BEFORE THE FLORIDA
PUBLIC SERVICE COMMISSION

DOCKET NO. 090172 EI
FLORIDA POWER & LIGHT COMPANY

IN RE: FLORIDA POWER & LIGHT COMPANY'S PETITION TO DETERMINE NEED FOR FLORIDA ENERGYSECURE LINE

DIRECT TESTIMONY & EXHIBITS OF:

HEATHER C. STUBBLEFIELD

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY

DIRECT TESTIMONY OF HEATHER C. STUBBLEFIELD

DOCKET NO. 09_____-EI

Q. Please state your name and address.

A. My name is Heather C. Stubblefield. My business address is Florida Power and Light Company, 700 Universe Boulevard, Juno Beach, Florida 33408.

Q. By whom are you employed and what is your position?

A. I am employed by Florida Power & Light Company ("FPL" or the "Company") as Manager of Project Development in the Energy Marketing and Trading (EMT) Business Unit.

Q. Please summarize your educational background and professional experience.

A. I graduated from Auburn University with a Bachelor of Arts degree in Business Administration in 1986. I joined El Paso Corporation (formerly Sonat Corporation) in 1988, where I held various positions in Human Resources, Internal Auditing and the Sonat Marketing Company. In 2003, I joined FPL Group Resources as the Director of Marketing for liquefied natural gas (LNG) initiatives. In 2005, I transferred to the EMT Business Unit of FPL to support project development activities.

Q. Please describe your duties and responsibilities as they relate to this docket.

A. In my current position, I am responsible for evaluating gas transportation alternatives for FPL's generation expansions. This includes evaluating proposals

from pipeline companies, negotiating terms and conditions, and executing transportation agreements that are in the best interest of FPL's customers.

Q. Are you sponsoring any exhibits in this case?

A. Yes. I am sponsoring the following exhibits which are attached to my direct testimony:

- HCS-1 FPL's Solicitation Letter
- HCS-2 Summary of Company B, Company E and FPL Florida EnergySecure Line Transportation Rates (Confidential)
- HCS-3 Letter of Intent with Company E (Confidential)

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to present and explain the natural gas transportation solicitation process that FPL used to solicit proposals for gas transportation to meet, at a minimum, its gas requirements for the Cape Canaveral Next Generation Clean Energy Center (CCEC) and the Riviera Beach Next Generation Clean Energy Center (RBEC) modernization projects and to describe the results of that solicitation process.

Please note that for purposes of my testimony one (1) million cubic feet per day (MMcf/d) equals 1,000 million British thermal units (Btu) per day (MMBtu/d), assuming a heat content of 1,000 Btu per cubic foot of natural gas. In my testimony, I refer to quantities of gas transportation in MMcf/d and refer to gas transportation costs in dollars per MMBtu/d which is the industry standard unit for expressing gas transportation costs.

Q. Please summarize your testimony.

A. FPL initiated a solicitation process to determine the best transportation alternative to meet the needs of FPL's CCEC and RBEC modernization projects. The process consisted of issuing a Solicitation Letter to seven pipeline companies capable of providing the transportation services that FPL required. FPL initially requested that the respondents consider three potential pipeline alternatives for quantities of 400 MMcf/d, 800 MMcf/d and 1.0 billion cubic feet per day (Bcf/d). FPL followed up the initial solicitation with an additional request that the respondents submit proposals for a quantity of 600 MMcf/d. The first pipeline alternative (Interstate Pipeline) was based on the respondent developing a new pipeline or upgrading an existing pipeline from Transcontinental Pipe Line Company's (Transco) compressor station No. 85 in Choctaw County, Alabama (Transco Station 85) to FPL's CCEC and RBEC facilities. The second alternative (Upstream Pipeline Segment) allowed the parties to submit a proposal based on providing only the segment of the pipeline needed to deliver gas from Transco Station 85 to Florida Gas Transmission, LLC's (FGT) compressor station No. 16 in Bradford County, Florida (FGT Station 16). The third alternative (Florida Pipeline Segment) identified in the solicitation was based on the respondent providing only the segment of the pipeline needed to deliver gas from FGT Station 16 to FPL's CCEC and RBEC facilities. The Solicitation Letter also informed respondents of FPL's intentions to develop an intrastate pipeline as an alternative to the third party proposals. The segments proposed under this alternative could be combined with proposals

received from respondents on the Upstream Pipeline Segment to develop a total pipeline project for comparison purposes.

The Solicitation Letter resulted in a significant number of proposals. Due to various factors, FPL elected to focus on the proposals for 400 MMcf/d and 600 MMcf/d. FPL ranked the various proposals and then conducted a life-cycle economic analysis of the two lowest cost proposals to determine which solution offered the lowest cost to customers. The results of FPL's analysis, as confirmed by the independent analysis of FPL witness Sexton, indicated that the pipeline alternative that provided the lowest life-cycle cost to the customer and the greatest supply diversity was a combined project which included an Upstream Pipeline Segment proposed by a third party natural gas transmission company, referred to as Company E for confidentiality purposes (Upstream Pipeline Project), and a Florida Pipeline Segment proposed by FPL (Florida EnergySecure Line).

Q. Please explain the process FPL used to solicit proposals for natural gas transportation alternatives for the CCEC and RBEC modernization projects.

A. FPL prepared a Solicitation Letter that was distributed to a number of pipeline providers in the Southeast requesting gas transportation proposals to supply FPL's CCEC and RBEC facilities. The Solicitation Letter outlined several requirements but gave respondents the discretion to propose multiple and alternative solutions to meet FPL's objectives. FPL's intent was to meet the gas

supply needs of CCEC and RBEC, including the baseload hourly delivery requirements, to provide for increased reliability and supply diversity and to allow for future generation growth in FPL's gas transportation portfolio. The Solicitation Letter was issued on July 17, 2008 and requested that firm proposals be submitted by September 2, 2008. The letter explained that the proposals would be evaluated on overall economics including the value of the supply diversity and delivery flexibility of each project. All prospective respondents were encouraged to contact FPL with any questions regarding the Solicitation Letter and there was significant interaction between FPL and the respondents throughout the solicitation process. The process was sufficiently structured to allow the respondents to understand FPL's needs and receive all the information necessary to prepare their responses, which resulted in a significant number of proposals.

Q. Please describe the different scenarios requested by FPL in the Solicitation Letter.

A. To support FPL's desire to access unconventional onshore natural gas supplies, the Company requested that all parties propose a pipeline project that would provide access to natural gas supplies at Transco Station 85. As discussed by FPL witness Sharra, FPL identified Transco Station 85 as the best location to provide access to new natural gas supplies. The Solicitation Letter also informed the respondents that FPL was considering development of an intrastate pipeline (which was later designated the Florida EnergySecure Line) capable of receiving gas at or near FGT Station 16. FPL asked the parties to consider responding to

at least one of three pipeline alternatives, but also indicated it was open to evaluating other viable alternatives which might be suggested by the respondents.

Interstate Pipeline: The first pipeline alternative was based on the respondent developing a new pipeline or upgrading an existing pipeline from Transco Station 85 to FPL's CCEC and RBEC facilities. Under this scenario, the respondent could propose a new pipeline originating at Transco Station 85 with delivery capabilities to both CCEC and RBEC. A respondent could also propose an expansion of an existing pipeline system that would allow FPL to access Transco Station 85 with delivery capabilities to CCEC and RBEC.

Upstream Pipeline Segment: The second alternative allowed the parties to submit a proposal based on providing only the segment of the pipeline needed to deliver gas from Transco Station 85 to FGT Station 16. This segment could be combined with other proposals to create a total pipeline project capable of delivering gas from Transco Station 85 to CCEC and RBEC. The proposal could be based on construction of a new pipeline system or an expansion of an existing pipeline system.

Florida Pipeline Segment: The third alternative identified in the solicitation was based on the construction of a new pipeline or the upgrade of an existing pipeline from FGT Station 16 to FPL's CCEC and RBEC facilities. This

segment could be combined with proposals received from respondents on the Upstream Pipeline Segment to develop a total pipeline project for comparison purposes.

In addition, FPL requested respondents consider three different quantity scenarios. FPL requested proposals for 1.0 Bcf/d, 800 MMcf/d and 400 MMcf/d. FPL subsequently went back to all of the parties soon after the proposals were received and requested additional proposals based upon a 600 MMcf/d scenario, which were provided to FPL by the parties. All proposals were based on the parties having the facilities in service by 2012 or 2013.

Q. Why did FPL go back to the respondents and request additional proposals based on a 600 MMcf/d scenario?

A. There were two reasons FPL requested 600 MMcf/d proposals. First, as discussed by FPL witness Morley, FPL was revising the load forecast downward. This resulted in FPL shifting the focus of the solicitation analysis away from the higher quantity scenarios (1.0 Bcf/d and 800 MMcf/d) to the 600 MMcf/d and 400 MMcf/d scenarios. Second, FPL received proposals from only a few parties for the initial 400 MMcf/d scenario requested in the Solicitation Letter. Our goal was to increase the pool of responses and to determine the minimum quantity that would be required by the respondents to propose a new pipeline into Florida which could enhance the state's gas transportation infrastructure and increase reliability.

Q. What did FPL determine to be the minimum quantity required to support proposals for new pipeline infrastructure into Florida?

A. It was clear from our discussions with the respondents that a minimum quantity of 600 MMcf/d would be necessary for a pipeline company to commit to build new pipeline infrastructure into Florida. We made every attempt to work with the parties to determine if a smaller quantity would be feasible, but all the smaller scale projects resulted in significantly higher transportation costs. In addition, as discussed by FPL witness Sharra, FPL determined that a 30-inch diameter pipeline with an initial capacity of 600 MMcf/d was the optimum size to meet current transportation capacity requirements while providing the capability to economically increase capacity through the addition of compression.

Q. Did all parties who received a Solicitation Letter submit proposals?

A. Yes. All seven parties who received a Solicitation Letter submitted proposals. FPL received numerous proposals for all the volume scenarios as well as multiple proposals on the Interstate Pipeline, the Upstream Pipeline Segment and the Florida Pipeline Segment.

Q. Please summarize the bids received.

A. **Interstate Pipeline:** FPL received proposals from two companies that were proposing a new interstate pipeline or an expansion of an existing pipeline capable of receiving gas at Transco Station 85 and delivering gas to CCEC and RBEC. The proposals ranged from 400 MMcf/d to 1.0 Bcf/d. In addition, two companies submitted proposals that did not conform to the Solicitation Letter

because they did not provide reasonably direct access to Transco Station 85.

Upstream Pipeline Segment: FPL received proposals from three companies for the Upstream Pipeline Segment for volumes ranging from 400 MMcf/d to 1.5 Bcf/d. In addition, two companies submitted proposals that did not conform to the Solicitation Letter because they did not provide reasonably direct access to Transco Station 85.

Florida Pipeline Segment: In addition to the FPL proposal, FPL received proposals from two companies for the Florida Pipeline Segment. One of these proposals was not considered in the final analysis because FPL was not satisfied that the respondent's cost estimates were consistent with current market conditions. As a result, since the respondent's proposal was based upon these underlying cost estimates, FPL was not convinced that the transportation rate included in the proposal provided a reasonable comparison versus the transportation rates received from other respondents. In addition, this proposal did not include, and the respondent was not willing to provide, a firm transportation rate as requested in the Solicitation Letter and follow-up discussions. Rather, the ultimate transportation rate payable by FPL under this proposal would only be finalized after construction based upon actual costs of project installation. As such, FPL was unwilling to consider this proposal in the final analysis.

Additional Proposals: FPL also received a number of alternative proposals for consideration.

Q. How did FPL address the issue of non-conforming proposals?

A. FPL received proposals from two companies that did not conform to FPL's request in the Solicitation Letter that the primary receipt point for an Interstate Pipeline proposal or an Upstream Pipeline Segment proposal be located at or near Transco Station 85. This supply point was specifically chosen by FPL to ensure access to onshore natural gas supply. FPL requested the applicable respondents consider revising their proposals to include the incremental cost of extending their proposed pipeline to Transco Station 85, but the respondents declined to resubmit proposals to include this cost. In order to include these proposals in the evaluation, FPL adjusted these proposals to include the estimated incremental cost of accessing Transco Station 85. This cost estimate was based on analysis performed by FPL witness Sexton and confirmed through discussions with a pipeline company with existing infrastructure in the area. As presented in FPL witness Sexton's testimony, the cost assessed to the non-conforming proposals consisted of an incremental $0.20 per MMBtu/d, which was added as a demand charge, and incremental fuel retention of 0.3% to reflect fuel usage on these facilities.

Q. How did FPL begin the evaluation process?

A. FPL reviewed the proposals individually and then met with each of the respondents to discuss the proposals submitted in order to clarify any outstanding questions. During these discussions, FPL's main goal was to

determine the firmness of the proposal, specifically the willingness of the respondent to quote a fixed demand charge not subject to future adjustments. These discussions were an important part of the process and allowed the parties to provide follow-up information to be sure that FPL clearly understood the proposals and could accurately evaluate them.

Q. Did all parties submit a firm gas transportation price as requested by the Solicitation Letter?

A. No. In fact, all parties submitted proposals subject to various types of adjustment or true-up factors. The respondents were unwilling to quote a firm demand charge well in advance of ordering materials and hiring contractors. FPL was, however, able to convince several of the respondents to commit to a fixed demand charge subject only to a steel price tracker. This limited FPL's exposure to a commodity risk (steel cost) that could be easily monitored and locked-in once the order for pipe had been placed. The steel price tracker mechanism significantly limited the risk compared to the potential price adjustments originally proposed by many of the parties.

Q. What analysis did FPL perform to determine the best gas transportation alternative?

A. FPL took the individual proposals submitted by the respondents and sorted them into categories based on quantity and pipeline alternative (Interstate Pipeline, Upstream Pipeline Segment, Florida Pipeline Segment) proposed. Proposals that did not conform to the Solicitation Letter were put into a separate category to be analyzed. FPL then analyzed the various components of each proposal to

determine an overall cost per MMBtu/d. All parties proposed transportation rates based on a demand charge (subject to some type of adjustment or true-up factor) and a variable charge comprised of a fuel charge and, if applicable, a usage or transportation charge. For the initial analysis, these costs were uniformly evaluated assuming a 100% load factor and an estimated natural gas cost of $8.50 per MMBtu/d which was used to calculate the fuel charge. Once FPL determined a total cost per MMBtu/d for each proposal, the proposals within each category were compared to determine the lowest cost alternative for each quantity and pipeline alternative (Interstate Pipeline, Upstream Pipeline Segment and Florida Pipeline Segment) proposed.

Q. How did FPL evaluate the Florida EnergySecure Line proposal for the Florida Pipeline Segment?

A. FPL calculated the annual revenue requirements for the Florida Pipeline Segment based on FPL's estimate of the cost of the Florida EnergySecure Line proposal. The annual revenue requirements were then converted to a fixed cost per MMBtu/d by dividing the annual revenue requirements by the annual quantity of natural gas for each year (600 MMcf/d multiplied by 365 days for year one). The variable cost per MMBtu/d was calculated based on the fuel rate of the Florida EnergySecure Line, which was evaluated using the same methodology utilized to calculate the variable costs for all of the other proposals. Once the cost of the Florida EnergySecure Line was converted to a total cost per MMBtu/d, the Florida EnergySecure Line could then be compared with the other proposals.

Q. What were the initial results of the solicitation analysis?

A. The analysis focused on only those proposals for quantities of 600 MMcf/d and 400 MMcf/d, based on FPL's reduced gas transportation needs under the load growth forecast presented by FPL witness Morley. For the Interstate Pipeline alternative, a proposal by one of the respondents, referred to as Company B for confidentiality purposes, for 400 MMcf/d or 600 MMcf/d provided the lowest transportation costs to serve CCEC and RBEC. For the Upstream Pipeline Segment from Transco Station 85 to FGT Station 16, Company E's proposed Upstream Pipeline Project provided the lowest transportation cost for 600 MMcf/d. For the Florida Pipeline Segment from FGT Station 16 to CCEC and RBEC, the FPL proposal, the Florida EnergySecure Line, provided the lowest transportation cost for 600 MMcf/d. None of the proposals for 400 MMcf/d was designed to bring new pipeline infrastructure into the state and allow access to supplies at Transco Station 85. A summary of the Company B, Company E and the FPL Florida EnergySecure Line gas transportation costs is provided as Confidential Exhibit HCS-2.

Once it was determined that Company B provided the lowest overall cost alternative for the required 400 MMcf/d, FPL focused on comparing the Company B proposal to the combined Upstream Pipeline Project (Upstream Pipeline Segment) and the Florida EnergySecure Line (Florida Pipeline Segment) proposal to determine which pipeline solution offered the lowest cost to customers when evaluated over the life-cycle of the project.

Q. How did FPL determine which of the two proposals offered the lowest cost to customers?

A. For each of the two proposals FPL calculated the annual gas transportation costs necessary to meet all the gas requirements for FPL's long-term resource plan, as well as two alternate resource plans. The development of FPL's long-term resource plans is described in the testimony of FPL witness Enjamio. The first proposal, which includes the Upstream Pipeline Project and the Florida EnergySecure Line, consists of two cost components: (1) revenue requirements associated with FPL's Florida EnergySecure Line (including applicable fuel retention) and (2) gas transportation costs and applicable fuel retention (Upstream Pipeline Segment and future pipeline expansions required to supply gas to the resource plan through the life of the study). The annual revenue requirements include the cost of the Florida EnergySecure Line as initially configured as well as the cost of additional compression required to boost the capacity of the Florida EnergySecure Line to a maximum capacity of 1.25 Bcf/day. The gas transportation costs for the Company B proposal include Company B's annual gas transportation charges (including applicable fuel retention) that will be required to supply gas required by the resource plan through the life of the study.

FPL witness Enjamio describes how the gas transportation costs for both transportation alternatives, for each of the three resource plans, are incorporated into an overall economic evaluation of both alternatives, resulting in the

Cumulative Present Value of Revenue Requirements (CPVRR) and the estimated impact on the average customer bill.

Q. Did FPL evaluate future benefits of the proposals other than cost?

A. Yes. One of the important aspects of the solicitation was to determine if there was an alternative that would allow FPL to access future gas transportation capacity at rates that would be beneficial to our customers. For example, if FPL could support a new pipeline project into Florida, could there be future benefits through reduced pricing for expansions. The existing pipelines in Florida have reached the point that future expansions require extensive facility upgrades that result in increasingly higher transportation costs. As discussed in the testimony of FPL witness Sharra, a new pipeline can be designed in a way that would allow for a certain amount of future expansion at relatively inexpensive pricing.

Q. What recommendation resulted from the solicitation?

A. The Upstream Pipeline Project and the Florida EnergySecure Line combined proposal was the recommended natural gas transportation alternative to serve CCEC and RBEC. This recommendation was based on the following factors. First, the Upstream Pipeline Project and the Florida EnergySecure Line combined proposal provide the lowest cost to customers when evaluated over the life of the project. As presented in the testimony of FPL witness Enjamio and independently corroborated by FPL witness Sexton, the total savings to customers over the 40 year life of the project is estimated to be $204 to $513 million (CPVRR).

In addition, the combined project provides for new pipeline infrastructure in Florida, which will increase the reliability of FPL's gas deliveries. The new pipeline also provides added diversity of supply, in the form of direct access to onshore natural gas supply sources via Transco Station 85. Even though the Company B proposal had the lowest overall initial transportation costs and would meet the immediate needs of CCEC and RBEC, the proposal Company B submitted did not allow for direct access to onshore natural gas supplies via Transco Station 85 (without the addition of additional facilities by either Company B or another pipeline) and would not be able to meet FPL's future growth needs without further expansions. FPL has seen pipeline expansion costs increase significantly over the past few years (e.g., the lowest cost proposal submitted in the solicitation in response to the Interstate Pipeline alternative reflects approximately a 50% increase in demand charge when compared to the demand charge FPL was able to secure under our last transportation agreement executed in early 2008). Given FPL's analysis of these rising expansion transportation costs and the need to continue to increase the reliability of FPL's gas transportation portfolio, the Upstream Pipeline Project and the Florida EnergySecure Line combined project was determined to be the best solution to meet FPL's current and future gas transportation needs. The combined project will also provide additional competition for natural gas transportation within the state that should provide for lower future pricing for all Florida natural gas transporters.

Q. Did FPL also have a third party evaluate the proposals?

A. Yes. FPL engaged Mr. Tim Sexton of Gas Supply Consulting, Inc. to review the results of the analysis. Mr. Sexton is providing testimony analyzing and confirming the results of FPL's conclusion that the combined Upstream Pipeline Project/Florida EnergySecure Line proposal is the best alternative available to meet FPL's future gas needs.

Q. Please describe FPL's planned transportation agreement with Company E to serve the Florida EnergySecure Line.

A. FPL has executed a Letter of Intent (LOI) with Company E to negotiate a Precedent Agreement based upon the proposal submitted by Company E in response to the Solicitation Letter. The LOI is attached as Confidential Exhibit HGS-3. It expresses FPL's and Company E's intent to negotiate a Precedent Agreement on or before October 1, 2009 that would provide for 600 MMcf/d of gas transportation from Transco Station 85 to be delivered to the Florida EnergySecure Line at FGT Station 16, beginning on January 1, 2014. The agreement will provide for the necessary access to natural gas supply and delivery rights required to deliver natural gas into the Florida EnergySecure Line. The agreement will be similar to FPL's current firm transportation agreements with FGT and Gulfstream, and FPL would request recovery of all costs associated with the firm transportation on the Upstream Pipeline Project through the Fuel Cost Recovery Clause.

Q. Did FPL receive any additional proposals which it was unable to include in the final analysis?

A. Yes. FPL received an additional proposal from one of the respondents while FPL was in the process of finalizing the economic analysis and testimony preparation. This proposal was an unsolicited update from the company that had submitted the next-best alternative (Company B), which would result in a lower proposed gas transportation charge. Based on prior commercial dealings, FPL is skeptical that Company B could or would actually deliver gas at the newly reduced charge. However, even if Company B were willing and able to do so, FPL estimates that the Florida EnergySecure Line/Upstream Pipeline Project proposal would remain the most beneficial alternative for FPL's customers.

Q. Does this conclude your testimony?

A. Yes.

Dear :

As you know, our companies have been in discussions since early 2008 to explore new gas transportation alternatives for Florida. Now that FPL has finalized plans to modernize the Cape Canaveral and Riviera plants, we can begin our formal evaluation process to determine the best solution for gas delivery to these plants. As part of this evaluation, it is FPL's goal that the solution we choose will also increase the reliability and supply diversity of our gas portfolio as we plan for future generation growth. To facilitate these discussions, FPL has prepared the attached summary which outlines our gas transportation needs for the Cape Canaveral and Riviera conversions as well as an indication of future needs.

In keeping with our goal of finding a solution that meets not only our current gas transportation needs but would ensure future gas transportation availability and diversity of supply, FPL is currently evaluating the development of a new intrastate pipeline. This evaluation in being conducted to ensure that FPL has an understanding of the potential issues and costs associated with constructing a new pipeline project in Florida. This is one of the options that will be considered during the overall evaluation of gas transportation alternatives. Parties are invited to work with FPL to provide pricing for gas deliveries into this new intrastate pipeline via a new or existing gas pipeline. Of course, parties may also propose alternatives that would deliver gas only to the Cape Canaveral and Riviera plants using new or existing gas pipeline facilities but any perceived economic advantages of such proposals will be weighed against their more limited role in meeting FPL's long-term needs. FPL is also willing to consider other alternatives if they can provide a similar service for FPL.

Over the next few months, FPL will be working with several parties to determine which party can offer the best economics and delivery flexibility. We are requesting all parties provide firm pricing in the attached format by September 2, 2008 in order for us to have sufficient time to evaluate the alternatives and make a selection in November. In addition, FPL will be sending out a draft Precedent Agreement and Negotiated Rate Letter shortly for your review. Please submit your comments to these agreements in the form of a red-lined document on or before September 2nd. The evaluation process will include an analysis of overall economics including the value of the supply diversity and delivery flexibility of each project. In addition, there will be consideration for parties that can offer solutions for future generation expansions that will reduce FPL's exposure to the increasing cost of gas transportation.

FPL appreciates your participation in this solicitation and will continue to work with all parties to answer questions and provide feedback prior to submittal of the bids.

Sincerely,

Heather Stubblefield

FPL Gas Transportation Summary

Delivery Requirements (please bid all three scenarios if possible):

Scenario 1: 1 Bcf /d

- 200,000 MMBtu/d delivered to Cape Canaveral beginning September 1, 2012
- 200,000 MMBtu/d delivered to Riviera beginning September 1, 2013
- 200,000 MMBtu/d delivered to Martin beginning September 1, 2013
- 400,000 delivered to two greenfield sites in southeast Florida with deliveries between 2015 and 2017

Scenario 2: 0.8 Bcf /d

- 200,000 MMBtu/d delivered to Cape Canaveral beginning September 1, 2012
- 200,000 MMBtu/d delivered to Riviera beginning September 1, 2013
- 400,000 delivered to two greenfield sites in southeast Florida with deliveries between 2015 and 2017

Scenario 3: 0.4 Bcf /d

- 200,000 MMBtu/d delivered to Cape Canaveral beginning September 1, 2012
- 200,000 MMBtu/d delivered to Riviera beginning September 1, 2013

Please provide responses in the following format. Additional pages can be included as necessary to elaborate on proposals. Multiple bids can be provided for each of the Scenarios (1 through 3) outlined above.

Bid #	Start Date	Volume (MMBtu/d)	Primary Receipt Point(s)	Primary Delivery Point(s)	Reservation Rate ($/MMBtu)	Fuel (%)	Commodity Rate ($/MMBtu)	Contract Term

Potential Pipeline Alternatives (other viable proposals will also be considered):

Option 1 – Interstate pipeline from Transco Station 85 area to Cape Canaveral and Riviera

- Primary Receipt Point: Transco Station 85 area (interconnections with Transco, Gulfsouth and Midcontinent Express)
- Primary Delivery Points: Cape Canaveral, Riviera, Martin, future FPL expansions (delivery pressure 650 psig)

Option 2 – A segment of pipeline (interstate or intrastate) which could be combined with other proposals to create a project from the Transco Station 85 area to Cape Canaveral and Riviera

Option 2(a): Interstate pipeline from Transco Station 85 area to FGT Station 16

- Primary Receipt Point: Transco Station 85 area (interconnections with Transco, Gulfsouth and Midcontinent Express)
- Primary Delivery Points: FGT Station 16 & new intrastate pipeline

Option 2(b) – Intrastate pipeline capable of receiving gas originating from the Transco Station 85 area and delivering to Cape Canaveral and Riviera

- Primary Receipt Point: Interconnecting pipeline (FGT Station 16 area) with direct access to Transco Station 85 area
- Primary Delivery Points: Cape Canaveral, Riviera, Martin, future FPL expansions (delivery pressure 650 psig)

Project Management of Intrastate Pipeline:

- Parties proposing to provide gas transportation under Option 2(a) above are asked to consider providing project management services for FPL's proposed intrastate pipeline (Option 2(b)) in the event that, when evaluated against the other alternatives received as a result of this solicitation, FPL's proposal is determined to be the best alternative. These services would include working with FPL personnel through engineering, procurement, and construction activities. The party would also act as operator of the FPL pipeline for a limited period of time.
- Parties should prepare a detailed summary of the services they are willing to provide and the costs of these services.

Transportation Rates Provided in Response to FPL's Solicitation Letter

	Description	Total Quantity (MMBtu/d)	Demand Charge per MMBtu/d	Cost to Access Transco 85 per MMBtu/d	Total Demand Charge per MMBtu/d	Commodity/ Usage per MMBtu/d	Estimated Fuel Retention	Estimated Fuel Retention Access Transco Transco 85
Company B	Interstate Pipeline from Transco 85 to CCEC and RBEC	400,000	[redacted]	$0.200	[redacted]	[redacted]	[redacted]	0.30%
Company E	Interstate Pipeline from Transco Station 85 to FGT 16	600,000	[redacted]	$0.000	[redacted]	[redacted]	[redacted]	0.00%
FPL (Base Case)	Intrastate Pipeline from FGT 16 to CCEC, RBEC and Martin	600,000	$1.32 declining to $0.21 (1)	$0.000	$1.32 declining to $0.21 (1)	$0.000	0.55 -1.69% (2)	0.00%

(1) **Assumes the Demand Charges for the Base Case declines over time due to depreciation, recovery of initial capital costs, and incremental low cost compression expansions.**

(2) **Estimated annual Fuel Retention percentages based on proposed compression expansions are included in this Exhibit.**

Abbreviations Used

CCEC:	FPL's Cape Canaveral Next Generation Clean Energy Center
RBEC:	FPL's Riviera Beach Next Generation Clean Energy Center
Martin:	FPL's Martin Plant
FGT 16:	Florida Gas Transmission Company's compressor station No. 16 in Bradford County, Florida
Transco 85:	Transcontinential Pipe Line's compressor station No. 85 in Choctaw County, Alabama
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 British thermal units per Mcf)

Docket No. 09_____-EI
Summary of Company E,
Company B and Florida
EnergySecure Line Transportation
Rates (Confidential)
Exhibit HCS-2, Page 1 of 26

Calculation of Florida EnergySecure Line Daily Demand Charge (Base Case)

Revenues Requirements*					Revenues Requirements ==>				
Option	Capital	AFUDC	Total Invesment	PVRR	2014	2015	2016	2017	2018
30" - 600 MMcf/d	$1,475,000,000	$112,648,743	$1,587,648,743	$2,331,184,952	$ 288,374,607	$278,493,512	$267,187,914	$256,609,825	$246,685,353
Expand to 800 MMcf/d	$109,708,738	$8,392,251	$118,100,989	$85,728,698	$ -	$ -	$ -	$ -	$ -
Expand to 1 Bcf/d	$74,757,282	$5,718,614	$80,475,895	$55,249,119	$ -	$ -	$ -	$ -	$ -
Expand to 1.25 Bcf/d	$270,873,786	$20,720,691	$291,594,477	$173,078,889	$ -	$ -	$ -	$ -	$ -
Total	**$1,930,339,806**	**$147,480,298**	**$2,077,820,104**	**$2,645,241,658**	**$288,374,607**	**$278,493,512**	**$267,187,914**	**$256,609,825**	**$246,685,353**

* Revenue requirements include property taxes, property insurance and annual O&M costs.

Gas Requirements Based on Long-term Resource Plan - Base Case	400,000	-	-	-	-
Mcf/d	600,000	600,000	600,000	600,000	600,000
Days per year	365	365	366	365	365
Annual Mcf	219,000,000	219,000,000	219,600,000	219,000,000	219,000,000
$/Mcf/d (or $/MMBtu/d)	$ 1.3168	$ 1.2717	$ 1.2167	$ 1.1717	$ 1.1264
Fuel Retention	0.55%	0.55%	0.55%	0.55%	0.55%

Abbreviations Used

Mcf/d:	Thousand cubic feet per day (1 Mcf/d is equivalent to 1 MMBtu/d assuming a natural gas heating value of 1,000 British thermal units (Btu) per Mcf)
MMcf/d:	Million cubic feet per day
Bcf/d:	Billion cubic feet per day
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 Btu per Mcf)

Docket No. 09_____-EI
Summary of Company E,
Company B and Florida
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Rates (Confidential)
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Calculation of Florida EnergySecure Line Daily Demand Charge (Base Case)

Revenues Requirements*

Option	Capital	AFUDC	Total Invesment	PVRR	2019	2020	2021	2022	2023
30" - 600 MMcf/d	$1,475,000,000	$112,648,743	$1,587,648,743	$2,331,184,952	$237,347,420	$228,424,559	$219,638,646	$210,855,067	$202,075,471
Expand to 800 MMcf/d	$109,708,738	$8,392,251	$118,100,989	$85,728,698	$ -	$ -	$ -	$ -	$ 21,875,500
Expand to 1 Bcf/d	$74,757,282	$5,718,614	$80,475,895	$55,249,119	$ -	$ -	$ -	$ -	$ -
Expand to 1.25 Bcf/d	$270,873,786	$20,720,691	$291,594,477	$173,078,889	$ -	$ -	$ -	$ -	$ -
Total	**$1,930,339,806**	**$147,480,298**	**$2,077,820,104**	**$2,645,241,658**	**$237,347,420**	**$228,424,559**	**$219,638,646**	**$210,855,067**	**$223,950,971**

* Revenue requirements include property taxes, property insurance and annual O&M costs.

Gas Requirements Based on Long-term Resource Plan - Base Case	-	-	87,500	87,500	175,000
Mcf/d	600,000	600,000	600,000	600,000	750,000
Days per year	365	366	365	365	365
Annual Mcf	219,000,000	219,600,000	219,000,000	219,000,000	273,750,000
$/Mcf/d (or $/MMBtu/d)	$ 1.0838	$ 1.0402	$ 1.0029	$ 0.9628	$ 0.8181
Fuel Retention	0.55%	0.55%	0.55%	0.55%	0.93%

Abbreviations Used

Mcf/d:	Thousand cubic feet per day (1 Mcf/d is equivalent to 1 MMBtu/d assuming a natural gas heating value of 1,000 British thermal units (Btu) per Mcf)
MMcf/d:	Million cubic feet per day
Bcf/d:	Billion cubic feet per day
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 Btu per Mcf)

Calculation of Florida EnergySecure Line Daily Demand Charge (Base Case)

Revenues Requirements*								
Option	Capital	AFUDC	Total Investment	PVRR	2024	2025	2026	2027
30" - 600 MMcf/d	$1,475,000,000	$112,648,743	$1,587,648,743	$2,331,184,952	$ 193,305,960	$ 184,528,763	$ 175,753,685	$ 166,987,977
Expand to 800 MMcf/d	$109,708,738	$8,392,251	$118,100,989	$85,728,698	$ 21,150,716	$ 20,320,426	$ 19,544,229	$ 18,816,817
Expand to 1 Bcf/d	$74,757,282	$5,718,614	$80,475,895	$55,249,119	$ 15,165,124	$ 14,676,491	$ 14,115,940	$ 13,592,349
Expand to 1.25 Bcf/d	$270,873,786	$20,720,691	$291,594,477	$173,078,889	$ -	$ 52,916,981	$ 51,106,274	$ 49,034,239
Total	**$1,930,339,806**	**$147,480,298**	**$2,077,820,104**	**$2,645,241,658**	**$229,621,800**	**$272,442,660**	**$260,520,128**	**$248,431,383**

* Revenue requirements include property taxes, property insurance and annual O&M costs.

Gas Requirements Based on Long-term Resource Plan - Base Case	87,500	175,000	175,000	N/A
Mcf/d	837,500	1,012,500	1,187,500	1,187,500
Days per year	366	365	365	365
Annual Mcf	306,525,000	369,562,500	433,437,500	433,437,500
$/Mcf/d (or $/MMBtu/d)	$ 0.7491	$ 0.7372	$ 0.6011	$ 0.5732
Fuel Retention	1.07%	1.69%	1.69%	1.69%

Abbreviations Used

Mcf/d:	Thousand cubic feet per day (1 Mcf/d is equivalent to 1 MMBtu/d assuming a natural gas heating value of 1,000 British thermal units (Btu) per Mcf)
MMcf/d:	Million cubic feet per day
Bcf/d:	Billion cubic feet per day
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 Btu per Mcf)

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Calculation of Florida EnergySecure Line Daily Demand Charge (Base Case)

Revenues Requirements*								
Option	Capital	AFUDC	Total Invesment	PVRR	2028	2029	2030	2031
30" - 600 MMcf/d	$1,475,000,000	$112,648,743	$1,587,648,743	$2,331,184,952	$ 158,216,083	$ 150,639,751	$ 145,440,009	$ 141,415,780
Expand to 800 MMcf/d	$109,708,738	$8,392,251	$118,100,989	$85,728,698	$ 18,133,385	$ 17,481,281	$ 16,839,533	$ 16,197,317
Expand to 1 Bcf/d	$74,757,282	$5,718,614	$80,475,895	$55,249,119	$ 13,101,860	$ 12,641,757	$ 12,203,094	$ 11,771,073
Expand to 1.25 Bcf/d	$270,873,786	$20,720,691	$291,594,477	$173,078,889	$ 47,095,055	$ 45,276,030	$ 43,566,009	$ 41,931,659
Total	**$1,930,339,806**	**$147,480,298**	**$2,077,820,104**	**$2,645,241,658**	**$236,546,383**	**$226,038,819**	**$218,048,644**	**$211,315,829**

* Revenue requirements include property taxes, property insurance and annual O&M costs.

Gas Requirements Based on Long-term Resource Plan - Base Case	N/A	N/A	N/A	N/A
Mcf/d	1,187,500	1,187,500	1,187,500	1,187,500
Days per year	366	365	365	365
Annual Mcf	434,625,000	433,437,500	433,437,500	433,437,500
$/Mcf/d (or $/MMBtu/d)	$ 0.5443	$ 0.5215	$ 0.5031	$ 0.4875
Fuel Retention	1.69%	1.69%	1.69%	1.69%

Abbreviations Used

Mcf/d:	Thousand cubic feet per day (1 Mcf/d is equivalent to 1 MMBtu/d assuming a natural gas heating value of 1,000 British thermal units (Btu) per Mcf)
MMcf/d:	Million cubic feet per day
Bcf/d:	Billion cubic feet per day
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 Btu per Mcf)

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Calculation of Florida EnergySecure Line Daily Demand Charge (Base Case)

Revenues Requirements*								
Option	**Capital**	**AFUDC**	**Total Invesment**	**PVRR**	**2032**	**2033**	**2034**	**2035**
30" - 600 MMcf/d	$1,475,000,000	$112,648,743	$1,587,648,743	$2,331,184,952	$ 137,395,051	$ 133,352,995	$ 129,346,563	$ 125,344,295
Expand to 800 MMcf/d	$109,708,738	$8,392,251	$118,100,989	$85,728,698	$ 15,555,673	$ 14,913,481	$ 14,272,710	$ 13,632,543
Expand to 1 Bcf/d	$74,757,282	$5,718,614	$80,475,895	$55,249,119	$ 11,339,421	$ 10,907,496	$ 10,476,582	$ 10,046,252
Expand to 1.25 Bcf/d	$270,873,786	$20,720,691	$291,594,477	$173,078,889	$ 40,322,224	$ 38,710,902	$ 37,101,888	$ 35,493,567
Total	**$1,930,339,806**	**$147,480,298**	**$2,077,820,104**	**$2,645,241,658**	**$204,612,370**	**$197,884,875**	**$191,197,743**	**$184,516,658**

* Revenue requirements include property taxes, property insurance and annual O&M costs.

Gas Requirements Based on Long-term Resource Plan - Base Case	N/A	N/A	N/A	N/A
Mcf/d	1,187,500	1,187,500	1,187,500	1,187,500
Days per year	366	365	365	365
Annual Mcf	434,625,000	433,437,500	433,437,500	433,437,500
$/Mcf/d (or $/MMBtu/d)	$ 0.4708	$ 0.4565	$ 0.4411	$ 0.4257
Fuel Retention	1.69%	1.69%	1.69%	1.69%

Abbreviations Used

Mcf/d:	Thousand cubic feet per day (1 Mcf/d is equivalent to 1 MMBtu/d assuming a natural gas heating value of 1,000 British thermal units (Btu) per Mcf)
MMcf/d:	Million cubic feet per day
Bcf/d:	Billion cubic feet per day
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 Btu per Mcf)

Calculation of Florida EnergySecure Line Daily Demand Charge (Base Case)

Revenues Requirements*									
Option	**Capital**	**AFUDC**	**Total Invesment**	**PVRR**	**2036**	**2037**	**2038**	**2039**	**2040**
30" - 600 MMcf/d	$1,475,000,000	$112,648,743	$1,587,648,743	$2,331,184,952	$ 121,372,748	$ 117,365,763	$ 113,374,223	$ 109,386,378	$ 105,402,308
Expand to 800 MMcf/d	$109,708,738	$8,392,251	$118,100,989	$85,728,698	$ 12,994,011	$ 12,354,627	$ 11,804,224	$ 11,430,802	$ 11,145,968
Expand to 1 Bcf/d	$74,757,282	$5,718,614	$80,475,895	$55,249,119	$ 9,617,191	$ 9,187,781	$ 8,759,065	$ 8,390,834	$ 8,143,339
Expand to 1.25 Bcf/d	$270,873,786	$20,720,691	$291,594,477	$173,078,889	$ 33,887,854	$ 32,280,059	$ 30,673,637	$ 29,067,781	$ 27,680,036
Total	**$1,930,339,806**	**$147,480,298**	**$2,077,820,104**	**$2,645,241,658**	**$177,871,805**	**$171,188,230**	**$164,611,149**	**$158,275,795**	**$152,371,651**

* Revenue requirements include property taxes, property insurance and annual O&M costs.

Gas Requirements Based on Long-term Resource Plan - Base Case	N/A	N/A	N/A	N/A	N/A
Mcf/d	1,187,500	1,187,500	1,187,500	1,187,500	1,187,500
Days per year	366	365	365	365	366
Annual Mcf	434,625,000	433,437,500	433,437,500	433,437,500	434,625,000
$/Mcf/d (or $/MMBtu/d)	$ 0.4093	$ 0.3950	$ 0.3798	$ 0.3652	$ 0.3506
Fuel Retention	1.69%	1.69%	1.69%	1.69%	1.69%

Abbreviations Used

Mcf/d:	Thousand cubic feet per day (1 Mcf/d is equivalent to 1 MMBtu/d assuming a natural gas heating value of 1,000 British thermal units (Btu) per Mcf)
MMcf/d:	Million cubic feet per day
Bcf/d:	Billion cubic feet per day
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 Btu per Mcf)

Calculation of Florida EnergySecure Line Daily Demand Charge (Base Case)

Revenues Requirements*									
Option	**Capital**	**AFUDC**	**Total Invesment**	**PVRR**	**2041**	**2042**	**2043**	**2044**	**2045**
30" - 600 MMcf/d	$1,475,000,000	$112,648,743	$1,587,648,743	$2,331,184,952	$ 101,422,096	$ 97,445,825	$ 93,473,584	$ 89,505,459	$ 85,541,541
Expand to 800 MMcf/d	$109,708,738	$8,392,251	$118,100,989	$85,728,698	$ 10,861,627	$ 10,577,789	$ 10,294,464	$ 10,011,664	$ 9,729,399
Expand to 1 Bcf/d	$74,757,282	$5,718,614	$80,475,895	$55,249,119	$ 7,956,348	$ 7,769,835	$ 7,583,810	$ 7,398,283	$ 7,213,264
Expand to 1.25 Bcf/d	$270,873,786	$20,720,691	$291,594,477	$173,078,889	$ 26,728,687	$ 25,995,474	$ 25,262,878	$ 24,530,912	$ 23,799,589
Total	**$1,930,339,806**	**$147,480,298**	**$2,077,820,104**	**$2,645,241,658**	**$146,968,757**	**$141,788,923**	**$136,614,736**	**$131,446,318**	**$126,283,794**

* Revenue requirements include property taxes, property insurance and annual O&M costs.

Gas Requirements Based on Long-term Resource Plan - Base Case	N/A	N/A	N/A	N/A	N/A
Mcf/d	1,187,500	1,187,500	1,187,500	1,187,500	1,187,500
Days per year	365	365	365	366	365
Annual Mcf	433,437,500	433,437,500	433,437,500	434,625,000	433,437,500
$/Mcf/d (or $/MMBtu/d)	$ 0.3391	$ 0.3271	$ 0.3152	$ 0.3024	$ 0.2914
Fuel Retention	1.69%	1.69%	1.69%	1.69%	1.69%

Abbreviations Used

Mcf/d:	Thousand cubic feet per day (1 Mcf/d is equivalent to 1 MMBtu/d assuming a natural gas heating value of 1,000 British thermal units (Btu) per Mcf)
MMcf/d:	Million cubic feet per day
Bcf/d:	Billion cubic feet per day
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 Btu per Mcf)

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Calculation of Florida EnergySecure Line Daily Demand Charge (Base Case)

Revenues Requirements*									
Option	Capital	AFUDC	Total Invesment	PVRR	2046	2047	2048	2049	2050
30" - 600 MMcf/d	$1,475,000,000	$112,648,743	$1,587,648,743	$2,331,184,952	$ 82,320,588	$ 79,104,029	$ 75,891,961	$ 72,684,480	$ 69,481,689
Expand to 800 MMcf/d	$109,708,738	$8,392,251	$118,100,989	$85,728,698	$ 9,447,681	$ 9,166,520	$ 8,885,930	$ 8,605,920	$ 8,326,505
Expand to 1 Bcf/d	$74,757,282	$5,718,614	$80,475,895	$55,249,119	$ 7,028,764	$ 6,844,794	$ 6,661,364	$ 6,478,486	$ 6,296,171
Expand to 1.25 Bcf/d	$270,873,786	$20,720,691	$291,594,477	$173,078,889	$ 23,068,924	$ 22,338,931	$ 21,609,624	$ 20,881,018	$ 20,153,129
Total	**$1,930,339,806**	**$147,480,298**	**$2,077,820,104**	**$2,645,241,658**	**$121,865,958**	**$117,454,275**	**$113,048,878**	**$108,649,904**	**$104,257,493**

* Revenue requirements include property taxes, property insurance and annual O&M costs.

Gas Requirements Based on Long-term Resource Plan - Base Case	N/A	N/A	N/A	N/A	N/A
Mcf/d	1,187,500	1,187,500	1,187,500	1,187,500	1,187,500
Days per year	365	365	366	365	365
Annual Mcf	433,437,500	433,437,500	434,625,000	433,437,500	433,437,500
$/Mcf/d (or $/MMBtu/d)	$ 0.2812	$ 0.2710	$ 0.2601	$ 0.2507	$ 0.2405
Fuel Retention	1.69%	1.69%	1.69%	1.69%	1.69%

Abbreviations Used

Mcf/d:	Thousand cubic feet per day (1 Mcf/d is equivalent to 1 MMBtu/d assuming a natural gas heating value of 1,000 British thermal units (Btu) per Mcf)
MMcf/d:	Million cubic feet per day
Bcf/d:	Billion cubic feet per day
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 Btu per Mcf)

Calculation of Florida EnergySecure Line Daily Demand Charge (Base Case)

Revenues Requirements*								
Option	**Capital**	**AFUDC**	**Total Invesment**	**PVRR**	**2051**	**2052**	**2053**	**Total**
30" - 600 MMcf/d	$1,475,000,000	$112,648,743	$1,587,648,743	$2,331,184,952	$ 66,120,453	$ 62,760,842	$ 59,402,900	$ 5,879,476,153
Expand to 800 MMcf/d	$109,708,738	$8,392,251	$118,100,989	$85,728,698	$ 8,021,615	$ 7,716,822	$ 7,412,127	$ 407,521,308
Expand to 1 Bcf/d	$74,757,282	$5,718,614	$80,475,895	$55,249,119	$ 6,088,351	$ 5,880,594	$ 5,672,903	$ 283,008,615
Expand to 1.25 Bcf/d	$270,873,786	$20,720,691	$291,594,477	$173,078,889	$ 19,399,892	$ 18,646,881	$ 17,894,101	$ 926,454,237
Total	**$1,930,339,806**	**$147,480,298**	**$2,077,820,104**	**$2,645,241,658**	**$99,630,311**	**$95,005,139**	**$90,382,030**	**$ 7,496,460,313**

* Revenue requirements include property taxes, property insurance and annual O&M costs.

Gas Requirements Based on Long-term Resource Plan - Base Case	N/A	N/A	N/A
Mcf/d	1,187,500	1,187,500	1,187,500
Days per year	365	366	365
Annual Mcf	433,437,500	434,625,000	433,437,500
$/Mcf/d (or $/MMBtu/d)	$ 0.2299	$ 0.2186	$ 0.2085
Fuel Retention	1.69%	1.69%	1.69%

Abbreviations Used

Mcf/d:	Thousand cubic feet per day (1 Mcf/d is equivalent to 1 MMBtu/d assuming a natural gas heating value of 1,000 British thermal units (Btu) per Mcf)
MMcf/d:	Million cubic feet per day
Bcf/d:	Billion cubic feet per day
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 Btu per Mcf)

Calculation of Florida EnergySecure Line Daily Demand Charge (RPS)

Revenues Requirements*					Revenues Requirements ==>				
Option	Capital	AFUDC	Total Invesment	PVRR	2014	2015	2016	2017	2018
30" - 600 MMcf/d	$1,475,000,000	$112,648,743	$1,587,648,743	$2,331,184,952	$ 288,374,607	$ 278,493,512	$ 267,187,914	$ 256,609,825	$ 246,685,353
Expand to 800 MMcf/d	$109,708,738	$8,392,251	$118,100,989	$85,728,698	$ -	$ -	$ -	$ -	$ -
Expand to 1 Bcf/d	$74,757,282	$5,718,614	$80,475,895	$55,249,119	$ -	$ -	$ -	$ -	$ -
Expand to 1.25 Bcf/d	$270,873,786	$20,720,691	$291,594,477	$173,078,889	$ -	$ -	$ -	$ -	$ -
Total	**$1,930,339,806**	**$147,480,298**	**$2,077,820,104**	**$2,645,241,658**	**$288,374,607**	**$278,493,512**	**$267,187,914**	**$256,609,825**	**$246,685,353**

* Revenue requirements include property taxes, property insurance and annual O&M costs.

Gas Requirements Based on Long-term Resource Plan - RPS Case	400,000	-	-	-	-
Mcf/d	600,000	600,000	600,000	600,000	600,000
Days per year	365	365	366	365	365
Annual Mcf	219,000,000	219,000,000	219,600,000	219,000,000	219,000,000
$/Mcf/d (or $/MMBtu/d)	$ 1.3168	$ 1.2717	$ 1.2167	$ 1.1717	$ 1.1264
Fuel Retention	0.55%	0.55%	0.55%	0.55%	0.55%

Abbreviations Used

Mcf/d:	Thousand cubic feet per day (1 Mcf/d is equivalent to 1 MMBtu/d assuming a natural gas heating value of 1,000 British thermal units (Btu) per Mcf)
MMcf/d:	Million cubic feet per day
Bcf/d:	Billion cubic feet per day
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 Btu per Mcf)

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Calculation of Florida EnergySecure Line Daily Demand Charge (RPS)

Revenues Requirements*									
Option	Capital	AFUDC	Total Invesment	PVRR	2019	2020	2021	2022	2023
30" - 600 MMcf/d	$1,475,000,000	$112,648,743	$1,587,648,743	$2,331,184,952	$ 237,347,420	$ 228,424,559	$ 219,638,646	$ 210,855,067	$ 202,075,471
Expand to 800 MMcf/d	$109,708,738	$8,392,251	$118,100,989	$85,728,698	$ -	$ -	$ -	$ -	$ 21,875,500
Expand to 1 Bcf/d	$74,757,282	$5,718,614	$80,475,895	$55,249,119	$ -	$ -	$ -	$ -	$ -
Expand to 1.25 Bcf/d	$270,873,786	$20,720,691	$291,594,477	$173,078,889	$ -	$ -	$ -	$ -	$ -
Total	**$1,930,339,806**	**$147,480,298**	**$2,077,820,104**	**$2,645,241,658**	**$237,347,420**	**$228,424,559**	**$219,638,646**	**$210,855,067**	**$223,950,971**

* Revenue requirements include property taxes, property insurance and annual O&M costs.

Gas Requirements Based on Long-term Resource Plan - RPS Case	-	-	87,500	87,500	175,000
Mcf/d	600,000	600,000	600,000	600,000	750,000
Days per year	365	366	365	365	365
Annual Mcf	219,000,000	219,600,000	219,000,000	219,000,000	273,750,000
$/Mcf/d (or $/MMBtu/d)	$ 1.0838	$ 1.0402	$ 1.0029	$ 0.9628	$ 0.8181
Fuel Retention	0.55%	0.55%	0.55%	0.55%	0.93%

Abbreviations Used

Mcf/d:	Thousand cubic feet per day (1 Mcf/d is equivalent to 1 MMBtu/d assuming a natural gas heating value of 1,000 British thermal units (Btu) per Mcf)
MMcf/d:	Million cubic feet per day
Bcf/d:	Billion cubic feet per day
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 Btu per Mcf)

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Calculation of Florida EnergySecure Line Daily Demand Charge (RPS)

Revenues Requirements*								
Option	**Capital**	**AFUDC**	**Total Invesment**	**PVRR**	**2024**	**2025**	**2026**	**2027**
30" - 600 MMcf/d	$1,475,000,000	$112,648,743	$1,587,648,743	$2,331,184,952	$ 193,305,960	$ 184,528,763	$ 175,753,685	$ 166,987,977
Expand to 800 MMcf/d	$109,708,738	$8,392,251	$118,100,989	$85,728,698	$ 21,150,716	$ 20,320,426	$ 19,544,229	$ 18,816,817
Expand to 1 Bcf/d	$74,757,282	$5,718,614	$80,475,895	$55,249,119	$ 15,165,124	$ 14,676,491	$ 14,115,940	$ 13,592,349
Expand to 1.25 Bcf/d	$270,873,786	$20,720,691	$291,594,477	$173,078,889	$ -	$ 52,916,981	$ 51,106,274	$ 49,034,239
Total	**$1,930,339,806**	**$147,480,298**	**$2,077,820,104**	**$2,645,241,658**	**$229,621,800**	**$272,442,660**	**$260,520,128**	**$248,431,383**

* Revenue requirements include property taxes, property insurance and annual O&M costs.

Gas Requirements Based on Long-term Resource Plan - RPS Case	87,500	175,000	175,000	N/A
Mcf/d	837,500	1,012,500	1,187,500	1,187,500
Days per year	366	365	365	365
Annual Mcf	306,525,000	369,562,500	433,437,500	433,437,500
$/Mcf/d (or $/MMBtu/d)	$ 0.7491	$ 0.7372	$ 0.6011	$ 0.5732
Fuel Retention	1.07%	1.69%	1.69%	1.69%

Abbreviations Used

Mcf/d:	Thousand cubic feet per day (1 Mcf/d is equivalent to 1 MMBtu/d assuming a natural gas heating value of 1,000 British thermal units (Btu) per Mcf)
MMcf/d:	Million cubic feet per day
Bcf/d:	Billion cubic feet per day
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 Btu per Mcf)

Calculation of Florida EnergySecure Line Daily Demand Charge (RPS)

Revenues Requirements*								
Option	**Capital**	**AFUDC**	**Total Invesment**	**PVRR**	**2028**	**2029**	**2030**	**2031**
30" - 600 MMcf/d	$1,475,000,000	$112,648,743	$1,587,648,743	$2,331,184,952	$ 158,216,083	$ 150,639,751	$ 145,440,009	$ 141,415,780
Expand to 800 MMcf/d	$109,708,738	$8,392,251	$118,100,989	$85,728,698	$ 18,133,385	$ 17,481,281	$ 16,839,533	$ 16,197,317
Expand to 1 Bcf/d	$74,757,282	$5,718,614	$80,475,895	$55,249,119	$ 13,101,860	$ 12,641,757	$ 12,203,094	$ 11,771,073
Expand to 1.25 Bcf/d	$270,873,786	$20,720,691	$291,594,477	$173,078,889	$ 47,095,055	$ 45,276,030	$ 43,566,009	$ 41,931,659
Total	**$1,930,339,806**	**$147,480,298**	**$2,077,820,104**	**$2,645,241,658**	**$236,546,383**	**$226,038,819**	**$218,048,644**	**$211,315,829**

* Revenue requirements include property taxes, property insurance and annual O&M costs.

Gas Requirements Based on Long-term Resource Plan - RPS Case	N/A	N/A	N/A	N/A
Mcf/d	1,187,500	1,187,500	1,187,500	1,187,500
Days per year	366	365	365	365
Annual Mcf	434,625,000	433,437,500	433,437,500	433,437,500
$/Mcf/d (or $/MMBtu/d)	$ 0.5443	$ 0.5215	$ 0.5031	$ 0.4875
Fuel Retention	1.69%	1.69%	1.69%	1.69%

Abbreviations Used

Mcf/d:	Thousand cubic feet per day (1 Mcf/d is equivalent to 1 MMBtu/d assuming a natural gas heating value of 1,000 British thermal units (Btu) per Mcf)
MMcf/d:	Million cubic feet per day
Bcf/d:	Billion cubic feet per day
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 Btu per Mcf)

Calculation of Florida EnergySecure Line Daily Demand Charge (RPS)

Revenues Requirements*								
Option	**Capital**	**AFUDC**	**Total Invesment**	**PVRR**	**2032**	**2033**	**2034**	**2035**
30" - 600 MMcf/d	$1,475,000,000	$112,648,743	$1,587,648,743	$2,331,184,952	$ 137,395,051	$ 133,352,995	$ 129,346,563	$ 125,344,295
Expand to 800 MMcf/d	$109,708,738	$8,392,251	$118,100,989	$85,728,698	$ 15,555,673	$ 14,913,481	$ 14,272,710	$ 13,632,543
Expand to 1 Bcf/d	$74,757,282	$5,718,614	$80,475,895	$55,249,119	$ 11,339,421	$ 10,907,496	$ 10,476,582	$ 10,046,252
Expand to 1.25 Bcf/d	$270,873,786	$20,720,691	$291,594,477	$173,078,889	$ 40,322,224	$ 38,710,902	$ 37,101,888	$ 35,493,567
Total	**$1,930,339,806**	**$147,480,298**	**$2,077,820,104**	**$2,645,241,658**	**$204,612,370**	**$197,884,875**	**$191,197,743**	**$184,516,658**

* Revenue requirements include property taxes, property insurance and annual O&M costs.

Gas Requirements Based on Long-term Resource Plan - RPS Case	N/A	N/A	N/A	N/A
Mcf/d	1,187,500	1,187,500	1,187,500	1,187,500
Days per year	366	365	365	365
Annual Mcf	434,625,000	433,437,500	433,437,500	433,437,500
$/Mcf/d (or $/MMBtu/d)	$ 0.4708	$ 0.4565	$ 0.4411	$ 0.4257
Fuel Retention	1.69%	1.69%	1.69%	1.69%

Abbreviations Used

Mcf/d:	Thousand cubic feet per day (1 Mcf/d is equivalent to 1 MMBtu/d assuming a natural gas heating value of 1,000 British thermal units (Btu) per Mcf)
MMcf/d:	Million cubic feet per day
Bcf/d:	Billion cubic feet per day
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 Btu per Mcf)

Calculation of Florida EnergySecure Line Daily Demand Charge (RPS)

Revenues Requirements*									
Option	**Capital**	**AFUDC**	**Total Invesment**	**PVRR**	**2036**	**2037**	**2038**	**2039**	**2040**
30" - 600 MMcf/d	$1,475,000,000	$112,648,743	$1,587,648,743	$2,331,184,952	$ 121,372,748	$ 117,365,763	$ 113,374,223	$ 109,386,378	$ 105,402,308
Expand to 800 MMcf/d	$109,708,738	$8,392,251	$118,100,989	$85,728,698	$ 12,994,011	$ 12,354,627	$ 11,804,224	$ 11,430,802	$ 11,145,968
Expand to 1 Bcf/d	$74,757,282	$5,718,614	$80,475,895	$55,249,119	$ 9,617,191	$ 9,187,781	$ 8,759,065	$ 8,390,834	$ 8,143,339
Expand to 1.25 Bcf/d	$270,873,786	$20,720,691	$291,594,477	$173,078,889	$ 33,887,854	$ 32,280,059	$ 30,673,637	$ 29,067,781	$ 27,680,036
Total	**$1,930,339,806**	**$147,480,298**	**$2,077,820,104**	**$2,645,241,658**	**$177,871,805**	**$171,188,230**	**$164,611,149**	**$158,275,795**	**$152,371,651**

* Revenue requirements include property taxes, property insurance and annual O&M costs.

Gas Requirements Based on Long-term Resource Plan - RPS Case	N/A	N/A	N/A	N/A	N/A
Mcf/d	1,187,500	1,187,500	1,187,500	1,187,500	1,187,500
Days per year	366	365	365	365	366
Annual Mcf	434,625,000	433,437,500	433,437,500	433,437,500	434,625,000
$/Mcf/d (or $/MMBtu/d)	$ 0.4093	$ 0.3950	$ 0.3798	$ 0.3652	$ 0.3506
Fuel Retention	1.69%	1.69%	1.69%	1.69%	1.69%

Abbreviations Used

Mcf/d:	Thousand cubic feet per day (1 Mcf/d is equivalent to 1 MMBtu/d assuming a natural gas heating value of 1,000 British thermal units (Btu) per Mcf)
MMcf/d:	Million cubic feet per day
Bcf/d:	Billion cubic feet per day
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 Btu per Mcf)

Docket No. 09_____-EI
Summary of Company E,
Company B and Florida
EnergySecure Line Transportation
Rates (Confidential)
Exhibit HCS-2, Page 16 of 26

Calculation of Florida EnergySecure Line Daily Demand Charge (RPS)

Revenues Requirements*									
Option	**Capital**	**AFUDC**	**Total Invesment**	**PVRR**	**2041**	**2042**	**2043**	**2044**	**2045**
30" - 600 MMcf/d	$1,475,000,000	$112,648,743	$1,587,648,743	$2,331,184,952	$ 101,422,096	$ 97,445,825	$ 93,473,584	$ 89,505,459	$ 85,541,541
Expand to 800 MMcf/d	$109,708,738	$8,392,251	$118,100,989	$85,728,698	$ 10,861,627	$ 10,577,789	$ 10,294,464	$ 10,011,664	$ 9,729,399
Expand to 1 Bcf/d	$74,757,282	$5,718,614	$80,475,895	$55,249,119	$ 7,956,348	$ 7,769,835	$ 7,583,810	$ 7,398,283	$ 7,213,264
Expand to 1.25 Bcf/d	$270,873,786	$20,720,691	$291,594,477	$173,078,889	$ 26,728,687	$ 25,995,474	$ 25,262,878	$ 24,530,912	$ 23,799,589
Total	**$1,930,339,806**	**$147,480,298**	**$2,077,820,104**	**$2,645,241,658**	**$146,968,757**	**$141,788,923**	**$136,614,736**	**$131,446,318**	**$126,283,794**

* Revenue requirements include property taxes, property insurance and annual O&M costs.

Gas Requirements Based on Long-term Resource Plan - RPS Case	N/A	N/A	N/A	N/A	N/A
Mcf/d	1,187,500	1,187,500	1,187,500	1,187,500	1,187,500
Days per year	365	365	365	366	365
Annual Mcf	433,437,500	433,437,500	433,437,500	434,625,000	433,437,500
$/Mcf/d (or $/MMBtu/d)	$ 0.3391	$ 0.3271	$ 0.3152	$ 0.3024	$ 0.2914
Fuel Retention	1.69%	1.69%	1.69%	1.69%	1.69%

Abbreviations Used

Mcf/d:	Thousand cubic feet per day (1 Mcf/d is equivalent to 1 MMBtu/d assuming a natural gas heating value of 1,000 British thermal units (Btu) per Mcf)
MMcf/d:	Million cubic feet per day
Bcf/d:	Billion cubic feet per day
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 Btu per Mcf)

Docket No. 09_____-EI
Summary of Company E,
Company B and Florida
EnergySecure Line Transportation
Rates (Confidential)
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Calculation of Florida EnergySecure Line Daily Demand Charge (RPS)

Revenues Requirements*									
Option	**Capital**	**AFUDC**	**Total Invesment**	**PVRR**	**2046**	**2047**	**2048**	**2049**	**2050**
30" - 600 MMcf/d	$1,475,000,000	$112,648,743	$1,587,648,743	$2,331,184,952	$ 82,320,588	$ 79,104,029	$ 75,891,961	$ 72,684,480	$ 69,481,689
Expand to 800 MMcf/d	$109,708,738	$8,392,251	$118,100,989	$85,728,698	$ 9,447,681	$ 9,166,520	$ 8,885,930	$ 8,605,920	$ 8,326,505
Expand to 1 Bcf/d	$74,757,282	$5,718,614	$80,475,895	$55,249,119	$ 7,028,764	$ 6,844,794	$ 6,661,364	$ 6,478,486	$ 6,296,171
Expand to 1.25 Bcf/d	$270,873,786	$20,720,691	$291,594,477	$173,078,889	$ 23,068,924	$ 22,338,931	$ 21,609,624	$ 20,881,018	$ 20,153,129
Total	**$1,930,339,806**	**$147,480,298**	**$2,077,820,104**	**$2,645,241,658**	**$121,865,958**	**$117,454,275**	**$113,048,878**	**$108,649,904**	**$104,257,493**

* Revenue requirements include property taxes, property insurance and annual O&M costs.

Gas Requirements Based on Long-term Resource Plan - RPS Case	N/A	N/A	N/A	N/A	N/A
Mcf/d	1,187,500	1,187,500	1,187,500	1,187,500	1,187,500
Days per year	365	365	366	365	365
Annual Mcf	433,437,500	433,437,500	434,625,000	433,437,500	433,437,500
$/Mcf/d (or $/MMBtu/d)	$ 0.2812	$ 0.2710	$ 0.2601	$ 0.2507	$ 0.2405
Fuel Retention	1.69%	1.69%	1.69%	1.69%	1.69%

Abbreviations Used

Mcf/d:	Thousand cubic feet per day (1 Mcf/d is equivalent to 1 MMBtu/d assuming a natural gas heating value of 1,000 British thermal units (Btu) per Mcf)
MMcf/d:	Million cubic feet per day
Bcf/d:	Billion cubic feet per day
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 Btu per Mcf)

Calculation of Florida EnergySecure Line Daily Demand Charge (RPS)

Revenues Requirements*								
Option	Capital	AFUDC	Total Invesment	PVRR	2051	2052	2053	Total
30" - 600 MMcf/d	$1,475,000,000	$112,648,743	$1,587,648,743	$2,331,184,952	$ 66,120,453	$ 62,760,842	$ 59,402,900	$ 5,879,476,153
Expand to 800 MMcf/d	$109,708,738	$8,392,251	$118,100,989	$85,728,698	$ 8,021,615	$ 7,716,822	$ 7,412,127	$ 407,521,308
Expand to 1 Bcf/d	$74,757,282	$5,718,614	$80,475,895	$55,249,119	$ 6,088,351	$ 5,880,594	$ 5,672,903	$ 283,008,615
Expand to 1.25 Bcf/d	$270,873,786	$20,720,691	$291,594,477	$173,078,889	$ 19,399,892	$ 18,646,881	$ 17,894,101	$ 926,454,237
Total	**$1,930,339,806**	**$147,480,298**	**$2,077,820,104**	**$2,645,241,658**	**$99,630,311**	**$95,005,139**	**$90,382,030**	**$ 7,496,460,313**

* Revenue requirements include property taxes, property insurance and annual O&M costs.

Gas Requirements Based on Long-term Resource Plan - RPS Case	N/A	N/A	N/A
Mcf/d	1,187,500	1,187,500	1,187,500
Days per year	365	366	365
Annual Mcf	433,437,500	434,625,000	433,437,500
$/Mcf/d (or $/MMBtu/d)	$ 0.2299	$ 0.2186	$ 0.2085
Fuel Retention	1.69%	1.69%	1.69%

Abbreviations Used

Mcf/d:	Thousand cubic feet per day (1 Mcf/d is equivalent to 1 MMBtu/d assuming a natural gas heating value of 1,000 British thermal units (Btu) per Mcf)
MMcf/d:	Million cubic feet per day
Bcf/d:	Billion cubic feet per day
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 Btu per Mcf)

Docket No. 09_____-EI
Summary of Company E, Company B and Florida EnergySecure Line Transportation Rates (Confidential)
Exhibit HCS-2, Page 19 of 26

Calculation of Florida EnergySecure Line Daily Demand Charge (Nuclear Delay)

Revenues Requirements*					Revenues Requirements ==>						
Option	Capital	AFUDC	Total Invesment	PVRR	2014	2015	2016	2017	2018	2019	2020
30" - 600 MMcf/d	$1,475,000,000	$112,648,743	$1,587,648,743	$2,331,184,952	$ 288,374,607	$ 278,493,512	$ 267,187,914	$ 256,609,825	$ 246,685,353	$ 237,347,420	$ 228,424,559
Expand to 800 MMcf/d	$101,941,748	$7,798,109	$109,739,857	$102,272,178	$ -	$ -	$ -	$ -	$ -	$ -	$ 20,338,606
Expand to 1 Bcf/d	$73,786,408	$5,644,346	$79,430,754	$59,274,969	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Expand to 1.25 Bcf/d	$279,902,913	$21,411,381	$301,314,293	$164,320,734	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	**$1,930,631,068**	**$147,502,579**	**$2,078,133,647**	**$2,657,052,834**	**$288,374,607**	**$278,493,512**	**$267,187,914**	**$256,609,825**	**$246,685,353**	**$237,347,420**	**$248,763,165**

* Revenue requirements include property taxes, property insurance and annual O&M costs.

Gas Requirements Based on Long-term Resource Plan - Nuclear Delay Case	400,000	-	-	-	200,000	-	200,000
Mcf/d	600,000	600,000	600,000	600,000	600,000	600,000	800,000
Days	365	365	366	365	365	365	366
Annual Mcf	219,000,000	219,000,000	219,600,000	219,000,000	219,000,000	219,000,000	292,800,000
$/Mcf/d (or $/MMBtu/d)	$ 1.3168	$ 1.2717	$ 1.2167	$ 1.1717	$ 1.1264	$ 1.0838	$ 0.8496
Fuel Retention	0.55%	0.55%	0.55%	0.55%	0.55%	0.55%	0.93%

Abbreviations Used

Mcf/d:	Thousand cubic feet per day (1 Mcf/d is equivalent to 1 MMBtu/d assuming a natural gas heating value of 1,000 British thermal units (Btu) per Mcf)
MMcf/d:	Million cubic feet per day
Bcf/d:	Billion cubic feet per day
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 Btu per Mcf)

Docket No. 09_____-EI
Summary of Company E,
Company B and Florida
EnergySecure Line Transportation
Rates (Confidential)
Exhibit HCS-2, Page 20 of 26

Calculation of Florida EnergySecure Line Daily Demand Charge (Nuclear Delay)

Revenues Requirements*

Option	Capital	AFUDC	Total Invesment	PVRR	2021	2022	2023	2024	2025	2026	2027
30" - 600 MMcf/d	$1,475,000,000	$112,648,743	$1,587,648,743	$2,331,184,952	$ 219,638,646	$ 210,855,067	$ 202,075,471	$ 193,305,960	$ 184,528,763	$ 175,753,685	$ 166,987,977
Expand to 800 MMcf/d	$101,941,748	$7,798,109	$109,739,857	$102,272,178	$ 19,665,014	$ 18,893,206	$ 18,171,859	$ 17,496,152	$ 16,861,540	$ 16,255,844	$ 15,659,811
Expand to 1 Bcf/d	$73,786,408	$5,644,346	$79,430,754	$59,274,969	$ -	$ -	$ 14,963,382	$ 14,480,804	$ 13,927,432	$ 13,410,545	$ 12,926,550
Expand to 1.25 Bcf/d	$279,902,913	$21,411,381	$301,314,293	$164,320,734	$ -	$ -	$ -	$ -	$ -	$ 54,670,100	$ 52,798,798
Total	**$1,930,631,068**	**$147,502,579**	**$2,078,133,647**	**$2,657,052,834**	**$239,303,660**	**$229,748,273**	**$235,210,713**	**$225,282,916**	**$215,317,735**	**$260,090,174**	**$248,373,136**

* Revenue requirements include property taxes, property insurance and annual O&M costs.

Gas Requirements Based on Long-term Resource Plan - Nuclear Delay Case	-	-	87,500	-	87,500	262,500	N/A
Mcf/d	800,000	800,000	887,500	887,500	975,000	1,237,500	1,237,500
Days	365	365	365	366	365	365	365
Annual Mcf	292,000,000	292,000,000	323,937,500	324,825,000	355,875,000	451,687,500	451,687,500
$/Mcf/d (or $/MMBtu/d)	$ 0.8195	$ 0.7868	$ 0.7261	$ 0.6936	$ 0.6050	$ 0.5758	$ 0.5499
Fuel Retention	0.93%	0.93%	1.07%	1.07%	1.07%	1.69%	1.69%

Abbreviations Used

Mcf/d:	Thousand cubic feet per day (1 Mcf/d is equivalent to 1 MMBtu/d assuming a natural gas heating value of 1,000 British thermal units (Btu) per Mcf)
MMcf/d:	Million cubic feet per day
Bcf/d:	Billion cubic feet per day
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 Btu per Mcf)

Docket No. 09_____-EI
Summary of Company E,
Company B and Florida
EnergySecure Line Transportation
Rates (Confidential)
Exhibit HCS-2, Page 21 of 26

Calculation of Florida EnergySecure Line Daily Demand Charge (Nuclear Delay)

Revenues Requirements*										
Option	Capital	AFUDC	Total Invesment	PVRR	2028	2029	2030	2031	2032	2033
30" - 600 MMcf/d	$1,475,000,000	$112,648,743	$1,587,648,743	$2,331,184,952	$ 158,216,083	$ 150,639,751	$ 145,440,009	$ 141,415,780	$ 137,395,051	$ 133,352,995
Expand to 800 MMcf/d	$101,941,748	$7,798,109	$109,739,857	$102,272,178	$ 15,063,466	$ 14,467,789	$ 13,872,609	$ 13,277,147	$ 12,682,255	$ 12,086,603
Expand to 1 Bcf/d	$73,786,408	$5,644,346	$79,430,754	$59,274,969	$ 12,472,191	$ 12,039,016	$ 11,612,946	$ 11,186,576	$ 10,760,777	$ 10,334,655
Expand to 1.25 Bcf/d	$279,902,913	$21,411,381	$301,314,293	$164,320,734	$ 50,657,197	$ 48,653,375	$ 46,773,605	$ 45,005,650	$ 43,316,762	$ 41,652,025
Total	**$1,930,631,068**	**$147,502,579**	**$2,078,133,647**	**$2,657,052,834**	**$236,408,936**	**$225,799,931**	**$217,699,168**	**$210,885,153**	**$204,154,846**	**$197,426,278**
* Revenue requirements include property taxes, property insurance and annual O&M costs.										
Gas Requirements Based on Long-term Resource Plan - Nuclear Delay Case					N/A	N/A	N/A	N/A	N/A	N/A
Mcf/d					1,237,500	1,237,500	1,237,500	1,237,500	1,237,500	1,237,500
Days					366	365	365	365	366	365
Annual Mcf					452,925,000	451,687,500	451,687,500	451,687,500	452,925,000	451,687,500
$/Mcf/d (or $/MMBtu/d)					$ 0.5220	$ 0.4999	$ 0.4820	$ 0.4669	$ 0.4507	$ 0.4371
Fuel Retention					1.69%	1.69%	1.69%	1.69%	1.69%	1.69%

Abbreviations Used

Mcf/d:	Thousand cubic feet per day (1 Mcf/d is equivalent to 1 MMBtu/d assuming a natural gas heating value of 1,000 British thermal units (Btu) per Mcf)
MMcf/d:	Million cubic feet per day
Bcf/d:	Billion cubic feet per day
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 Btu per Mcf)

Calculation of Florida EnergySecure Line Daily Demand Charge (Nuclear Delay)

Revenues Requirements*										
Option	Capital	AFUDC	Total Invesment	PVRR	2034	2035	2036	2037	2038	2039
30" - 600 MMcf/d	$1,475,000,000	$112,648,743	$1,587,648,743	$2,331,184,952	$ 129,346,563	$ 125,344,295	$ 121,372,748	$ 117,365,763	$ 113,374,223	$ 109,386,378
Expand to 800 MMcf/d	$101,941,748	$7,798,109	$109,739,857	$102,272,178	$ 11,492,690	$ 10,981,242	$ 10,635,649	$ 10,370,743	$ 10,106,810	$ 9,843,351
Expand to 1 Bcf/d	$73,786,408	$5,644,346	$79,430,754	$59,274,969	$ 9,909,620	$ 9,485,169	$ 9,062,039	$ 8,638,479	$ 8,274,893	$ 8,030,472
Expand to 1.25 Bcf/d	$279,902,913	$21,411,381	$301,314,293	$164,320,734	$ 39,988,601	$ 38,325,876	$ 36,665,613	$ 35,003,505	$ 33,342,701	$ 31,682,463
Total	**$1,930,631,068**	**$147,502,579**	**$2,078,133,647**	**$2,657,052,834**	**$190,737,474**	**$184,136,582**	**$177,736,050**	**$171,378,489**	**$165,098,628**	**$158,942,664**

* Revenue requirements include property taxes, property insurance and annual O&M costs.

Gas Requirements Based on Long-term Resource Plan - Nuclear Delay Case						
	N/A	N/A	N/A	N/A	N/A	N/A
Mcf/d	1,237,500	1,237,500	1,237,500	1,237,500	1,237,500	1,237,500
Days	365	365	366	365	365	365
Annual Mcf	451,687,500	451,687,500	452,925,000	451,687,500	451,687,500	451,687,500
$/Mcf/d (or $/MMBtu/d)	$ 0.4223	$ 0.4077	$ 0.3924	$ 0.3794	$ 0.3655	$ 0.3519
Fuel Retention	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%

Abbreviations Used

Mcf/d:	Thousand cubic feet per day (1 Mcf/d is equivalent to 1 MMBtu/d assuming a natural gas heating value of 1,000 British thermal units (Btu) per Mcf)
MMcf/d:	Million cubic feet per day
Bcf/d:	Billion cubic feet per day
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 Btu per Mcf)

Docket No. 09_____-EI
Summary of Company E,
Company B and Florida
EnergySecure Line Transportation
Rates (Confidential)
Exhibit HCS-2, Page 23 of 26

Calculation of Florida EnergySecure Line Daily Demand Charge (Nuclear Delay)

Revenues Requirements*											
Option	**Capital**	**AFUDC**	**Total Invesment**	**PVRR**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**	**2046**
30" - 600 MMcf/d	$1,475,000,000	$112,648,743	$1,587,648,743	$2,331,184,952	$ 105,402,308	$ 101,422,096	$ 97,445,825	$ 93,473,584	$ 89,505,459	$ 85,541,541	$ 82,320,588
Expand to 800 MMcf/d	$101,941,748	$7,798,109	$109,739,857	$102,272,178	$ 9,580,374	$ 9,317,890	$ 9,055,909	$ 8,794,442	$ 8,533,500	$ 8,273,094	$ 8,013,234
Expand to 1 Bcf/d	$73,786,408	$5,644,346	$79,430,754	$59,274,969	$ 7,845,767	$ 7,661,531	$ 7,477,774	$ 7,294,506	$ 7,111,736	$ 6,929,474	$ 6,747,733
Expand to 1.25 Bcf/d	$279,902,913	$21,411,381	$301,314,293	$164,320,734	$ 30,022,805	$ 28,588,523	$ 27,605,178	$ 26,847,236	$ 26,089,924	$ 25,333,257	$ 24,577,250
Total	**$1,930,631,068**	**$147,502,579**	**$2,078,133,647**	**$2,657,052,834**	**$152,851,254**	**$146,990,040**	**$141,584,687**	**$136,409,767**	**$131,240,619**	**$126,077,366**	**$121,658,805**
* Revenue requirements include property taxes, property insurance and annual O&M costs.											
Gas Requirements Based on Long-term Resource Plan - Nuclear Delay Case					N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mcf/d					1,237,500	1,237,500	1,237,500	1,237,500	1,237,500	1,237,500	1,237,500
Days					366	365	365	365	366	365	365
Annual Mcf					452,925,000	451,687,500	451,687,500	451,687,500	452,925,000	451,687,500	451,687,500
$/Mcf/d (or $/MMBtu/d)					$ 0.3375	$ 0.3254	$ 0.3135	$ 0.3020	$ 0.2898	$ 0.2791	$ 0.2693
Fuel Retention					1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%

Abbreviations Used

Mcf/d:	Thousand cubic feet per day (1 Mcf/d is equivalent to 1 MMBtu/d assuming a natural gas heating value of 1,000 British thermal units (Btu) per Mcf)
MMcf/d:	Million cubic feet per day
Bcf/d:	Billion cubic feet per day
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 Btu per Mcf)

Docket No. 09_____-EI
Summary of Company E, Company B and Florida EnergySecure Line Transportation Rates (Confidential)
Exhibit HCS-2, Page 24 of 26

Calculation of Florida EnergySecure Line Daily Demand Charge (Nuclear Delay)

Revenues Requirements*											
Option	Capital	AFUDC	Total Invesment	PVRR	2047	2048	2049	2050	2051	2052	2053
30" - 600 MMcf/d	$1,475,000,000	$112,648,743	$1,587,648,743	$2,331,184,952	$ 79,104,029	$ 75,891,961	$ 72,684,480	$ 69,481,689	$ 66,120,453	$ 62,760,842	$ 59,402,900
Expand to 800 MMcf/d	$101,941,748	$7,798,109	$109,739,857	$102,272,178	$ 7,753,932	$ 7,495,200	$ 7,237,050	$ 6,979,494	$ 6,696,465	$ 6,463,601	$ 6,230,835
Expand to 1 Bcf/d	$73,786,408	$5,644,346	$79,430,754	$59,274,969	$ 6,566,522	$ 6,385,851	$ 6,205,734	$ 6,026,180	$ 5,821,121	$ 5,616,128	$ 5,411,200
Expand to 1.25 Bcf/d	$279,902,913	$21,411,381	$301,314,293	$164,320,734	$ 23,821,915	$ 23,067,268	$ 22,313,324	$ 21,560,099	$ 20,781,527	$ 20,003,182	$ 19,225,070
Total	**$1,930,631,068**	**$147,502,579**	**$2,078,133,647**	**$2,657,052,834**	**$117,246,398**	**$112,840,280**	**$108,440,588**	**$104,047,461**	**$99,419,566**	**$94,843,753**	**$90,270,005**
* Revenue requirements include property taxes, property insurance and annual O&M costs.											
Gas Requirements Based on Long-term Resource Plan - Nuclear Delay Case					N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mcf/d					1,237,500	1,237,500	1,237,500	1,237,500	1,237,500	1,237,500	1,237,500
Days					365	366	365	365	365	366	365
Annual Mcf					451,687,500	452,925,000	451,687,500	451,687,500	451,687,500	452,925,000	451,687,500
$/Mcf/d (or $/MMBtu/d)					$ 0.2596	$ 0.2491	$ 0.2401	$ 0.2304	$ 0.2201	$ 0.2094	$ 0.1999
Fuel Retention					1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%

Abbreviations Used

Mcf/d:	Thousand cubic feet per day (1 Mcf/d is equivalent to 1 MMBtu/d assuming a natural gas heating value of 1,000 British thermal units (Btu) per Mcf)
MMcf/d:	Million cubic feet per day
Bcf/d:	Billion cubic feet per day
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 Btu per Mcf)

Calculation of Florida EnergySecure Line Daily Demand Charge (Nuclear Delay)

Revenues Requirements*					
Option	**Capital**	**AFUDC**	**Total Invesment**	**PVRR**	**Total**
30" - 600 MMcf/d	$1,475,000,000	$112,648,743	$1,587,648,743	$2,331,184,952	$ 5,879,476,153
Expand to 800 MMcf/d	$101,941,748	$7,798,109	$109,739,857	$102,272,178	$ 398,647,407
Expand to 1 Bcf/d	$73,786,408	$5,644,346	$79,430,754	$59,274,969	$ 284,616,803
Expand to 1.25 Bcf/d	$279,902,913	$21,411,381	$301,314,293	$164,320,734	$ 938,372,829
Total	**$1,930,631,068**	**$147,502,579**	**$2,078,133,647**	**$2,657,052,834**	**$ 7,501,113,192**

* Revenue requirements include property taxes, property insurance and annual O&M costs.

Gas Requirements Based on Long-term Resource Plan - Nuclear Delay Case
Mcf/d
Days
Annual Mcf
$/Mcf/d (or $/MMBtu/d)
Fuel Retention

Abbreviations Used

Mcf/d:	Thousand cubic feet per day (1 Mcf/d is equivalent to 1 MMBtu/d assuming a natural gas heating value of 1,000 British thermal units (Btu) per Mcf)
MMcf/d:	Million cubic feet per day
Bcf/d:	Billion cubic feet per day
MMBtu/d	Million British thermal units per day (1 MMBtu/d is equivalent to 1 Mcf/d assuming a natural gas heating value of 1,000 Btu per Mcf)

LETTER OF INTENT

This Letter of Intent (the "**Letter of Intent**") is entered into as of April 2, 2009 (the "**Effective Date**") by and between [redacted] or "**Transporter**"), a [redacted] and Florida Power & Light Company, a Florida corporation ("**FPL**" or "**Shipper**"). Transporter and Shipper are jointly referred to as the "**Parties**" and individually as a "**Party**".

Shipper solicited competitive proposals from multiple parties pursuant to a Solicitation Letter dated July 17, 2008 (the "**Solicitation Letter**"), to provide Shipper firm transportation service from Transcontinental Gas Pipe Line Company LLC's ("**Transco**") compressor station No. 85 in Choctaw County, Alabama to a pipeline interconnection in Bradford County, Florida (hereafter referred to as the "**Upstream Pipeline Project**"). In response to the Solicitation Letter, Transporter proposed to construct, own, and operate the Upstream Pipeline Project and to provide to Shipper the firm transportation service detailed herein (the "**FT Service**").

Shipper proposes to construct, own, operate, and maintain a Hinshaw-exempt intrastate pipeline system (the "**Florida EnergySecure Line**") from an interconnection to be constructed with the pipeline facilities of Transporter in Bradford County, Florida (the "**Interconnection**") to terminate at or near the FPL Martin Energy Center power plant site. Shipper intends that the initial transportation capacity of the Florida EnergySecure Line would be approximately 600 million cubic feet per day with the ability to expand using additional compression up to approximately 1.2 billion cubic feet per day, which would be supplied entirely or substantially by the Upstream Pipeline Project. Shipper intends to use the Florida EnergySecure Line to transport natural gas required to operate its modernized electric generation facilities at the FPL Cape Canaveral Energy Center and the FPL Riviera Beach power plant sites (hereinafter referred to, individually, as the "**Canaveral Modernization Project**" and the "**Riviera Modernization Project**" and, jointly, as the "**Modernization Projects**"). The Canaveral Modernization Project is currently scheduled to go into service in the Summer of 2013, and the Riviera Modernization Project is scheduled to go into service in the Summer of 2014. The Upstream Pipeline Project will be the principal source of upstream supply for Shipper's Florida EnergySecure Line and the Modernization Projects. The Parties intend that the date (the "**Commencement Date**") for the commencement of the FT Service would be January 1, 2014, targeted to be coincident with Shipper's requirements.

The following lettered and numbered paragraphs set forth below reflect our current understanding of the matters described and in particular the intent of the Parties to seek the requisite approvals and agreed upon milestones for the construction of the Upstream Pipeline Project.

PART I

A. Transporter Approvals.

Transporter intends to obtain, from all governmental and regulatory authorities having jurisdiction over the Upstream Pipeline Project, including, but not limited to, the Federal Energy

Regulatory Commission (the "**FERC**"), the authorizations and/or exemptions (the "**Transporter Approvals**"), including, a certificate of public convenience and necessity related to the Upstream Pipeline Project (the "**FERC Certificate**") that Transporter determines are necessary for Transporter to construct, own, operate, and maintain the Upstream Pipeline Project facilities required to provide the FT Service for the Shipper. Transporter intends to pursue the Transporter Approvals in a timeframe to enable Transporter to complete the Upstream Pipeline Project and for Transporter to begin making deliveries pursuant to the FT Service on or before the Commencement Date.

Shipper intends to support and cooperate with Transporter to obtain all Transporter Approvals and exemptions and supplements and amendments thereto necessary for Transporter to construct, own, operate, and maintain the Upstream Pipeline Project and to provide the FT Service. Shipper also agrees to provide, in a timely manner, all necessary information that may be requested by any governmental and regulatory authorities in connection with the Transporter Approvals.

B. FPL Plant and Pipeline Approvals.

Shipper intends, (i) to obtain from all governmental and regulatory authorities having jurisdiction over the proposed modernization of the Cape Canaveral Plant and Riviera Plant, including, but not limited to, the State of Florida Power Plant Siting Board, all necessary approvals for Shipper to construct, own, operate, and maintain the new generation units at the Cape Canaveral and Riviera Plants (the "**FPL Plant Approvals**") and (ii) to obtain from all governmental and regulatory authorities having jurisdiction over the proposed Florida EnergySecure Line, including, but not limited to, the Florida Public Service Commission (the "**FPSC**") and the State of Florida Natural Pipeline Siting Board, all necessary approvals for Shipper to construct, own, operate and maintain the Florida EnergySecure Line (the "**Florida EnergySecure Line Approvals**", the FPL Plant Approvals and the Florida EnergySecure Line Approvals jointly, the "**FPL Approvals**").

Shipper intends to pursue the FPL Approvals in a timeframe to enable Shipper to complete the new generation units at the Cape Canaveral and Riviera Plants and to complete the Florida EnergySecure Line and for Shipper to begin taking deliveries pursuant to the FT Service on or before the Commencement Date. Shipper agrees to provide periodic reports and/or have periodic meetings to update Transporter, (i) regarding the status of the FPL Approvals, (ii) of Shipper's planned community and public relations activities related to the Cape Canaveral and Riviera Plants and the Florida EnergySecure Line, and (iii) regarding the status of the modernization of the Cape Canaveral and Riviera Plants and construction of the Florida EnergySecure Line.

Transporter agrees not to oppose the efforts of Shipper and will reasonably cooperate with Shipper by providing all necessary information that Shipper reasonably requests regarding the Upstream Pipeline Project in relation to Shipper's efforts to obtain the necessary approvals for Shipper to construct, own, operate, and maintain the Florida EnergySecure Line.

C. Service Agreement.

The Parties intend to enter into a Service Agreement (hereinafter defined) to effectuate the transportation service to be provided by Transporter on the Upstream Pipeline Project. To this end, the Shipper and Transporter intend to execute, within thirty (30) days of acceptance by Transporter of a FERC Certificate without material modification, a firm transportation service agreement under Transporter's Rate Schedule FT (the "**Service Agreement**"). The Service Agreement will specify a maximum daily quantity of 600,000 MMBtu and a primary term of twenty (20) years. The transportation rate applicable under the Service Agreement will reflect the rate structure and other terms and conditions proposed by Transporter in response to Shipper's Solicitation Letter, and subsequent discussions between the Parties.

PART II

ARTICLE 1. GOOD FAITH NEGOTIATIONS

Section 1.1 Good Faith Negotiations. Subject to the conditions set forth in this Letter of Intent, Transporter and Shipper agree to negotiate in good faith to attempt to execute and deliver an agreement (the "**Precedent Agreement**") no later than October 1, 2009, providing binding terms and conditions in advance of the Transporter filing its FERC Certificate Application. During the period of such good faith negotiations with Transporter, Shipper and its affiliates shall not engage in any negotiations or discussions or enter into any contracts or agreements with any other entity to provide upstream transportation service to the Florida EnergySecure Line.

ARTICLE 2. TERMINATION

Section 2.1 This Letter of Intent shall terminate on the earlier of (i) the date of execution of the Precedent Agreement or (ii) upon written notice by either Party to the other Party if the Parties have not executed the Precedent Agreement prior to October 1, 2009, and be of no further force and effect.

Section 2.2 Upon the termination of this Letter of Intent, the Parties shall have no further obligation hereunder, other than for any breach of the binding provisions of Section 1.1 of Article 1 of Part II and Article 7 of this Letter of Intent.

ARTICLE 3. EFFECT OF THIS LETTER OF INTENT

Section 3.1 Other than the provisions of Section 1.1 of Article 1 of Part II and Article 7 hereof, this Letter of Intent:

(a) does not constitute a legally binding agreement;

(b) does not constitute an offer open for acceptance;

(c) does not contain all of the material terms of the Precedent Agreement; and

(d) shall not constitute the basis for an agreement by estoppel or otherwise.

Rather, the Parties hereby agree that this Letter of Intent is intended as a statement of the Parties' good faith, mutual intent and understanding as of the date hereof to proceed with the negotiation of the terms of the Precedent Agreement.

ARTICLE 4. LIMITATION ON LIABILITY.

Section 4.1 **IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ITS REPRESENTATIVES FOR ANY SPECIAL, INDIRECT, NON-COMPENSATORY, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY TYPE, INCLUDING LOST PROFITS, LOSS OF BUSINESS OPPORTUNITY OR BUSINESS INTERRUPTIONS WHETHER ARISING IN CONTRACT OR TORT (INCLUDING NEGLIGENCE, WHETHER SOLE, JOINT OR CONCURRENT OR STRICT LIABILITY) OR OTHERWISE, ARISING OUT OF THIS LETTER OF INTENT (COLLECTIVELY, "CONSEQUENTIAL DAMAGES").**

Section 4.2 **TO THE EXTENT PERMITTED BY LAW, EACH PARTY SHALL DEFEND, PROTECT, INDEMNIFY, AND HOLD HARMLESS ("INDEMNIFYING PARTY"), EACH OTHER PARTY AND ITS AFFILIATES (THE "INDEMNIFIED PARTIES"), FROM AND AGAINST ANY AND ALL CLAIMS MADE BY EACH INDEMNIFYING PARTY OR ITS AFFILIATES AGAINST SUCH INDEMNIFIED PARTIES FOR ANY CONSEQUENTIAL DAMAGES.**

ARTICLE 5. NO THIRD-PARTY BENEFICIARIES

Section 5.1 This Letter of Intent is intended for the benefit of the Parties hereto and is not intended to and does not confer any benefit on third parties.

ARTICLE 6. CHOICE OF LAW AND JURISDICTION

Section 6.1 THIS AGREEMENT SHALL BE INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, EXCLUDING ANY CONFLICT OF LAW RULES THAT MAY REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION. EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK LOCATED IN THE BOROUGH OF MANHATTAN, NEW YORK, OR, IF SUCH COURT DECLINES TO EXERCISE OR DOES NOT HAVE JURISDICTION, IN ANY NEW YORK STATE COURT IN THE BOROUGH OF MANHATTAN, AND TO SERVICE OF PROCESS BY CERTIFIED MAIL. IN ADDITION, EACH PARTY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE FOR ANY SUCH SUIT, ACTION OR PROCEEDING RELATING TO THIS PRECEDENT AGREEMENT, WAIVES ANY CLAIM THAT SUCH SUIT, ACTION OR PROCEEDING RELATING TO THIS PRECEDENT AGREEMENT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM, AND FURTHER WAIVES THE RIGHT TO OBJECT, WITH RESPECT TO SUCH SUIT, ACTION OR

PROCEEDING RELATING TO THIS PRECEDENT AGREEMENT, THAT SUCH COURT DOES NOT HAVE JURISDICTION OVER IT.

Section 6.2 IN ANY LITIGATION ARISING FROM OR RELATED TO THIS LETTER OF INTENT, THE PARTIES HERETO EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EACH MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS LETTER OR INTENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF EITHER PARTY TO THIS LETTER OF INTENT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS LETTER OF INTENT.

ARTICLE 7. CONFIDENTIALITY

Section 7.1 The terms and conditions of Transporter's response to Shipper's Solicitation Letter (the **"Confidential Information"**) are confidential and proprietary and shall not be disclosed to any third parties; provided, that Shipper may disclose such portion of the Confidential Information that is necessary to seek and obtain the FPL Approvals to the extent that Shipper takes all reasonable steps to obtain protective orders, reasonable assurances that confidential treatment will be accorded the Confidential Information, or otherwise prevent the public disclosure of the Confidential Information. In accordance with applicable law, Shipper shall promptly notify Transporter of any requests or demands for the Confidential Information from the applicable governmental agency with jurisdiction over the FPL Approvals and will cooperate reasonably with Transporter in seeking to obtain such protective measures for the Confidential Information.

Section 7.2 Subject to securities laws and applicable stock exchange requirements, no Party shall issue any press release or make a public statement or disclosure concerning the transactions contemplated by this Letter of Intent without the prior written consent of the other Party as to the form and the manner of presentation and publication thereof.

ARTICLE 8.COUNTERPARTS

This Letter of Intent may be executed in counterparts, each of which shall have the effect of and be considered as an original of this Letter of Intent.

IN WITNESS WHEREOF, the Parties have caused this Letter of Intent to be executed by their duly authorized representatives on the first date written above.

[redacted]

By: [redacted]
Name:
Title:

Florida Power & Light Company

By: _____
Name: Sam Forrest
Title: Vice President – Energy Marketing & Trading

[redacted]

LEGAL 4/1/09. HCS