or letter, with a heavy line border, at a scale appropriate with the size of the tract; and
- p. Any other items required by the Development Review Committee that are necessary for review prior to approval of the construction plans for the subject development.

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MASTER CONTRACT

262141-00000

BETWEEN

**PROGRESS ENERGY SERVICE COMPANY, LLC
not in its individual capacity, but solely as agent for
PROGRESS ENERGY CAROLINAS, INC. AND
PROGRESS ENERGY FLORIDA, INC.**

AND

POWER ENGINEERS, INC.

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	A. Rate Schedule
	B. Invoices and Payments
	C. Overtime and Portal-to-Portal Pay
	D. Overbillings/Offsets/Credits/Refunds
8	Changes
9	Financial Audits
10	Warranty and Inspection of Materials
11	Responsibility for Work
12	Cleanup
13	Termination and Suspension
	A. Termination for Cause
	B. Termination for Convenience
	C. Suspension of Work
14	Patents and Copyrights
15	Status of Contractor
16	Subletting or Assigning Contract
17	Reports
18	Tools, Materials, and Equipment
19	Plans, Drawings, Specifications, and Documentation
20	Contractor Personnel Matters
21	Insurance
22	Indemnity
23	Security
24	Fitness-for-Duty Policy

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SECTION

TITLE

- 25 Laws and Project Rules
- A. General
 - B. Employment Taxes and Contributions
 - C. Drawings and Specifications
 - D. General Contractor's License Requirements
 - E. Environmental Provisions
 - F. Federal Subcontracting Requirements

26 Severability

27 Amendment of Contract

28 Governing Law

29 Confidentiality; Use of Information

30 Public Communication

31 Nonwaiver

32 Merger

33 Background Investigation and Drug Screen

34 Workplace Violence Prevention

- Attachment A Power Engineers 2007 Schedule of Charges
Attachment B Code of Ethics Acknowledgment Form
Attachment C Supplier Diversity & Business Development Subcontracting Report

CONFIDENTIAL

PAGES 4 THROUGH 29

CONFIDENTIAL

The parties execute this Contract by their signature or the signature of their authorized agents.

POWER ENGINEERS, INC.

PROGRESS ENERGY SERVICE COMPANY, LLC,
not in its individual capacity, but solely as agent for
PROGRESS ENERGY CAROLINAS, INC., AND
PROGRESS ENERGY FLORIDA, INC.

BY: Randy L. Grass
NAME (printed): RANDY L. GRASS
TITLE: Director
DATE: 12/14/06

BY: Jeff Nelsen
Senior Contract Analyst
DATE: 12-12-06

Should the person's title who is executing this document not indicate that he/she is a corporate officer, an affidavit signed by a corporate officer shall be provided stating that the person whose name appears above is duly authorized to execute Contracts on behalf of the firm.

Indicate your Social Security Number OR your Federal Tax Identification Number (FTIN). This number shall correspond with the Contractor name indicated above and shall be the same Federal Tax Identification Number under which you report income. **COMPLETE ONLY ONE.**

Federal Tax ID # 82-0324246 Social Security # _____

The Internal Revenue Service (IRS) requires us to obtain certain information from you to meet IRS Form 1099 reporting and filing requirements. If you do not provide your correct FTIN, your payments may be subject to 20% backup withholding. Under penalties of perjury, I certify that the FTIN shown above is correct for the Contractor named.

RANDY GRASS, Director
(Consultant to fill in name and title)

is appointed as the person to whom all official correspondence to Consultant concerning this Contract should be directed.

In accordance with the Federal Acquisition Regulation section 52.219, please check all that apply to your company. Please provide supporting documentation or certification to confirm the status for any categories checked under Small/Diverse Vendors.

- Certified small business*
- Veteran-owned business*
- Service-disabled veteran-owned business*
- Not a Small Business
- HUBZone, 8(a) or disadvantaged business*
- Minority-owned business * *
- Women-owned small business * *

* As defined by the Small Business Administration (SBA): www.sba.gov
* • Certified by Progress Energy and as defined by SBA.

Register online at www.progress-energy.com/supplierdiversity

2 PAGES

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**Contract Employee
Code of Ethics Acknowledgment Form**

Please go to the following website to review the Progress Energy Code of Ethics prior to signing this Acknowledgment Form. Hard copies are available upon request.

<http://www.progress-energy.com/investors/corpgov/codeofethics.asp>

I have read the Progress Energy Code of Ethics. I understand that the principles stated in the Code of Ethics represent those of Progress Energy as they relate to the work I perform as an independent contractor (or as an employee of an independent contractor of Progress Energy), and that violating those principles, or the legal and regulatory requirements applicable to my work may result in disciplinary action by my employer. I agree to abide by and support the legal and regulatory requirements applicable to my work. I understand that if I have questions concerning appropriate ethics or relevant legal and regulatory requirements, I should consult with my supervisor.

Signature of Contract Employee

Name of Contract Employee

Date

Social Security Number

Contractor Organization

00275101

Attachment C

SUPPLIER DIVERSITY & BUSINESS DEVELOPMENT
SUBCONTRACTING REPORT

REPORTING METHOD AND DEFINITIONS

REPORTING METHOD

Please complete the attached form, Supplier Diversity & Business Development Subcontracting Report, to record your awards with small business concerns that are directly related to fulfilling a specific Progress Energy contract. Provide contract number, dollar amount and the per cent of award to small business concerns. Quarterly and cumulative annual period reporting is required.

REPORTING TIME SCHEDULE

Please provide the information requested for subcontracting quarterly report by the 15th of the month following the end of the quarter that you are reporting. The completed form may be faxed to Progress Energy Service Co., LLC, Manager-Supplier Diversity & Business Development, (919) 546-6750 or mailed to Progress Energy Service Co., LLC, Manager-Supplier Diversity & Business Development, P.O. Box 1551 (PEB-2), Raleigh, NC 27602.

SMALL BUSINESS CONCERNS (SBC) DEFINITIONS*

- **Small Disadvantaged Business Concern (SDB)** - A business at least 51 percent of which is owned (or, in the case of publicly owned businesses, at least 51 percent of the stock of which is owned) by one or more minority individuals or other individuals found to be disadvantaged as established by the Small Business Administration and whose management and daily operations are controlled by individuals including the following minority classes (for clarification, refer to FAR 52.219-8).

Minority Type:

- African American Male	- Hispanic American Male	- Asian-Pacific American Male
- African American Female	- Hispanic American Female	- Asian-Pacific American Female
- Native American Male	- Asian-Indian American Male	
- Native American Female	- Asian-Indian American Female	

Native American	Includes American Indians, Eskimos, Aleuts and Native Hawaiians
Asian Pacific	Includes U.S. citizens where origins are from Japan, China, Philippines, Vietnam, Korea, Samoa, Guam, U.S. Territories of Pacific, Laos, Cambodia and Taiwan
Asian Indian	Includes U.S. citizens where origins are from India, Pakistan and Bangladesh

- **Women-Owned Business Concern (WOSB)** - A business that is at least 51 percent owned by a non-minority woman and who controls the daily management (for clarification, refer to FAR 52.219-8).

- **Hubzone Small Business Concern (HBZ)** - A business that appears on the list of qualified hubzone small business concerns maintained by the Small Business Administration.

- **Veteran-owned Small Business Concern (VOSB)**- A business at least 51 percent of which is owned (or, in the case of publicly owned businesses, at least 51 percent of the stock of which is owned) by one or more veterans and whose management and daily operations are controlled by one or more veterans.

- **Small Business Concern (SB)**- A business independently owned and operated that is not dominant in its field and that meets Small Business Administration standards as to the number of employees, generally under 500, and/or dollar volume of its business (for clarification, refer to 13 CFR Part 121 and FAR 19.102).

- **Handicapped/Sheltered Workshop** - this must be a charity organization or institution conducted not for profit, but for the purpose of carrying out a recognized rehabilitation program for handicapped workers and/or providing individuals with paid employment.

01/11/17

SUPPLIER DIVERSITY & BUSINESS DEVELOPMENT SUBCONTRACTING REPORT

Date _____
 Contractor Name _____
 Qtr. _____
 Type of Business _____
 Contract Number _____
 Dollar Amount of Contract _____

CERTIFIED SMALL BUSINESS CONCERNS INFORMATION

List all small business concerns subcontractor(s) used on the project and subcontracted percent and amount

NAME	PRODUCTS/SERVICES TO BE PROVIDED	\$ AMOUNT	YTD \$ Amount	%	*SBC code

SOURCING EFFORT FOR CERTIFIED SMALL BUSINESS CONCERNS

List all small business concerns subcontractor(s) contacted on the project that will not be used

NAME	ADDRESS	PHONE NUMBER	CONTACT	*SBC code

LIST ANY ORGANIZATIONS, AGENCIES, OR GROUPS THAT YOU CONTACTED TO SOURCE CERTIFIED SMALL BUSINESS CONCERNS

NAME	ADDRESS	PHONE NUMBER	CONTACT

Attach sheet if additional space is needed.

Suggested Organizations:

- Carolinas Minority Supplier Development Council 704-536-2884
- South Carolina's Governor's Office of Small & Minority Business Assistance 803-734-0657
- State of North Carolina Historically Underutilized Business Program 919-733-8965
- Raleigh/Durham Minority Business Development Center 919-833-6122
- The North Carolina Institute of Minority Economic Development 919-831-2467
- National Association of Women Business Owners 703-506-3268

4 PAGES

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14220 LADUE ROAD
ST. LOUIS, MO 63017
PHONE 314-317-4000
FAX 314-317-4099

LETTER OF TRANSMITTAL

DATE: February 29, 2008

TO: Sharon Bauer
Progress Energy Florida
1150 Greenwood Boulevard, LM 45
Lake Mary, FL 32746

SUBJECT: Crystal River Plant Substation & Line Engineering: Phase B

PROJECT NUMBER: 113254

THESE ARE TRANSMITTED: FOR YOUR INFORMATION FOR ACTION SPECIFIED BELOW FOR REVIEW AND COMMENT FOR YOUR USE AS REQUESTED

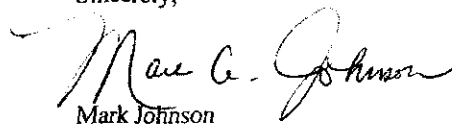
DOCUMENT DATE	COPIES	DESCRIPTION
02/29/08	1	Phase B, Preliminary Engineering Scope of Work (Document No. STL 017-085)
02/29/08	1	Phase B, Preliminary Engineering Budget Summary (Document No. STL 017-086)

MESSAGE

Sharon,

Enclosed please find the Scope of Work and Budget Summary for the above listed project. If you have any questions, please do not hesitate to contact me at (407) 962-6439.

Sincerely,


Mark Johnson

MJ/kr
Enclosures
Sent Via: Email
cc: Gene Rasponi (PEF) w/encl.
David Titzer (PEF) w/encl.
Randy Grass (POWER-STL) w/encl.
John Thornton (POWER-STL) w/encl.
DMS 113254.00.01
WSBC-05

IF ENCLOSURES ARE NOT AS NOTED, PLEASE NOTIFY US AT ONCE.

STL 017-084

4 PAGES

CONFIDENTIAL

1 PAGE

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**INFORMATION NEEDED TO GENERATE
CONTRACT REQUISITIONS, WORK AUTHORIZATIONS, AND AMENDMENTS**

Formal name of Contractor/Consultant Power Grid Engineering, LLC _____

Principal address 1341 Sundial Point, Winter Springs FL 32708__

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Federal Tax ID number 06-1800145 _____

(If we already have a contract, they will already be in Passport.)

NOTE: We don't require a tax ID number for Canadian or foreign vendors.

Vendor contact's name & title Michael Wright, President _____

Phone number 321-283-4420 _____

Email address mwright@powergridmail.com _____

FAX # 321-283-4279 _____

TYPE OF CONTRACT DOCUMENT TO BE USED? Work Authorization _____

(one-time, service, software license, software maintenance, short form, master, work authorization, amendment to an existing contract) If there is an existing contract give contract number if known.

Existing Master Contract number (if applicable) 301773-00000 _____

Existing Work Authorization Number (if applicable) 301773-00001, A002 _____

Description of Work to be done Provide high-level engineering support for the planning stages of the Levy Transmission Baseload projects as detailed per scope of work document below.

Description of Work to be done should include the following (as applicable):



Scope of Work for
Power Grid Engineerin

Supporting Documentation should include the following (as applicable): See Scope of Work Proposal Above

Project start date 030408 _____

Project end date 123108 _____

Estimated Cost __Need to know appx # of hours / project duration to estimate cost__

Payment method: Time & Material or Not to Exceed

Project charge number (s) (WBS code) 20066677- O370R - LEA-60LZ9D _____

(ex. ASH 01FK4D 20022801 C0200 LFS) Provide as much as you can.

Name of Project Levy Baseload Transmisson Project _____

Location of Work (Plant site) _____

Rate schedule if provided (attach) if applicable

Progress Energy Designated Representative for project Sharon K. Bauer _____

Invoices should be sent to who? Gene Rasponi _____

Progress Energy Project Manager David Titzer _____

Invoices to be sent to whom? _____

Has a Safety Evaluation been completed? (required for vendors performing HIGH RISK work) If so, ensure that the Safety Rating is Green by checking the Intranet Web Site: copy and paste this address into the Progress Energy home page Address line: <http://progressnet/csd-systems-dev/safety/index> to check contractor's safety rating.

Procedures for Safety Evaluation: LINK ON INTRANET – copy and paste into Progress Energy home page Address line: <http://progressnet/plantpub/pdf/SAFSUBS00041.pdf>

If Company has not been safety rated, then provide Company's safety information – safety manual if available (only if we do not have a contract or have had a contract already with them)

~~DOES THE FOLLOWING APPLY:~~ YES _____ NO X _____

Contract personnel working on PE owned or leased property (other than at nuclear plants) must receive both a background investigation and drug screen (BI/DS) when either of the following criteria are met:

-Contractor is on-site for 15 working days or more. The 15-day criterion applies to on continuous work period and not to the sum of multiple visits.

-Contractor has access to PE business critical functions (as determined by the Designated Representative).

~~DUE TO FEDERAL REGULATIONS, WE MUST REMAIN CONFIDENTIAL~~

MWBE

In choosing potential vendors for contracts over \$100,000, try to identify for consideration any of the following: small business, veteran-owned, service-disabled veteran-owned, HUB Zone, or disadvantaged business, minority-owned business, or women-owned business.

Answer the following questions:

1. Which Small/Diverse vendors were asked to bid? _____
2. If none, then explain why not. Due to the Vendor's ability and knowledge of our existing transmission system.
3. If Small/Diverse vendor was not asked to bid, then explain why not. Due to the Vendor's ability and knowledge of our existing transmission system.

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Sole Source Justification

4. Is this a "Sole Source" Contractor? _____ Yes _____

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5. If so, give reason.

Due to the Vendor's ability and knowledge of our existing transmission system we have chosen to work with them on this early development phase.

- *Note: please allow the Contract Administrator to negotiate rates and other pricing issues with the Vendor unless the rates are known to be non-negotiable or are based on prior contract rates, for example. Even fixed price, lump sum amounts can be negotiated by the Contract Administrator working with you on this contract.*

3 PAGES

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Accepted:

Biological Research Associates

By: Dana West

Name (printed): DANA L. WEST

Title: Sen. V.P. / Managing Director

Date: 1/25/08

Should the person's title who is executing this document not indicate that he/she is a corporate officer, an affidavit signed by a corporate officer shall be provided stating that the person whose name appears above is duly authorized to execute Contracts on behalf of the firm.

(Contractor to fill in name and title)

is appointed as the person to whom all official correspondence to Contractor concerning this Work Authorization should be directed.

2 PAGES

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3 PAGES

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All other terms in the Contract or Contract Amendments remain unchanged.

Please execute this Work Authorization, retain an copy for your file, and return the original before the work can commence to Janet Reichelderfer (CX2P), Progress Energy Service Company, LLC 100 Central Avenue, St. Petersburg, Florida 33701.

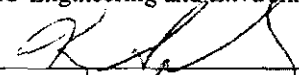
Sincerely,



Jeff Nelson
Senior Contract Analyst

Accepted:

E/PRO Engineering and Environmental Consulting, LLC

By:  _____

Name (printed): Kerry Spuching

Title: Managing Principal

Date: 1/31/07

Should the person's title who is executing this document not indicate that he/she is a corporate officer, an affidavit signed by a corporate officer shall be provided stating that the person whose name appears above is duly authorized to execute Contracts on behalf of the firm.

(Contractor to fill in name and title)

is appointed as the person to whom all official correspondence to Contractor concerning this Contract should be directed.

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- Certified small business*
- Veteran-owned business*
- Service-disabled veteran-owned business*
- Not a Small Business
- HUBZone, 8(a) or disadvantaged business*
- Minority-owned business **
- Women-owned small business **

* As defined by the Small Business Administration (SBA): www.sba.gov
** Certified by Progress Energy and as defined by SBA.

Register online at www.progress-energy.com/supplierdiversity

**Contract Employee
Code of Ethics Acknowledgment Form**

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<http://www.progress-energy.com/investors/corpgov/codeofethics.asp>

I have read the Progress Energy Code of Ethics. I understand that the principles stated in the Code of Ethics represent those of Progress Energy as they relate to the work I perform as an independent contractor (or as an employee of an independent contractor of Progress Energy), and that violating those principles, or the legal and regulatory requirements applicable to my work may result in disciplinary action by my employer. I agree to abide by and support the legal and regulatory requirements applicable to my work. I understand that if I have questions concerning appropriate ethics or relevant legal and regulatory requirements, I should consult with my supervisor.

Signature of Contract Employee

Name of Contract Employee

Date

Social Security Number

Contractor Organization

Contractor shall maintain completed forms. Do not return completed forms unless they are specifically requested by Owner.

Work Authorization
Non-Nuclear
Revision 12/01/06
#5390

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TRC

Attachment "A"

Customer-Focused Solutions

Power System Studies

PROJECT:

TRANSMISSION PLANNING STUDY FOR NUCLEAR UNITS

Client: Progress Energy Florida



Progress Energy

1-888-280-EPRO

www.ebroconsulting.com

www.trcsolutions.com

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INTRODUCTION	1
PROJECT EXAMPLES	4
SCOPE OF WORK	7
PROJECT DELIVERABLES	11
PROJECT SCHEDULE	12
PAYMENT & CONDITIONS	13
PROJECT TEAM	14
REFERENCES	18
APPENDIX A - FEE SCHEDULE	

INTRODUCTION

Firm Profile

TRC-E-PRO is an established consulting firm offering a full range of services in the engineering and environmental fields from conception to commissioning.

With an experienced staff of electrical, civil and mechanical engineers and environmental specialists, TRC-E-PRO offers an exceptional level of competence in a wide range of technical, licensing, and permitting issues. TRC-E-PRO delivers creative, cost-saving solutions to our clients.

While we provide a broad range of services in the industrial and utility markets, we specialize in solving client energy and infrastructure-related problems. Our staff offers industrial facilities, utilities, power generation plants, and commercial establishments a high caliber of expertise in energy-related environmental and technical issues.

Comprised of many former owners, engineers and environmental scientists, our responsive project teams know how to plan, design, and engineer facilities that meet a client's financial, technical, and scheduling goals.

TRC-E-PRO has a staff of more than 375 technical professionals who routinely work on engineering projects from the addition of physical plant to the implementation or modification of protection and controls.

TRC-E-PRO personnel can work as members of your in-house staff or provide complete turnkey planning, design, permitting, and project management services for industrial plants, power generation facilities, electrical substations, and linear projects such as gas, fiber-optic, & transmission lines. TRC-E-PRO delivers measurable results based on your requirements.

With our comprehensive range of services, we can provide complete solutions starting with system planning, site selection and estimating, through detailed design, permitting, and construction management. Whether you need assistance with civil, mechanical, electrical, or environmental issues, TRC-E-PRO can provide expert consulting services to meet your schedule and budgetary requirements.

In January 2002, E-PRO Engineering & Environmental Consulting, LLC, was purchased by TRC Companies, Inc., a \$316 million public corporation traded on the New York Stock Exchange. TRC is a leader in the multi-faceted environmental and engineering fields. E-PRO continues to provide the same quality engineering services, but is now backed by over 2,500 multi-disciplined professionals from over 80 offices nationwide

Power System Studies

Power System Studies is an integral TRC-E-PRO service offered to assist clients in the assessment of infrastructure planning and operation. With an experienced professional staff TRC-E-PRO is able to provide knowledgeable, in-depth analyses of complex local and regional issues related to the electrical grid and its technical requirements.

The design and function of the electric transmission system in this country is being transformed into a much broader concept of use and access. As this change takes place, timely planning and thoughtful system assessment will play a key role in managing the transition. It will also help to maintain the high standard of reliability expected from the electrical system. In order to maintain exceptional reliability and improve access to competitive power sources, decision-makers must have accurate information about how best to operate and upgrade the regional transmission and distribution networks. TRC-E-PRO expertise can help accomplish this objective.

TRC-E-PRO performs transmission and distribution system planning analyses and system impact studies for a variety of customers including large investor-owned utilities, merchant power plant developers, and independent system operators. Examples of Power System Studies experience includes:

- Generation System Impact Studies
- System Expansion Studies
- System Modeling and Analysis
- Power Systems Studies and Fuse Coordination
- Transmission System Operating Studies
- Capacitor Bank Switching and Application Studies
- Generator Feasibility Studies

With a comprehensive history of experience in this industry, the growing need for proven expertise in the field, and a thorough understanding of the complexities in the utility industry, TRC-E-PRO is an established partner in this field. TRC-E-PRO specializes in system planning work in the areas of steady state, stability and transient switching analyses.

PEF Project: Transmission Planning Study



Other study expertise offered includes:

- Power Systems Computer Modeling
- Power Flow & Stability Studies
- Short-Circuit Fault Analyses
- Motor Start Analyses
- Detailed Loss Analyses
- Reactive Compensation Analysis
- Harmonics Analyses
- Generation & Emergency Generation Analyses
- Power Management System Studies
- Evaluation of Power Supply Alternatives
- Transmission Line Protection & Coordination
- Substation Bus & Transformer Protection
- Generation Plant Internal/Intertie Protection & Coordination
- Field Surveys of Electrical Facilities
- Insulation Coordination
- Grounding Analyses
- Switching Surge Studies
- EMF Analyses & Measurements
- Cable Sizing
- Voltage Drop Studies

TRC-E-PRO personnel are competent and knowledgeable users of PSS/E, PSLF, ASPEN, SKM, Milsoft and ATP software analysis tools for system planning studies.

PROJECT EXAMPLES

In 2006, TRC-E-PRO conducted steady state, transient stability, and short-circuit analyses for a proposed nuclear generation project in Florida at the direction of the proposed generator/transmission system owner and generation facility supplier. This work included the rigorous assessment designed to ensure that new generation added to the region's transmission system will not have an adverse impact on system reliability and operating characteristics. These studies also included the determination of local and regional transmission upgrades needed to meet established reliability criteria and provided cost estimates for the upgrades and additions to the system. The results of these studies were reviewed and approved by the transmission system owners.

Over the last five years, TRC-E-PRO has completed several transmission planning studies to assist transmission asset owners with developing expansion plans for future upgrades and modifications to meet reliability criteria. TRC-E-PRO was the principal consultant supporting Northeast Utilities on the steady state and transient stability analyses completed for approval of the proposed plan applications involving the 345-kV loop project in Southwest Connecticut. TRC-E-PRO also recently analyzed the seacoast region of New Hampshire that is experiencing significant load growth and developed an expansion plan. Another area study involving the region west of Tucson, Arizona, for Southwest Transmission Cooperative was completed which evaluated several system modifications through the twenty year planning horizon.

The following project examples represent a portion of TRC-E-PRO's Power System Study experience.

COMPANY	PROJECTS	CONTACT	PHONE
AREVA	Nuclear Generation Facility Interconnection	Skip Hudson	561-841-9174
AES	Marble River Wind Farm NY SRIS	Paul Burdick	305-971-1976
Horizon Wind Energy	Clinton County and Perry Wind Farms NY SRIS	Patrick Doyle	518-426-1650
Southwest Transmission Cooperative	Western Tucson, Arizona Planning Study	Ray Som	520-586-5340

PEF Project: Transmission Planning Study



Northeast Utilities	NH Seacoast Reliability Studies	Al Scarfone	860-665-2519
Northeast Utilities	Middletown-Norwalk 345 kV Transmission Project	Brent Oberlin	860-665-2498
Northeast Utilities	Three Rivers and Maguire Road Capacitor Bank Switching Studies	Walter Bilynsky	603-634-2878
Northeast Utilities	Brentwood Transformer Addition System Impact Study	Juan Santos	860-665-6371
Northeast Utilities	Closing Y138 Study (2004)	Allen Scarfone	860-665-2519
Northeast Utilities	Southwest Connecticut Transmission Expansion Design Studies (2002-4)	Eugene Taddeo	860-665-2014
Northeast Utilities	Southwest Connecticut Bethel-Norwalk 18.4 Stability Analysis (2003)	Brent Oberlin	860-665-2498
Northeast Utilities	New Hampshire Load Power Factor Determination Study (2004)	Dennis Mullen	603-634-3583
ISO-NE	Maine Line-out Stability Limits (2002)	Tom Dutkiewicz	413-535-4328
ISO-NE	Canal Station Line-out Stability Limits (2002)	Tom Dutkiewicz	413-535-4328
ISO-NE	2002 New Hampshire Load Power Factor Determination Study (2002)	Tom Dutkiewicz	413-535-4328
ISO-NE	Maine Independence Station Auction Revenue Rights Study (2002)	Rich Kowalski	413-535-4127
ISO-NE	Maine-New Hampshire Reliability Projects (2003)	Rich Kowalski	413-535-4127
ISO-NE	Maine-New Hampshire Transfer Capability (2002)	Kevin Mankouski	413-535-4133

PEF Project: Transmission Planning Study



ISO-NE		Bucksport System Impact Study to Remove Subordinate Status (2002-3)	Kevin Mankouski	413-535-4133
ISO-NE		Westbrook System Impact Study to Remove Subordinate Status (2002-3)	Kevin Mankouski	413-535-4133
ISO-NE		Fraser Paper System Impact Study (2004)	Kevin Mankouski	413-535-4133
ISO-NE		Waterside System Impact Study (2004)	Kevin Mankouski	413-535-4133
ISO-NE		South Norwalk System Impact Study (2004)	Kevin Mankouski	413-535-4133
ISO-NE		Norwalk Harbor 330 MW Feasibility Study	Kevin Mankouski	413-535-4133
ISO-NE		Cos Cob Redevelopment Feasibility Study	Kevin Mankouski	413-535-4133
ISO-NE		Waterside 180 MW System Impact Study	Kevin Mankouski	413-535-4133
Central Power	Maine	Load Addition at Jay IP (2003)	David Conroy	207-623-3521 x 2330
Maine Service	Public	Mars Hill Wind Farm Interconnection Feasibility Study (2004)	Mike Ketch	207-760-2549
Maine Service	Public	Transmission System Security Analysis (2002)	Mike Ketch	207-760-2549
Burlington Electric		Burlington Sub-transmission Area Study (2003)		
CME American Merchant Energy	North	Market Access Study in Southeast Electric Reliability Region (2002)	William Martin	617-948-2165
NYISO		Wind Farm Generator Feasibility Studies	Floyd Groesbeck	518 356-6172

SCOPE OF WORK

Progress Energy Florida, Inc. (PEF) is requesting TRC-E-PRO to perform a comprehensive Transmission Planning study to determine the feasibility of constructing a 1125 MW nuclear generation facility in Levy County northeast of the existing Crystal River complex and 8 miles directly north of PEF's Crystal River East Substation. The first unit is expected to be placed in-service by June 2017, with a potential 2nd 1125 MW unit to be in-service by June 2018. The study is intended to determine the required transmission upgrades to interconnect the plant(s) to the PEF transmission system and deliver the full output of the plant(s) to PEF, and thus will require a thorough study consisting of load flow analysis, stability analysis and short circuit analysis. The assumptions and methodology to be used for the study are as follows:

I. Load Flow Analysis

Redacted

PAGES 8 THROUGH 18

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PEF Project: Transmission Planning Study



**APPENDIX A
FEE SCHEDULE**

1 PAGE

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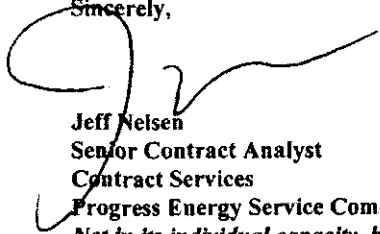
2 PAGES

CONFIDENTIAL

ORIGINAL

Please execute this Work Authorization, retain a copy for your file, and return the entire original within ten (10) calendar days to JEFF NELSEN (CX2P), PROGRESS ENERGY SERVICE COMPANY, LLC, 100 CENTRAL AVENUE, ST. PETERSBURG, FL 33701.

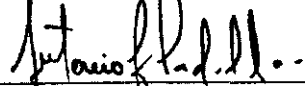
Sincerely,



Jeff Nelsen
Senior Contract Analyst
Contract Services
Progress Energy Service Company, LLC
*Not in its individual capacity, but solely as agent for
Progress Energy Florida, Inc.*

Accepted:

ENERGY SERVICES & PRODUCTS CORPORATION

By: 

Name (printed): ANTONIO A PADILLA

Title: PRESIDENT

Date: 1-3-2006

Should the person's title who is executing this document not indicate that he/she is a corporate officer; an affidavit signed by a corporate officer shall be provided stating that the person whose name appears above is duly authorized to execute Contracts on behalf of the firm.

(Contractor to fill in name and title)

is appointed as the person to whom all official correspondence to Contractor concerning this Work Authorization should be directed.

Federal Tax ID No. 59-3241383

In accordance with the Federal Acquisition Regulation section 52.219, please check all that apply to your company:

Small/Diverse Vendors:

- Certified small business*
- Veteran-owned business*
- Service-disabled veteran-owned business*
- HUBZone, 8(a) or disadvantaged business*
- Minority-owned business **
- Women-owned small business * #

* As defined by the Small Business Administration (SBA): www.sba.gov
** Certified by Progress Energy and as defined by SBA. Register online at www.progress-energy.com/supplierdiversity

Please provide supporting documentation or certification to confirm the status for any categories checked above.

Other Vendors:

Not a Small Business

1 PAGE

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3 PAGES

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All other terms in the Contract or Contract Amendments remain unchanged.

Please execute this Work Authorization, retain a copy for your file, and return the original before the work can commence to Janet Reichelderfer, Progress Energy Service Company, LLC, 299 First Avenue North, PEF-143, Saint Petersburg, Florida 33701.

Sincerely,

Jocelyn Thornton 9/19/07
Jocelyn Thornton
Chief Procurement Officer

Accepted:

GOLDER ASSOCIATES, INC.

By: *Monita Moultrie*

Name (printed): *Monita Moultrie*

Title: *Associate / Office Manager*

Date: *9/24/07*

Should the person's title who is executing this document not indicate that he/she is a corporate officer, an affidavit signed by a corporate officer shall be provided stating that the person whose name appears above is duly authorized to execute Contracts on behalf of the firm.

(Contractor to fill in name and title)

is appointed as the person to whom all official correspondence to Contractor concerning this Contract should be directed.

In accordance with the Federal Acquisition Regulation section 52.219, please check all that apply to your company. Please provide supporting documentation or certification to confirm the status for any categories checked under Small/Diverse Vendors.

- Certified small business* HUBZone, 8(a) or disadvantaged business*
- Veteran-owned business* Minority-owned business **
- Service-disabled veteran-owned business* Women-owned small business **
- Not a Small Business

* As defined by the Small Business Administration (SBA): www.sba.gov
** Certified by Progress Energy and as defined by SBA.

Register online at www.progress-energy.com/supplierdiversity

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Golder Associates Inc.
5100 West Lemon Street
Suite 114
Tampa, FL USA 33609
Telephone: (813) 287-1717
Fax: (813) 287-1716

Attachment "A"



PROPOSAL FOR

**PROGRESS ENERGY FLORIDA
CENTRAL FLORIDA TRANSMISSION LINE
CORRIDOR SELECTION STUDIES**

Submitted to:

*Progress Energy Florida
3300 Exchange Place
Lake Mary, Florida 32746*

Submitted by:

*Golder Associates Inc.
5100 West Lemon Street
Suite 114
Tampa, Florida 33609*

Distribution:

1 Copy - Progress Energy
1 Copy - Golder Associates Inc.

July 2007

P7389573

Golder Associates

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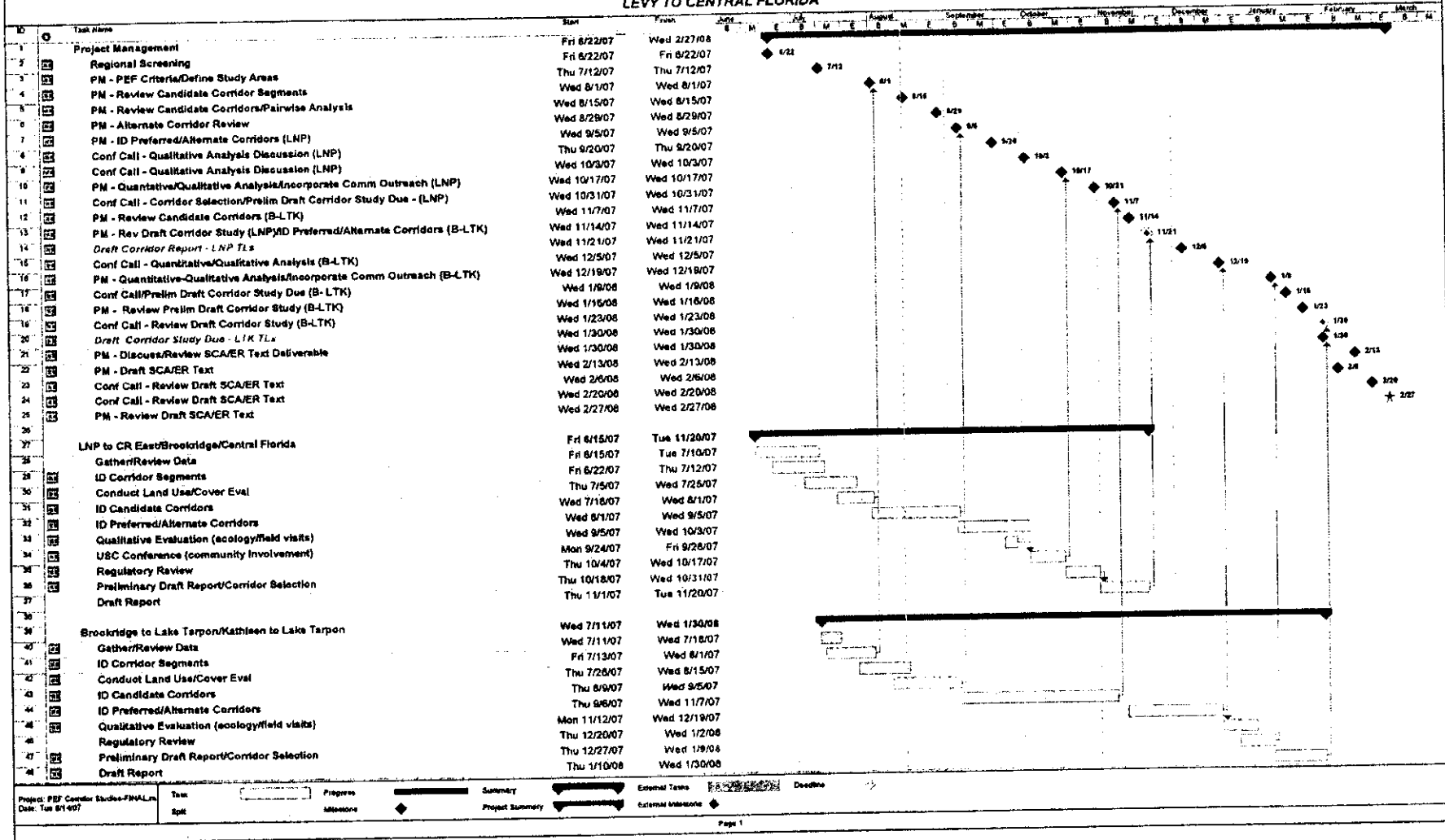
FIGURES

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FIGURE 2
 PROGRESS ENERGY
 CENTRAL FLORIDA TRANSMISSION LINE CORRIDOR SELECTION STUDIES
 LEVY TO CENTRAL FLORIDA



2 PAGES

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Please execute this Work Authorization, retain a copy for your file, and return the entire original within ten (10) calendar days to Jeff Nelsen, PROGRESS ENERGY SERVICE COMPANY, LLC, 288 First Ave North St. Petersburg, FL 33701.

Sincerely



Jeff Nelsen
Senior Contract Analyst
Progress Energy Service Company, LLC
*Not in its individual capacity, but solely as agent for
Progress Energy Florida, Inc.*

Accepted:

POWER ENGINEERS, INC.

By: Randy L. Grass

Name (printed): RANDY L. GRASS

Title: Director

Date: 5/18/07

Should the person's title who is executing this document not indicate that he/she is a corporate officer; an affidavit signed by a corporate officer shall be provided stating that the person whose name appears above is duly authorized to execute Contracts on behalf of the firm.

RANDY GRASS
(Contractor to fill in name and title)

is appointed as the person to whom all official correspondence to Contractor concerning this Work Authorization should be directed.

Federal Tax ID No. 82-0324246

In accordance with the Federal Acquisition Regulation section 52.219, please check all that apply to your company:

Small/Diverse Vendors:

- | | |
|---|---|
| <input type="checkbox"/> Certified small business* | <input type="checkbox"/> HUBZone, 8(a) or disadvantaged business* |
| <input type="checkbox"/> Veteran-owned business* | <input type="checkbox"/> Minority-owned business * * |
| <input type="checkbox"/> Service-disabled veteran-owned business* | <input type="checkbox"/> Women-owned small business * * |

* As defined by the Small Business Administration (SBA): www.sba.gov
* * Certified by Progress Energy and as defined by SBA. Register online at www.progress-energy.com/supplierdiversity

Please provide supporting documentation or certification to confirm the status for any categories checked above.

Other Vendors:

Not a Small Business

ATTACHMENT A



Date: ___/___/___
Work release number
Is the date above

WORK RELEASE LETTER

Work Authorization Number 262141-00003

Project:
PEF Coordinator:

This Work Release for labor services is issued under noted Work Authorization between Progress Energy Florida ("Owner") and Power Engineers, Inc. ("Contractor")

SCOPE OF WORK

COST INFORMATION

Progress Energy Corporation will pay pursuant to the attached proposal or as described below:

This Work Release Letter is not valid and payment will not be made for any amount over \$100,000.00. Any additional scope of work or change orders for the same project, a new Work Release Letter must be generated and executed by both parties.

If any conflicts exist between the provisions of this Work Release Letter and the provisions of the Contract under which this Authorization is let, or any Amendment to this Contract, the provisions of this Work Release Letter shall govern the Work described above. All other items in the Contract or Contract Amendments remain unaffected by this Work Release Letter.

This Work Release Letter, Work Authorization and the Contract, as amended, embody the entire agreement between Owner and Contractor for the Work described above. The parties shall not be bound by or liable for any statement, writing, representation, promise, inducement or understanding not set forth within this document, itself. No changes, modifications, or amendments of any terms and conditions of this Work Release Letter are valid or binding unless agreed to by both parties in writing and signed by their authorized agents.

Please execute this Work Release Letter, retain a copy for your file and return the entire original within ten (10) calendar days to JEFF NELSEN (CX2P), PROGRESS ENERGY SERVICE COMPANY, LLC, 299 FIRST AVENUE NORTH, ST. PETERSBURG, FL 33701.

PROJECT AUTHORIZATION

Contractor's Signature	Title	Date
------------------------	-------	------

Before signing please review notes below		
PEF Signature	Title	Date

INTERNAL NOTES:

- The PEF personal signing this document must have the signing authority for the value of this release.
- An executed copy is to be sent to the Contract Analyst (Jeff Nelsen) along with copies of the bids if applicable

1 PAGE

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In accordance with the Federal Acquisition Regulation section 52.219, please check all that apply to your company. Please provide supporting documentation or certification to confirm the status for any categories checked under Small/Diverse Vendors.

- | | |
|---|---|
| <input type="checkbox"/> Certified small business* | <input type="checkbox"/> HUBZone, 8(a) or disadvantaged business* |
| <input type="checkbox"/> Veteran-owned business* | <input type="checkbox"/> Minority-owned business ** |
| <input type="checkbox"/> Service-disabled veteran-owned business* | <input type="checkbox"/> Women-owned small business ** |
| <input type="checkbox"/> Not a Small Business | |

* As defined by the Small Business Administration (SBA): www.sba.gov

** Certified by Progress Energy and as defined by SBA.

Register online at www.progress-energy.com/supplierdiversity

6 PAGE DOCUMENT

CONFIDENTIAL

2 PAGES

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All other terms in the Contract or other Contract Amendments remain unchanged.

Please execute this Amendment, retain an original for your file, and return the other original within ten (10) calendar days to Sid Fowler, Progress Energy Service Company, LLC, P. O. Box 1981 (TPP-08), Raleigh, NC 27602-1981. Overnight deliveries should be sent to Sid Fowler, 100 E. Davie Street, (TPP-08), Raleigh, NC 27601.

Sincerely,



Tony Owen
Manager, NGG Major Projects
Acting as Agent For
Progress Energy Florida, Inc.

Accepted:

Nodarse & Associates, Inc.

By: 

Name (printed): Leita Wodan

Title: CEO

Date: 11/22/07

Should the person's title who is executing this document not indicate that he/she is a corporate officer, an affidavit signed by a corporate officer shall be provided stating that the person whose name appears above is duly authorized to execute Contracts on behalf of the firm.

In accordance with the Federal Acquisition Regulation section 52.219, please check all that apply to your company. Please provide supporting documentation or certification to confirm the status for any categories checked under Small/Diverse Vendors.

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Register online at www.progress-energy.com/supplierdiversity

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All other terms in the Contract or other Contract Amendments remain unchanged.

Please execute this Work Authorization, retain an original for your file, and return the other original within ten (10) calendar days to Mr. John T. Duncan, Progress Energy Service Company, LLC, PO Box 1981 (TPP-8), Raleigh, NC 27602.

Sincerely,



Tony Owen
Manager, NGG Major Projects
Progress Energy Service Company, LLC
acting solely as agent for
Progress Energy Florida, Inc.

Accepted:

ENERCON SERVICES, INC.

By: Thomas D. Salver

Name (printed): THOMAS D. SALVER

Title: CLIENT SERVICE MANAGER

Date: 10/17/2007

Should the person's title who is executing this document not indicate that he/she is a corporate officer, an affidavit signed by a corporate officer shall be provided stating that the person whose name appears above is duly authorized to execute Contracts on behalf of the firm.

(Contractor to fill in name and title)

is appointed as the person to whom all official correspondence to Contractor concerning this Contract should be directed.

12 PAGES

CONFIDENTIAL

Please execute this Amendment, retain an original for your file, and return the other original within ten (10) calendar days to Mr. Tony Owen, Progress Energy Service Company LLC, P. O. Box 1551 (PEB-2), Raleigh, NC 27602.

Sincerely,

C S Hinnant

C. S. Hinnant,
Senior V. P. and Chief Nuclear Officer
Progress Energy Carolina, INC
Progress Energy Florida, INC

Accepted:

Sargent & Lundy, LLC. 55 East Monroe St. Chicago, Ill 60603-5780 By: <i>[Signature]</i>	CH2M HILL, Inc. 151 N. Ridge Ave. Idaho Falls, ID 83402 By: <i>[Signature]</i>	WorleyParsons Group, Inc. 2675 Morgantown Road Reading, PA 19607 By: <i>[Signature]</i>
Name (printed): <i>Don K. Schopfer</i>	Name (printed): <i>MARY REBOCO</i>	Name (printed): <i>FAYEZ G. BOUTROS</i>
Title: <i>Executive Vice President</i>	Title: <i>SR VICE PRESIDENT</i>	Title: <i>Vice President</i>
Date: <i>4/27/2006</i>	Date: <i>4/28/06</i>	Date: <i>5/4/06</i>

Should the person's title who is executing this document not indicate that he/she is a corporate officer, an affidavit signed by a corporate officer shall be provided stating that the person whose name appears above is duly authorized to execute Contracts on behalf of the firm.

In accordance with the Federal Acquisition Regulation section 52.219, please check all that apply to your company. Please provide supporting documentation or certification to confirm the status for any categories checked under Small/Diverse Vendors.

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- HUBZone, 8(a) or disadvantaged business*
- Minority-owned business**
- Women-owned small business**

* As defined by the Small Business Administration (SBA): www.sba.gov

** Certified by Progress Energy and as defined by SBA.

Register online at www.progress-energy.com/supplierdiversity

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**ATTACHMENT B
CONTRACT WORK ORDER**

TO:	Contract #
DATE:	CWO#:
FROM:	
CIRCLE ONE:	PEC PEF
TITLE:	
SCOPE OF WORK:	Quality Classification
	<input type="checkbox"/> Safety-Related <input type="checkbox"/> Non-Safety-Related
<input type="checkbox"/> Scoping Estimate (T&M) <input type="checkbox"/> Work Initiation <input type="checkbox"/> Constructability Review <input type="checkbox"/> Scheduling Services to Plan/Initiate the Above Scope of Work	
Authorized Amount _____	
Designated Representative/ Date _____	
Contractor Project Manager/Date _____	
<input type="checkbox"/> You are hereby authorized to proceed with the scope of work defined above at the Target Price of (\$) _____	
Schedule:	
<input type="checkbox"/> This CWO changes the scheduled completion date to: _____	
<input type="checkbox"/> This CWO does not change the original scheduled completion date of: _____	
Liquidated damages / bonuses apply to this CWO?	
<input type="checkbox"/> Yes <input type="checkbox"/> No	
Date _____	
Designated Representative _____	
Contractor Project Manager _____	
Owner's Management Representative _____	

00112150

**ATTACHMENT B
CONTRACT WORK ORDER REVISION**

TO:	Contract #
DATE:	CWOR#:
FROM:	
CIRCLE ONE:	PEC PEF
TITLE:	
REVISED SCOPE OF WORK:	Quality Classification <input type="checkbox"/> Safety-Related <input type="checkbox"/> Non-Safety-Related
<input type="checkbox"/> Scoping Estimate (T&M) <input type="checkbox"/> Work Initiation <input type="checkbox"/> Constructability Review <input type="checkbox"/> Scheduling Services to Plan/Initiate the Above Scope of Work	
Authorized Amount _____	
Designated Representative/ Date _____	
Contractor Project Manager/Date _____	
<input type="checkbox"/> You are hereby authorized to proceed with the scope of work defined above at the revised Target Price of (\$) _____	
Schedule: <input type="checkbox"/> This CWOR changes the scheduled completion date to: _____ <input type="checkbox"/> This CWOR does not change the original scheduled completion date of: _____	
Liquidated damages / bonuses apply to this CWOR? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Date _____	
Designated Representative _____	
Contractor Project Manager _____	
Owner's Management Representative _____	

3 PAGES

CONFIDENTIAL

ATTACHMENT D

**HARDCOPY OF
FRM-SUBS-00478,
CONTRACTOR'S SAFETY INFORMATION/CHECKLIST FORM
IS ATTACHED**

supplied under 255934-01



Sargent & Lundy LLC

Don K. Schopfer
Executive Vice President
312-269-6078

May 5, 2006

Progress Energy

Transmittal of Work Authorization
Combined Construction and Operating Licenses

Mr. Tony Owen
Supply Chain Management
Progress Energy
410 S. Wilmington Street
Raleigh, NC 27602

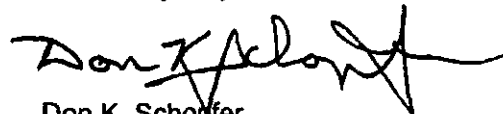
Dear Mr. Owen:

Enclosed is the original of Work Authorization No. 255934-02 for the Combined Construction and Operating License for the Florida site.

We look forward to executing this work and submitting a quality combined operating license application for new nuclear stations for Progress Energy.

If you have any questions, please contact me.

Yours very truly,



Don K. Schopfer
Executive Vice President

DKS:gid
Enclosure
Copies:
Fayez G. Boutros (1/1)
Marty Reibold (1/1)
M. A. Welusz (1/original)

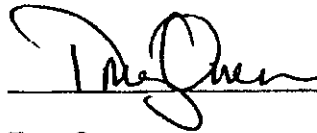
6 PAGES

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All other terms in the Contract or other Contract Amendments remain unchanged.

Please execute this Amendment, retain an original for your file, and return the other original within ten (10) calendar days to Mr. John T. Duncan, Progress Energy Service Company LLC, P. O. Box 1551 (PEB-2), Raleigh, NC 27602.

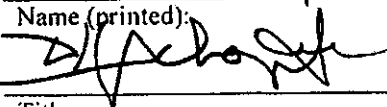
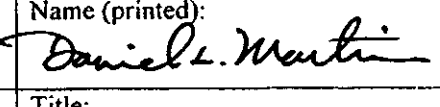
Sincerely,



Tony Owen
Manager, NGG Major Projects
Progress Energy Service Company, LLC
acting solely as agent for
Progress Energy Florida, Inc.



Accepted:

Sargent & Lundy, LLC. 55 East Monroe St. Chicago, Ill 60603-5780	CH2M HILL, Inc. 151 N. Ridge Ave. Idaho Falls, ID 83402	WorleyParsons Group, Inc. 2675 Morgantown Road Reading, PA 19607
By: Don K. Schopfer	By: JOHN POLCYN	By: Daniel L. Martin
Name (printed): 	Name (printed): John Polcyn	Name (printed): 
Title: Executive V.P.	Title: SENIOR VICE PRESIDENT	Title: Sr. Vice President
Date: 8/17/07	Date: 8/23/07	Date: 9/19/07

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EXHIBIT 1

CWOs and CWORs
&
TASK DESCRIPTIONS
&
PROJECT IMPACT EVALUATIONS

WORK AUTHORIZATION NO. 255934-02
AMENDMENT NO. 2

COLA DEVELOPMENT PROJECT

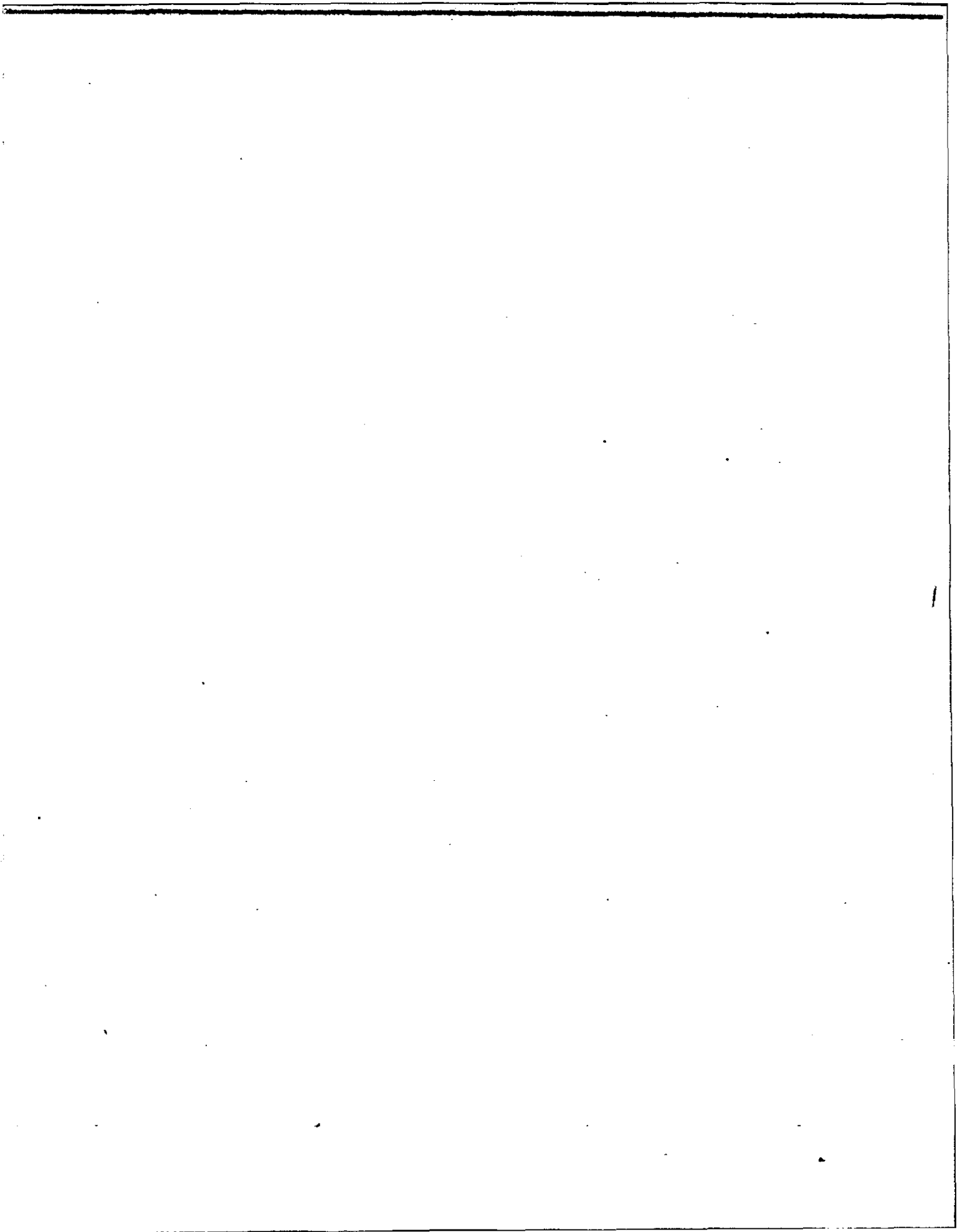
FLORIDA SITE

CWO SUMMARY

Contract 255934-02

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COLA DEVELOPMENT PROJECT

FLORIDA SITE

TASK DESCRIPTION #1

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TASK DESCRIPTION #2

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COLA DEVELOPMENT PROJECT

FLORIDA SITE

TASK DESCRIPTION #3

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COLA DEVELOPMENT PROJECT

FLORIDA SITE

TASK DESCRIPTION #4

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COLA DEVELOPMENT PROJECT

FLORIDA SITE

TASK DESCRIPTION #5

Contract 255934-02

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COLA DEVELOPMENT PROJECT

FLORIDA SITE

TASK DESCRIPTION #6

Contract 255934-02

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01/11/2012

COLA DEVELOPMENT PROJECT

FLORIDA SITE

TASK DESCRIPTION #7

Contract 255934-02

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COLA DEVELOPMENT PROJECT

FLORIDA SITE

TASK DESCRIPTION #8

Contract 255934-02

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01/11/2011

COLA DEVELOPMENT PROJECT

FLORIDA SITE

TASK DESCRIPTION #9

Contract 255934-02

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COLA DEVELOPMENT PROJECT

FLORIDA SITE

TASK DESCRIPTION #10

Contract 255934-02

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01/11/2011

COLA DEVELOPMENT PROJECT

FLORIDA SITE

TASK DESCRIPTION #11

Contract 255934-02

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COLA DEVELOPMENT PROJECT

FLORIDA SITE

TASK DESCRIPTION #12

Contract 255934-02

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COLA DEVELOPMENT PROJECT

FLORIDA SITE

TASK DESCRIPTION #13

Contract 255934-02

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COLA DEVELOPMENT PROJECT

FLORIDA SITE

Contract 255934-02

Amendment 2

IMPACT EVALUATIONS

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Contract #

IN WITNESS WHEREOF, the parties hereto have executed this Contract by their duly authorized agents.

HEIDT & ASSOCIATES, INC.

PROGRESS ENERGY SERVICE COMPANY, LLC
not in its individual capacity, but solely as agent for
PROGRESS ENERGY FLORIDA, INC.

BY: Paul A. Dolcemascio

BY: Tony Owen
Tony Owen
Supply Chain Management

NAME (printed): Paul A. Dolcemascio

TITLE: Vice President

DATE: January 15, 2007

DATE: January 15, 2007

FEDERAL TAX ID # 59 1220124

CONTRACT
JAN 24 2007
ACCEPTANCE

In accordance with the Federal Acquisition Regulation section 52.219, please check all that apply to your company. Please provide supporting documentation or certification to confirm the status for any categories checked under Small/Diverse Vendors.

- Certified small business*
- Veteran-owned business*
- Service-disabled veteran-owned business*
- Not a Small Business
- HUBZone, 8(a) or disadvantaged business*
- Minority-owned business **
- Women-owned small business **

* As defined by the Small Business Administration (SBA): www.sba.gov

** Certified by Progress Energy and as defined by SBA.

Register online at www.progress-energy.com/supplierdiversity

1 PAGE

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**MASTER CONTRACT
NO. 255934**

**FOR
ENGINEERING SERVICES**

BETWEEN

**PROGRESS ENERGY SERVICE COMPANY, LLC
not in its individual capacity, but solely as agent for
PROGRESS ENERGY CAROLINAS, INC.
PROGRESS ENERGY FLORIDA, INC.**

AND

**SARGENT & LUNDY, L.L.C.
CH2M HILL INC.
WORLEYPARSONS GROUP INC.**

**CONTRACT
FEB 01 2006
ACCEPTANCE**

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CONFIDENTIAL

The parties execute this Contract by their signature or the signature of their authorized agents.

SARGENT & LUNDY, L.L.C.

PROGRESS ENERGY SERVICE COMPANY, LLC,

not in its individual capacity, but solely as agent for
PROGRESS ENERGY CAROLINAS, INC. and
PROGRESS ENERGY FLORIDA, INC.

BY: D.K. Schapfer

BY: Tony Owen

NAME (printed): D.K. Schapfer

NAME: Tony Owen

TITLE: Executive Vice President

TITLE: Supply Chain Management

DATE: 1/25/2006

DATE: January 24, 2006

*FEDERAL TAX ID#: 36-1729848

CH2M HILL INC.

WORLEYPARSONS GROUP INC.

BY: Mark Reibola

BY: James M. Coyle

NAME (printed): MARCK REIBOLA

NAME: JAMES M COYLE

TITLE: SR VICE PRESIDENT

TITLE: VP, DIRECTOR OF POWER PROJECTS

DATE: 1-27-06

DATE: 1-26-06

*FEDERAL TAX ID#: 59-0918189

*FEDERAL TAX ID#: _____

*Indicate your Federal Tax Identification Number (FTIN) which shall correspond with the Contractor name indicated above and shall be the same Federal Tax Identification Number under which you report income.

The Internal Revenue Service (IRS) requires us to obtain certain information from you to meet IRS Form 1099 reporting and filing requirements. If you do not provide your correct FTIN, your payments may be subject to 20% backup withholding. Under penalties of perjury, I certify that the FTIN shown above is correct for the Contractor named.

(Contractor to fill in name and title)

is appointed as the person to whom all official correspondence to Contractor concerning this Contract should be directed.

In accordance with the Federal Acquisition Regulation section 52.219, please check all that apply to your company. Please provide supporting documentation or certification to confirm the status for any categories checked under Small/Diverse Vendors.

- Certified small business*
- Veteran-owned business*
- Service-disabled veteran-owned business*
- Not a Small Business
- HUBZone, 8(a) or disadvantaged business*
- Minority-owned business **
- Women-owned small business **

* As defined by the Small Business Administration (SBA): www.sba.gov

** Certified by Progress Energy and as defined by SBA.

Register online at www.progress-energy.com/supplierdiversity

ATTACHMENT B

**Contract Employee
Code of Ethics Acknowledgment Form**

Please go to the following website to review the Progress Energy Code of Ethics prior to signing this Acknowledgment Form. Hard copies are available upon request.

<http://www.progress-energy.com/investors/corpgov/codeofethics.asp>

I have read the Progress Energy Code of Ethics. I understand that the principles stated in the Code of Ethics represent those of Progress Energy as they relate to the work I perform as an independent contractor (or as an employee of an independent contractor of Progress Energy), and that violating those principles, or the legal and regulatory requirements applicable to my work may result in disciplinary action by my employer. I agree to abide by and support the legal and regulatory requirements applicable to my work. I understand that if I have questions concerning appropriate ethics or relevant legal and regulatory requirements, I should consult with my supervisor.

Signature of Contract Employee

Name of Contract Employee

Date

Social Security Number

Contractor Organization

ATTACHMENTC
Tax Affidavits



**Direct Pay Permit
for Sales and Use Taxes
on Tangible Personal Property**

North Carolina Department of Revenue

Permit Number: 00007

Issue Date: December 6, 2000

Corrected and Reissued: September 3, 2003

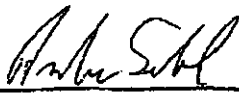
Issued To: Carolina Power & Light Company
dba Progress Energy Carolinas, Inc.

Address: P. O. Box 1551, Raleigh, North Carolina 27602

This permit is issued under N.C.G.S. 105-164.27A. It certifies that the North Carolina Department of Revenue has issued a direct pay permit to the business named on the permit. The permit authorizes a retail or wholesale merchant to whom it is presented to sell tangible personal property to the business named on the permit without collecting sales or use tax on the sale, if the sale is within the scope of the permit. Bulletin 46-1 of the Sales and Use Tax Technical Bulletins lists the taxes that are not subject to the direct pay permit. The business named on this permit has assumed responsibility for the direct payment of tax on all purchases that are within the scope of the permit.

A vendor to whom this permit is presented must keep a record of the permit in its files. The record can be in paper or electronic form.

If the Secretary of Revenue cancels or revokes this permit, the permit is no longer valid. When a taxpayer's permit is cancelled or revoked, a vendor must collect sales and use tax on sales made to taxpayer after the effective date of the cancellation or revocation. A taxpayer whose permit is cancelled or revoked is required to notify its vendors of the cancellation or revocation and the effective date of the action.

Issued By: 
Director of Sales and Use Tax Division
North Carolina Department of Revenue

Contract No. 255934

C-1



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
EXEMPTION CERTIFICATE

ST-6 (Rev. 7/87) 5011

**NOT VALID WHEN EXTENDED
TO CONSTRUCTION
CONTRACTORS THEIR
SUB-CONTRACTORS, OR
THEIR MATERIAL SUPPLY
MEN.**

CAROLINA POWER & LIGHT COMPANY
P O BOX 1551
RALEIGH, NC 27602 1551

This certificate is issued in accordance with Section 12-38-2120 of Article 21, Section 12-38-120 of Article 1, Section 12-38-2510 of Article 23 of Chapter 38 of the 12, Section 68-23-60 of the 58, or Section 44-48-150(1) of the 48 of the Code of Laws of South Carolina 1976, as amended.

CERTIFICATE ISSUED TO:
CAROLINA POWER & LIGHT CO
P O BOX 1551
RALEIGH, NC 27602 1551
OLO CERTIFICATE # 01064

CERTIFICATE NUMBER 1289532-000
DATE ISSUED: 08/27/98
EXEMPTIONS: 19

NOTICE:
~~THE NUMBERS IN PARENTHESES~~ **ISSUE CERTIFICATE**, which are a part of your certificate number, have reference to the specific type(s) of exemptions granted by this certificate. Should this property be diverted to a taxable use, liability for payment of the tax thereon rests with your company in the event the nature of your operations changes, you should notify the Department of Revenue immediately as this could affect the validity of this certificate.

SCHEDULE OF EXEMPTION UNDER SECTION 12-38-2120 of Article 21

(1) Coal, or coke or other fuel sold to manufacturers, electric power companies, and transportation companies for:



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

EXEMPTION CERTIFICATE
FOR SALES AND USE TAX
(Single Sale)

ST-8
(Rev. 3/4/04)
5309

The undersigned hereby certifies that the purchases of tangible personal property made under this certificate are made in accordance with the exemption checked below; that in the event the property so purchased is used for purposes other than specified, the purchaser assumes full liability and must file a return and pay the tax due thereon.

Description of tangible personal property purchased _____

Signature _____ Date _____

Purchaser/Business Name _____ Amount of Sale \$ _____
(Please Print)

Address _____
Street City County State

SCHEDULE OF EXEMPTIONS FOUND AT CHAPTER 36 OF TITLE 12 OF THE CODE OF LAWS OF SOUTH CAROLINA 1976, AS AMENDED

Check Applicable Exemption:

- Tangible personal property sold to the federal government; [12-36-2120(2)].
- (A) Textbooks, books, magazines, periodicals, newspaper, and access to on-line information systems used in a course of study in primary and secondary schools and institutions of higher learning or for student's use in the school library of these schools and institutions; [12-36-2120(3)(a)].
(B) Books, magazines, periodicals, newspapers, and access to on-line information systems sold to publicly supported state, county, or regional libraries;
- Books, magazines, periodicals, newspaper, and access to on-line information system sold to publicly supported state, county, or regional libraries; items in this category may be in any form, including microfilm, microfiche, and CD ROM; [12-36-2120(3)(b)].
- Fuel, lubricants and supplies for use or consumption aboard ships in intercoastal trade or foreign commerce. This exemption does not exempt or exclude from the tax the sale of materials and supplies used in fulfilling a contract for the painting, repair or reconditioning of ships and other watercraft; [12-36-2120(13)].
- Wrapping paper, wrapping twine, paper bags and containers used incident to the sale and delivery of tangible personal property; [12-36-2120(14)].
- Machines used in manufacturing, processing, recycling, compounding, mining, or quarrying tangible personal property for sale. 'Machines' include the parts of machines, attachments, and replacements used, or manufactured for use, on or in the operation of the machines and which (a) are necessary to the operation of the machines and are customarily so used, or (b) are necessary to comply with the order of an agency of the United States or of this State for the prevention or abatement of pollution of air, water, or noise that is caused or threatened by any machine used as provided in this section. This exemption does not include automobiles or trucks. As used in this item 'recycling' means a process by which materials that otherwise would become solid waste are collected, separated, or processed and reused, or returned to use in the form of raw materials or products, including composting, for sale.
- Electricity, natural gas, fuel oil, kerosene, LP gas, coal or any other combustible heating material or substance used for residential purposes. Individual sales of kerosene or LP gas of twenty gallons or less by retailers are considered used for residential heating purposes; [13-36-2120(30)].
- Prescription medicines used to prevent respiratory syncytial virus, prescription medicines and therapeutic radiopharmaceuticals used in the treatment of cancer, lymphoma, leukemia, or related diseases including prescription medicines used to relieve the effects of such treatment. [12-36-2120(28)(a)].



AFFIDAVIT OF EXEMPTION

Florida Power Corporation (dba Progress Energy Florida, Inc.) hereby states and affirms that it is acquiring machinery and equipment and other qualifying property; or labor and/or parts for the necessary repair, maintenance, or replacements of machinery and equipment and other qualifying property, for use at its generation facilities other than Bartow Units 1, 2, and 3, Anclote Units 1 and 2, and Suwannee Units 1, 2, and 3, from _____, which is necessary for the production of electrical or steam energy resulting from the burning of boiler fuels other than residual oil and is exempt from the tax imposed by Chapter 212, Florida Statutes, Sales and Use Tax Act, pursuant to Section 212.08(5)(c), Florida Statutes.

I understand any person furnishing a false affidavit to a vendor for the purpose of evading payment of any tax imposed under Chapter 212, Florida Statutes, shall be subject to the penalty set forth in section 212.085, Florida Statutes, and as otherwise provided by law.

IN WITNESS WHEREOF, the undersigned duly authorized agent of Florida Power Corporation (dba Progress Energy Florida, Inc.), does hereby execute this Affidavit this _____ day of _____, 20____.



Robert M. Williams
Assistant Secretary

PLEASE NOTE THAT FLORIDA POWER CORPORATION (DBA PROGRESS ENERGY FLORIDA, INC.) MAY PURCHASE BOTH TAXABLE ITEMS, AND TAX-EXEMPT ITEMS PURSUANT TO 212.08(5)(c), F.S., FROM YOUR COMPANY. A STATEMENT WILL BE INCLUDED WITH EACH TAX EXEMPT PURCHASE ORDER. THEREFORE, THE ATTACHED AFFIDAVIT OF EXEMPTION SHOULD ONLY BE USED WHEN PURCHASE ORDERS STATE THIS EXEMPTION APPLIES. THIS AFFIDAVIT IS VALID UNTIL REVOKED IN WRITING. AN EXPIRATION DATE DOES NOT APPLY.
Progress Energy Service Company, LLC
P.O. Box 159
Raleigh, NC 27602

ATTACHMENT D
SUPPLIER DIVERSITY & BUSINESS DEVELOPMENT
SUBCONTRACTING REPORT

REPORTING METHOD AND DEFINITIONS

REPORTING METHOD

Please complete the attached form, **Supplier Diversity & Business Development Subcontracting Report**, to record your awards with small business concerns that are directly related to fulfilling a specific Progress Energy contract. Provide contract number, dollar amount and the per cent of award to small business concerns. Quarterly and cumulative annual period reporting is required.

REPORTING TIME SCHEDULE

Please provide the information requested for subcontracting quarterly report by the 15th of the month following the end of the quarter that you are reporting. The completed form may be faxed to Progress Energy Service Co., LLC, Manager-Supplier Diversity & Business Development, (919) 546-6750 or mailed to Progress Energy Service Co., LLC, Manager-Supplier Diversity & Business Development, P.O. Box 1551 (PEB-2), Raleigh, NC 27602.

SMALL BUSINESS CONCERNS (SBC) DEFINITIONS*

- **Small Disadvantaged Business Concern (SDB)** - A business at least 51 percent of which is owned (or, in the case of publicly owned businesses, at least 51 percent of the stock of which is owned) by one or more minority individuals or other individuals found to be disadvantaged as established by the Small Business Administration and whose management and daily operations are controlled by individuals including the following minority classes (for clarification, refer to FAR 52.219-8).

Minority Type:

- African American Male	- Hispanic American Male	- Asian-Pacific American Male
- African American Female	- Hispanic American Female	- Asian-Pacific American Female
- Native American Male	- Asian-Indian American Male	
- Native American Female	- Asian-Indian American Female	

Native American	Includes American Indians, Eskimos, Aleuts and Native Hawaiians
Asian Pacific	Includes U.S. citizens where origins are from Japan, China, Philippines, Vietnam, Korea, Samoa, Guam, U.S. Territories of Pacific, Laos, Cambodia and Taiwan
Asian Indian	Includes U.S. citizens where origins are from India, Pakistan and Bangladesh

- **Women-Owned Business Concern (WOSB)** – A business that is at least 51 percent owned by a non-minority woman and who controls the daily management (for clarification, refer to FAR 52.219-8).

- **Hubzone Small Business Concern (HBZ)** – A business that appears on the list of qualified hubzone small business concerns maintained by the Small Business Administration.

- **Veteran-owned Small Business Concern (VOSB)**- A business at least 51 percent of which is owned (or, in the case of publicly owned businesses, at least 51 percent of the stock of which is owned) by one or more veterans and whose management and daily operations are controlled by one or more veterans.

- **Small Business Concern (SB)**- A business independently owned and operated that is not dominant in its field and that meets Small Business Administration standards as to the number of employees, generally under 500, and/or dollar volume of its business (for clarification, refer to 13 CFR Part 121 and FAR 19.102).

- **Handicapped/Sheltered Workshop** - this must be a charity organization or institution conducted not for profit, but for the purpose of carrying out a recognized rehabilitation program for handicapped workers and/or providing individuals with paid employment.

ATTACHMENT D
SUPPLIER DIVERSITY & BUSINESS DEVELOPMENT SUBCONTRACTING REPORT

Date _____
 Contractor Name _____
 Qtr. _____
 Type of Business _____
 Contract Number _____
 Dollar Amount of Contract _____

CERTIFIED SMALL BUSINESS CONCERNS INFORMATION

List all small business concerns subcontractor(s) used on the project and subcontracted percent and amount

NAME	PRODUCTS/SERVICES TO BE PROVIDED	\$ AMOUNT	YTD \$ Amount	%	*SBC code

SOURCING EFFORT FOR CERTIFIED SMALL BUSINESS CONCERNS

List all small business concerns subcontractor(s) contacted on the project that will not be used

NAME	ADDRESS	PHONE NUMBER	CONTACT	*SBC code

LIST ANY ORGANIZATIONS, AGENCIES, OR GROUPS THAT YOU CONTACTED TO SOURCE CERTIFIED SMALL BUSINESS CONCERNS

NAME	ADDRESS	PHONE NUMBER	CONTACT

Attach sheet if additional space is needed.

Suggested Organizations:

- Carolinas Minority Supplier Development Council 704-536-2884
- South Carolina's Governor's Office of Small & Minority Business Assistance 803-734-0657
- State of North Carolina Historically Underutilized Business Program 919-733-8965
- Raleigh/Durham Minority Business Development Center 919-833-6122
- The North Carolina Institute of Minority Economic Development 919-831-2467
- National Association of Women Business Owners 703-506-3268

ATTACHMENT E

**NUCLEAR WORKER
SCREENING REQUIREMENTS**

FOR

UNESCORTED ACCESS

January 2006

Contract No. 255934
E-1

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Section II: Requirements for Obtaining Unescorted Access Authorization.....	5
Section III: Behavioral Observation Program.....	7

4 PAGES

CONFIDENTIAL

ATTACHMENT F
Release From Contractor

RELEASE FROM CONTRACTOR

STATE OF _____

COUNTY OF _____

_____ a corporation of the State of _____, whose address is _____ (hereinafter called "Contractor"), in consideration of the sum of one dollar (\$1.00) and other good and valuable considerations, the receipt of which is hereby acknowledged, does hereby release and forever discharge PROGRESS ENERGY CAROLINAS, INC., a corporation organized under the laws of the State of North Carolina, whose address is 411 Fayetteville Street, P. O. Box 1551, Raleigh, NC 27602 (hereinafter called "PGN"), their successors and assigns, of and from any and all actions, causes of action, debts, dues, accounts, covenants, agreements, judgments, claims, and demands of whatsoever nature or character which said Contractor now has or ever has had against them, their successors and assigns, including, but not limited to, any actions, causes of action, debts, dues, accounts, covenants, agreements, judgments, claims, and demands which shall or may arise out of, or be incidental to, work undertaken or done under and/or pursuant to Contract No. _____, dated _____, 20__, by and between Contractor and PGN, for:

The Contractor hereby represents and warrants that all bills for labor, materials, lands, licenses, and other expenses for which PGN might be sued or for which a lien might be filed have been fully satisfied and paid; that in order to induce PGN to make final payment under said Contract, while reserving all rights of action, claims or demands for final payment under said Contract, in anticipation of said final payment and in consideration thereof, pursuant to and in accordance with the provisions of said Contract, the Contractor hereby covenants and agrees, for itself, its successors and assigns, that it and they, and each of them, shall and will defend and save harmless PGN from and against any and all suits, actions, claims, liens, or demands of laborers, mechanics, material-men or others.

IN WITNESS WHEREOF, the said Contractor has caused these presents to be duly executed this ____ day of _____, 20__.

Sargent & Lundy, LLC

By: _____

Name: _____

Title: _____

-The next paragraph begins on the following page-

Should the person's title who is executing this document not indicate that he/she is a corporate officer; an affidavit signed by a corporate officer shall be provided stating that the person whose name appears above is duly authorized to execute Contracts on behalf of the firm.

Sworn to and Subscribed before me, this the
_____ day of _____, 200_.

Notary Public

My commission expires: _____

(If Contractor is a sole proprietorship, Affidavit must be signed by owner; if partnership, by partner; and if corporation, by officer or authorized representative.

CONTRACTOR'S AFFIDAVIT

TO

PROGRESS ENERGY

(Signature)

STATE OF FLORIDA }
COUNTY OF _____ } SS.

On this day before me, the undersigned authority duly authorized to take oath, personally appeared _____ who, being by me first duly sworn, on oath deposes and says that:

1. Affiant is the duly elected and acting Vice President of _____ (Company) (herein called "Contractor"), a _____ Corporation, which performed (State) the hereinafter described contract for Progress Energy (herein called "Owner"), with full authority to make this affidavit for said corporation.
2. Contractor heretofore entered into a contract number _____, dated _____ 20____ (herein called "Contract"), with Owner to furnish materials, machinery and equipment and/or to perform labor necessary for the construction of buildings and/or repair alteration of buildings, structures or machinery and equipment and/or construction or installation of facilities, on the Owner's land and property, all as more specifically described in the Contract, or in the purchase and/or work order attached to the Contract, and the descriptions therein contained are hereby incorporated herein by this reference thereto.
3. In connection with the request of the Contractor for final payment, under the Contract, it is hereby certified that all work, labor, services, materials, machinery and equipment furnished by the Contractor have been fully paid for by the Contractor and that there are no amounts unpaid in favor of any subcontractor or any other person furnishing labor and materials to the Contractor and utilized in the performance of the obligations of the Contractor under the Contract on the basis of which any lien (commonly called a mechanic's or material man's lien) has been or can be filed and/or perfected under the laws of Florida for work done or materials, machinery, or equipment furnished to said land, building, structures, machinery, equipment, property or facilities or any part thereof of the Owner, except as set forth in Item 8 hereinafter.
4. The Contractor does hereby agree to indemnify and hold harmless the Owner against any loss, cost of damage arising out of the Contract by reason of the placing of filing or perfecting and foreclosures of liens, against said real estate and the structures thereon by subcontractors or by laborers or material men of the Contractor or of any subcontractor of the Contractor.
5. It is further certified that all federal taxes required to be withheld from employees of the Contractor have been withheld in the manner provided by law.
6. All vouchers, receipts and other evidence of payment with respect to claims of third persons against the Contractor arising out of, connected with or resulting from performance of the Contractor of his obligations under the Contract are in the possession of the undersigned and cover all claims of every description, kind or nature forming the basis for a mechanic's or material man's lien against said property of Owner up to and including the date of this affidavit.
7. Receipt by the Contractor of the final payment under the Contract, or payments made in accordance with Item 8, shall constitute a full release and discharge of the Owner by the Contractor from any and all claims of the Contractor directly against the Owner, arising out of, connected with or resulting from performance of the Contractor pursuant to the Contract.

8. Unpaid claims and liens which Contractor consents to Owner paying from amount due under Contract are:

(Attach separate schedule, if necessary.)

Nature of Labor, Services or Material Furnished	Amount Due	Name of Subcontractor, Laborer or Materialman
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____
_____	\$ _____	_____

9. Contractor is making this affidavit for the purpose of inducing Owner to make final payment of \$_____ (less amounts set forth in Item 8, if any) to Contractor under the Contract and Chapter 713, Florida Statutes.

(Contractor)

By

General Partner

Sworn to and subscribed before me this _____ day of _____ 20_____

Notary Public/State of Florida, at Large

My Commission Expires _____

INSTRUCTIONS FOR COMPLETING THIS AFFIDAVIT

1. Insert name of County where affidavit is signed.
2. The name of person in the second line of the affidavit should be first name, middle initial and last name of the individual signing this affidavit.
3. If affidavit is signed by the President, strike the word "Vice" in the first line of Item 1 under the "By" line in the signature spaces.
4. In "Company" space of Item 1, insert full name of the corporation; and in "State" space, insert the name of the State of its incorporation.
5. On first line of Item 2, insert effective date shown in the Contract or Work Authorization against a Master Contract.
6. If no claim or lien unpaid write None in Item 8.
7. Insert amount of final payment in Item 9, less amounts set forth in Item 8, if any.
8. In the signature the name of the "Contractor" line should be the same as the name of the "Company" in Item 1 and the signature on the "By" line should be the same as that appearing in the second line of the affidavit.
9. Have Notary Public fill in, sign and seal where indicated.

**SUPPLY CHAIN MANAGEMENT
CONTRACT REVIEW ROUTING SHEET**

Date: January 18, 2006

ROUTE TO:

NAME	DEPARTMENT
<u>Dave Conley</u>	<u>Legal</u>
_____	_____
_____	_____
_____	_____

DOCUMENT DESCRIPTION:

Requisition Number _____

Contract Number 255934

Contract Type _____

Work Location _____

Contractor Sergent & Conley, Work by Parsons, CH2M HILL

COMMENTS:


REVIEWS AND APPROVALS:

	NAME	DATE	APPROVED/CHANGES MADE
LEGAL	<u>[Signature]</u>	<u>1-19-06</u>	<u>OK w/ comments</u>
AUDIT	<u>[Signature]</u>	<u>1-25-06</u>	<u>no marks</u>
TAX	_____	_____	_____
OTHER	_____	_____	_____

If you have any questions, please contact:

Supply Management Rep. _____

Extension _____



Sargent & Lundy LLC

Don K. Schopfer
Executive Vice President
312-269-6078

January 31, 2006

Progress Energy

**Transmittal of Master Contract
Combined Construction and Operating Licenses**

Mr. Tony Owen
Supply Chain Management
Progress Energy
410 S. Wilmington Street
Raleigh, NC 27602

Dear Mr. Owen:

Enclosed is the original of Master Contract No. 255934 for the Combined Construction and Operating Licenses.

We look forward to executing this contract and submitting a quality combined operating license application for new nuclear stations for Progress Energy.

If you have any questions, please contact me.

Yours very truly,



Don K. Schopfer
Executive Vice President

DKS:gid
Enclosure – All Recipients
Copies:
Fayez G. Boutros
Marty Reibold
M. A. Welusz

1 PAGE

CONFIDENTIAL

2 PAGES

CONFIDENTIAL

CONFIDENTIAL

MASTER CONTRACT

254549

BETWEEN

**PROGRESS ENERGY SERVICE COMPANY, LLC
in its individual capacity, and as agent for
PROGRESS ENERGY CAROLINAS, INC.
PROGRESS ENERGY FLORIDA, INC.
PROGRESS ENERGY VENTURES, INC.**

AND

ENERCON SERVICES, INC.

7
2021
4/1/21

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2	Term of Contract
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6	Owner's Designated Representative
7	Compensation
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	B. Invoices and Payments
	C. Overtime and Portal-to-Portal Pay
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9	Financial Audits
10	Performance
11	Intellectual Property
12	Publication of Research
13	Termination
14	Patents and Copyrights
15	Status of Consultant
16	Subletting or Assigning Contract
17	Reports
18	Tools, Materials, and Equipment
19	Plan, Drawings, Specifications, and Documentation
20	Consultant Personnel Matters
21	Insurance
22	Indemnity
23	Security
24	Fitness-for-Duty and Safeguards Policies

SECTION

TITLE

25	Laws and Project Rules
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	B. Employment Taxes and Contributions
	C. Federal Subcontracting Requirements
26	Work at or Associated With Nuclear Facilities
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	D. Nuclear Training
	E. 10 C.F.R. Part 21
	F. ALARA
	G. Employee Concerns Program
27	Severability
28	Amendment of Contract
29	Governing Law
30	Confidentiality; Use of Information
31	Public Communication
32	Nonwaiver
33	Merger
34	Background Investigation and Drug Screen
35	Workplace Violence Prevention
Attachment	Rate Schedule
Attachment	Preferred AE Status Provisions
Attachment	Code of Ethics Acknowledgment Form
Attachment	Supplier Diversity & Business Development Subcontracting Report
Attachment	Nuclear Worker Screening Requirements for Unescorted Access

PAGES 1 THROUGH 28

CONFIDENTIAL

The parties execute this Contract by their signature or the signature of their authorized agents.

ENERCON SERVICES, INC.

PROGRESS ENERGY SERVICE COMPANY, LLC,
not in its individual capacity, but solely as agent for
PROGRESS ENERGY CAROLINAS, INC.,
PROGRESS ENERGY FLORIDA, INC. and
PROGRESS ENERGY VENTURES, INC

BY: Carter Notland

BY: T.R. Lineback

NAME (printed): Carter Notland

NAME: T. R. Lineback

TITLE: VP Plant Generation

TITLE: Senior Contract Analyst

DATE: 7/12/06

DATE: 4-20-06

Indicate your Federal Tax Identification Number (FTIN). This number shall correspond with the Consultant name indicated above and shall be the same Federal Tax Identification Number under which you report income.

Federal Tax ID # 73-1177079

The Internal Revenue Service (IRS) requires us to obtain certain information from you to meet IRS Form 1099 reporting and filing requirements. If you do not provide your correct FTIN, your payments may be subject to 20% backup withholding. Under penalties of perjury, I certify that the FTIN shown above is correct for the Consultant named.

Carter Notland VP Plant Generation
(Consultant to fill in name and title)

is appointed as the person to whom all official correspondence to Consultant concerning this Contract should be directed.

In accordance with the Federal Acquisition Regulation section 52.219, please check all that apply to your company. Please provide supporting documentation or certification to confirm the status for any categories checked under Small/Diverse Vendors.

- Certified small business*
- Veteran-owned business*
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- HUBZone, 8(a) or disadvantaged business*
- Minority-owned business **
- Women-owned small business **

* As defined by the Small Business Administration (SBA): www.sba.gov
 ** Certified by Progress Energy and as defined by SBA.

Register online at www.progress-energy.com/supplierdiversity

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CONFIDENTIAL

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I have read the Progress Energy Code of Ethics. I understand that the principles stated in the Code of Ethics represent those of Progress Energy as they relate to the work I perform as an independent Consultant (or as an employee of an independent Consultant of Progress Energy), and that violating those principles, or the legal and regulatory requirements applicable to my work may result in disciplinary action by my employer. I agree to abide by and support the legal and regulatory requirements applicable to my work. I understand that if I have questions concerning appropriate ethics or relevant legal and regulatory requirements, I should consult with my supervisor.

Signature of Contract Employee

Name of Contract Employee

Date

Social Security Number

Consultant Organization

SUPPLIER DIVERSITY & BUSINESS DEVELOPMENT
SUBCONTRACTING REPORT

REPORTING METHOD AND DEFINITIONS

REPORTING METHOD

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SMALL BUSINESS CONCERNS (SBC) DEFINITIONS*

- **Small Disadvantaged Business Concern (SDB)** - A business at least 51 percent of which is owned (or, in the case of publicly owned businesses, at least 51 percent of the stock of which is owned) by one or more minority individuals or other individuals found to be disadvantaged as established by the Small Business Administration and whose management and daily operations are controlled by individuals including the following minority classes (for clarification, refer to FAR 52.219-8).

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- African American Male	- Hispanic American Male	- Asian-Pacific American Male
- African American Female	- Hispanic American Female	- Asian-Pacific American Female
- Native American Male	- Asian-Indian American Male	
- Native American Female	- Asian-Indian American Female	

Native American	Includes American Indians, Eskimos, Aleuts and Native Hawaiians
Asian Pacific	Includes U.S. citizens where origins are from Japan, China, Philippines, Vietnam, Korea, Samoa, Guam, U.S. Territories of Pacific, Laos, Cambodia and Taiwan
Asian Indian	Includes U.S. citizens where origins are from India, Pakistan and Bangladesh

- **Women-Owned Business Concern (WOSB)** - A business that is at least 51 percent owned by a non-minority woman and who controls the daily management (for clarification, refer to FAR 52.219-8).

- **Hubzone Small Business Concern (HBZ)** - A business that appears on the list of qualified hubzone small business concerns maintained by the Small Business Administration.

01/11/05

- **Veteran-owned Small Business Concern (VOSB)**- A business at least 51 percent of which is owned (or, in the case of publicly owned businesses, at least 51 percent of the stock of which is owned) by one or more veterans and whose management and daily operations are controlled by one or more veterans.
- **Small Business Concern (SB)**- A business independently owned and operated that is not dominant in its field and that meets Small Business Administration standards as to the number of employees, generally under 500, and/or dollar volume of its business (for clarification, refer to 13 CFR Part 121 and FAR 19.102).
- **Handicapped/Sheltered Workshop** - this must be a charity organization or institution conducted not for profit, but for the purpose of carrying out a recognized rehabilitation program for handicapped workers and/or providing individuals with paid employment.

SUPPLIER DIVERSITY & BUSINESS DEVELOPMENT SUBCONTRACTING REPORT

Date _____
 Consultant Name _____
 Qtr. _____
 Type of Business _____
 Contract Number _____
 Dollar Amount of Contract _____

CERTIFIED SMALL BUSINESS CONCERNS INFORMATION

List all small business concerns sub-consultant(s) used on the project and subcontracted percent and amount

NAME	PRODUCTS/SERVICES TO BE PROVIDED	\$ AMOUNT	YTD \$ Amount	%	*SBC code

SOURCING EFFORT FOR CERTIFIED SMALL BUSINESS CONCERNS

List all small business concerns sub-consultant(s) contacted on the project that will not be used

NAME	ADDRESS	PHONE NUMBER	CONTACT	*SBC code

LIST ANY ORGANIZATIONS, AGENCIES, OR GROUPS THAT YOU CONTACTED TO SOURCE CERTIFIED SMALL BUSINESS CONCERNS

NAME	ADDRESS	PHONE NUMBER	CONTACT

6/29/05

Attach sheet if additional space is needed.

Suggested Organizations:

- Carolina's Minority Supplier Development Council 704-536-2884**
- South Carolina's Governor's Office of Small & Minority Business Assistance 803-734-0657**
- State of North Carolina Historically Underutilized Business Program 919-733-8965**
- Raleigh/Durham Minority Business Development Center 919-833-6122**
- The North Carolina Institute of Minority Economic Development 919-831-2467**
- National Association of Women Business Owners 703-506-3268**

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6 PAGES

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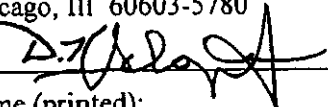
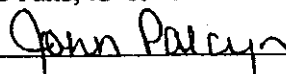
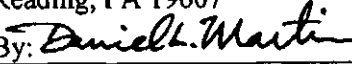
Please execute this Work Authorization, retain an original for your file, and return the other original within ten (10) calendar days to Mr. Tony Owen, Progress Energy Service Company LLC, P. O. Box 1981 (TPP-8), Raleigh, NC 27602.

Sincerely,



Tony Owen
Manager, NGG Major Projects

Accepted:

Sargent & Lundy, LLC. 55 East Monroe St. Chicago, Ill 60603-5780	CH2M HILL, Inc. 151 N. Ridge Ave. Idaho Falls, ID 83402	WorleyParsons Group, Inc. 2675 Morgantown Road Reading, PA 19607
By: 	By: 	By: 
Name (printed): D.K. Schopfer	Name (printed): JOHN POLCYN	Name (printed): Daniel L. Martin
Title: Executive V.P.	Title: SENIOR VICE PRESIDENT	Title: Sr. Vice President
Date: 9/17/07	Date: 9/19/2007	Date: 9/25/07

Should the person's title who is executing this document not indicate that he/she is a corporate officer, an affidavit signed by a corporate officer shall be provided stating that the person whose name appears above is duly authorized to execute Contracts on behalf of the firm.

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ATTACHMENT C

CONTRACTOR SAFETY INFORMATION/CHECKLIST



Contractor's Safety Information/Checklist Form

Please supply the following safety information for your company. Safety is important to Progress Energy and will be used as criteria in selecting contractors. **NOTE: INCOMPLETE FORMS CANNOT BE PROCESSED.**

SECTION 1: TO BE COMPLETED BY THE CONTRACTOR

Contractor Name:	
Address:	
E-Mail Address:	
Telephone:	
NAICS Code:	
Scope of Work:	
Name of Subcontractor(s) if applicable:	
Progress Energy Contact:	

	Yes	No	NA
Safety Program			
Does your company have a high level corporate officer responsible for safety compliance? Title:			
Does your company have a formal safety program to assure compliance with safety regulations?			
Does program include:			
• Job hazard analysis and control			
• Medical management of work related injuries and illnesses			
• On-site supervision to ensure compliance with safety regulations and Progress Energy Safety policies			
• Pre-qualification and management of subcontractors to ensure compliance with safety regulations and Progress Energy Safety policies			
• Hexavalent Chromium compliance (welders)			
Does your company hold periodic crew/team safety meetings?			
• How Often?			
Does your company provide and document required initial and refresher training to prepare employees to perform duties in compliance with safety regulations? NOTE: If a contract is awarded, the DR will need this documentation prior to commencement of work for Progress Energy.			
Compliance History			
Has a serious, willful or repeat OSHA citation been issued to your company within the last three years? (Please check the OSHA web site at http://www.osha.gov/plis/imis/establishment.html). If yes, please provide a copy of the citation and a certification of abatement.			
Has your company and/or any of its officers been convicted of any violation of any federal or state occupational health and safety laws? If yes, please attach a description of this case, including its resolution.			
Line & Service Contractors: Is your Federal Motor Carrier Safety Rating Satisfactory? (Can be found at http://www.saferys.org) If not, state what the rating is (Unsatisfactory or Conditional).			

Using your company's OSHA log for the last 3 years:	Yr: 2004	Yr: 2005	Yr: 2006
• Total number of OSHA Recordable injuries and illnesses			
• Total number of cases involving Days Away, Restricted or Transferred			
• Total number of fatalities			
Employee hours worked each year for last three years			
OSHA Incident Rate last three years (OI Rate)*			
Days Away, Restricted or Transferred Rate last three years (DART Rate)*			
Your company's EMR for the last three years			

* Rates are calculated as follows: OI Rate= $\frac{\# \text{ OSHA Recordable injuries} \times 200,000}{\# \text{ employee hours}}$ DART Rate= $\frac{\# \text{ cases involving DART} \times 200,000}{\# \text{ employee hours}}$

Please have an authorized representative of the company who is responsible for your company's safety program sign on the line below certifying that the information provided above is current and accurate. Providing false information may result in termination of the contract.

Name: _____ Title: _____

Signature: _____ Date: _____

SECTION 2: TO BE COMPLETED BY THE PROGRESS ENERGY DR OR CONTRACT SERVICES

Print Name, Location and Phone of Designated Rep: _____

Progress Energy Experience with Contractor	Yes	No	NA	Number (if appl)
Are you aware of any safety-related incidents on Progress Energy jobs last three years?				
If yes, was contractor safety program found to be deficient?				
If yes, has program been corrected?				
Have any negative comments been reported by Progress Energy employees about contractor's safety performance?				
If yes, has situation been satisfactorily resolved?				

Contractor OSHA Rates (Last Year)*	Industry Average (Latest from OSHA)	Comments
OI Rate		
DART Rate		

Recommended Rating (DR/Contract Services): RED YELLOW GREEN

Signature: _____ Date: _____

SECTION 3: TO BE COMPLETED BY THE HEALTH AND SAFETY SUPPORT

Final Rating (Health & Safety Support): RED YELLOW* GREEN

Signature: _____ Date: _____

Comments:

AUTHORIZED COPY

ATTACHMENT D

SCOPE DOCUMENT

NPD PRPJECT IMPACT EVALUATION # 60-R1

JULY 17, 2007

3 PAGES

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00111

Scope of Work

**Preparation of a Florida
Site Certification Application
for the
Levy Nuclear Plant**

Submitted to
Progress Energy

July 16, 2007

Proprietary Notice

CH2M HILL, Inc. considers the data and information contained in this proposal to be proprietary. This proposal and any information contained herein shall not be disclosed outside Progress Energy and shall not be duplicated, used, or disclosed in whole or in part for any purpose other than to evaluate this proposal.

CH2MHILL

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SECTION 5

Schedule

The project schedule is attached.

Activity ID	Activity Description	Early Start	Early Finish	2007												2008				
				M	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN			
PEF Site Certification Application																				
Task 1 - Project Planning/Management																				
SC0110	Project Planning/Management	01JUN07	30MAY08	[Gantt bar from 01JUN07 to 30MAY08]																
Task 2 - Need for Power and Facilities																				
SC0120	Prepare Draft Need for Power and Facilities	01JUN07	28AUG07	[Gantt bar from 01JUN07 to 28AUG07]																
SC0122	Internal Review of Draft Need for Power and Faci	29AUG07	11SEP07	[Gantt bar from 29AUG07 to 11SEP07]																
SC0124	Incorp Internal Review Comments	12SEP07	18SEP07	[Gantt bar from 12SEP07 to 18SEP07]																
SC0126	OAR Review of Need for Power and Facilities	19SEP07	19OCT07	[Gantt bar from 19SEP07 to 19OCT07]																
SC0128	Incorporate OAR Comments/Submit Final	22OCT07	02NOV07	[Gantt bar from 22OCT07 to 02NOV07]																
Task 3 - Site and Vicinity Characterization																				
Socio-Political Environment																				
SC0130	Prepare Draft Socio-Political Environment	01JUN07	30OCT07	[Gantt bar from 01JUN07 to 30OCT07]																
SC0132	Internal Review of Draft Socio-Political Environ	31OCT07	21NOV07	[Gantt bar from 31OCT07 to 21NOV07]																
SC0134	Incorp Internal Review Comments	26NOV07	30NOV07	[Gantt bar from 26NOV07 to 30NOV07]																
SC0136	OAR Review of Socio-Political Environment	03DEC07	14DEC07	[Gantt bar from 03DEC07 to 14DEC07]																
SC0138	Incorporate OAR Comments/Submit Final	17DEC07	01JAN08	[Gantt bar from 17DEC07 to 01JAN08]																
Geology, Surface Water, Ground Water																				
SC0130A	Prepare Draft Geology, SW, GW	01JUN07	15JAN08	[Gantt bar from 01JUN07 to 15JAN08]																
SC0132A	Internal Review of Draft Geology, SW, GW	16JAN08	08FEB08	[Gantt bar from 16JAN08 to 08FEB08]																
SC0134A	Incorp Internal Review Comments	11FEB08	15FEB08	[Gantt bar from 11FEB08 to 15FEB08]																
SC0136A	OAR Review of Draft Geology, SW, GW	18FEB08	29FEB08	[Gantt bar from 18FEB08 to 29FEB08]																
SC0138A	Incorporate OAR Comments/Submit Final	03MAR08	14MAR08	[Gantt bar from 03MAR08 to 14MAR08]																
Terrestrial Ecology																				
SC0130B	Prepare Draft Terrestrial Ecology	01JUN07	01NOV07	[Gantt bar from 01JUN07 to 01NOV07]																
SC0132B	Internal Review of Draft Terrestrial Ecology	02NOV07	28NOV07	[Gantt bar from 02NOV07 to 28NOV07]																
SC0134B	Incorp Internal Review Comments	29NOV07	05DEC07	[Gantt bar from 29NOV07 to 05DEC07]																
SC0136B	OAR Review of Draft Terrestrial Ecology	06DEC07	14DEC07	[Gantt bar from 06DEC07 to 14DEC07]																
SC0138B	Incorporate OAR Comments/Submit Final	17DEC07	01FEB08	[Gantt bar from 17DEC07 to 01FEB08]																
Aquatic Ecology																				
SC0130C	Prepare Draft Aquatic Ecology	01JUN07	03DEC07	[Gantt bar from 01JUN07 to 03DEC07]																
SC0132C	Internal Review of Draft Aquatic Ecology	04DEC07	28DEC07	[Gantt bar from 04DEC07 to 28DEC07]																
SC0134C	Incorp Internal Review Comments	31DEC07	04JAN08	[Gantt bar from 31DEC07 to 04JAN08]																
SC0136C	OAR Review of Draft Aquatic Ecology	07JAN08	18JAN08	[Gantt bar from 07JAN08 to 18JAN08]																
SC0138C	Incorporate OAR Comments/Submit Final	21JAN08	01FEB08	[Gantt bar from 21JAN08 to 01FEB08]																
Meteorology and Air Quality																				
SC0130D	Prepare Draft Meteorology & Air Quality	01JUN07	21DEC07	[Gantt bar from 01JUN07 to 21DEC07]																
SC0132D	Internal Review of Draft Meteorology & Air Quali	26DEC07	18JAN08	[Gantt bar from 26DEC07 to 18JAN08]																

Start Date	02JAN08	Early Bar
Finish Date	30MAY08	Progress Bar
Date Date	01JUN07	
Run Date	18MAY07 12:03	

SCAF
 Progress Energy Florida
 Site Certification Application
 CH2M HILL Inc.
 Proposal Schedule

Sheet 1 of 3

Date	Revision	Checked	Approved


1 PAGE


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Redacted

CITRUS MINING & TIMBER, INC

PROGRESS ENERGY SERVICE COMPANY, LLC
not in its individual capacity, but solely as agent for
PROGRESS ENERGY FLORIDA, INC.

BY: 

BY: 

NAME (printed): Dixie M. Hollins

Tony Owen
Manager, NGG Major Projects

TITLE: President

DATE: 10/29/2007

DATE: 10/29/07

FEDERAL TAX ID # 59-3323941

In accordance with the Federal Acquisition Regulation section 52.219, please check all that apply to your company. Please provide supporting documentation or certification to confirm the status for any categories checked under Small/Diverse Vendors.

- | | |
|---|---|
| <input type="checkbox"/> Certified small business* | <input type="checkbox"/> HUBZone, 8(a) or disadvantaged business* |
| <input type="checkbox"/> Veteran-owned business* | <input type="checkbox"/> Minority-owned business ** |
| <input type="checkbox"/> Service-disabled veteran-owned business* | <input type="checkbox"/> Women-owned small business ** |
| <input type="checkbox"/> Not a Small Business | |

* As defined by the Small Business Administration (SBA): www.sba.gov

** Certified by Progress Energy and as defined by SBA.

Register online at www.progress-energy.com/supplierdiversity

1 PAGE

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Sargent & Lundy^{LLC}

Anand K. Singh
Vice President
Phone: (312) 269-7517
Cell: (312) 206-3774
FAX: (312) 269-7313
Email: anand.k.singh@sargentlundy.com

February 23, 2007
S&L Letter No. SLPEC2-2007-001
Project Nos. 12076-010, 12077-010

Progress Energy Carolinas Inc.
PEC AP1000 U2 & U3 Cost Estimating Assistance

Mr. Tony R. Lineback
Progress Energy Carolinas, Inc.
410 S. Wilmington Street (PEB 2C3)
Raleigh, North Carolina 27601

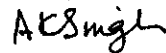
Subject: Contract No. 257117
Work Authorization No. 12, Amendment No. 1

Dear Mr. Lineback:

Enclosed is the signed Contract No. 257117, Work Authorization No. 12, Amendment No. 1.

If I can be of any additional assistance in this matter, please call me.

Very truly yours,



A. K. Singh
Project Manager

AKS:clm
Enclosure
Copies:
L. Spragin
D. Doyle
D. K. Schopfer
J. Mundt



Sargent & Lundy, LLC
55 East Monroe Street
Chicago, IL 60603-5780

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Attention: Steve Taylor

CONTRACT NO. 257117
WORK AUTHORIZATION NO. 12
AMENDMENT NO. 1
EFFECTIVE JANUARY 1, 2007

This Amendment is governed by the terms and conditions of the above-referenced Contract. By this Amendment, Progress Energy Service Company, LLC, not in its individual capacity, but solely as agent for Progress Energy Carolinas, Inc. (hereinafter "Owner"), offers to change the terms of the above-referenced Contract as follows:

REDACTED

All other terms in the Contract or other Contract Amendments remain unchanged.

Please execute this Amendment, retain an original for your file, and return the other original within ten (10) calendar days to Tony Lineback, Progress Energy Service Company, LLC, P. O. Box 1551 (PEB-2C3), Raleigh, NC 27602.

Sincerely,

T. R. Lineback
Senior Contract Analyst

Accepted:

Sargent & Lundy, LLC

By: AKSINGH

Name (printed): A. K. SINGH

Title: Vice President

Date: 2/22/07

Should the person's title who is executing this document not indicate that he/she is a corporate officer, an affidavit signed by a corporate officer shall be provided stating that the person whose name appears above is duly authorized to execute Contracts on behalf of the firm.

Execution Version

**OPERATING AGREEMENT
OF
APOG, LLC
(A Delaware Limited Liability Company)**

Dated as of August 2, 2007

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CONFIDENTIAL

AMENDED

00000000

OPERATING AGREEMENT

OF

NuStart Energy Development, LLC

effective as of December 6, 2007

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CONTRACT FOR SALE AND PURCHASE

SELLER: JH LYBASS JR FAMILY LLC
TG LYBASS LIMITED PARTNERSHIP
OREGON LYBASS
(collectively "Seller")

ADDRESS: 20056 SW 107th Lane
Dunnellon, Florida 34432 (courier service)

P.O. Box 38
Dunnellon, Florida 34430 (regular mail)

TELEPHONE: (352) 489-2200
TELECOPY: (352) 465-7993

BUYER: FLORIDA POWER CORPORATION
d/b/a PROGRESS ENERGY FLORIDA, INC.

ADDRESS: Progress Energy Place
299 First Avenue North
St. Petersburg, FL 33701
Attn: Alex Glenn, Esq.

TELEPHONE: (727) 820-5587
TELECOPY: (727) 820-5519

ESCROW AGENT: Chicago Title Insurance Company ("Escrow Agent")
ADDRESS: 495 State Road 436
Casselberry, Florida 32707
Attn: Joe Reinhardt, Esquire

TELEPHONE: (407) 875-3000
TELECOPY: (407) 875-6932

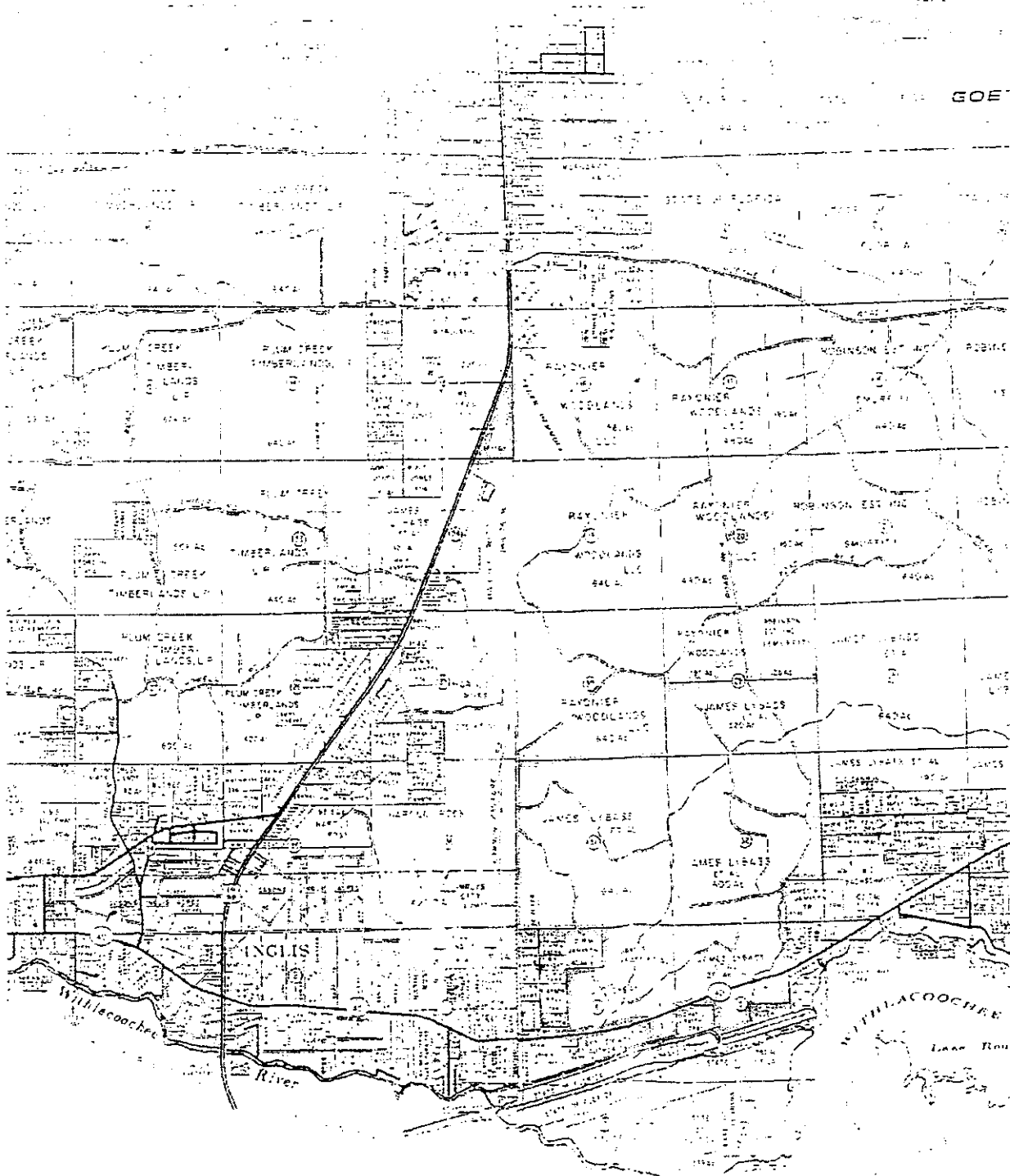
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Exhibit "A-1"

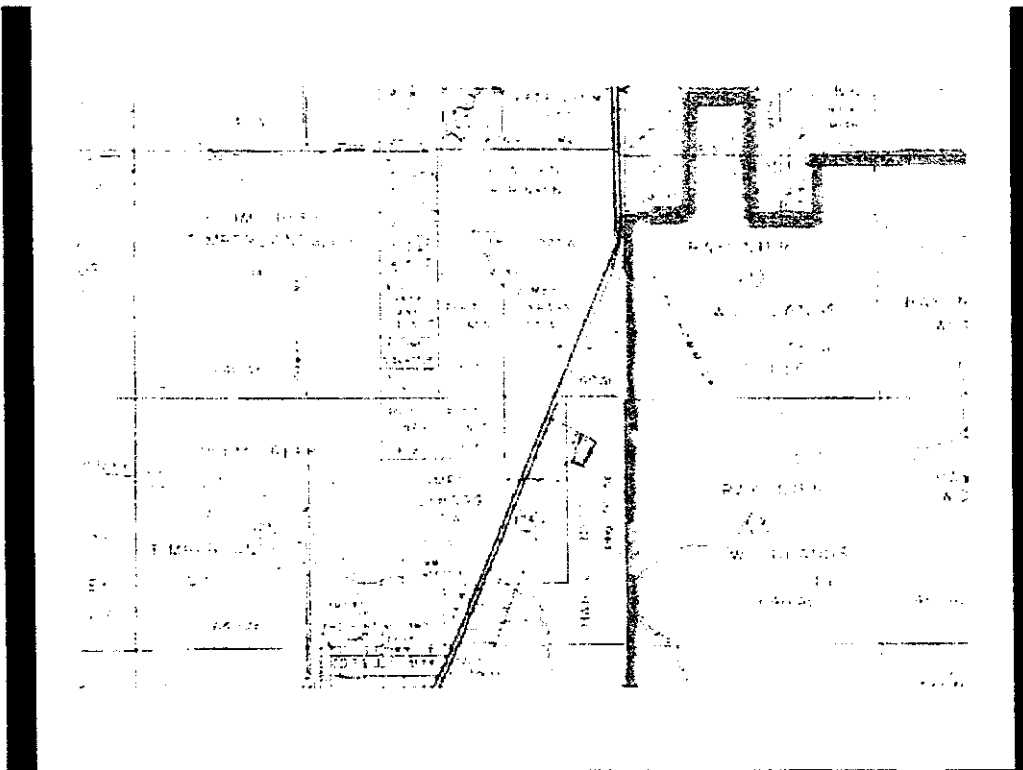
Initials:  
Buyer Seller



Initials: *ML* *SL*
 Buyer Seller

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Initials: JK SLP
Buyer Seller

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CONFIDENTIAL



memo

Date: August 8, 2007

To: Robert B. McGehee, Chairman & Chief Executive Officer
William D. Johnson, President & Chief Operating Officer
Jeffrey J. Lyash, President & CEO - Progress Energy Florida

From: Clayton S. Hinnant, Sr VP - Nuclear Generation Group and
Chief Nuclear Officer

Subject: Approval Requested to Purchase the Rayonier Property in Levy
County, Florida

This memorandum (1) outlines to senior management the timeline for notification and closing on the approximate 3105 acre Rayonier property (the "Property") to support the potential construction of new nuclear power plants in Levy County, Florida, and (2) provides the recommendation to senior management to purchase the Property, including the supporting technical basis for the recommendation. Upon approval of the recommendations in this memorandum, Progress Energy Florida ("PEF") will notify the Seller (Rayonier) of the Company's intent to proceed to purchase and close on the Property.

The executed Levy Rayonier Purchase and Sale Agreement, dated November 18, 2006 (Effective Date), includes the following key dates:

Redacted



Redacted

CONFIDENTIAL

Background Information

The following information is provided in support of the recommendation to purchase the Rayonier property.

- The Florida siting analysis completed by the Nuclear Plant Development (NPD) organization in 2006 included a detailed, systematic process for identifying, analyzing, and ranking potential nuclear sites consistent with applicable industry and Nuclear Regulatory Commission (NRC) regulatory guidance and regulations. NPD identified 20 potential sites, and went through successive layers of analysis resulting in a "short list" of alternative sites in Levy County, Redacted and the Crystal River site. NPD completed on-site analyses (environmental and geotechnical drilling) at the Levy, Redacted sites. The siting analyses ultimately concluded that the Rayonier tract in Levy County was the best overall site, and therefore the preferred site for potential new nuclear generating facilities.
- Upon conclusion of the Florida siting analysis and execution of the Rayonier Purchase and Sales Agreement in November 2006, NPD conducted additional detailed comprehensive on-site testing and evaluations of the Property consistent with industry and NRC regulatory guidance and regulations. The detailed analyses included months of on-site geotechnical analysis that included more than 80 borings, geophysical logging, and detailed examination of soil/rock core samples. The analyses showed that the WEC AP1000 Reactor Technology can be deployed at the Property. This is documented in SLPEF-2007-068 dated August 03, 2007 and entitled *Assessment of Subsurface Conditions at the LNP Site for the "Buy" Decision*.

The original scope of the geotechnical investigations at the safety-related nuclear power block areas is complete. However, based on recent discussions with NRC personnel who visited the Levy site, NPD has added field scope of two additional deep holes (up to 500') at each reactor location to verify the non-existence of large karst features (voids and/or caverns) at these greater depths. This work will extend beyond August 14, 2007. Based on the geotechnical boring results to date (including the observed absence of significant karst formation) and the table top assessment for

¹ In the event of termination or default prior to August 15, 2007, or at any time thereafter prior to the closing, PEF would forfeit its deposit (\$2,250,000.00); however, it would not be liable for the balance of the purchase price

the potential for karst formation in deeper rock layers at the LNP site, we do not expect karst formations under the plant that would impact the ability to site the AP1000 reactors.

- The actual developed area for the nuclear power blocks will be approximately 200 acres (~450 acres with construction facilities, laydown, and access), with a large Exclusionary Area Boundary (EAB) as required by the NRC for a nuclear power plant. NPD assessed the entire Property to ensure that no issues existed with respect to the presence of hazardous materials or previous incompatible uses. No issues were identified in this assessment as documented by SLPEF-2007-040, dated June 8, 2007, and entitled *Preliminary Site Assessment Overview*.
- NPD conducted an assessment of threatened and endangered species on the Property with the results documented under SLPEF-2007-062, dated July 18, 2007 and entitled *Technical Memorandum - Potential Occurrence of Protected Species at the Levy Nuclear Plant Site, Levy County, FL*. No significant issues were identified.
- NPD conducted an assessment of archeological/cultural resources on the specific area of the site to be developed, and documented under SLPEF-2007-063, dated July 19, 2007 and entitled *Technical Memorandum - Cultural Resources Survey of 300 Acres at the Proposed Progress Energy Nuclear Plant, Levy County, Florida*. No significant issues were identified.
- NPD analyzed two nearby gas lines running parallel to Highway 19 as documented under SLPEF-2007-064, dated July 26, 2007 and entitled *Buy Decision Inputs on Natural Gas Line Hazard and DCD Temperature Limit Assessment*. The assessment concluded that the gas line did not present a problem to siting the nuclear plant on the Property.
- NPD assessed the prevalent and worst case weather conditions (dry bulb and wet bulb temperatures) in Levy County, Florida as it relates to siting the AP1000. This analysis identified AP1000 Design Certification Document (DCD) analysis temperature limits where Levy was not bounded. This problem was forwarded to Westinghouse Electric Company (WEC) for resolution. WEC revised the AP1000 nuclear safety analysis to bound the Levy site and the results are included in the recent Revision 16 to the DCD. This issue has been successfully resolved as documented in SLPEF-2007-064, dated July 26, 2007 and entitled *Buy Decision Inputs on Natural Gas Line Hazard and DCD Temperature Limit Assessment*, and the AP1000 can be successfully sited at the Levy site.

In addition to the on-site technical investigations, PEF has sought necessary local land use changes to accommodate nuclear generation on the Property. To date, PEF has received several key approvals including:

- On July 10, 2007 the Levy County Board of County Commissioners unanimously approved PEF's recommended amendments to the Levy County Comprehensive Land Use Plan to allow siting a nuclear generating facility at Rayonier. These amendments included both text changes and future land use designation changes directly applicable to the Property. The amendments will be submitted to the Florida Department of Community Affairs for ultimate approval. NPD anticipates approval by the Department before the end of 2007.
- On August 6, 2007, the Levy County Planning & Zoning Commission recommended granting revisions to the Levy County zoning ordinances that would clarify the ability to site the nuclear plant and associated facilities within the County. NPD expects that the Board of County Commissioners will approve the P&Z Commission's recommendations no later than September 2007.
- The developed nuclear generating facility would use water from the Cross Florida Barge Canal as the make-up source to the cooling towers. This would require construction of an intake structure near the Inglis lock on the barge canal, which is state owned land. The Florida Department of Environmental Protection (DEP) issued a *Permit for Special Use* on June 15, 2007 to PEF to permit geotechnical drilling at the barge canal shore. This work has been completed with acceptable results.

The 2007 capital budget for the NPD organization included adequate funds for the purchase of the Property including, title searches, legal costs, commissions, and other associated closing costs. Title and survey review are addressed in the attached memo from A. Guy Neff, of Holland & Knight LLP. No significant issues were identified.

Potential Risks

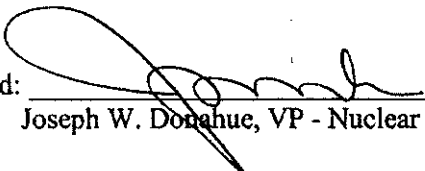
In the event PEF ultimately chooses not to move forward with the Levy nuclear project, it will have acquired approximately 3105 acres. The risk of having excess land is mitigated by the fact that good sites that have access to water and can accommodate base load and other generating units are rare in Florida and becoming harder to find and acquire. In this regard, the Property could accommodate other generation alternatives including natural gas and solid fuel generation. As such, acquiring the Property now will significantly benefit customers even if the Levy nuclear project is not developed. Local land use regulation revisions likely would be required to accommodate non-nuclear generating alternatives.

Similarly, land prices in Florida in general, and in Levy County specifically are increasing. Based on discussions with external real estate experts, this trend is likely to continue. Thus, in the event PEF were not to develop the nuclear project or any other generating alternative on the Property, it likely could sell the Property for more than its acquisition price, which would benefit PEF's customers.

Recommendation

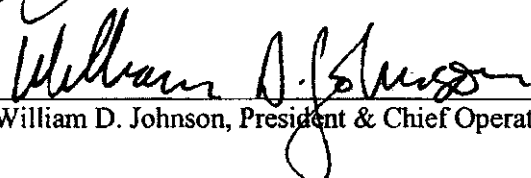
Based on the extensive technical analyses, the value of obtaining sites that have sufficient water, close to rail and natural gas lines, and can accommodate large baseload or other generating plants, NPD recommends acquiring the Property.


Recommended:  8/8/07
Garry D. Miller, GM - Nuclear Plant Development & License Renewal

Recommended:  8/8/07
Joseph W. Donahue, VP - Nuclear Engineering & Services Department

Recommended:  8/10/07
C. S. Hinnant, Sr VP - Nuclear Generation Group & Chief Nuclear Officer

Approved:  8/14/07
Jeffrey J. Lyash, President & CEO - Progress Energy Florida

Approved:  8/13/07
William D. Johnson, President & Chief Operating Officer

Approved:  8/13/07
Robert B. McGehee, Chairman & Chief Executive Officer

Attachment: Memorandum from Holland & Knight dated August 2, 2007 to R. Alex Glenn regarding Rayonier Title and Survey

cc: Melinda Burrows, Manager - Project Assurance
Mike Calvello, Manager - NGG Business Services
Alex Glenn, Deputy General Counsel - Florida
Mark Mulhern, Sr VP - Financial Services
Danny Roderick, VP - Nuclear Projects & Construction
Calvin Sabooran, Director - Real Estate
Frank Schiller, VP - Legal
Scott Self, VP - Finance

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www.hklaw.com

A. Guy Neff
407 244 1127
guy.neff@hklaw.com

Memorandum

Date: August 2, 2007

To: R. Alex Glenn, Esq.

From: A. Guy Neff, Esq.

Cc: Garry Miller

Re: Florida Power Corporation d/b/a Progress Energy Florida ("Progress") purchase from Rayonier Forest Resources, L.P. of approximately 3000 acres of property located in Levy County, Florida (the "Property")

Summary: We have reviewed the title insurance commitment (Chicago Title Insurance Company Commitment No. 630600964 – the "Commitment") and the survey (prepared by Heidt & Associates, Inc., Project No. FPC-R4-001, dated May 6, 2007 – the "Survey") and find there are no material adverse title or survey risks to the development of the Property for a nuclear power generation plant.

A. Title: We have reviewed the Commitment and find that the title is encumbered by the following:

1. Easement and Right of Way Grant to Florida Power Corporation dated March 10, 1955, recorded April 15, 1955 in Deed Book 57, Page 563, Public Records of Levy County, Florida.

This easement is for construction and maintenance of electric transmission and communication lines that encumbers the Northwestern corner of the Property and is depicted on the Survey. However, it should be noted that upon acquiring the Property, Progress will succeed to all rights of Florida Power Corporation and this easement will merge with the Property ownership and terminate.

2. Easement Grant to Houston Texas Gas & Oil Corporation dated October 3, 1958, recorded October 8, 1958 in Deed Book 69, Page 214, Public Records of Levy County, Florida.

This easement is for a natural gas pipeline installation and maintenance that encumbers the Northwestern corner of the Property and is depicted on the Survey. From conversations with Garry Miller it does not appear this easement (and the easement in item 4, below) will negatively impact the use of the Property.

August 2, 2007

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3. Grant of Easement to Container Corporation of America dated July 7, 1961 recorded July 7, 1961 in Deed Book 78, Page 267, Public Records of Levy County, Florida.

This easement provides a non-exclusive easement and right of way over the adjacent property to the North of the Property to obtain indirect access to our property from U.S. Highway 19 and 98. This Easement will be assigned to Progress at closing.

However, it should also be noted that the Property has approximately 750 feet of frontage along U.S. Highway 19 and 98 for direct ingress and egress to the Property, which is not currently in use as depicted on the Survey.

4. Pipeline Right of Way and Easement Agreement to Florida Gas Transmission Company dated January 26, 1994, recorded February 28, 1994 in Official Records Book 517, Page 743, Public Records of Levy County, Florida.

This easement is for a natural gas pipeline installation and maintenance that encumbers the Northwestern corner of the Property and is depicted on the Survey.

5. Mineral Right and Royalty Transfer dated August 28, 1944, recorded September 9, 1944 in Deed Book 41, Page 184, Public Records of Levy County, Florida; Assignment dated February 10, 1945, recorded March 21, 1945 in Deed Book 42, Page 133, Public Records of Levy County, Florida; Notice of Claim dated October 18, 1976, recorded November 3, 1976 in Official Records Book 97, Page 104, Public Records of Levy County Florida.

This transfer grants a one-half interest in and to any oil, gas and other minerals on a portion of the Property. However, the right of entry and exploration running with the above reservation of an interest in phosphate, minerals, metals, and/or petroleum has been released by Florida Statute §704.05. This means that the Grantee cannot enter the Property to explore or exploit the minerals themselves. However, if Progress were to commence exploitation of the minerals on the Property, these documents require payments to be made to the Grantee of the interests. This same analysis applies to items 6 and 7, below.

6. Mineral Right and Royalty Transfer dated May 29, 1945, recorded June 12, 1945 in Deed Book 42, Page 367, Public Records of Levy County, Florida; Mineral Right and Royalty Transfer dated July 19, 1945, recorded September 8, 1945 in Deed Book 43, Page 37, Public Records of Levy County, Florida; Mineral Right and Royalty Transfer dated December 31, 1946, recorded April 14, 1947 in Deed Book 45, Page 381, Public Records of Levy County, Florida; Mineral Right and Royalty Transfer dated April 4, 1947, recorded June 12, 1947 in Deed Book 45, Page 530, Public Records of Levy County, Florida; Assignment of Rights dated November 1, 1949, recorded December 5, 1949 in Deed Book 49, Page 20, Public Records of Levy County, Florida; Assignment dated November 1, 1949 recorded July 10, 1950 in Deed Book 49, Page 438, Public Records of Levy County, Florida; Notice of Claim dated December 20, 1975, recorded January 2, 1976 in Official Records Book 84, Page 488, Public Records of Levy County, Florida.

This transfer grants a one-quarter interest in and to any oil, gas and other minerals in the Property. However, the right of entry and exploration running with the above reservation of an interest in phosphate, minerals, metals, and/or petroleum has been released by Florida Statute §704.05.

7. Mineral Right and Royalty Transfer dated May 29, 1945, recorded June 12, 1945 in Deed Book 42, Page 367, Public Records of Levy County, Florida; Mineral Right and Royalty Transfer dated December 31, 1946, recorded April 14, 1947 in Deed Book 45, Page 381, Public Records of Levy County, Florida; Mineral Right and Royalty Transfer dated December 13, 1948, recorded June 21, 1951 in Deed Book 50, Page 482, Public Records of Levy County, Florida; Mineral Right and Royalty Transfer dated April 4, 1947 recorded June 21, 1951 in Deed Book 50, Page 485, Public Records of Levy County, Florida. (as to a 1/4 interest).

This transfer grants a one-quarter interest in and to any oil, gas and other minerals in the Property. However, the right of entry and exploration running with the above reservation of an interest in phosphate, minerals, metals, and/or petroleum has been released by Florida Statute §704.05.

B. Survey: We have reviewed the Survey and find the following items and conditions exist on the Property:

1. At the request of Progress, a Meteorological Tower has been erected in the Southwestern portion of Section 19, near the Western side of the Property
2. Numerous barbed wire fences encroach onto the Property and off the Property onto adjacent properties.
3. All easements listed on the Commitment are depicted on the Survey.
4. There is a Rifle and Pistol Range located in the Northeastern corner of Section 19, which is the Western corner of the Property. The lease which covered the use of this Range has been terminated. The Range is undergoing hazardous materials testing now.
5. There are numerous low-lying and wetland areas located in the Northwestern portion of Section 29, the Western portion of Section 20, and the Western portion of Section 17, which comprise the Eastern portion of the Property.
6. As previously mentioned, there is no direct road access to the Property from U.S. Highway 19 & 98, but the Property is benefited by that certain Grant of Easement (see Title, item 3 above) which grants the Property owner the right to ingress and egress through the adjacent property to the North. However, approximately 750 feet of direct frontage exists on U.S. Highway 19 and 98 for future use as direct access.

August 2, 2007

Page 4

7. Numerous logging roads pass through the Property. The Seller will provide an affidavit at closing stating they have given no access rights to any person or entity (to the best of their knowledge - and no access easements have been recorded), which will permit the title company to delete any exception relating to these roads.

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memo

Date: December 10, 2007

To: William D. Johnson, Chairman & Chief Executive Officer
Jeffrey J. Lyash, President & CEO - Progress Energy Florida

From: Clayton S. Hinnant, Sr VP - Nuclear Generation Group and
Chief Nuclear Officer

Subject: Approval Requested to Purchase the Lybass Property in Levy
County, Florida

This memorandum (1) outlines to senior management the timeline for notification and closing on the approximate 2,159 acre Lybass property (the "Property"), and (2) provides the recommendation to senior management to purchase the Property, including the supporting technical basis for the recommendation.

The Property acquisition would support the specific needs for the proposed Levy Nuclear Plant to be located on the adjacent Rayonier property, including the 500 kV transmission corridors, the heavy haul path corridor, the cooling water make-up/blowdown piping corridor to the Cross Florida Barge Canal, and Highway 19 frontage necessary for the Rayonier site construction entrance. Additional acreage beyond this specific need would be held by PEF for future use for potential additional power generating facilities in Levy County, Florida.

Upon approval of the recommendations in this memorandum, Progress Energy Florida ("PEF") will notify the Seller (James Lybass) and proceed to purchase and close on the Property.

The executed Levy Lybass Purchase and Sale Agreement, dated October 15, 2007 (Effective Date), includes the following key dates:

Redacted

Redacted

Background Information

The following information is provided in support of the recommendation to purchase the Lybass property.

- The Florida siting analysis completed by the Nuclear Plant Development (NPD) organization in 2006 included a detailed, systematic process for identifying, analyzing, and ranking potential nuclear sites consistent with applicable industry and Nuclear Regulatory Commission (NRC) guidance and regulations. NPD identified 20 potential sites, and went through successive layers of analysis resulting in a "short list" of alternative sites in Levy County Redacted and the Crystal River site. NPD completed on-site analyses (environmental and geotechnical drilling) at the Levy (Rayonier and Lybass properties), Redacted sites. The siting analyses ultimately concluded that Levy County was the best overall siting location and the Rayonier Property (~ 3,105 acres) was selected and purchased in September 2007.
- The Rayonier site is separated from the Cross Florida Barge Canal by the Lybass property and therefore cooling water makeup/blowdown lines must cross the Lybass property to reach the canal. In addition, a heavy haul path needs to cross the Lybass property for transportation of large components/modules that would be delivered at a barge slip constructed on the barge canal shore. These two specific needs represent a nominal 200' wide corridor.
- Transmission deliverability analysis for the proposed Levy nuclear plant has identified the need for three or more 500 kV transmission lines to exit south from the switchyard, and cross the Lybass property on the way to join the existing PEF 500 kV circuits. This transmission needs represents a minimum 1000' wide corridor.
- The ~ 3,105 Rayonier site as purchased had limited frontage on Highway 19 for installing a construction entrance. The Lybass purchase includes a ~ 45.6 acre parcel located at the northwest boundary of the Rayonier property that will facilitate this multi-lane construction entrance at an existing median crossing. This triangular shaped parcel is also large enough to accommodate a permanent PEF Visitors Center, if constructed.
- Based on our regulatory obligation to meet the continuing customer load growth demand in the PEF service territory, PEF must plan and prepare for additional power generating facilities beyond the proposed Levy nuclear units. Siting power generating facilities in Florida has become more and more difficult due to the fresh water consumption requirements, and other environmental/regulatory restrictions.

The additional Lybass property acreage is suitable for future power generating facilities considering it is located adjacent to an abundant cooling water source (Cross Florida Barge Canal), a 30" natural gas line which is being upgraded in capacity, and will have active rail available after a spur is installed for the Levy nuclear project. Therefore this additional acreage can be held for "future use" to potentially meet this load growth need.

- The attached figure depicts the layout of the Rayonier site and the proposed Lybass purchase. The figure shows the tentative location of transmission, piping conveyance, and heavy haul corridors, the Highway 19 parcel for Rayonier site construction access, and the remaining Lybass acreage available for future use.
- Prior to the execution of the Rayonier Purchase and Sales Agreement in September 2007, NPD had conducted preliminary on-site testing and evaluations for both the Rayonier and Lybass properties. The Lybass detailed analyses included on-site geotechnical analysis that included approximately 20 borings, geophysical logging, and examination of soil/rock core samples. The geological formation was determined to be similar to the Rayonier Property although with more variation in rock depth.

NPD contracted Nodarse & Associates, Inc. to conduct an Environmental Study (Reference Nodarse Project Number 01-07-0744-301 prepared for Mr. Alex Glenn and Mr. Garry Miller which was completed on November 27, 2007) to address the following specific additional areas:

- Endangered Species
 - Cultural Background
 - Archeological Background
 - Wetlands
 - Incompatible Land Usage
 - Hazardous Materials
- The Nordase Environmental Report identified a potential for several state and federal protected and/or threatened & endangered species to occur. A bald eagle and a gopher tortoise were observed during the investigation, and a new active bald eagle nest was observed within the transmission corridor. A minor re-alignment of the transmission corridor will be implemented to provide the 660 foot clearance required by the US Fish and Wildlife Service (USFWS) for an active bald eagle nest. A gopher tortoise survey will also need to be completed approximately four months prior to construction activities to identify any borrows within 25 feet of construction activities for potential relocation planning to satisfy US Fish and Wildlife Service requirements.
 - The Nordase Environmental Report determined the property to have low to medium potential for prehistoric archeological sites. Nodarse & Associates recommends a Phase I survey be completed complying with Florida Division of Historical Resources guidelines and Chapter 1A-46, Florida Administrative Code for areas that are specifically developed.

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- The Nordase Environmental Report identified approximately 721 acres of the property would be considered potentially jurisdictional wetlands and would likely be claimed by the US Army Corps of engineers and either the Southwest Florida Water Management District (SFWMD) or the Florida Department of Environmental Protection (DEP). Wetland impacts would require mitigation similar to the Rayonier property development.
- The Environmental Report identified the property was currently zoned as agricultural. No incompatible land use was identified.
- The Environmental Report identified evidence of existing de minimis hazardous substances such as abandoned oil drums and used batteries that are NOT considered a recognized environmental condition. A former railroad corridor (circa 1940) represents a Recognized Environmental Condition due to potential use of arsenic based herbicides for weed control during routine maintenance of the railroad. Future testing of soil for hazardous material and potential mitigation will be required at locations where construction occurs on the abandoned rail bed.

The original Purchase and Sales Agreement was executed for the purchase of ~ 2,159 ± acres, subject to a final survey. The survey however identified that the total acreage was actually ~ 200 acres larger than expected due to inaccuracies of section grids depicted by Levy County plat maps. Rather than increase the sales amount by ~ Redacted as calculated by the contract, the proposed purchase boundary on the limiting eastern side of the Lybass property was relocated by ~ 200 acres to achieve the final 2,159.39 acre value. This boundary change does not materially affect the property for future use. The attached figure depicts the approximate revised Lybass parcel boundaries that is recommended for purchase.

Capital Planning has identified sufficient budgeted funds to support this purchase.

Title and survey review are addressed in the attached memo from A. Guy Neff, of Holland & Knight LLP dated December 7th, 2007. No significant issues that would prevent the recommendation to purchase have been identified.

Potential Risks

In the event PEF ultimately chooses not to move forward with the Levy nuclear project, it will have acquired approximately 2,159 acres of Lybass property. The risk of having excess land is mitigated by the fact that good sites that have access to water and can accommodate base load and other generating units are rare in Florida and becoming harder to find and acquire. As such, acquiring the Property now will significantly benefit customers even if the Levy nuclear project is not developed. Local land use regulation revisions may be required to accommodate non-nuclear generating alternatives.

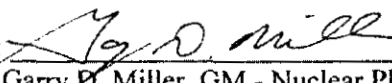
Similarly, land prices in Florida in general, and in Levy County specifically are increasing. Based on discussions with external real estate experts, this trend is likely to continue. Thus, in the event PEF were not to develop the nuclear project or any other generating alternative on the Property, it likely could sell the Property for more than its acquisition price, which would benefit PEF and its customers.

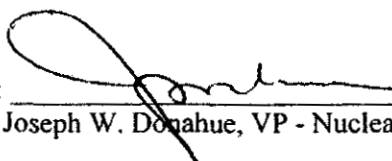
Recommendation

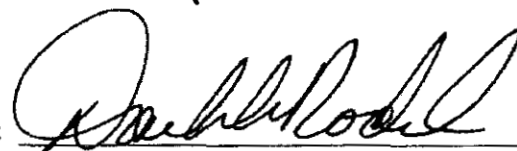
The results of the Lybass technical analyses and on-site investigations detailed above afford the decision to purchase the Lybass property. This property meets the need of the proposed Levy nuclear plant for Highway 19 access, transmission corridors, the heavy haul path, and cooling water makeup/blowdown piping conveyances to the barge canal.

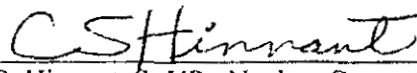
The remaining acreage can be purchased for future use to support future generating needs.

NPD recommends acquiring the Property.

Recommended:  12-10-07
Garry D. Miller, GM - Nuclear Plant Development & License Renewal

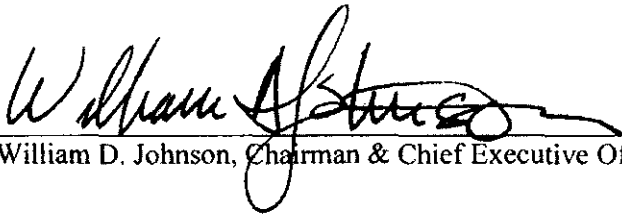
Recommended:  12/10/07
Joseph W. Donahue, VP - Nuclear Engineering & Services Department

Recommended:  12/11/07
Daniel L. Roderick, VP - Nuclear Projects & Construction

Recommended:  12/11/07
C. S. Hinnant, Sr VP - Nuclear Generation Group & Chief Nuclear Officer

Approved: 
Jeffrey J. Lyash, President & CEO - Progress Energy Florida

Approved:


William D. Johnson, Chairman & Chief Executive Officer

Attachments: (1) PowerPoint Graphic of Lybass property parcels showing tentative transmission, heavy haul, and piping corridors as of December 7, 2007 design finalization

(2) Memorandum from Holland & Knight dated December 7th, 2007, to R. Alex Glenn regarding Lybass Title and Survey

cc: Melinda Burrows, Manager - Project Assurance
Mike Calvello, Manager - NGG Business Services
Alex Glenn, Deputy General Counsel - Florida
Joel Kanya, VP - Plant Construction
Mark Mulhern, Sr VP - Financial Services
John Robinson, Manager - Project Development POG
Danny Roderick, VP - Nuclear Projects & Construction
Calvin Sabooran, Director - Real Estate
Frank Schiller, VP - Legal
Peter Toomey, VP - Finance - PEF

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www.hklaw.com
A. Guy Neff
407 244 1127
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Memorandum

Date: December 7, 2007

To: R. Alex Glenn, Esq.

From: A. Guy Neff, Esq. *AGN*

Cc: Garry Miller

Re: Florida Power Corporation d/b/a Progress Energy Florida, Inc. ("Progress") purchase from Oregon E. Lybass, T.G. Lybass Limited Partnership and J.H. Lybass, Jr. Family LLC of approximately 2159.39 acres of property located in Levy County, Florida (the "Property")

Summary: We have reviewed the title insurance commitment (Chicago Title Insurance Company Commitment No. 630701246 – the "Commitment") and the survey (prepared by GPI Southeast, Inc., Job No. FOC-0692368, dated December ____, 2007 – the "Survey") and find there are no material adverse title or survey risks to the development of the Property for pipeline, roadway and other facilities related to a nuclear power generation plant.

A. Title: We have reviewed the Commitment and find that the title is encumbered by the following:

1. Pipeline Easement to Florida Gas Transmission Company dated December 29, 1993, recorded February 1, 1994 in Official Records Book 515, Page 488, Public Records of Levy County Florida; as corrected by that certain Pipeline Easement dated February 24, 1994, recorded March 30, 1994 in Official Records Book 520, Page 742, Public Records of Levy County, Florida.

This easement is for a natural gas pipeline installation and maintenance that encumbers the portion of the Property bordering Highway 19 in the southeastern corner of the Property and is depicted on the Survey. This easement permits the property owner to construct and maintain roads over the easement area. From conversations with Garry Miller it does not appear this easement will negatively impact the use of the Property.

2. Easement to Florida Power Corporation dated April 19, 1966, recorded May 18, 1966 in Deed Book 98, Page 463, Public Records of Levy County, Florida.

This easement is for construction and maintenance of electric transmission, distribution and communication lines that encumbers the Property south of County Road 40 and parallel to the Former Cross Florida Barge Canal, and is depicted on the Survey. However, it should be noted that upon acquiring the Property, Progress will succeed to all rights of Florida Power Corporation and this easement will merge with the Property ownership and terminate.

3. Right of Way Easement from Florida Power Corporation to the State of Florida dated October 11, 1935, recorded April 20, 1936 in Deed Book 32, Page 212, Public Records of Levy County, Florida

This easement is for construction and maintenance of outfall ditches upon the Southeastern corner of the Property that borders County Road 40. From conversations with Garry Miller it does not appear this easement will negatively impact the use of the Property.

4. Mineral Reservation set forth in Warranty Deed dated December 15, 1952, recorded April 10, 1956 in Deed Book 52, Page 529, Public Records of Levy County, Florida.

This transfer grants a one-half interest in and to any oil and petroleum rights on a portion of the Property. The right of entry and exploration running with the above reservation interest has not been released and is purportedly vested in Louis Huch.

5. Flooding Right Easement to Florida Power Corporation dated August 15, 1958, recorded August 26, 1958 in Deed Book 68, Page 582, Public Records of Levy County, Florida.

This easement is for flooding along the Southeastern corner of the Property that borders County Road 40 and is depicted on the Survey. However, it should be noted that upon acquiring the Property, Progress will succeed to all rights of Florida Power Corporation and this easement will merge with the Property ownership and terminate.

6. Grant of Easement to James D. Jamison dated November 4, 1980, recorded November 4, 1980 in Official Records Book 166, Page 330, Public Records of Levy County, Florida.

This easement is for ingress, egress and utilities along the western boundary of the Property. From conversations with Garry Miller it does not appear this easement will negatively impact the use of the Property.

7. Terms and conditions of Grant of Easement to James T. Goethe dated November 4, 1980, recorded November 4, 1980 in Official Records Book 166, Page 332, Public Records of Levy County, Florida.

This easement is for ingress, egress and utilities along the western boundary of the Property. From conversations with Garry Miller it does not appear this easement will negatively impact the use of the Property.

8. Oil, Gas and Mineral Deed to R.C. Camp, Et. Al. dated August 8, 1944, recorded August 8, 1944 in Deed Book 41, Page 102, Public Records of Levy County, Florida.

This transfer grants a one-half interest in and to any oil, gas and other mineral rights on a portion of the Property. However, the right of entry and exploration running with the above reservation of an interest in oil, gas and other minerals has been released by Florida Statute §704.05. This means that the Grantee cannot enter the Property to explore or exploit the minerals themselves. However, if Progress were to commence exploitation

of the minerals on the Property, these documents require payments to be made to the Grantee of the interests. This same analysis applies to item 9 below.

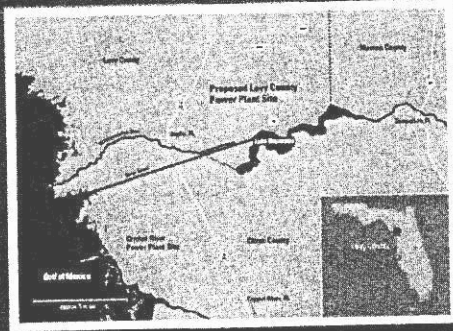
9. Mineral Reservation dated November 17, 1944, recorded December 27, 1944 in Deed Book 41, Page 589, Public Records of Levy County, Florida.

This transfer grants a one-half interest in and to any oil and other minerals in the Property. However, the right of entry and exploration running with the above reservation of an interest in phosphate, minerals, metals, and/or petroleum has been released by Florida Statute §704.05.

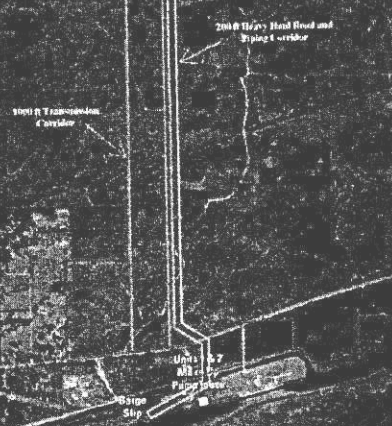
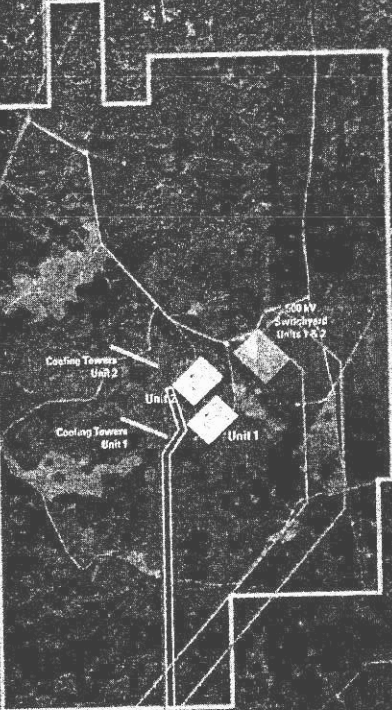
B. Survey: We have reviewed the Survey and find the following items and conditions exist on the Property:

1. Numerous barbed wire fences encroach onto the Property and off the Property onto adjacent properties.
2. All easements listed on the Commitment are depicted on the Survey.
3. The Property has frontage along County Road 40 at several access points.
4. Numerous logging roads pass through the Property. The Seller will provide an affidavit at closing stating they have given no access rights to any person or entity (to the best of their knowledge - and no access easements have been recorded), which will permit the title company to delete any exception relating to these roads.
5. Based upon the Survey it appears that this Property is contiguous to the Rayonier property without any gaps, gores or hiatus parcels.

Levy Site



- ~ 120' Heavy Load Path
- ~ 80' Make-up / Blowdown
- ~ 1000' Transmission Corridor
- ~ Lybass Property Boundary



PAGES 1 THROUGH 24

CONFIDENTIAL

IN WITNESS WHEREOF, the parties have executed this Agreement which shall be effective as of the date signed by the last party hereto.

WITNESSES:

[Signature]
Print Name: Michael E. Griffin
[Signature]
Print Name: Ryan Beedy

VERTICAL INTEGRATION, INC.

By: *[Signature]*
Print Name: Ann W. Duncan
Title: President
Date: 11-18-06

**RAYONIER FOREST RESOURCES,
L.P., a Delaware limited partnership**

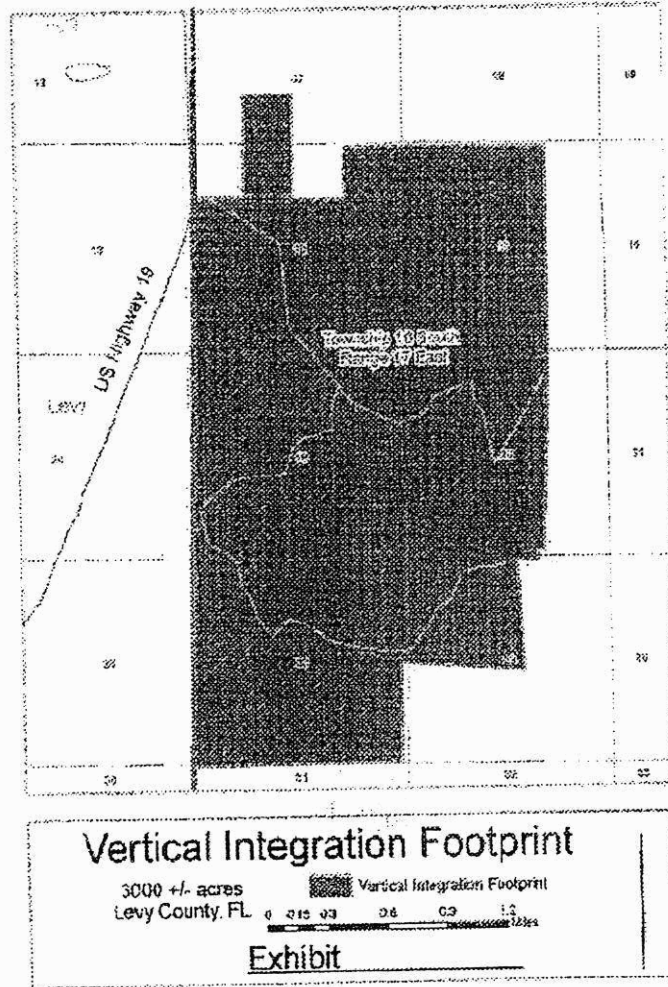
By: RAYONIER TIMBERLANDS
MANAGEMENT, LLC, a Delaware
limited liability company, its General
Partner

Print Name: _____

Print Name: _____

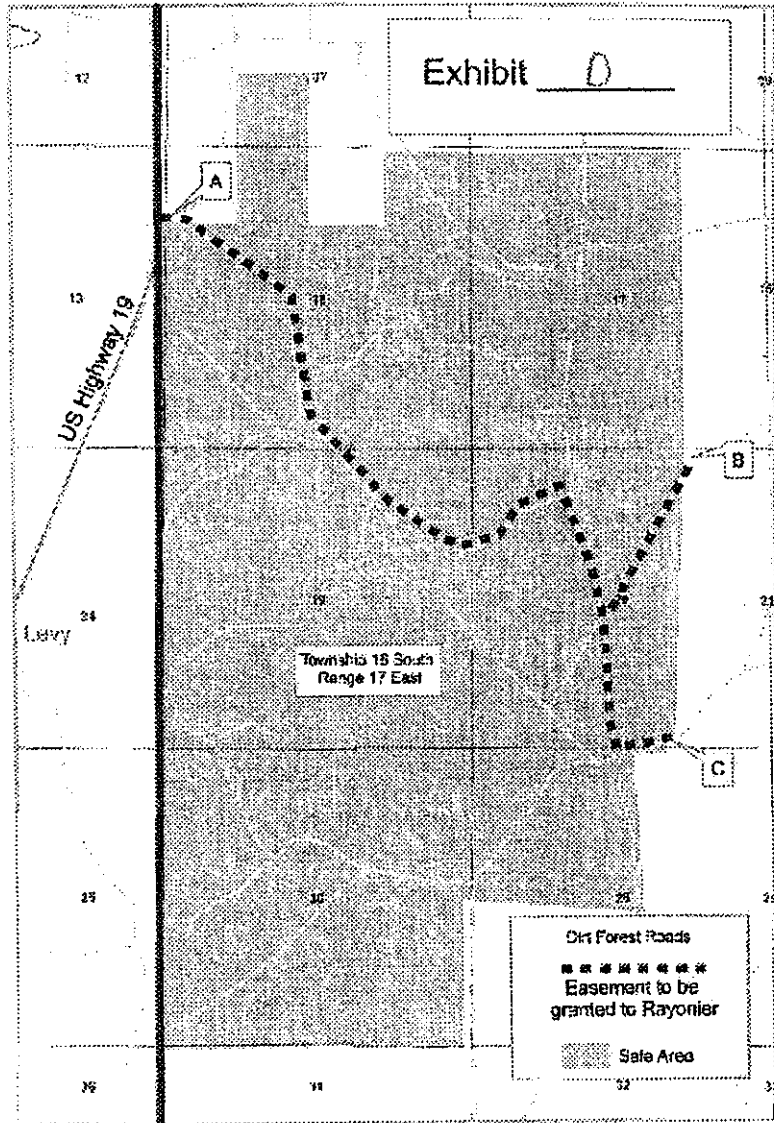
By: _____
Name: _____
Title: _____

EXHIBIT A
PROPERTY DESCRIPTION



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CONFIDENTIAL



PAGES 30 THROUGH 31

CONFIDENTIAL

EXHIBIT A

LAND IN THE COUNTY OF LEVY, STATE OF FLORIDA, DESCRIBED AS FOLLOWS:

The SE1/4 of SW1/4, Section 7, Township 16 South, Range 17 East;

All Section 17, Township 16 South, Range 17 East; Less the East1/4;

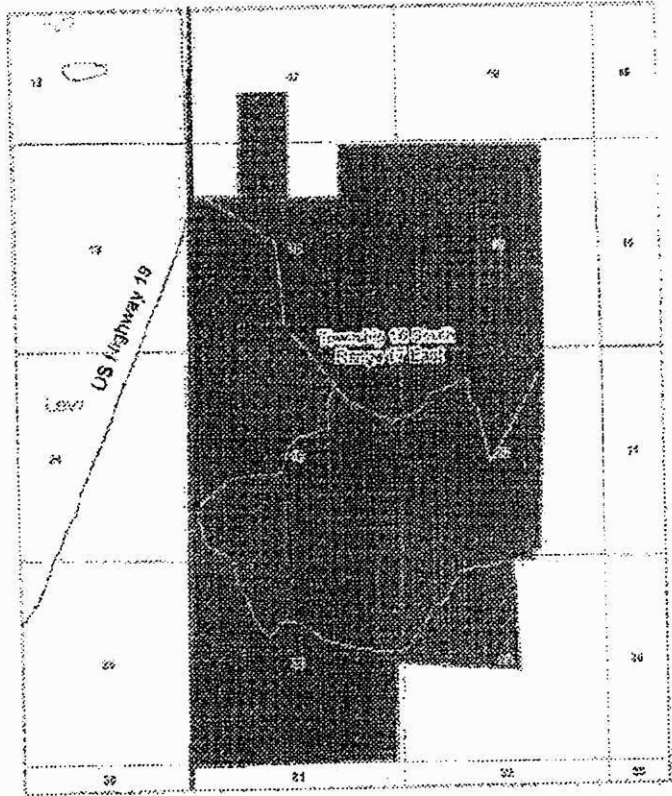
**All Section 18, Township 16 South, Range 17 East;
Less the NW1/4 of NW1/4;
Less the NW1/4 of NE1/4;**

All Section 19, Township 16 South, Range 17 East;

All Section 20, Township 16 South, Range 17 East; Less the East1/4;

**The North1/2 of Section 29 Township 16 South, Range 17 East;
Less the Easternmost 31.25 chains lying between the East line of Section 29 and a line parallel thereto;**

All Section 30 Township 16 South, Range 17 East;

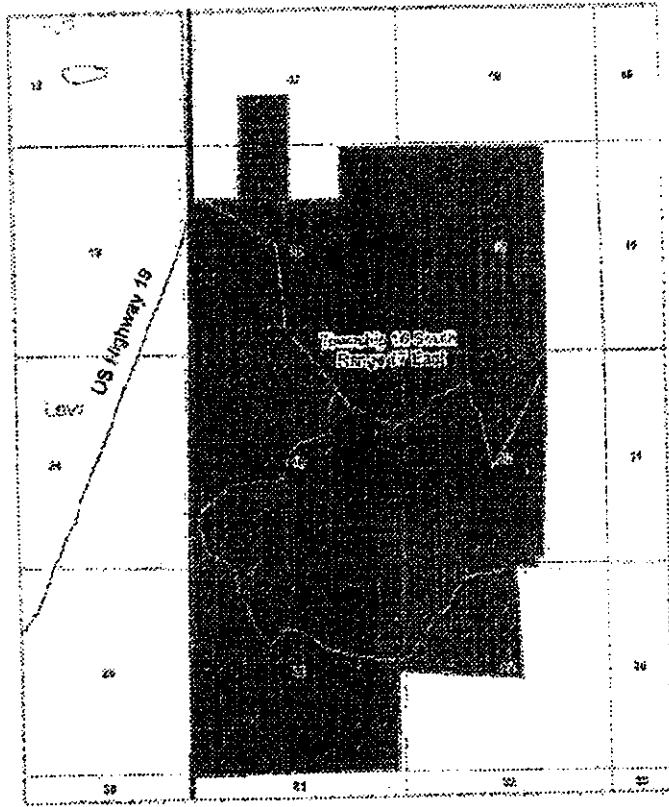


Vertical Integration Footprint
 3000 +/- acres
 Levy County, FL

Vertical Integration Footprint

0 0.15 0.3 0.6 0.9 1.3 Miles

Exhibit



Vertical Integration Footprint
 3000 +/- acres
 Levy County, FL

0 0.15 0.3 0.6 0.9 1.2 Miles

Exhibit

PAGES 34 THROUGH 40

CONFIDENTIAL

EXHIBIT "A"
LEGAL DESCRIPTION

[Handwritten signature]

IN WITNESS WHEREOF, Grantor has hereunto set his hand and seal the day and year first above written.

Signed, sealed and delivered in the presence of:

RAYONIER FOREST RESOURCES, L.P., a Delaware limited partnership

By: RAYONIER TIMBERLANDS MANAGEMENT, LLC, a Delaware limited liability company, its General Partner

Print Name: _____

By: _____
Name: _____
Title: _____

Print Name: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 200__ by _____ who is the _____ of Rayonier Timberlands Management, LLC, a Delaware limited liability company who is the General Partner of Rayonier Forest Resources, L.P., a Delaware limited partnership on behalf of the corporation, on behalf of the limited liability company and on behalf of the limited partnership. He/she is personally known to me or has produced a driver's license as identification.

NOTARY PUBLIC

Print Name: _____
Serial No.: _____
My Commission Expires: _____

EXHIBIT H-1

THIS DOCUMENT PREPARED BY:
(AND RETURN TO:)

Stephen L. Kussner, Esquire
Gray Robinson, P.A.
201 N. Franklin Street, Suite 2200
Tampa, Florida 33602

SPECIAL WARRANTY DEED

THIS SPECIAL WARRANTY DEED made the ____ day of _____,
A.D., 2006, by RAYONIER FOREST RESOURCES, L.P., a Delaware limited
partnership, whose address is 1901 Island Walkway, Fernandina Beach, FL 32034,
hereinafter called Grantor, to:
_____, whose post office address is
_____, hereinafter called Grantee:

WITNESSETH:

THAT Grantor, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, does by these presents, sell and convey unto the said Grantee, its successors and assigns, the lots, tracts or parcels of land lying, being and situated in the County of Levy, State of Florida, and more fully described on Exhibit "A" attached hereto and incorporated herein by reference.

SUBJECT TO the matters set forth on Exhibit "B" attached hereto and incorporated herein by reference, which are not reimposed hereby.

TO HAVE AND TO HOLD the premises aforesaid with all and singular, the rights, privileges, appurtenances and immunities thereto belonging or in any wise appertaining unto the said Grantee and unto Grantee's heirs, successors and assigns forever, the said Grantor hereby covenanting that the premises are free and clear from any encumbrance done or suffered by Grantor; and that Grantor will warrant and defend the title to said premises unto the said Grantee and unto Grantee's heirs, successors and assigns, against the lawful claims and demands of all persons claiming under Grantor, but not otherwise.

[Signature page follows.]

EXHIBIT H-2

OWNER'S LIEN, POSSESSION, GAP & FIRPTA AFFIDAVIT

STATE OF _____)
COUNTY OF _____)

BEFORE ME, the undersigned authority, this day personally appeared _____ ("Affiant"), who, after being first duly sworn, deposes and says:

1. That Affiant is the _____ of Rayonier Inc., a North Carolina corporation who is the Managing Member of Rayonier Timberlands Management, LLC, a Delaware limited liability company who is the General Partner of Rayonier Forest Resources, L.P., a Delaware limited partnership ("SELLER"), and is authorized to make this Affidavit on behalf of the SELLER.

2. The SELLER is the fee simple owner of certain real property located in Levy County, Florida (the "County"), which is more particularly described on Exhibit "A" attached hereto (the "Property").

3. That upon payment of the Purchase Price set forth in that certain Purchase and Sale Agreement dated effective _____ (the "Purchase Agreement"), the Property shall be conveyed by Special Warranty Deed free and clear of all liens or encumbrances known to SELLER, except as set forth in the Title Commitment (as hereafter defined).

4. To the best of SELLER's knowledge, no work has been performed or is in progress at, and no materials have been furnished to, the Property which, though not presently the subject of, might give rise to mechanics', materialmen's or other liens against the Property or any portion thereof.

5. To the best of SELLER's knowledge, there are no easements or claims of easements on the Property not shown on the Public Records of the County.

6. To the best of SELLER's knowledge, there are no outstanding rights or claims of any parties in possession not shown on the Public Records of the County, and there are no parties in possession other than those tenants under written leases listed on Exhibit "B" attached hereto (the "Leases"). None of the Tenants under the Leases have options to purchase or rights of first refusal as to the Property.

7. To SELLER's knowledge, there have been no instruments recorded between the date set forth in _____ Title Insurance Company Title Insurance Commitment, dated effective _____ at _____ am (the "Title Commitment") and the delivery of the deed of conveyance of the Property to

("BUYER"), that would create a lien against the Property or adversely affect the title to the Property.

8. That Section 1445 of the Internal Revenue Code of 1986, as amended ("Code"), provides that a transferee of a United States real property interest (as defined in Section 897(c) of the Code) must withhold a tax equal to ten percent (10%) of the amount realized on the transfer if the transferor is a foreign person as defined in the Code. For U.S. tax purposes (including Section 1445) the owner of a disregarded entity (which has legal title to U.S. Real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee, that withholding of tax may be required upon the disposition of a U.S. real property interest by SELLER, the undersigned hereby certifies the following on behalf of BUYER:

(a) That SELLER is the owner of such a United States real property interest described above;

(b) That SELLER is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations promulgated thereunder);

(c) That SELLER is not a disregarded entity as defined in § 1.1445-2(b)(2)(iii);

(d) That SELLER's United States taxpayer identification number is 06-1159803;

(e) That SELLER's address is 1901 Island Walkway, P. O. Box 1188, Fernandina Beach, FL 32034.

(f) That this Affidavit and/or the contents hereof may be disclosed to the Internal Revenue Service by BUYER.

9. That to the best of SELLER's knowledge and based on SELLER's internal maps but without any independent investigation the Property does not contain any cemeteries.

10. That SELLER makes this Affidavit to induce _____ Title Insurance Company to issue an Owner's Title Insurance Policy to _____

11. Further Affiant sayeth not.

Affiant

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 200__ by _____ as _____ President of Rayonier Inc., a North Carolina corporation who is the Managing Member of Rayonier Timberlands Management, LLC, a Delaware limited liability company who is the General Partner of Rayonier Forest Resources, L.P., a Delaware limited partnership on behalf of the corporation, on behalf of the limited liability company and on behalf of the limited partnership. He/she is personally known to me or has produced a driver's license as identification.

NOTARY PUBLIC
Print Name: _____
Serial No.: _____
My Commission Expires: _____

EXHIBIT H-3

**ASSIGNMENT AND ASSUMPTION OF
INTANGIBLE PROPERTY, CONTRACTS AND OTHER RIGHTS**

FOR VALUE RECEIVED, RAYONIER FOREST RESOURCES, L.P., a Delaware limited partnership ("Assignor"), hereby conveys, assigns, transfers, and sets over unto _____ ("Assignee"), to the extent assignable, all the right, title and interest of Assignor in and to any and all of the following used in connection with the real estate legally described on Exhibit "A" attached hereto and made a part hereof ("Property"): (i) all hereditaments, privileges, tenements and appurtenances belonging to the Property, or any portion thereof, all right, title and interest of SELLER in and to all open or proposed highways, streets, roads, avenues, alleys, easements, strips, gores and rights-of-way in, on, across, in front of, contiguous to, abutting or adjoining the Property except those reserved in the Special Warranty Deed of even date herewith; (ii) all licenses, permits and warranties now in effect with respect to the Property, or any portion thereof; (iii) all timber and timber rights, mineral rights, air rights, development rights and pre-paid impact fees and entitlements relating to the Property, (iv) all the Contracts set forth on Exhibit "B" attached hereto; but excluding cash on hand and in bank and escrow accounts, and further excluding any furniture, furnishings, fixtures, business equipment or articles of personal property belonging to tenants occupying the Property.

Assignor shall indemnify and hold Assignee harmless from any claim, actions, causes of action or damages arising from a breach by Assignor of any of the requirements of Permitted Exceptions (defined in this Agreement) or Contracts assigned herein, which first arose or occurred prior to the date of this Assignment. Assignee's indemnity shall survive the Closing.

This Assignment shall be binding upon and shall inure to the benefit of Assignor, Assignee and their respective successors and assigns.

IN WITNESS WHEREOF, Assignor has executed this Agreement and Assumption of Intangible Property and other rights effective the _____ day of _____, 2006.

WITNESSES:

RAYONIER FOREST RESOURCES, L.P., a
Delaware limited partnership

By: RAYONIER TIMBERLANDS
MANAGEMENT, LLC, a Delaware limited
liability company, its General Partner

Print Name: _____

By: _____
Name: _____
Title: _____

Print Name: _____

001-1001

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 200__ by _____ who is the _____ of Rayonier Timberlands Management, LLC, a Delaware limited liability company who is the General Partner of Rayonier Forest Resources, L.P., a Delaware limited partnership on behalf of the corporation, on behalf of the limited liability company and on behalf of the limited partnership. He/she is 0 personally known to me or 0 has produced a driver's license as identification.

NOTARY PUBLIC

Print Name: _____

Serial No.: _____

My Commission Expires: _____

ACCEPTANCE

Assignee hereby accepts the foregoing Assignment and Assumption of Intangible Property and Other Rights and agrees to assume, fulfill, perform, discharge and observe all obligations, covenants, conditions and provisions accruing or arising or required from and after the date hereof with respect to the above-described property, and Assignee does hereby agree to defend, indemnify and hold harmless Assignor from any liability, damages (excluding speculative damages, consequential damages and lost profits), causes of action, expenses and reasonable attorneys' fees incurred by Assignor by reason of the failure of Assignee to fulfill, perform and discharge all of the various commitments, obligations and liabilities of the Assignor, under and by virtue of the above-described property, arising from and after the date of this Assignment. Assignee's above assumption and indemnity obligations shall survive the closing.

IN WITNESS WHEREOF, this Acceptance has been executed by Assignee this _____ day of _____, 2006.

WITNESSES:

ASSIGNEE:

By: _____, as its _____

Print Name: _____

By: _____

Print Name: _____

Title: _____

Dated: _____

Print Name: _____

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2006, by _____, as the _____ of _____, as the _____ of _____, on behalf of the corporation and the company. He/She is personally known to me or has produced a driver's license as identification.


NOTARY PUBLIC
Print Name: _____
Serial No. _____
My Commission Expires: _____

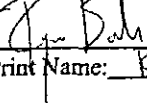
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CONFIDENTIAL

IN WITNESS WHEREOF, the parties hereto have executed and delivered, or caused to be executed and delivered on their behalf by their duly authorized and empowered officers (and such officers represent that they are so authorized and empowered), this Agreement as of the day and year first above written.

WITNESSES:




Print Name: Michael E. Griffin


Print Name: Ryan Brady

BUYER:

VERTICAL INTEGRATION, INC.

By: 

Print Name: Ann W. Duncan

Title: President

Date: 11-08-16

SELLER:

RAYONIER FOREST RESOURCES, L.P., a
Delaware limited partnership

By: RAYONIER TIMBERLANDS
MANAGEMENT, LLC, a Delaware
limited liability company, its General
Partner

Print Name: _____

Print Name: _____

By: _____
Name: _____
Title: _____
Date: _____

OBLIGOR:

**FLORIDA POWER CORPORATION d/b/a
PROGRESS ENERGY FLORIDA, INC.**,
a Florida corporation

Print Name: _____

Print Name: _____

By: _____
Print Name: _____
Title: _____
Date: _____

EXHIBIT "J"

PERMITTED EXCEPTIONS

1. Easement and right of way recorded in Deed Book 57, Page 563, Levy County Records.
2. Easement, recorded in Deed Book 69, Page 214, Levy County Records.
3. Pipeline Easement, recorded in O.R. Book 517, Page 743, Levy County Records.

2 PAGE DOCUMENT

CONFIDENTIAL

1 PAGE DOCUMENT

CONFIDENTIAL