

FPL Rate Schedule FERC No. 317

**LONG-TERM AGREEMENT FOR
FULL REQUIREMENTS ELECTRIC SERVICE
DATED AS OF AUGUST 21, 2007
BY AND BETWEEN
FLORIDA POWER & LIGHT COMPANY
AND
LEE COUNTY ELECTRIC COOPERATIVE, INC.**

TABLE OF CONTENTS

	PAGE
ARTICLE 2 TERM, SERVICE, DELIVERY PROVISIONS AND CONDITIONS	
PRECEDENT	
ARTICLE 3 SALE AND PURCHASE	
ARTICLE 4 MONTHLY CHARGES AND BILLING	
ARTICLE 5 CHANGE OF TRANSMISSION	
ARTICLE 6 CREDITWORTHINESS	
ARTICLE 7 DEFAULT AND REMEDIES	
ARTICLE 8 CURTAILMENT, TEMPORARY INTERRUPTIONS AND FORCE	
MAJEURE	
ARTICLE 9 NOTICES, REPRESENTATIVES OF THE PARTIES	
ARTICLE 10 LIABILITY, INDEMNIFICATION, AND RELATIONSHIP OF PARTIES...	
ARTICLE 11 REPRESENTATIONS, WARRANTIES AND COVENANTS	
ARTICLE 12 ASSIGNMENT	
ARTICLE 13 CONFIDENTIALITY	
ARTICLE 14 REGULATORY AUTHORITIES	
ARTICLE 15 DISPUTE RESOLUTION	
ARTICLE 16 CONSOLIDATION, MERGER, CONVEYANCE AND TRANSFER	
ARTICLE 17 GENERAL PROVISIONS	
ARTICLE 18 TAXES	
ARTICLE 19 RULES OF CONSTRUCTION	

- APPENDIX A List of Delivery Points**
- APPENDIX B Generation Demand Charge and Generation Energy Charge Formula Rate**
- APPENDIX C Fuel Charge Factor and Fuel Adjustment Charge Factor**
- APPENDIX D Financial Covenant Compliance Worksheet**
- APPENDIX E FPL Generating Resources by Location**
- APPENDIX F Load Management**
- APPENDIX G Dedicated Line of Credit**
- APPENDIX H Form of Letter of Credit**
- APPENDIX I Form of Consent and Agreement**
- APPENDIX J Not Used**
- APPENDIX K Billing and CP Examples**
- APPENDIX L Loss of Members Charge Calculation**

LONG-TERM AGREEMENT FOR FULL REQUIREMENTS ELECTRIC SERVICE

This AGREEMENT is dated as of August 21, 2007 (“Effective Date”) and is by and between Florida Power & Light Company (together with its successors and permitted assigns, hereinafter referred to as “Company”), and Lee County Electric Cooperative, Inc. (together with its permitted successors and permitted assigns, hereinafter referred to as “Customer”) (Company and Customer each individually referred to herein as a “Party,” or collectively, the “Parties”).

RECITALS:

WHEREAS, Company is a corporation organized and existing under the laws of the State of Florida, with its principal place of business at 700 Universe Blvd., Juno Beach, Florida 33408, and owns and operates facilities for the generation, transmission and distribution of electric power and energy in the State of Florida;

WHEREAS, Customer is a rural electric cooperative, with its principal place of business at 4980 Bayline Drive, North Fort Myers, Florida 33917-3910;

WHEREAS, Customer desires to purchase Full Requirements Electric Service (as hereinafter defined) from Company to meet Customer’s Retail Load at the Delivery Points (as hereinafter defined);

WHEREAS, Company has proposed to supply Full Requirements Electric Service to Customer, subject to the terms and conditions set forth herein; and

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Parties hereby agree that this Agreement, together with the Appendices attached hereto, sets forth the terms under which Company will supply Full Requirements Electric Service to Customer during the Delivery Period.

ARTICLE 1 DEFINITIONS

The following words and terms shall be understood to have the following meanings when used in this Agreement or in any associated documents entered into in conjunction with this Agreement, unless a different meaning is plainly required by the context.

1.1 “Affiliate” means, with respect to any Person, any other Person (other than an individual) that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

1.2 “After-Tax Basis” shall mean, with respect to any payment to be received by any Person, the amount of such payment (the base payment) supplemented by a further payment (the additional payment) to that Person so that the sum of the base payment plus the additional payment shall, after deduction of the amount of all Taxes required to be paid by such Person in respect of the receipt or accrual of the base payment and the additional payment (taking into account the net present value of any reduction in such

Taxes resulting from Tax benefits realized by the recipient as a result of the payment or the event giving rise to the payment), be equal to the amount required to be received. Such calculations shall be made on the basis of the highest generally applicable Tax rates applicable to the Person for whom the calculation is being made for all relevant periods, and shall take into account the deductibility of Taxes for federal income tax purposes.

1.3 "Agreement" means this Long-Term Agreement for Full Requirements Electric Service, including the Appendices, all as amended, modified or supplemented from time to time in accordance with the provisions hereof.

1.4 "Ancillary Services" means those services as defined in the OATT.

1.5 "Annual Capacity Availability Factor" has the meaning set forth in Section 3.3(b).

1.6 "Billing Demand" has the meaning set forth in Section 4.8(a).

1.7 "Billing Energy" has the meaning set forth in Section 4.8(b).

1.8 "Billing Period" means the calendar month, which shall be the standard period for all payments and metering measurements under this Agreement unless otherwise agreed to by the Parties or specifically required by the OATT of the Transmission Provider.

1.9 "Business Day" means a day ending at 5:00 p.m. Eastern Prevailing Time, other than Saturday, Sunday and any day which is a legal holiday or a day designated as a holiday by NERC.

1.10 "Calendar Year" means a twelve-consecutive-month period commencing at the start of hour ending ("HE") 0100 on January 1 and ending at the conclusion of HE 2400 on December 31.

1.11 "CFO" means the chief financial officer or similar official.

1.12 "Change in Control" has the meaning set forth in Section 16.1(e).

1.13 "Claims" means all third party claims or actions, threatened or filed and, whether groundless, false, fraudulent or otherwise, that directly or indirectly relate to the subject matter of this Agreement, and the resulting losses, damages, expenses, reasonable attorneys' fees and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

1.14 "Claiming Party" has the meaning set forth in Section 8.2.

1.15 "Clean Air Act" has the meaning set forth in 42 USC 7401, et seq.

1.16 "Company" has the meaning set forth in the Preamble.

1.17 "Company's Customers" means Company's retail electric customers.

1.18 “Company Generation Resources” means, during the Term, the generation assets owned by Company and Company’s share of any jointly-owned units, as changed from time to time during the Term; capacity and energy purchases by Company pursuant to power purchase agreements; and to the extent of the sale of electric power to Company therefrom, all generating plants of co-generators, qualifying facilities, and independent power producers that are not owned by Company, but that produce electric power and sell it to Company. The individual elements of Company Generation Resources are expected to change during the Term of this Agreement and any such changes shall be automatically taken into account in determining the elements that comprise Company Generation Resources. The generation assets owned by Company and Company’s share of any jointly-owned units are set forth in Appendix E. Whenever there is a change in such generation assets, Appendix E automatically shall be amended to reflect such change and, if necessary, be submitted to FERC.

1.19 “Confidential Information” means such information about a Party’s business or future plans and reports or other information compiled or prepared by a Party which is identified as confidential at the time of disclosure. The terms of this Agreement shall not be confidential except for Section 6.3(d), Section 16.5 and Appendices D and L, which shall be confidential to the extent redacted with the consent of FERC. Notwithstanding the foregoing, the following shall not constitute Confidential Information:

- (a) Information which was already in a Party’s possession prior to its receipt from another Party and not subject to a requirement of confidentiality;
- (b) Information which is obtained from a third Person who, insofar as is known to the receiving Party, is not prohibited from transmitting the information to the Party by a contractual, legal or fiduciary obligation to a Party; and
- (c) Information which is or becomes publicly available through no fault of the Party.

1.20 “CP Demand” has the meaning set forth in Section 4.8(c).

1.21 “CPR” has the meaning set forth in Section 15.4(a).

1.22 “Creditworthy Bank” means a bank which satisfies the requirements of being (i) a member bank of the Farm Credit System, provided such Farm Credit System continues to be a Government Sponsored Enterprise or (ii) a U.S. commercial bank or a foreign bank with a U.S. branch, or (iii) the National Rural Utilities Cooperative Finance Corporation, with such banks or entities described in (ii) and (iii), above, having and maintaining a Credit Rating of at least A- from S&P or A3 from Moody’s.

1.23 “Credit Rating” means, with respect to any Person on any date of determination, the respective rating then assigned to its unsecured senior long-term debt obligations (not supported by third party credit enhancement) by S&P or Moody’s; and if no rating is assigned to such Person’s unsecured, senior long-term debt obligations by such agency, the lower of the general corporate credit rating or issuer rating, as applicable, assigned by such rating agency to such Person.

- 1.24 “Customer” has the meaning set forth in the Preamble.
- 1.25 “Customer Adjusted Load Management Capability” has the meaning set forth in Section 3.7(a).
- 1.26 “Customer Charge” has the meaning set forth in Section 4.2.
- 1.27 “CWIP” has the meaning set forth in Section 4.7(a).
- 1.28 “Debt Service Coverage Ratio” has the meaning set forth in Appendix D.
- 1.29 “Dedicated Line of Credit” means the line of credit equal to or greater than the Required Amount that is in a form mutually acceptable to Customer, Company and the Creditworthy Bank providing the line of credit, and that is established by Customer pursuant to and in compliance with the terms of this Agreement, including without limitation Article 6 and Appendix G, and that is provided and maintained by a Creditworthy Bank. Until such time as the Parties agree otherwise in writing, in the event that the Letter of Credit is not replaced thirty (30) days prior to expiry of such Letter of Credit the Customer is required to secure Customer’s obligations under the Agreement with a Dedicated Line of Credit. In such circumstances, the Dedicated Line of Credit shall take the form of a replacement Letter of Credit, cash or such other security in form and amount acceptable to the Company in its sole discretion.
- 1.30 “Defaulting Party” means the Party which has caused an Event of Default or with respect to which an Event of Default has occurred.
- 1.31 “Delivery Period” means the period defined in Section 2.2(a).
- 1.32 “Delivery Points” means the point or points designated on Appendix A, as amended from time to time in accordance with Section 2.4.
- 1.33 “Direct Load Management” has the meaning set forth in Section 3.7(d).
- 1.34 “Dispute” has the meaning set forth in Section 15.1.
- 1.35 “Early Termination Date” has the meaning set forth in Section 7.2.
- 1.36 “Eastern Prevailing Time” means the prevailing time in the City of Juno Beach, Florida.
- 1.37 “Effective Date” has the meaning set forth in the Preamble.
- 1.38 “Energy” means three-phase, 60-cycle alternating current electric energy, expressed in kWhs.
- 1.39 “Equity Ratio” has the meaning set forth in Appendix D.
- 1.40 “Event of Default” means those events by or with respect to the Defaulting Party, as set forth in Section 7.1.

- 1.41** “FPA” means the Federal Power Act, as amended from time to time.
- 1.42** “Federal Funds Rate” has the meaning set forth in Section 6.4(d)
- 1.43** “FERC” means the Federal Energy Regulatory Commission, and any successor entity.
- 1.44** “Force Majeure” means an event or circumstance that is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome, avoid, or cause to be avoided in a commercially reasonable manner, and without limiting the scope of this definition, includes acts of God or of the public enemy, or insurrection, war, riot, acts of terrorism, acts of sabotage, civil disobedience or disorder, strikes, lockouts, work stoppages, freezes, fires, earthquakes, lightning, tornadoes, floods, hurricanes, storms or other natural disasters, explosions, failure or imminent threat of failure of equipment, or actions or restraints by court order or governmental authority or arbitration award. Nothing contained herein shall be construed so as to require a Party to settle any strike, lockout, work stoppage or other dispute in which it may be involved, or to seek review of or take an appeal from any administrative, arbitral or judicial action. Force Majeure shall not include (i) the loss or failure of Company’s generation in the absence of a Force Majeure event, (ii) Company’s ability to sell Energy to another market at a more advantageous price, (iii) the loss of any load by Customer, or (iv) Customer’s inability economically to use the Energy.
- 1.45** “FPSC” means the Florida Public Service Commission and any successor entity.
- 1.46** “FRCC” means the Florida Reliability Coordinating Council and any successor entity.
- 1.47** “Fuel Adjustment Charge” has the meaning set forth in Section 4.5.
- 1.48** “Fuel Charge” has the meaning set forth in Section 4.5.
- 1.49** “Full Requirements Electric Service” means the supply of firm Energy Company is required to supply to Customer at the Receipt Points during the Delivery Period to serve all of Customer’s Retail Load, as the same may fluctuate in real time, as measured at the Delivery Points, and as grossed-up for Losses from the Receipt Points to the Delivery Points based on the demand loss factor for all transmission delivery points on the Company’s system for the applicable period as set forth in Appendix B, together with all associated Generation-Related Services and the capacity related thereto.
- 1.50** “Generation Demand Charge” means the monthly charge determined as the product of the Billing Demand and the Generation Demand Charge Rate.
- 1.51** “Generation Demand Charge Rate” means the rate in \$/kW-month determined from Schedule A-1 of the Generation Demand Charge and Generation Energy Charge Formula Rate set forth in Appendix B that is used to calculate the Generation Demand Charge.

1.52 “Generation Energy Charge” means the monthly charge determined as the product of the Billing Energy and the Generation Energy Charge Rate.

1.53 “Generation Energy Charge Rate” means the rate in \$/kWh determined from Schedule A-2 of the Generation Demand Charge and Generation Energy Charge Formula Rate set forth in Appendix B that is used to calculate the Generation Energy Charge.

1.54 “Generation-Related Services” means those ancillary generation services set forth in Schedules 2 through 6 of the OATT required to maintain reliability within and among the control areas affected by the transmission service in the transmission of Full Requirements Electric Service; provided, however, such services shall be excluded to the extent purchased by Customer from the Transmission Provider.

1.55 “Good Utility Practice” means any of the practices, methods, techniques and standards (including the practices, methods, techniques and standards approved by a significant portion of the electric power generation industry, the Transmission Provider and/or NERC) that, in the exercise of reasonable judgment in light of the facts known or that should reasonably have been known at the time a decision was made and having due regard for, among other things, contractual obligations, applicable Laws and equipment manufacturer’s recommendations, could have been expected to accomplish the desired result in a manner consistent with good business practices, reliability, safety, environmental protection, economy and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, technique or standard to the exclusion of all others, but rather to be a range of possible practices, methods, techniques or standards within which a Party shall conduct its activities under this Agreement.

1.56 “Government Sponsored Enterprise” means an entity that is chartered by the United States Congress to serve a public purpose and is officially sponsored by the United States of America.

1.57 “Investment Grade Credit Rating” means Customer has a current and continuous Credit Rating from each of S&P and Moody’s equal to or higher than “BBB-” (with a neutral/stable or higher outlook) by S&P (or its equivalent under any successor rating category of S&P) and/or “Baa3” (with a neutral/stable or higher outlook) by Moody’s (or its equivalent under any successor rating category of Moody’s). In determining whether Customer has an Investment Grade Rating, if Customer has a Credit Rating from both S&P and Moody’s, Customer’s Credit Rating shall be an Investment Grade Credit Rating only if the above minimum ratings requirements are satisfied with respect to both S&P and Moody’s.

1.58 “kW” means kilowatt.

1.59 “kWh” means kilowatt-hour.

1.60 “Law” means any statute, rule, regulation, ordinance, order, writ, judgment, decree or other legal or regulatory determination, authorization or approval by a court, regulatory agency, or any other governmental authority of competent jurisdiction.

1.61 “Lenders” means the National Rural Utilities Cooperative Finance Corporation, CoBank A.C.B. or any other financial institution or bank in the United States or a foreign financial institution or bank with a branch in the United States, in each case extending credit to Customer.

1.62 “Letter(s) of Credit” means one or more irrevocable, transferable standby letters of credit, substantially in the form attached hereto as Appendix H, equal to or greater than the Required Amount, and issued by a Creditworthy Bank.

1.63 “Limited Services Agreement” means that certain limited services agreement between the Parties dated as of the date of this Agreement.

1.64 “Load Management” means programs which allow the applicable service provider the ability and right to control the load of customers participating in the programs in order to temporarily reduce overall system requirements.

1.65 “Loss of Members” has the meaning set forth in Section 16.5(e).

1.66 “Losses” means any transmission loss, transformation loss, sub-transmission and/or distribution loss or other loss of electrical energy incurred in providing Full Requirements Electric Service hereunder, including without limitation the demand loss factor for all transmission delivery points on Company’s system for the applicable period as set forth in Appendix B; provided, however, except for such demand loss factors set forth in Appendix B, Losses shall only include losses incurred at and from the Receipt Points to the Delivery Points. In no case shall Losses include losses that may be incurred from the Delivery Points to the Members.

1.67 “Members” means the Persons taking retail electric service from Customer, any retail customer or member of Customer, any Person that takes retail electric service from Customer pursuant to a franchise or similar arrangement granted to Customer or any Person that Customer has a statutory, contractual or other right or obligation to provide retail electric service, in each case irrespective of whether such Persons are members of Customer.

1.68 “Monthly Bill” shall have the meaning set forth in Section 4.9 of this Agreement.

1.69 “Monthly Charges” means the monthly charges set forth in Article 4 of this Agreement or that Company is otherwise permitted to charge Customer pursuant to this Agreement.

1.70 “Moody’s” means Moody’s Investors Service, Inc. and its successors.

1.71 “MW” means Megawatt.

1.72 “MWh” means Megawatt-hour.

1.73 “NERC” means the North American Electric Reliability Corporation and any successor entity.

1.74 “Non-Defaulting Party” means, with respect to an Event of Default, the Party that is not the Defaulting Party.

1.75 “OATT” means the Transmission Provider’s Open Access Transmission Tariff on file at FERC, as amended from time to time.

1.76 “Party” or “Parties” has the meaning set forth in the Preamble.

1.77 “Performance Assurance” means security in the form of either a Dedicated Line of Credit, Letter(s) of Credit, weekly prepayment of charges pursuant to Section 6.4(a), or other security acceptable to Company in its sole discretion.

1.78 “Person” means an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, governmental entity or authority, limited liability company or any other entity of whatever nature.

1.79 “Points of Receipt” or “Receipt Points” means the points at which Full Requirements Electric Service is first delivered to the Transmission System from Company Generation Resources interconnected with the Transmission System or from points of interconnection with other transmission systems.

1.80 “Qualifying Facility” shall mean a qualifying small power production facility or a qualifying cogeneration facility as defined in Section 210 of the Public Utility Regulatory Policies Act of 1978 and FERC’s implementing regulations, as amended from time to time.

1.81 “Renewable Benefits” has the meaning set forth in Section 3.6(a).

1.82 “Required Amount” has the meaning set forth in Section 6.3(b).

1.83 “Retail Competition” means that Company no longer has the exclusive right to serve Company’s Customers as a class in its service territory and that instead alternative suppliers of capacity and energy are entitled to make sales directly to such retail end-use customers.

1.84 “Retail Load” means Energy metered at the Delivery Points to meet all requirements of Customer’s Members for Energy, taking into account Losses (as provided in Section 4.8), that Customer has a statutory, contractual or other right or obligation to serve.

1.85 “ROE” has the meaning set forth in Section 4.7(b).

1.86 “RPS Compliance Costs” has the meaning set forth in Section 3.6(a).

1.87 “RPS Requirement” has the meaning set forth in Section 3.6(a).

1.88 “Rules” has the meaning set forth in Section 15.4(a).

1.89 "RUS" means the Rural Utilities Service of the United States Department of Agriculture or any agency succeeding to the functions of RUS.

1.90 "S&P" means Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.), and its successors.

1.91 "Security Interest" has the meaning set forth in Section 6.3(b)(1).

1.92 "Short-Term Agreement" has the meaning set forth in Section 2.5.

1.93 "SLM Ratio" has the meaning set forth in Section 3.7(a).

1.94 "Summer Months" means the months of April through October of the current Calendar Year.

1.95 "Tax" or "Taxes" means any tax, charge, assessment, duty, levy, or fee (including any interest, additions to tax or penalties thereon) of the United States or any state, county or local taxing jurisdiction therein, or of any other nation or any jurisdiction therein, including without limitation any income, net worth, franchise, margin, ad valorem, property, occupational, business, severance, emissions, carbon based fee, generation, first use, conservation, energy, transmission, gross or net receipts, utility, privilege, sales, use, excise, capital gain, transfer, license, permit, production, employment, social security, payroll, registration, governmental pension or insurance, withholding, royalty, stamp or documentary, value added, or other tax, charge, assessment, duty, levy or fee (including any interest, additions to tax or penalties thereon) of the United States or any state, county or local taxing jurisdiction therein, or of any other nation or any jurisdiction therein.

1.96 "Term" has the meaning set forth in Section 2.1.

1.97 "Times Interest Earned Ratio" has the meaning set forth in Appendix D.

1.98 "Total Debt to EBITDA" has the meaning set forth in Appendix D.

1.99 "Transmission Provider" means the entity or entities that transmit the Full Requirements Electric Service, and provide certain Ancillary Services associated with the delivery of Full Requirements Electric Service, from the Receipt Points to the Delivery Points.

1.100 "Transmission System" means the transmission system of Transmission Provider.

1.101 "Winter Months" means the months of November and December of the immediately prior Calendar Year and the months of January through March of the current Calendar Year.

1.102 "WLM Ratio" has the meaning set forth in Section 3.7(a).

1.103 "Worksheet" has the meaning set forth in Section 6.2.

ARTICLE 2 TERM, SERVICE, DELIVERY PROVISIONS AND CONDITIONS PRECEDENT

2.1 Term. The term of this Agreement shall begin as of the Effective Date and extend through and include the end of the Delivery Period (the "Term"); provided, however, Company shall have no obligation to provide Full Requirements Electric Service unless and until the conditions precedent set forth in Section 2.5 have been satisfied or waived. Prior to the commencement of the Delivery Period, Company shall have no obligation to provide Full Requirements Electric Service until the Delivery Period commences and the rights and obligations of the Parties shall be limited to those rights and obligations set forth in the Sections and Articles enumerated in the first paragraph of Section 2.5. To the extent Full Requirements Electric Service has been provided and the Delivery Period has commenced, whenever the Term of this Agreement ends, subject to Section 17.10, the applicable provisions of this Agreement shall continue in effect for one (1) year to the extent necessary to provide for final accounting, billing (including any "true-up" billing provided for in this Agreement), billing adjustments, resolution of any billing disputes, realization of any collateral or other security, set-off, final payments, or payments pertaining to liability and indemnification obligations arising from acts or events that occurred in connection with this Agreement during the Term. Nothing in this Section is to be construed as extending the time permitted to raise Disputes or as extending the period for providing Full Requirements Electric Service.

2.2 Delivery Period.

(a) The "Delivery Period" means the period commencing January 1, 2014, and extending thereafter through December 31, 2033, from HE 0100 through HE 2400 Eastern Prevailing Time, and extending further thereafter through 2053 (an additional period of twenty (20) Calendar Years) unless (i) this Agreement is terminated earlier in accordance with Section 2.2(b), hereof, in which event the Delivery Period shall automatically terminate and expire by its terms as of HE 2400 Eastern Prevailing Time on the effective termination date set forth in the notice provided for in Section 2.2(b); or (ii) an Early Termination Date becomes effective in accordance with the provisions of Section 7.2 of this Agreement, in which event the Delivery Period shall automatically terminate and expire by its terms as of HE 2400 Eastern Prevailing Time on the Early Termination Date. In no event shall the Delivery Period commence on or before the satisfaction or waiver of the conditions precedent set forth in Section 2.5.

(b) This Agreement may be terminated effective on the last day of any Calendar Year on or after December 31, 2033 at HE 2400 by either Party giving the other Party at least seven (7) years prior written notice. For example, in order to terminate this Agreement on December 31, 2033 at HE 2400, a Party must give the other Party written notice of such termination on or before December 31, 2026. In addition, as a further example, in order to terminate this Agreement on December 31, 2038, a Party must give the other Party written notice of such termination on or before December 31, 2031. Notwithstanding the foregoing, this Agreement may be terminated effective on December 31, 2026 at HE2400 by either Party giving the other Party at least four (4) years prior

written notice (i.e., the written notice of termination must be given on or before December 31, 2022).

(c) Except to the extent set forth in Section 3.6(b) and subject to Section 17.10, any notice given under Section 2.2(b) of this Agreement, for any reason, shall irrevocably terminate and cancel forever both this Agreement and any obligation on Company's part to provide any level or amount of service (including Full Requirements Electric Service) to Customer under this Agreement effective upon the termination date set forth in the notice given under Section 2.2(b). Customer further expressly waives any and all rights to raise in any forum a claim that Company must provide any level or amount of service (including Full Requirements Electric Service) to Customer on any basis other than pursuant to the terms of the Short-Term Agreement, including without limitation:

(i) any terms or provisions of this Agreement, once this Agreement is terminated or cancelled; (ii) any previous agreements, if any, between Customer and Company, including, but not limited to, any previous electric service agreements, any settlement agreements resolving FERC proceedings or any settlement agreements resolving any state or federal court suits; (iii) any federal Law; (iv) any Florida Law; or (v) on any other basis.

2.3 Planning.

(a) The Parties understand and agree that, as a result of this Agreement and subject to the satisfaction or waiver of the conditions precedent set forth in Section 2.5, Company shall plan to provide Full Requirements Electric Service to Customer during the Delivery Period of this Agreement. In recognition of this fact, the Parties have entered into this Agreement. In order for Company to continue to plan to serve Customer beyond December 31, 2053, the Parties understand and agree that, absent a written mutual agreement to the contrary, the Parties (although not obligated to do so) would need to negotiate and execute a new agreement for a new delivery period extending beyond the last day of the Term of this Agreement at least seven (7) years before December 31, 2053. Upon the termination or expiration of this Agreement, in addition to such rights and obligations enumerated elsewhere in this Agreement, the grant of any and all rights and interest to Company to supply Full Requirements Electric Service under this Agreement shall cease. Customer and Company shall cooperate, in advance to the extent possible, to make all necessary filings with the Transmission Provider and to perform all other acts necessary to transfer all such rights and interests back to Customer in a timely manner.

(b) At the end of the Term of this Agreement (whenever such event shall occur), Company's obligation to serve Customer under this Agreement shall automatically terminate by the terms of this Agreement, and Customer expressly waives any and all rights to raise in any forum a claim that Company must provide any level or amount of service (including Full Requirements Electric Service) to Customer on any basis other than pursuant to the terms of the Short-Term Agreement, including without limitation:

- (i) any terms or provisions of this Agreement;
- (ii) any previous agreements, if any, between Customer and Company, including, but not limited to, any previous electric service agreements, any settlement agreements resolving FERC proceedings or any settlement agreements resolving any state or federal court suits;
- (iii) any federal Law;
- (iv) any Florida Law; or
- (v) on any other basis.

(c) In order to allow Company to plan to meet the requirements of Customer's Retail Load, Customer agrees to provide Company, by September 15, 2008, and each September 15 thereafter of each Calendar Year during the Term of this Agreement, a forecast of Customer's expected Retail Load and adjustments to such forecast (if any) related to any and all Load Management programs for the following ten (10) Calendar Years for each Delivery Point or for such period remaining in the Term of this Agreement, whichever is shorter. Upon request by Company, Customer shall provide such reasonable supporting detail and assumptions underlying the forecast.

2.4 Delivery Points. The Delivery Points for the Full Requirements Electric Service to be provided hereunder are set forth on Appendix A. In coordination with the Transmission Provider, if necessary, and subject to the execution of any necessary agreements, the Parties may mutually agree to add or delete Delivery Points and to make other changes regarding Delivery Points. Any costs imposed by the Transmission Provider to implement the change in Delivery Points shall be borne by Customer. Consent by either Party to changes regarding Delivery Points shall not be unreasonably withheld. Whenever there is any change in Delivery Points, Appendix A hereto automatically shall be amended to reflect such change and, if necessary, be submitted to FERC.

2.5 Conditions Precedent. Except for Customer's obligations under this Agreement to provide information or data and for each Party's rights and obligations expressly set forth in this Section 2.5, Section 2.6, Section 2.7, Section 2.8, Section 6.3(b), Section 16.1, Article 10, Article 12, Article 13, Article 17 and Article 19 (and, with respect to such rights and obligations, the disclaimers, limitations, rights, remedies and dispute resolution and other provisions set forth in Article 7 and Article 15), neither Party shall have any rights or obligations under this Agreement unless and until each of the following conditions precedent are satisfied or waived by the Parties; provided, however, the conditions precedent set forth in Sections 2.5(a), 2.5(c), 2.5(d), 2.5(e) and 2.5(f) shall apply only to Company and may be waived only by Company in its sole discretion:

- (a) On or before December 31, 2009, FERC shall have issued an order accepting or approving the Short-Term Agreement for Partial Requirements Electric Service Dated as of August 21, 2007, By and Between Company and Customer for supply of up to 300

MW of Energy by Company to Customer with Delivery Points at Belle Meade and Buckingham and for a term of four (4) years (the "Short-Term Agreement").

(b) Customer has been granted transmission service from the Receipt Points to the Delivery Points by the Transmission Provider reasonably acceptable to Customer, including the designation of this Agreement as a "Network Resource" (as such term is defined in the OATT) on or before January 1, 2009.

(c) On or before December 31, 2009, the FPSC shall have issued one or more final orders authorizing or approving this Agreement (or the supply of Full Requirements Electric Service as contemplated by this Agreement) which order(s) shall also include without limitation the approval of any additional generating resources that would be used to support the Retail Load, all in a form acceptable to Company in its sole discretion, and any governmental approvals and authorizations required in order to construct, develop, operate or maintain any such additional generating resources, whether with respect to need, siting, emissions, or otherwise, shall have been obtained in a form acceptable to Company in its sole discretion and any conditions of such final order(s) and/or governmental approvals and authorizations shall have been satisfied in a form acceptable to Company in its sole discretion by such date.

(d) On or before December 31, 2009, Company shall have filed this Agreement with FERC; provided, however, that Company shall have no obligation to file this Agreement with FERC if: (i) in its sole discretion, Company determines that modifications or conditions, if any, imposed by FERC on its acceptance or approval of the Short-Term Agreement, do, in the judgment of the Company exercised in its sole discretion, (A) adversely affect the commercial, economic, legal and/or other benefits reasonably anticipated to be derived by Company from the Short-Term Agreement; (B) adversely affect the commercial, economic, legal and other benefits reasonably anticipated to be derived by Company from this Agreement assuming that such modifications or conditions imposed by FERC on the Short-Term Agreement also were to be placed on FERC's acceptance of this Agreement, or (C) otherwise have an adverse impact on Company's Customers, Company or its shareholders (or otherwise have an adverse impact on Company's Customers, Company or its shareholders assuming that such modifications or conditions imposed by FERC on the Short-Term Agreement also were to be placed on FERC's acceptance or approval of this Agreement); or (ii) the conditions precedent set forth in Sections 2.5(a) and (c) have not been satisfied and have not been waived by the Company.

(e) On or before December 31, 2009, FERC shall have issued an order accepting or approving this Agreement for filing and permitting it to become effective as filed without modification, suspension, investigation or any condition (including setting this Agreement, or part thereof, for hearing) unacceptable to Company in its sole discretion; and

(f) The Board of Directors of Company has approved any modifications or conditions to this Agreement required by FERC and the performance of Company's obligations thereunder on or prior to December 31, 2009. If the Board of Directors has

not approved such modifications or conditions to this Agreement by December 31, 2009, Company may waive this condition precedent by providing written notice of waiver to Customer by such date; otherwise this Agreement shall be null and void.

In the event any of the above conditions precedent set forth in this Section 2.5 are not satisfied and, to the extent not satisfied, are not waived in writing by the dates provided above, Company's obligations under this Agreement shall automatically terminate by the terms of this Agreement, and Customer expressly waives any and all rights to raise in any forum a claim that Company must provide service (including without limitation Full Requirements Electric Service) to Customer on any basis other than pursuant to the terms of the Short-Term Agreement, including without limitation:

- (i) any terms or provisions of this Agreement;
- (ii) any previous agreements, if any, between Customer and Company, including, but not limited to, any previous electric service agreements, any settlement agreements resolving FERC proceedings or any settlement agreements resolving any State or Federal court suits;
- (iii) any federal Law;
- (iv) any Florida Law; or
- (v) on any other basis.

2.6 FERC Acceptance. With respect to the condition set forth in Section 2.5(e), Company agrees to accept any modifications or conditions imposed by FERC with respect to this Agreement that, in the judgment of Company exercised in its sole discretion, do not (i) adversely affect the commercial, economic, legal and other benefits reasonably anticipated to be derived by Company from this Agreement or (ii) otherwise have an adverse impact on Company's Customers, Company or its shareholders; provided, however, Company will be under no obligation to accept any modifications to this Agreement or conditions imposed by FERC in connection with the acceptance or approval of this Agreement, if in the judgment of Company, exercised in its sole discretion, such modifications to this Agreement or conditions imposed by FERC in connection with the acceptance or approval of this Agreement would be adverse to Company as set forth in subsections (i) and/or (ii), above.

2.7 Cooperation. If requested by Company, Customer shall undertake commercially reasonable efforts to cooperate with and assist Company in Company's efforts to secure acceptance of this Agreement by FERC and request FERC action on these filings and, upon Company's request, shall make a timely submittal at FERC affirmatively supporting the acceptance of this Agreement by FERC in each case without modification, suspension, investigation, or condition. In addition, if requested by Company, Customer shall submit letters to the FPSC and take such other actions as reasonably requested by Company in support of Company's effort to secure authorization or approval from the FPSC pursuant to Section 2.5(c). To the extent that FERC requires modifications to this

Agreement that are acceptable to Company pursuant to Section 2.6, Customer shall promptly execute an amendment to this Agreement that implements such modifications.

2.8 Termination for Failure of Condition Precedent.

(a) In the event any of the above conditions precedent set forth in Section 2.5 are not satisfied and, to the extent not satisfied, are not waived in writing by the dates provided above, this Agreement, except for those provisions that expressly survive, shall terminate automatically under the terms of this Agreement without any need by either Party to declare an Early Termination Date or take any further action, and this Agreement shall have no further force and effect.

(b) In the event that FERC issues an order requiring modifications or conditions on its acceptance or approval of the Short-Term Agreement and Company does not, within the earlier of (i) December 31, 2009, or (ii) six (6) months after the later of (x) the date of such FERC order or (y) the satisfaction of the conditions set forth in Section 2.5(c), provide written notice to Customer that such modifications are acceptable to Company in its sole discretion as set forth in Section 2.5(d), then this Agreement, except for those provisions that expressly survive, shall terminate automatically under the terms of this Agreement without any need by either Party to declare an Early Termination Date or take any further action, and this Agreement shall have no further force and effect.

(c) In the event that FERC issues an order requiring modifications or conditions on its acceptance or approval of this Agreement and Company does not, by December 31, 2009, provide written notice to Customer that such modifications are acceptable to Company in its sole discretion as set forth in Section 2.5(e) and Section 2.6, then this Agreement, except for those provisions that expressly survive, shall terminate automatically under the terms of this Agreement without any need by either Party to declare an Early Termination Date or take any further action, and this Agreement shall have no further force and effect.

(d) Notwithstanding any provision of this Agreement to the contrary, in the event this Agreement terminates pursuant to this Section 2.8, subject to Section 17.10, the Parties shall be released and discharged from any and all obligations arising or accruing hereunder from and after such date and shall not incur any additional liability to each other as a result thereof, except to the extent of any claims arising with respect to Section 2.7, Article 10 or Article 13. With respect to any such claims, Articles 7, 10, 13, 15, 17 and 19 shall survive and continue to apply.

ARTICLE 3 SALE AND PURCHASE

3.1 Full Requirements Electric Service.

(a) During the Delivery Period, except as permitted by Sections 3.3, 3.4, 3.5 and 3.7, Company shall sell and deliver to Customer and Customer shall receive and purchase from Company, Full Requirements Electric Service at the Receipt Points sufficient to serve Customer's Retail Load at the Delivery Points, as such load may be verified by Company. As a provider of Full Requirements Electric Service, Company is solely

responsible for satisfying all requirements and paying all costs incurred or to be incurred to provide Full Requirements Electric Service to the Receipt Points, and Customer shall pay for such Full Requirements Electric Service as provided in this Agreement, including without limitation as provided in Article 4.

(b) Subject to Section 16.5, Company understands that Customer's Retail Load may change from time to time. Subject to Sections 3.3, 3.4, 3.5 and 3.7, except as specifically provided herein, at no time during the Delivery Period shall Customer use, directly or indirectly, including through any of its Affiliates (i) constructed or purchased generation resources, (ii) power purchases or power purchase agreements, or (iii) any other source of generation, energy or capacity to reduce Customer's Retail Load. Except to the extent arising from a Force Majeure or as set forth in Section 16.3, Company is responsible for Full Requirements Electric Service regardless of changes in Retail Load arising from daily fluctuations, increased or decreased usage, extreme weather and/or similar events.

(c) Customer shall promptly provide notice to Company as soon as practical of any new Member to be included within Retail Load that by itself would reasonably be expected to cause a load increase exceeding 6 MW to be served by Company. Notwithstanding the foregoing and except as provided in Section 16.3, Company shall be obligated to serve the requirements of such Member included within Customer's Retail Load.

(d) Except as set forth in Section 16.5(d), Customer shall not resell the Full Requirements Electric Service purchased hereunder except to its Retail Load.

3.2 Transmission Service and Ancillary Services.

(a) It is Customer's responsibility to arrange and pay for, enter into and maintain all necessary agreements for the delivery and transmission of Full Requirements Electric Service under this Agreement at and from the Points of Receipt to the Delivery Points (and at and from the Delivery Points) for the Term and to arrange and pay for transmission and Ancillary Services for (and enter into and maintain all necessary agreements for) the delivery of Energy under this Agreement at and from the Points of Receipt to the Delivery Points (and at and from the Delivery Points), including without limitation the designation of this Agreement as a "Network Resource" (as such term is defined in the OATT). Notwithstanding any provision in this Agreement to the contrary, there shall be no reduction in Customer's payment or performance obligations under this Agreement as a result of curtailments, interruptions, or reductions of transmission service or Ancillary Services at and from the Points of Receipt to the Delivery Points (or at and from the Delivery Points), whether as a result of Force Majeure or otherwise. If the Billing Demand or CP Demand is zero for any applicable calendar month as a result of curtailments, interruptions, or reductions of transmission service or Ancillary Services, the Billing Demand or CP Demand (as applicable), for purposes of calculating the Generation Demand Charge, shall be the average Billing Demand or CP Demand (as applicable), for the most recent Summer Months or Winter Months depending on whether the applicable month is itself a Summer Month or Winter Month.

(b) Customer shall enter into, and file with the Transmission Provider and other applicable entities, all documents necessary for Customer to fulfill its obligations to take Full Requirements Electric Service at and from the Points of Receipt.

(c) Notwithstanding any contrary provision set forth in this Agreement, in the event of a failure to perform, breach or default by Company of any of its obligations in its capacity as the Transmission Provider or as Customer's limited services provider under the Limited Services Agreement, such failure, breach or default shall not constitute a failure to perform, breach or default of Company's obligations under this Agreement. Any liability or obligations of Company in its capacity as Transmission Provider shall be solely as set forth in any transmission services agreement between Customer and Transmission Provider or as set forth under the OATT, and any liability or obligation of Company in its capacity as limited services provider shall be solely as set forth in the Limited Services Agreement.

(d) Each Party shall provide the other Party access to information the other Party reasonably requests to facilitate the administration of this Agreement with respect to the Transmission Provider.

3.3 Qualifying Facility Purchases.

(a) So long as Customer is receiving Full Requirements Electric Service from Company, if Customer has an obligation under Law, and only if it has an obligation under Law, to purchase electrical output from a duly licensed and operating Qualifying Facility connected directly to Customer's electric system, Customer may purchase the electrical output from such Qualifying Facility connected to Customer. Company shall not be obligated to purchase from any Qualifying Facility on Customer's electric system.

(b) If Customer is receiving electrical output from a Qualifying Facility connected directly to Customer's electric system, Customer shall pay the Qualifying Facility directly for all such services. Customer's monthly Billing Energy calculated pursuant to Section 4.8(b) of this Agreement shall not include any amounts of energy purchased by Customer from the Qualifying Facility; but the calculation of the Generation Demand Charges that Customer is obligated to pay Company shall be computed as though Company were serving that portion of the Retail Load displaced by Customer's receipt of electric output from any Qualifying Facility (other than with respect to the 5MW aggregate adjustment permitted pursuant to Sections 4.8(a) and (c)). In calculating the Generation Demand Charge paid by Customer, the Billing Demand (and the Customer Billing Demand schedule set forth as part of Appendix B) and the CP Demand (and the Customer CP Demand schedule set forth as part of Appendix B) shall include any purchases made or electrical output received by Customer from any Qualifying Facility, reduced by an amount of up to five (5) MW in the aggregate for the amount of any purchases made or electrical output received by Customer from all Qualifying Facilities as further described in Sections 4.8(a) and 4.8(c). The calculation of the Generation Demand Charge that Customer is obligated to pay Company shall continue to be computed as though Company were serving that portion of the Retail Load displaced by Customer's receipt of output from any Qualifying Facility until such time that the FPSC,

in a proceeding, recognizes Company's generation that has been displaced by any such Qualifying Facility as being needed and serving to satisfy Company's system wide generation requirements for the benefit of Company's Customers and permits Company to recover the costs (including ROE) associated with any such displaced generation through the retail rates payable by Company's Customers. To the extent such a finding has been made by the FPSC, in the event that the Qualifying Facility fails to maintain an Annual Capacity Availability Factor of at least eighty-five percent (85%) over the previous twelve-month period during the Term, Company shall have the right to reinstitute the Generation Demand Charge until such time, if ever, as the Qualifying Facility again achieves an Annual Capacity Availability Factor of at least eighty-five percent (85%). The term "Annual Capacity Availability Factor" shall mean, for purposes of this provision, (x) the sum of the capacity that is deemed available by generator (subject to certification or audit rights of Company) from the applicable Qualifying Facility during each hour of the previous twelve months, divided by (y) the sum of the rated capacity as recognized by the FRCC for each hour of the previous twelve months for the applicable Qualifying Facility. Until a full twelve months have elapsed for purposes of the aforementioned calculation, the months that have occurred to date shall be used for purposes of defining the Annual Capacity Availability Factor. As a result, the Annual Capacity Availability Factor formula can be summarized as follows:

Annual Capacity Availability Factor =

(Sum of hourly available capacity for previous 12 months)

(Sum of hourly rated capacity for previous 12 months)

(a) Upon a request from any Qualifying Facility, Customer shall notify Company of the proposed connection of any Qualifying Facility to Customer's electric system. Notification shall be in writing as soon as practical. Company shall have the right, but not the obligation, to act as Customer's operations and/or administrative services provider (in whole or in part) with respect to any Qualifying Facility, including without limitation with respect to the negotiation of applicable terms and conditions and operational requirements, instructions and interface with Customer.

(b) Customer shall not engage in activities to promote the construction or installation of any Qualifying Facility.

3.4 Renewable Energy Connected Directly to Customer's System.

Customer shall notify Company of the proposed ownership, purchase or receipt of energy and/or capacity by Customer to be delivered to Customer's electric system from any renewable energy resource that is either, 1) owned by Customer, 2) from a Member of Customer that is connected directly to Customer's electric system on Customer's side of the Delivery Point or 3) owned by Company. Notification shall be in writing as soon as practical, but at least ninety (90) days prior to the commencement of the ownership or purchase, as applicable. Company shall not be obligated to purchase from any renewable energy resource on Customer's system or owned by Customer. Customer's monthly Billing Energy calculated pursuant to Section 4.8(a) of this Agreement shall not include any amounts of energy owned by Customer or purchased by Customer from such renewable resources; but, the calculation of the Generation Demand Charges that Customer is obligated to pay Company shall be computed as though

Company were serving that portion of the Retail Load displaced by Customer's receipt of electrical output from any renewable energy resource (other than with respect to the 2 MW aggregate adjustment permitted pursuant to Sections 4.8(a) and (c)). In calculating the Generation Demand Charge paid by Customer, the Billing Demand (and the Customer Billing Demand schedule set forth as part of Appendix B) and the CP Demand (and the Customer CP Demand schedule set forth as part of Appendix B) shall include any purchases made or electrical output received by Customer from any renewable energy resource, reduced by an amount of up to two (2) MW in the aggregate for the amount of any purchases made or electrical output received by Customer from all such renewable energy resources as further described in Section 4.8(a) and 4.8(c). For purposes of clarification, Company and Customer agree that any renewable energy described in this Section 3.4 shall not be included in any calculation for distributed generation described in Section 3.5.

3.5 Distributed Generation.

(a) Customer shall notify Company of the proposed purchase of energy and/or capacity to be delivered to Customer's electric system from any distributed generation resource of a Member of Customer that is connected directly to Customer's electric system on Customer's side of the Delivery Point. Notification shall be in writing as soon as practical, but at least ninety (90) days prior to the commencement of the purchase. Company shall not be obligated to purchase from distributed generation on Customer's system. Customer's monthly Billing Energy calculated pursuant to Section 4.8(a) of this Agreement shall not include any amounts of energy purchased by Customer from such distributed generation resources; but, the calculation of the Generation Demand Charges that Customer is obligated to pay Company shall be computed as though Company were serving that portion of the Retail Load displaced by Customer's receipt of electrical output from any distributed generation resource (other than with respect to the 2 MW aggregate adjustment permitted pursuant to Sections 4.8(a) and (c)). In calculating the Generation Demand Charge paid by Customer, the Billing Demand (and the Customer Billing Demand schedule set forth as part of Appendix B) and the CP Demand (and the Customer CP Demand schedule set forth as part of Appendix B) shall include electrical output received by Customer from any distributed generation resource, reduced by an amount of up to two (2) MW in the aggregate for the amount of any purchases made or electrical output received by Customer from all such distributed generation resources as further described in Section 4.8(a) and 4.8(c).

(b) The provisions of Section 3.5(a) requiring the payment of Generation Demand Charges attributable to the capacity from any such distributed generation resources and as adjusted by the up to 2 MW credit to Customer's monthly Billing Demand shall not apply to the purchase or the receipt of energy from any distributed generation resource during any period when the FRCC (or other successor entity with similar responsibilities) declares a "Generating Capacity Emergency", as such term is defined in the FRCC Generating Capacity Shortage Plan adopted by the FPSC in April 2003, or during the period when the Transmission Provider has requested a curtailment of Customer's Retail Load for any reason other than economic curtailment.

3.6 Renewable Portfolio Standards.

(a) If Company is required by Law to meet the requirements of any renewable (including without limitation clean energy) portfolio standards, including but not limited to the obligation to maintain a specific amount of renewable energy and/or renewable energy credits ("RPS Requirement"), Company shall comply (as described in this Section 3.6(a)) with such RPS Requirement and, in addition, Customer shall comply with the same terms and conditions of such RPS Requirement applicable to the Company in order to facilitate Company's compliance with Company's RPS Requirement. Subject to the conditions set forth in Sections 3.6(b) through 3.6(d), during the Delivery Period, Customer shall comply with the RPS Requirement applicable to Company by paying its share of any and all costs and expenses associated with Company's compliance with the RPS Requirement, including but not limited to: (i) any investments by Company in renewable generation, including a return on equity equal to the ROE, and related operation and maintenance expenses; (ii) any capacity, energy and/or renewable credits acquired through purchase power agreements; (iii) the purchase of any renewable energy credit(s) and/or renewable energy; and (iv) any costs, expenses, charges, fees, assessments and/or Taxes of the type recoverable through Article 4 and Appendices B and/or C (collectively, "RPS Compliance Costs"). Customer's share of the costs associated with Company's compliance with the RPS Requirement shall be charged to Customer as part of the Monthly Bill for Full Requirements Electric Service, provided, however, in its Monthly Bill, Customer shall receive a credit for its share, if any, of income received by Company from the sale of Renewable Benefits to third parties. The cost and credit allocation to Customer shall be made pursuant to the cost-of-service formulas set forth in Article 4 and the related Appendices. Unless and until the RPS Requirement is implemented in Florida, both Parties acknowledge that it is unknown as to whether such a requirement will apply only to generators, to load serving entities or to both generators and load serving entities. As a result, to the extent that the RPS Requirement applies to Customer as well as Company such that Customer is required to make a separate demonstration of compliance, Company and Customer shall use commercially reasonable efforts to transfer to Customer its share of any renewable energy credits and similar related renewable portfolio credits that are created by statute as a result of the enactment of the RPS Requirement ("Renewable Benefits") such that Company and Customer are both able to mutually satisfy their respective renewable portfolio standard obligations; provided, however, that Company (following any such transfer) is released of any obligation to make a separate demonstration of compliance for Customer's share of Company's generation or load (whether due to the generation required to support Retail Load or otherwise). Notwithstanding anything contained in this Agreement to the contrary, to the extent that the FPSC determines that Company's Customers are incurring an incremental cost burden as a result of Customer's RPS Compliance Costs allocation and/or RPS Requirement's benefits allocation under this Section 3.6, and the FPSC disallows (either during or following the expiration of the Term) the recovery of such incremental costs, all such disallowed costs shall be paid by Customer to Company. The preceding sentence shall survive the termination or expiration of this Agreement and shall continue to apply as a Customer obligation pursuant to subsection (b), below, following the termination or expiration of this Agreement.

(b) Company's obligations to Customer with respect to the RPS Requirement as set out in this Section 3.6 shall terminate upon expiration or termination of this Agreement; provided, however, Customer shall continue to pay Company Customer's share of the RPS Compliance Costs following the expiration or termination of the Term for so long as Company continues to incur such RPS Compliance Costs, which share shall be allocated in a commercially reasonable manner consistent with the applicable cost-of-service formulas set forth in Article 4 and Appendices B and C; and provided further, that Customer shall receive a credit for its share, if any, of income received by Company from the sale of Renewable Benefits to third parties. Customer's share of the RPS Compliance Costs shall exclude RPS Compliance Costs attributable to any renewable energy power purchase agreements entered into by Company following the expiration or termination of the Term and any renewable energy generating resources acquired or constructed by Company following the expiration or termination of the Term. In calculating Customer's share of RPS Compliance Costs post-termination or post-expiration, that portion of Company's renewable generation that was previously allocated to Customer shall be reduced by the amount of such generation that the FPSC recognizes as being used to satisfy Company's own RPS Requirements, and with respect to which, the FPSC permits Company to recover the costs (including ROE) associated with such generation through the retail rates payable by Company's Customers. Company shall use commercially reasonable efforts to obtain such FPSC recognition. Following the expiration or termination of the Term, to the extent Company is not subject to a continuing RPS Requirement with respect to that portion of the renewable energy generating resources acquired or constructed by Company to serve Retail Load during the Term, Company shall use commercially reasonable efforts to transfer to Customer, as permitted by Law, its allocable share of Renewable Benefits associated with its allocable share of such renewable energy generating resources referenced in this sentence, which share allocation shall be only to the extent and for the period of Company's continuing RPS Compliance Costs obligations and shall take into account any reductions resulting from FPSC recognition of such renewable energy generating resources as described above in this subsection (b). In addition, to the extent that the RPS Requirement applies to Customer as well as Company such that Customer is required to make a separate demonstration of compliance, Company and Customer shall use commercially reasonable efforts to transfer to Customer its share of any Renewable Benefits such that Company and Customer are both able to mutually satisfy their respective renewable portfolio standard obligations, which share allocation shall be only to the extent and for the period of Company's continuing RPS Compliance Costs obligations and shall take into account any reductions resulting from FPSC recognition of such renewable energy generating resources as described above in this subsection (b); provided, however, that Company (following any such transfer) is released of any obligation to make a separate demonstration of compliance for Customer's share of Company's generation or load (whether due to the generation required to support Retail Load or otherwise). Upon sixty (60) days prior written notice to Customer, Company may elect to cease providing Customer with such Renewable Benefits post-termination or post-expiration of the Term and, in the event Company makes such election, Customer's payment obligations pursuant to this Section 3.6(b) shall cease. For so long as Customer shall have an obligation to pay Company pursuant to this Section 3.6(b), the terms of this Agreement,

to the extent applicable, shall continue to apply to the obligations of the Parties under this Section 3.6(b); provided, however, Company shall not have any obligation to provide Full Requirements Electric Service or any other level or amount of electric service after the expiration or termination of this Agreement.

(c) In no event shall Company be obligated to meet any renewable portfolio standards imposed upon or adopted by Customer that are different from those standards that are imposed by Law upon or adopted by Company. Company may at its option decline to meet any incremental renewable portfolio standards imposed upon Customer following the delivery by Company of a termination notice pursuant to Section 2.2(b) of this Agreement; provided, however, that in such event, Customer shall have the rights set forth in Section 3.6(d), below solely with respect to such incremental renewable portfolio standards that have not been satisfied by Company as of such date.

(d) If Company determines, in its sole discretion (at any time during or after the Term), that it cannot accommodate Customer's renewable portfolio standard requirements due to (i) any inability to recover costs (including without limitation ROE) associated with Customer's share of Company's RPS Requirements, or (ii) any other legal or regulatory reasons, then Company and Customer shall meet to negotiate a basis upon which Customer may pursue its own renewable portfolio standards up to an amount of renewable energy and/or Renewable Benefits equivalent to the percentage of renewable energy and/or Renewable Benefits that Customer would have received credit for had it been part of the Company's RPS Requirement. Notwithstanding anything in this Agreement to the contrary and unless otherwise agreed in writing by Company, in the event Customer pursues its own renewable energy and/or Renewable Benefits pursuant to the foregoing sentence, the calculation of the Generation Demand Charges that Customer is obligated to pay Company shall continue to be computed as though Company were serving that portion of the Retail Load displaced by Customer's receipt of electrical output from any renewable energy resource (which calculation shall be performed in the same manner as provided in Section 3.4, above) until such time that the FPSC, in a proceeding, recognizes Company's generation that has been displaced as a result of Customer pursuing its own renewable portfolio standard as being needed and serving to satisfy Company's system wide generation requirements for the benefit of Company's Customers and permits Company to recover the costs (including ROE) associated with such generation through the retail rates payable by Company's Customers.

3.7 Load Management.

(a) For the year 2006, during the Summer Months, and coincident with the peak hour of Customer's Summer Months, Customer had 33.50 MW of Load Management capability as compared to 782.70 MW of peak load for the Summer Months. Also, for the year 2006, during the Winter Months, and coincident with the peak hour of Customer's Winter Months, Customer had 44.10 MW of Load Management capability as compared to 899.13 MW of peak load for the Winter Months. The effects of any Customer Load Management activated during the peak hour of Company's Summer and Winter Months are removed in determining the above values of Customer peak load

coincident with the peak hour of Company's Summer and Winter Months during 2006. During the year 2006, the ratio of summer Load Management capability to summer peak load was 4.28% ("SLM Ratio") and the ratio of winter Load Management capability to winter peak load was 4.91% ("WLM Ratio"). The SLM Ratio and WLM Ratio shall remain fixed for the Term of this Agreement. Customer and Company agree that during the Term of this Agreement, Customer Adjusted Load Management Capability (as defined below) for each month of the applicable Calendar Year shall be used to calculate the adjustments set forth in subparagraph (b). For purposes of this Agreement, the term "Customer Adjusted Load Management Capability" shall be an amount equal to the lower of (x) or (y), where (x) is, for the Summer Months, the SLM Ratio times Customer's actual peak load coincident with the peak hour of Company's Summer Months with the effect of any Customer Load Management activated removed; and where (y) is, for the Winter Months, the WLM Ratio times Customer's actual peak load coincident with the peak hour of Company's Winter Months with the effect of any Customer Load Management activated removed; and where (y) is Customer's actual Load Management capability for the Summer Months or Winter Months, as applicable, depending on whether such month is a Summer Month or a Winter Month, as established during a verification test as set forth in Section 3.7(g), below, or pursuant to an actual request by Company to implement all of Customer's Load Management capability during such month taking into account actual load conditions at the time of implementation.

(b) Customer and Company agree that, in determining the Load Management impact on the Generation Demand Charge Rate in Appendix B, the following adjustments shall be made to the sum of the twelve (12) monthly coincident peaks of Company and Customer. First, the sum of the Customer monthly coincident peaks for the applicable Calendar Year shall be adjusted by the sum of the monthly Customer Adjusted Load Management Capability for the applicable Calendar Year. Second, the sum of Company's monthly coincident peaks (which includes the sum of Customer's monthly coincident peaks adjusted for losses) for the applicable Calendar Year shall be adjusted by the sum of the monthly Customer Adjusted Load Management Capability for the applicable Calendar Year and the sum of the monthly Company Load Management capability for the applicable calendar year (which does not include Customer's Adjusted Load Management Capability). For clarification, in calculating the impact of the Customer Adjusted Load Management Capability on the Generation Demand Charge Rate for the applicable Calendar Year, the value of Customer Adjusted Load Management Capability used for each month shall be the value that was actually in effect for that month.

For example, if in 2014, with no Load Management capability activation (i) the sum of Customer's monthly coincident peaks adjusted for losses totaled 2400 MW; (ii) Customer's Adjusted Load Management Capability was 7MW for the Summer Months and 12MW for the Winter Months; (iii) the sum of Company's monthly coincident peaks (which includes the sum of Customer's monthly coincident peaks adjusted for losses) totaled 240,000 MW; and (iv) Company's Load Management capability for the Summer Months was 1800MW and 2280MW for the Winter Months (which does not include Customer's Adjusted Load Management Capability); then in determining the Generation Demand Charge Rate in Appendix B, schedule A-1, the value for Customer monthly

coincident peaks would be 2291MW (2400 MW – 7x7 MW – 5x12 MW). The value for Company (total of 12 monthly coincident peak firm MWs @ generator) would be 215,891 MW (240,000 MW – 7x7 MW – 5x12 MW – 7x1800 MW - 5x2280 MW).

(c) Customer and Company agree that during the Delivery Period Company shall have exclusive use of all Customer's Load Management capability, and if Company and/or Customer has not installed equipment with the ability to implement remote electronic Load Management as desired, then Customer will implement Load Management as requested by Company within those time-frames described in Section 3.7(d) below. During the Delivery Period, Customer will not implement or utilize any Customer Load Management capability at any time unless requested by Company or in the case of an emergency as mutually agreed. During the Delivery Period, Company agrees to utilize Customer Load Management with respect to frequency, duration and devices deployed, consistent with how Company utilizes Company's Load Management.

(d) Customer agrees to activate all load reduction that can be activated remotely by Customer electronically ("Direct Load Management") within five (5) minutes of Company's electronic request and to have the Direct Load Management reduction ramped in at the applicable Delivery Points within ten (10) minutes following request by Company, and to maintain such load reduction for the full duration requested by Company.

(e) Customer agrees to provide load reduction available from Customer's Members from whom Customer has a contractual right to request a reduction of load ("Scheduled Load Management") at the Delivery Points within one (1) hour of Company's electronic request and to maintain such load reduction for the full duration requested by Company.

(f) Customer agrees to be responsible for all costs incurred to implement Load Management on Customer's side of the Delivery Points.

(g) Customer agrees that Company may conduct verifications tests, in accordance with Appendix F, to ascertain the amount of actual Load Management capability to be used in determining the Customer Adjusted Load Management Capability in Section 3.7(a), above. Such verification tests shall be conducted by Company and shall take into account load conditions at the time of the test. Company may schedule one test during the Summer Months and one test during the Winter Months at Customer's expense each Calendar Year for continuing verification of said capability. Company shall use commercially reasonable efforts to minimize the costs of verification tests. Company shall provide Customer at least ten (10) Business Days notice of the proposed date and time for any test. Customer shall, within five (5) Business Days of receiving notice, advise Company whether it agrees to the proposed date and time for the test or, if not, Customer shall agree to a date and time (Monday through Friday, excluding holidays, between 7:00 A.M. and 6 P.M.) within five (5) Business Days of Company's proposed test date.

(h) The Parties recognize that local weather conditions will impact Customer's Load Management capability. Customer will be notified of the results of a verification test or a

Load Management request and Customer may elect to have a confirmatory test performed by Company, at Customer's expense, within thirty (30) calendar days of such notification in order to demonstrate its Load Management capability. Any such test will be conducted and scheduled consistent with Section 3.7(g) and the results of such test shall be used to calculate the Customer Adjusted Load Management Capability. Company shall use commercially reasonable efforts to minimize the costs of such confirmatory tests.

3.8 Billing Information. To the extent Company, pursuant to its tariff, offers billing rate information to Company's Customers covering a shorter time interval than as is provided as of the Effective Date of this Agreement, then Company shall, at the request of Customer, provide Customer with billing rate information on a similar basis, but Customer shall be responsible for any costs associated with providing such information to Customer.

3.9 Environmental. Except with respect to its share of any renewable energy credits pursuant to Section 3.6, Customer shall acquire no rights, title or interest in any emission allowances or other environmental credits that may be issued, under the Clean Air Act or otherwise, and whether pursuant to state or federal law, as a result of purchases of Full Requirements Electric Service from Company under this Agreement; provided, however, in its Monthly Charges for Full Requirements Electric Service, Customer shall receive a credit for its share, if any, of income received by Company and bear a share of the burden, if any, of any costs incurred by Company with respect to emission allowances or other environmental credits as allocated pursuant to the cost-of-service formulas set forth in Article 4, Appendix B and Appendix C. Customer shall also be responsible for and pay its share of any other costs, charges or expenses incurred by Company with respect to applicable environmental compliance and emissions standards, regardless of whether such costs, charges or expenses are incurred in the form of a fee, levy, license charge, permit charge, penalty, Tax, carbon tax, allowance or any other cost, charge or expense or similar assessment. The allocation to Customer shall be pursuant to the cost-of-service formulas set forth in Article 4, Appendix B and Appendix C.

3.10 Merchant Generating Facility. Upon a request to Customer to interconnect to Customer's electric system from a generating facility owned and/or operated by an entity whose retail rates are not directly or indirectly subject to the jurisdiction of the FPSC, Customer shall notify Company of the proposed connection of such new generating facility to Customer's system. Notification shall be in writing as soon as practical. Any such connection shall not reduce, affect or otherwise excuse Customer's obligations under this Agreement, including without limitation its Full Requirements Electric Service obligations, or otherwise reduce or affect Customer's Billing Energy, Billing Demand or CP Demand.

3.11 Monthly Information Obligation. Customer shall provide Company with monthly detailed information on an hourly basis related to available capacity and energy produced from Qualifying Facilities, renewable energy and/or distributed generation sources in a manner which will enable the Company to make adjustments, if any, to the Generation Demand Charges as specified in Section 4.8(a) and 4.8(c). Customer further

agrees, at the request of Company, to provide Company with access to its books and records and to provide such supporting documentation as reasonably requested by Company in order to verify generation amounts from such sources.

ARTICLE 4 MONTHLY CHARGES AND BILLING

4.1 General Principles Regarding Monthly Charges For Full Requirements Electric Service. The Monthly Charges for Full Requirements Electric Service supplied to Customer by Company hereunder during the Delivery Period of this Agreement shall include a Generation Demand Charge, a Generation Energy Charge (collectively, the "Generation Demand and Generation Energy Charges"), Customer Charge and a Fuel Charge, all calculated in accordance with the terms of this Article, together with other charges set forth in this Agreement and subject to all other terms and conditions contained in this Agreement. For each Calendar Year, the Generation Demand and Generation Energy Charges for which Customer is responsible shall be determined using data from Company's FERC Form No. 1 for that Calendar Year, the costs as identified in the cost-of-service formulas set forth in Appendix B hereto and the ROE as specified in Section 4.7(b). Because of the time lag in availability of the FERC Form No. 1 data, Generation Demand and Generation Energy Charges will initially be assessed based on estimated monthly charges, and a "true-up" will subsequently be conducted for each Calendar Year, as provided in Section 4.4 hereof. The Generation Energy Charge shall exclude costs recovered through the Fuel Charge and the Fuel Adjustment Charge that are included in Appendix C attached hereto. All fuel-related costs shall be recovered through the Fuel Charge, which shall be "trued-up" to more current actual fuel-related costs by means of the Fuel Adjustment Charge set forth in Section 4.5 hereof. The Generation Demand Charge Rate used to calculate the "Generation Demand Charge" and the Generation Energy Charge Rate used to calculate the "Generation Energy Charge" shall be determined pursuant to the cost-of-service formulas set forth in Appendix B hereto. The monthly charges used to calculate the "Fuel Charge" and the "Fuel Adjustment Charge" shall be determined pursuant to the formulas set forth in Appendix C hereto. These formulas will be used for calculation of both estimated and actual ("trued-up") charges. In no event shall the costs for Generation Related Services be recovered twice from Customer through inclusion both in the costs used to derive the Generation Demand Charge or the Generation Energy Charge in Appendix B and also in the payments by Customer to the Transmission Provider for Ancillary Services.

4.2 Customer Charge. Customer shall pay a monthly charge of \$2,500.00 per Delivery Point ("Customer Charge").

4.3 Estimated Generation Demand Charge and Generation Energy Charge. The estimated Generation Demand Charge Rate and the estimated Generation Energy Charge Rate shall be developed for each Calendar Year. Each Calendar Year the estimated Generation Demand Charge Rate and the estimated Generation Energy Charge Rate used to calculate the Generation Demand Charge and Generation Energy Charge applicable for the months of June through December of the current Calendar Year and the months of January through May of the following Calendar Year shall be determined annually by Company, pursuant to Appendix B, prior to the 31st day of May, and be provided to

Customer by June 1st for its review. The estimated Generation Demand Charge Rate and the estimated Generation Energy Charge Rate in effect during each Calendar Year shall be based upon the results for the most recent Calendar Year for which FERC Form No. 1 data is available. Customer shall have the rights set forth in Section 4.6 of this Agreement regarding the calculation of the estimated Generation Demand Charge Rate and the estimated Generation Energy Charge Rate. For example, in Calendar Year 2014, for the first five months (January through May) the estimated Generation Demand Charge Rate and the estimated Generation Energy Charge Rate used to bill Customer will be based upon Calendar Year 2012 FERC Form No. 1 data, which estimate shall have been provided to Customer by June 1, 2013; beginning on June 1, 2014, the estimated Generation Demand Charge Rate and the estimated Generation Energy Charge Rate for June through December of Calendar Year 2014 and January through May of Calendar Year 2015 shall be based upon Calendar Year 2013 FERC Form No. 1 data and provided to Customer by June 1, 2014 (and will remain in effect until June 1, 2015); and all the Generation Demand and Generation Energy Charges based on these estimated charges for Calendar Year 2014 will be subject to "true-up" of the Generation Demand Charge and Generation Energy Charge in 2015, pursuant to Section 4.4. Customer agrees, commencing in Calendar Year 2012 and continuing for the Term of this Agreement, to provide Company with good faith estimates of the sum of its system monthly maximum non-coincident peaks and the amount of Customer Adjusted Load Management Capability as provided in Section 3.7, and good faith estimates of its expected purchases or electric output received from the following: Qualifying Facilities as provided in Section 3.3(b), renewable energy resources as provided in Section 3.4 and/or distributed generation resources as provided in Section 3.5. Such amounts shall be in total and at each Delivery Point beginning in 2012 and shall be used in preparing the estimated Generation Demand Charge Rate and the billing determinants for such rate, including the estimated Billing Demand and CP Demand. Such good faith estimates shall be based on the prior year's actuals for such amounts. Such good faith estimates shall be trued-up based on actuals pursuant to Section 4.4.

4.4 True-Up of Generation Demand and Generation Energy Charges. Because the Generation Demand and Generation Energy Charges initially collected during a Calendar Year will be the product of estimated charges based on data from previous Calendar Years as provided in Section 4.3, above, the Generation Demand and Generation Energy Charges shall be adjusted (or "trued-up") based upon (i) FERC Form No. 1 cost data from the Calendar Year in which the service was provided, (ii) the actual costs or other amounts as identified in the cost-of-service formulas set forth in Appendix B hereto and (iii) the Return on Common Equity specified in Section 4.7(b). The true-up for Generation Demand and Generation Energy Charges shall be conducted by Company and provided to Customer by June 30th of each Calendar Year once the FERC Form No. 1 data for the prior Calendar Year is available, and shall be accomplished by recalculating the sums due to Company from Customer for service provided during the prior Calendar Year. The difference between the sum of the Generation Demand and Generation Energy Charges originally billed to Customer for service provided during the Calendar Year, based on the estimated Generation Demand Charge Rate and the estimated Generation Energy Charge Rate, and the sum of the Generation Demand and Generation Energy Charges for which Customer is ultimately responsible shall be billed to Customer or

credited to Customer, as appropriate, in twelve (12) equal monthly amounts beginning with the month of July of the year immediately following the Calendar Year for which the "true-up" is calculated, unless otherwise agreed by the Parties. The amount to be billed or credited for any such over-collections or under-collections will include interest determined in accordance with Section 35.19a of FERC's regulations and charged or applied from the date of original payment to the date when the over-collections or under-collections are paid or credited, but excluding the date paid or credited. Customer may unilaterally elect to prepay any amounts owed to Company, and Company may unilaterally elect to credit, in advance, any amounts due to Customer, and any such prepayments or advance credits shall be reflected in any interest calculations hereunder. Customer shall have the rights set forth in Section 4.6 of this Agreement regarding the calculation of the "trued-up" Monthly Charges. Trued-up Generation Demand and Generation Energy Charges shall always be based on Company's actual costs.

For example, the "true-up" of Generation Demand and Generation Energy Charges initially collected for service provided during Calendar Year 2014 shall be conducted by Company by June 30, 2015. The "trued-up" charges shall be calculated using (i) 2014 FERC Form No. 1 cost data and (ii) the ROE, as specified in Section 4.7(b). The difference between the sum of the Generation Demand and Generation Energy Charges originally billed to Customer for service provided during 2014 and the sum of the "trued-up" Generation Demand and Generation Energy Charges for Calendar Year 2014 will be divided into twelve (12) equal amounts and billed to Customer or credited to Customer, as appropriate and with interest, in invoices sent to Customer from July 2015 through June 2016, covering services provided during January 2014 through December 2014, unless otherwise agreed by the Parties or except to the extent a full prepayment is made by Customer or a full advance credit is refunded by Company.

4.5 Fuel Charge and Fuel Adjustment Charge. Customer shall pay Company a monthly Fuel Charge and Fuel Adjustment Charge based upon the fuel factors and the fuel adjustment factors determined pursuant to Appendix C. The "Fuel Charge" for each month shall be an amount equal to (i) the product of the estimated On-peak Fuel Charge Factor determined pursuant to Appendix C for the applicable month and the Billing Energy for the applicable month, plus (ii) the product of the estimated Off-peak Fuel Charge Factor determined pursuant to Appendix C for the applicable month and the Billing Energy for the applicable month. The "Fuel Adjustment Charge" shall be an amount equal to (i) the product of the actual On-peak Fuel Adjustment Charge Factor determined pursuant to Appendix C for the applicable month that the Fuel Charge is being trued-up and the Billing Energy for the applicable month that the Fuel Charge is being trued-up, plus (ii) the product of the actual Off-peak Fuel Adjustment Charge Factor determined pursuant to Appendix C for the applicable month that the Fuel Charge is being trued-up and the Billing Energy for the applicable month that the Fuel Charge is being trued-up. The fuel factors used to bill the Fuel Charges shall be projected by November 30th of every year for the following Calendar Year. The Fuel Charge shall then be subject to true-up through the Fuel Adjustment Charge. Customer shall be billed an estimated Fuel Charge each month for the energy delivered in the preceding month. Any difference between the estimated Fuel Charges and the Fuel Charges based on actual fuel costs shall be billed or credited to Customer through the Fuel Adjustment Charge on

the first bill rendered after such actual fuel costs have been determined. If the Fuel Adjustment Charge is positive, such amount shall be billed to Customer and if the Fuel Adjustment Charge is negative, such amount shall be credited to Customer. The amount to be billed or credited for any over-collections or under-collections based on such estimates versus actual costs shall include interest accrued at the average of the Prime Rate as published in the Wall Street Journal for the last business day of the current and prior month and charged or applied to the average of the beginning and ending true-up balance for the month. Company shall use reasonable diligence when estimating monthly fuel charges so as to avoid any significant difference between estimated and actual monthly fuel charges to Customer. Fuel Adjustment Charges shall always be based on Company's actual costs for fuel and purchased power.

4.6 Review Process.

(a) The following information shall be provided to Customer by Company on or before June 30th: (i) Company's FERC Form No. 1 Report for the Calendar Year in which the service was provided; (ii) the calculation of the trued-up Generation Demand Charge and the trued-up Generation Energy Charge; and (iii) work papers showing the source of all data utilized in the calculation(s) and any other supporting documentation. The accuracy of Company's calculations, as well as the data used in those calculations (including FERC Form No. 1 data), shall be subject to review and adjustment only in accordance with the following procedure:

(i) Customer shall have until September 30 of the same Calendar Year to review the information provided by Company. During that time Customer may ask Company questions, but such questions shall be limited to determining if Company properly applied the cost-of-service formulas in Appendix B; if the data used in Appendix B was accurate; and if Company's calculations were consistent with this Agreement. Company shall respond to such questions within twenty (20) Business Days. If the FERC Form No. 1 data or other Company data used in the calculations is changed, Company shall make the appropriate adjustment.

(ii) If Company and Customer do not resolve any dispute as to the accuracy of the data used by Company or the application of the cost-of-service formulas in Appendix B by September 30 of the same Calendar Year, Customer may file a complaint at FERC within thirty (30) calendar days regarding the accuracy of Company's calculations or the data used in those calculations (including FERC Form No. 1 data), or both. The Parties agree that the complaint proceeding will be limited to determining if Company properly applied the cost-of-service formulas in Appendix B, if the data used in Appendix B was accurate, and if Company's calculations were consistent with this Agreement. Company agrees to bear the burden of proof regarding these matters in any such complaint proceeding. Any refund obligation will extend for the entire Calendar Year that is the subject of review as a result of the complaint proceeding, with Company having no right to seek suspension of the refund effective date.

(iii) The Generation Demand and Generation Energy Charges being collected from Customer by Company under this Agreement for a Calendar Year shall become final and

not subject to adjustment on the latest of (i) September 30 of the same Calendar Year in which the FERC Form No. 1 Report for the subject Calendar Year is provided during the Term of this Agreement, if at such time, there has been no complaint filed at FERC under this Section 4.6(a); (ii) the final resolution of any complaint filed pursuant to this Section 4.6(a); or (iii) the day any required corrections have been made by Company. Company shall make any necessary corrections required pursuant to this Section 4.6 as soon as possible and shall make any adjustments to Customer's Monthly Bill as provided in Section 4.4.

(b) The following information shall be provided to Customer by Company on or before December 1 of each Calendar Year: (i) the calculation of the fuel factors used to determine the monthly Fuel Charge for the following Calendar Year; and (ii) work papers showing the source of all data utilized in the calculation of the fuel factors used to determine the monthly Fuel Charge for the following Calendar Year and any other supporting documentation. The accuracy of Company's calculations, as well as the data used in those calculations, shall be subject to review and adjustment only in accordance with the following procedure:

(i) Customer shall have until December 31 of the same Calendar Year in which the information described in the above paragraph is provided to Customer to review the information provided by Company. During that time Customer may ask Company questions, but such questions shall be limited to determining if Company properly applied the formula in Appendix C, if the data used in Appendix C was accurate, and if Company's calculations were consistent with this Agreement. Company shall respond to such questions within twenty (20) Business Days.

(ii) If Company and Customer do not resolve any dispute as to the accuracy of the data used by Company or the application of the formula in Appendix C by February 28 of the succeeding Calendar Year, Customer may file a complaint at FERC within thirty (30) calendar days regarding the accuracy of Company's calculations or the data used in those calculations, or both. The Parties agree that the complaint proceeding will be limited to determining if Company properly applied the formula in Appendix C, if the data used in Appendix C was accurate, and if Company's calculations were consistent with this Agreement. Company agrees to bear the burden of proof regarding these matters in any such complaint proceeding. Any refund obligation will extend for the entire Calendar Year that is the subject of review as a result of the complaint proceeding, with Company having no right to seek suspension of the refund effective date.

(iii) The Fuel Charges being collected from Customer by Company under this Agreement shall become final and not subject to adjustment on the latest of (i) February 28 of each succeeding Calendar Year during the Term of this Agreement (as described in (ii) above), if at such time, there has been no complaint filed at FERC under this Section 4.6(b); (ii) the final resolution of any complaint filed pursuant to this Section 4.6(b); or (iii) the day any required corrections have been made by Company. Company shall make any necessary corrections as soon as possible and shall make any adjustments to Customer's bill on the next monthly billing or as soon as commercially reasonable.

(c) Each month following the determination of the actual fuel costs for such month by Company for use in Fuel Adjustment Charge billings to Customer, the following information shall be provided to Customer by Company on or before the last day of the second month following the month for which the Fuel Adjustment Charge applies: (i) the calculation of the fuel factors used to determine the monthly Fuel Adjustment Charge for the applicable month; and (ii) work papers showing the source of all data utilized in the calculation of the monthly Fuel Adjustment Charge for the applicable month and any other supporting documentation. The accuracy of Company's calculations, as well as the data used in those calculations, shall be subject to review and adjustment only in accordance with the following procedure:

(i) Customer shall have until the end of the fourth month following the month for which the Fuel Adjustment Charge applies to review the information provided by Company. During that time Customer may ask Company questions, but such questions shall be limited to determining if Company properly applied the formulas in Appendix C, if the data used in Appendix C was accurate, and if Company's calculations were consistent with this Agreement. Company shall respond to such questions within twenty (20) Business Days.

(ii) If Company and Customer do not resolve any dispute as to the accuracy of the data used by Company or the application of the formula in Appendix C by the fourth month following the month for which the Fuel Adjustment Charge applies, Customer may file a complaint at FERC within thirty (30) calendar days regarding the accuracy of Company's calculations or the data used in those calculations, or both. The Parties agree that the complaint proceeding will be limited to determining if Company properly applied the formula in Appendix C, if the data used in Appendix C was accurate, and if Company's calculations were consistent with this Agreement. Company agrees to bear the burden of proof regarding these matters in any such complaint proceeding. Any refund obligation will extend for the entire month that is the subject of review as a result of the complaint proceeding, with Company having no right to seek suspension of the refund effective date.

(iii) The Fuel Adjustment Charges being collected from Customer by Company under this Agreement shall become final and not subject to adjustment on the latest of (i) the fourth month following the month for which the Fuel Adjustment Charge applies, if at such time, there has been no complaint filed at FERC under this Section 4.6(b); (ii) the final resolution of any complaint filed pursuant to this Section 4.6(b); or (iii) the day any required corrections have been made by Company. Company shall make any necessary corrections as soon as possible and shall make any adjustments to Customer's bill on the next monthly billing or as soon as commercially reasonable.

(d) Except as otherwise specifically provided in Section 4.6 of this Agreement, Customer shall not oppose, directly or indirectly, Company or its positions at FERC with regard to the formula itself or charges assessed by Company for Full Requirements Electric Services under this Agreement and hereby waives its right to do so.

4.7 Cost-of-Service Formulas. The cost-of-service formulas set forth in Appendix B were designed, by mutual agreement, primarily to use Company's FERC Form No. 1 costs. Certain costs that either are not reflected in Company's FERC Form No. 1, or that the Parties agreed were not representative of Company's costs, were determined by negotiation. The specific elements of the cost-of-service formulas set forth below were negotiated as an integrated and integral part of this Agreement:

(a) For purposes of calculating Company's charges used in Appendix B, the Parties agree that Company will include one hundred percent (100%) of its expenditures for Pollution Control Facilities and Fuel Conversion Facilities (as defined in Section 35.25 of the FERC's regulations) recorded on Company's books and records as construction work in progress ("CWIP"), and fifty percent (50%) of its expenditures for all other CWIP.

(b) The Return on Common Equity ("ROE") is 11.75%.

(c) Company's total production costs as shown in Appendix B shall be reduced for a portion of its gains on non-separated wholesale power sales, excluding emergency sales. Non-separated wholesale power sales shall refer to wholesale power sales that are short-term (less than one year in duration) and/or non-firm in nature. Consistent with the rate treatment applied to Company's Customers, an incentive shall apply to the gains on all non-separated wholesale power sales, firm and non-firm, excluding emergency sales. A three year moving average of gains on all non-separated wholesale power sales, firm and non-firm, excluding emergency sales, shall be established each year as the threshold for application of the incentive. All gains below this threshold shall be credited as a reduction to Company's total production costs as shown on Appendix B. Eighty percent (80%) of the gains above this threshold shall also be shown as a reduction to Company's total production costs as shown on Appendix B. Twenty percent (20%) of the gains above this threshold shall be retained by Company's shareholders. To the extent that the FPSC approves a different formula for sharing the gains on non-separated sales with Company's Customers, Company reserves the right to file at FERC to modify provisions of this paragraph, consistent with the FPSC approved methodology, and Customer agrees to support such filing. To the extent that the FPSC approves a different formula for sharing the gains on non-separated sales with Company's Customers which would reduce the gains to be retained by Company, Company shall notify Customer and shall make such filing at FERC if requested by Customer. Company shall apply all allocations associated with the above referenced formula consistently across all Company's total load requirements and Customer shall only receive its share of these benefits.

(d) The method set forth in Appendix B to allocate costs as production-related and/or transmission-related shall be used throughout the Term of this Agreement; provided, however, that to the extent that any of the following circumstances occur during the Term of this Agreement, the Parties will meet and attempt to determine a mutually agreeable modification to Appendix B: (i) FERC determines in a rulemaking proceeding, or in a proceeding regarding Company's costs to be included in the Transmission Provider's OATT, or it is agreed in a FERC-approved settlement of any such proceeding, that items currently included in Appendix B as production-related should be treated as transmission-related; or (ii) FERC determines in a rulemaking proceeding, or in a proceeding regarding

Company's costs to be included in the Transmission Provider's OATT, or it is agreed in a FERC-approved settlement of any such proceeding, that items currently excluded from Appendix B as transmission-related should be treated as production-related. If either or both of the circumstances in this Section 4.7(d) occurs and the Parties cannot agree upon a modification to Appendix B, then either Party may seek FERC review of Appendix B's treatment of the items addressed in such proceedings under the "just and reasonable" standard of Sections 205 and 206 of the FPA.

4.8 Billing Demand and Energy.

(a) The monthly "Billing Demand" shall be an amount equal to the following for the applicable Billing Period: (1) the sum of the single highest 60-minute kW demand at all of the Delivery Points during the same 60-minute period; plus (2) any purchases made or electrical output received (expressed in kW) at or on Customer's side of the Delivery Points in that 60-minute period from Qualifying Facilities as provided in Section 3.3, renewable energy resources as provided in Section 3.4 and distributed generation resources as provided in Section 3.5; and (3) grossed-up for Losses (expressed in kW) at and from the Receipt Points to the Delivery Points based on the demand loss factors for all transmission delivery points on Company's system for the applicable period as set forth in Appendix B. In determining the monthly "Billing Demand", the purchases described in Section 4.8 (a)(2), above, shall be reduced as follows: (i) by up to 5 MW for the first five (5) MW, in the aggregate, that are purchased or received by Customer from all Qualifying Facilities, (ii) by up to two (2) MW for the first two (2) MW, in the aggregate, that are purchased or received by Customer from all renewable energy resources, (iii) by up to two (2) MW for the first two (2) MW, in the aggregate, that are purchased or received from all distributed generation resources. Examples regarding the calculation of monthly Billing Demand are set forth in Appendix K.

(b) The monthly "Billing Energy" shall be the total kWhs of Full Requirements Electric Service, as measured during the applicable Billing Period, at all of the Delivery Points and grossed-up for Losses (expressed in kW) at and from the Receipt Points to the Delivery Points based on the energy loss factors for all transmission delivery points on the Company's system for the applicable period as set forth in Appendix B.

(c) The monthly "CP Demand" shall be the total 60-minute kW demand measured at the time of Company's highest hourly system demand during the Billing Period: (1) at all of the Delivery Points; plus (2) any purchases made or electrical output received (expressed in kW) in that 60-minute period at or on Customer's side of the Delivery Points from Qualifying Facilities as provided in Section 3.3, renewable energy resources as provided in Section 3.4 and distributed generation resources pursuant to Section 3.5; and (3) grossed-up for Losses (expressed in kW) at and from the Receipt Points to the Delivery Points based on the demand loss factor for all transmission delivery points on the Company's system for the applicable period as set forth in Appendix B. In determining the monthly "CP Demand", the purchases or amounts received described in Section 4.8(c)(2), above, shall be reduced as follows: (i) by up to 5 MW for the first five (5) MW, in the aggregate, that are purchased or received by Customer from all Qualifying Facilities, (ii) by up to two (2) MW for the first two (2) MW, in the aggregate,

that are purchased or received by Customer from all renewable energy resources and (iii) by up to two (2) MW for the first two (2) MW, in the aggregate, that are purchased or received from all distributed generation resources. In addition, the CP Demand shall be adjusted for Load Management as set forth in Section 3.7(b) and the Calculation of Customer's CP Demand Schedule attached to Appendix B. Examples regarding the calculation of monthly CP Demand are set forth in Appendix K.

(d) The meters at the Delivery Points shall be tested from time to time, and the results shall be reported to Company and Customer. The Transmission Provider's OATT shall govern the process for testing the meters at the Delivery Points. In the event such testing results in a need to correct prior meter readings, such corrections shall be made in accordance with Transmission Provider's OATT and Company's FERC Form No. 1 data shall be appropriately amended to reflect the effects of such corrections.

(e) Customer shall provide by e-mail to Company on the second Business day of the month following the month of delivery all electronic metering information relating to electrical output received during the applicable Billing Period by Customer at and on Customer's side of the Delivery Points. Such metering information shall be sufficient to enable Company to calculate the adjustments, if any, to the monthly Billing Demand and monthly CP Demand resulting from the receipt by Customer of such electrical output on Customer's side of the Delivery Points from Qualifying Facilities as provided in Section 3.3, renewable energy resources as provided in Section 3.4 and distributed generation resources as provided in Section 3.5.

4.9 Determination of Monthly Bill.

The Monthly Bill shall set forth charges for Full Requirements Electric Service, charges to reimburse costs incurred by Company on behalf of Customer in connection with Full Requirements Electric Service, and other charges associated with Full Requirements Electric Service. For purposes of this Agreement, the "Monthly Bill" shall be the total sum of the following:

- (a) The Generation Demand Charge;
- (b) The Generation Energy Charge;
- (c) The Fuel Charge;
- (d) The Fuel Adjustment Charge;
- (e) True-up of estimated versus actual charges as described in Section 4.4;
- (f) Customer Charge;
- (g) All amounts due to Company for reimbursement of charges incurred by Company for delivery of Full Requirements Electric Service in accordance with the OATT or related agreements for transmission-related schedules or services for which Customer is

responsible pursuant to this Agreement, to the extent that such charges are not included in Items (a) through (l);

- (h) Amounts due as a result of a Loss of Members pursuant to Section 16.5;
- (i) Any applicable governmental Taxes, fees and assessments attributable or related to Full Requirements Electric Service to the extent not included in items (a) through (l);
- (j) Environmental and/or emissions charges, costs and expenses as further described in Section 3.9 of this Agreement to the extent not included in items (a) through (l);
- (k) Customer's share of RPS Compliance Costs as further described in Section 3.6 to the extent not included in items (a) through (l); and
- (l) Any other amounts payable or due to Company pursuant to this Agreement.

4.10 Payment Date. Customer shall pay Company any amounts due and payable hereunder on or before the later of the fifteenth (15th) calendar day of each month following the period of delivery of Full Requirements Electric Service, or the tenth (10th) calendar day after receipt of invoice or, if such due date is not a Business Day, then on the next Business Day. All invoices shall be delivered electronically to Customer on a Business Day, and all invoices shall be paid by electronic funds transfer, or by other mutually agreeable methods, to the account designated by Company. If all or any part of any amount due and payable pursuant to this Agreement shall remain unpaid thereafter, interest shall thereafter accrue and be payable to Company on such unpaid amount at a rate determined in accordance with Section 35.19a of FERC's regulations.

4.11 Payment in Event of Billing Disputes. If Customer, in good faith, disputes an invoice, Customer shall immediately notify Company of the basis for the dispute and pay the undisputed portion of such invoice no later than the due date; provided, however, Customer shall not withhold amounts in connection with any dispute under Section 4.6 (or payments that would be subject to the provisions of Section 4.6); provided, further, however, with respect to any amounts Company passed through from the Transmission Provider to Customer pursuant to item (g) in Section 4.9, above, the full amount of the disputed bill shall be paid when due and any billing dispute shall be handled in accordance with the procedures set forth in the OATT. Upon resolution of the dispute, any required payment shall be made within five (5) Business Days of such resolution along with any interest accrued at the rate determined in accordance with Section 35.19a of the FERC's regulations from and including the due date to, but excluding the date paid. Inadvertent overpayments shall be returned by Company or deducted at the option of Customer, in either case with interest accrued at the rate determined in accordance with Section 35.19a of the FERC's regulations until the date paid or deducted from and including the date of such overpayment to but excluding the date repaid or deducted by Company.

4.12 Retail Competition. In the event the State of Florida enacts a Law providing for the implementation of Retail Competition in the State of Florida, Company and Customer shall have the right to renegotiate the price of Full Requirements Electric Service

hereunder as well as other terms hereof. If Company and/or Customer elect(s) to renegotiate this Agreement, the Parties shall renegotiate in good faith to attempt to reach an agreement on the proposed changes to this Agreement. In the event the Parties do not agree on new terms hereunder that restore the economic and other benefits reasonably anticipated by Company and Customer under this Agreement as of the date prior to Retail Competition within a commercially reasonable period of time after the effective date of such Law (but not to extend beyond the commencement date of Retail Competition in the State of Florida), Company or Customer shall provide fifteen (15) days notice to the other Party that negotiations of a modified cost of capacity and energy are terminated. Upon termination of such negotiations, this Agreement will continue under the then current charges and the Term of this Agreement shall be automatically modified to extend until the date such Retail Competition commences in the State of Florida. Company has the right to file with FERC for changes to this Agreement pursuant to Section 205 of the Federal Power Act to incorporate any changes to the Full Requirements Electric Service pricing and other terms and conditions hereunder that are agreed to by both Parties and to incorporate the change in Term, if applicable. In addition to any other rights specified in this Section 4.12, Customer agrees that Company shall have the right to recover its stranded costs in accordance with Section 35.26 of FERC's regulations (or any successor provision) in the event Retail Competition is implemented in Florida and the Term is modified or this Agreement is terminated pursuant to this Section 4.12.

ARTICLE 5 CHANGE OF TRANSMISSION

5.1 Nodal Market.

(a) In the event that a nodal or similar market design is implemented that is reviewed or approved by FERC or the applicable governing body, Customer shall be responsible for all charges imposed under such market design between the Receipt Points and the Delivery Points, including, but not limited to congestion and Losses, any locational marginal pricing differentials, locational capacity pricing differences, and incremental losses and any other similar charges, and Company shall maintain the right to allocate the output of Company Generation Resources to meet the requirements of Company. The Receipt Points shall, for such purposes, be the points that most closely resemble the geographic characteristics of the Receipt Points as of the date prior to the implementation of the nodal or similar market design. In such case, Company's transmission costs, including transmission losses and other applicable fees to the Receipt Points shall be added to the charges set forth in Article 4. In the event that a regional transmission organization or similar independent transmission entity is established in Florida, Customer shall be responsible for all additional costs of providing service hereunder resulting from such independent transmission entity and Company shall maintain the right to allocate the output of the Company Generation Resources.

(b) In the event that a nodal or similar market design is implemented, to the extent permitted by applicable Laws, Company shall meet with Customer on an annual basis in order to review the dispatch characteristics of the Company Generation Resources.

5.2 Regional Transmission Organization.

(a) If an ISO, RTO, ITC or other future organization agency or authority is formed, created or otherwise implemented in Florida that has been approved by FERC to serve as the Transmission Provider, then Company and Customer shall reasonably cooperate to make or enter into arrangements with such entity to assist such entity with implementation of this Agreement.

(b) Nothing herein shall be construed in any way to relieve Customer of, or impose upon Company, the responsibility for any fees, costs, or charges (including but not limited to congestion costs, transmission losses, or the costs or charges to secure financial transmission rights or the equivalent thereof) that may be imposed on Customer by an ISO, RTO, ITC or other future organization, agency or authority that has been approved by FERC to serve as the Transmission Provider. Company shall have no right or interest in any financial transmission rights or the equivalent thereof that are allocated, assigned, transferred to, or acquired by Customer.

ARTICLE 6 CREDITWORTHINESS

6.1 Financial Information. If requested by a Party ("Party X"), the other Party ("Party Y") shall deliver (i) within one hundred fifty (150) days following the end of each fiscal year, a copy of the annual report containing audited consolidated financial statements for such fiscal year with respect to Party Y, and (ii) within sixty (60) days after the end of each of its first three (3) fiscal quarters of each fiscal year, a copy of a quarterly report containing unaudited consolidated financial statements for such fiscal quarter with respect to Party Y, to the extent that such reports are prepared in Party Y's ordinary course of business on such schedule. In all cases the statements shall be for the most recent accounting period and shall be prepared in accordance with generally accepted accounting principles, except for accounting adjustments that the Party customarily makes only at fiscal year end in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default for a period of not more than forty-five (45) days so long as during such period Party Y diligently pursues the preparation, certification and delivery of the statements. Company's obligation to deliver financial statements as set forth in this Section 6.1 shall continue only for so long as Company has a legal obligation to prepare and publicly disclose such financial statements. In the event Company no longer has a legal obligation to prepare and publicly disclose such financial statements, Company shall deliver to Customer in satisfaction of the requirements of this Section 6.1, financial statements of its ultimate parent company.

6.2 Financial Covenant Compliance Worksheet. If Customer is preparing financial covenant worksheets for its Lenders or if Customer does not have a credit rating from either S&P or Moody's, Customer shall prepare each month, on a rolling twelve month basis, a Financial Covenant Compliance Worksheet ("Worksheet") that contains the calculations of the covenants set forth in Section 6.3(d), a sample of which is attached hereto as Appendix D. If Customer is preparing financial covenant worksheets for its Lenders or if Customer does not have a credit rating from either S&P or Moody's, Customer shall continue to prepare such Worksheet in the same or similar format and

with substantially the same type of content during and for the Term of this Agreement and shall continue to provide Company on or before the fifteenth (15th) day of each month, but no earlier than five (5) days after the receipt of an invoice by Customer (or, if later, immediately after Customer's Board of Trustees approves the Worksheet if the Board of Trustees does not meet until after the fifteenth (15th) day of each month; provided that in no event shall the Worksheet be delivered later than the last calendar day of the applicable month), with a copy of the Worksheet covering the prior month period, certified by its chief financial officer ("CFO") as being true and correct and prepared in accordance with generally accepted accounting principles. The Worksheet for the month of December shall be delivered on or before the last calendar day of January. In addition, Customer shall provide to Company, along with the Worksheet, Customer's monthly financial statements used to prepare such Worksheet. No later than the Effective Date, Customer shall provide Company a copy of its loan documents for secured and unsecured loans with each of its Lenders, certified by its CFO as being true and correct copies thereof. Customer shall provide Company a copy of any new loan documents entered into by Customer during the Term and any amendments, supplements, modifications, restatements or replacements of any loan documents in effect as of the date of this Agreement and new loan documents, which shall be certified by its CFO as being true and correct copies thereof, within fourteen (14) Business Days after execution thereof.

6.3 Credit Assurances of Customer.

(a) Customer covenants that it shall maintain, at all times in which it has a Credit Rating, a minimum of an Investment Grade Credit Rating. If Customer does not have a Credit Rating from S&P or Moody's, Customer shall at all times meet or exceed each of the minimum financial covenants that are determined in accordance with Section 6.3(d).

(b) Beginning on December 2, 2013, and continuing throughout the Term, should the Customer's obligations to Company arising under this Agreement be required to be secured by a Letter of Credit, or if mutually agreed as to form, structure and content by Customer and Company, by a Dedicated Line of Credit, in each case, in an amount equal to or greater than two times the highest total monthly bill incurred by Customer under this Agreement over the most recent prior twelve (12) month period (such amount, as the same is required herein to be adjusted from time to time, the "Required Amount"). In lieu of the Letter of Credit, Company shall agree to Customer securing its obligations to Company under this Agreement by use of a Dedicated Line of Credit based on terms and conditions satisfactory to Company, including those set forth in Appendix G, if, but only if, Company, Customer and Customer's Lender reach a mutual written agreement on all the terms and conditions of such Dedicated Line of Credit; otherwise (and until such time) a Letter of Credit will continue to be required pursuant to the terms and conditions of this Agreement.

(1) If Customer, its Lender and Company reach a mutual written agreement on the form and use of a Dedicated Line of Credit to secure Customer's obligations to Company, such Dedicated Line of Credit shall, among other things, permit Company to make a drawing for the account of Customer of the full amount of the Dedicated

Line of Credit in the event that (a) Customer fails to renew or replace the Dedicated Line of Credit at least thirty (30) calendar days prior to the stated expiration of the Dedicated Line of Credit, (b) if, within the applicable period of grace provided therefore in this Article 6, Customer fails to provide Company with a Letter of Credit or additional Performance Assurance as required pursuant to the provisions of this Article 6 or this Agreement, (c) an Event of Default by Customer has occurred and is continuing, or (d) Company otherwise has the right to draw upon any Performance Assurance of Customer pursuant to the terms of this Agreement. The documents evidencing and securing any Dedicated Line of Credit shall be in form and substance satisfactory to Company, and the Lender providing such Dedicated Line of Credit shall provide to Company a Consent and Agreement in form and substance satisfactory to Company (for the avoidance of doubt, the Consent and Agreement attached as Appendix I is not intended to dictate or limit the form or substance of the Consent and Agreement contemplated by this Section 6.3(b)(1)). The Dedicated Line of Credit shall be for the sole and exclusive benefit of Company, and its sole purpose shall be to secure Customer's obligations under this Agreement. Customer shall have no right to draw under the Dedicated Line of Credit, and Company shall have the sole and exclusive right to draw under the Dedicated Line of Credit for the account of Customer, without Customer's consent, by using a power of attorney. Upon notice by Company to Customer from time to time advising Customer of the amount of the highest monthly bill incurred by Customer over the most recent twelve (12) month period, Customer shall adjust the amount of the Dedicated Line of Credit within thirty (30) calendar days to the Required Amount if the available amount of the Dedicated Line of Credit does not then equal or exceed the Required Amount and provide Company evidence of such change. If Company draws upon the Dedicated Line of Credit, Customer shall restore and maintain the amount available for draw under the Dedicated Line of Credit to equal or exceed the Required Amount within five (5) Business Days after any such drawing so that the Required Amount is available at all times. Customer shall cooperate with Company and take such actions as are required for Company to perfect a first priority security interest in the Dedicated Line of Credit ("Security Interest"), including but not limited to entering into a security agreement to establish such Security Interest and to grant Company a power of attorney, each such security agreement and power of attorney to be in form and substance satisfactory to Company. Customer agrees that the Dedicated Line of Credit shall not be subject to termination or amendment without the express prior written consent of Company. All costs of a Dedicated Line of Credit shall be borne by Customer. If a Dedicated Line of Credit is established pursuant to this Section 6.3(b)(1), Company shall have the option, at any time, upon thirty (30) calendar days prior notice, to require Customer to replace the Dedicated Line of Credit with a Letter of Credit equal to the Required Amount. Should Company exercise its option to cause Customer to replace the Dedicated Line of Credit with a Letter of Credit as provided in this Section 6.3(b)(1), Company shall pay one half of the Letter of Credit fees required to post and maintain such a Letter of Credit. The obligation of Company to pay one-half of the Letter of Credit fees shall not apply when a Letter of Credit is posted by Customer pursuant to Section 6.3(b)(2), Performance Assurance is required by Company pursuant to Section 6.4, or Article 7 of this Agreement, or when a

Dedicated Line of Credit is not permitted to be used (or the conditions for use have not been satisfied) pursuant to this Section 6.3(b).

(2) If Customer secures its obligations to Company by Letter of Credit, the Letter of Credit shall be substantially in the form set forth in Appendix H naming Company as the sole beneficiary, and shall at all times be in an amount equal to or greater than the Required Amount. The Letter of Credit shall, among other things, permit Company to make a drawing for the full amount of the Letter of Credit in the event that (a) Customer fails to renew or replace the Letter of Credit at least thirty (30) calendar days prior to the stated expiration of the Letter of Credit, (b) if, within the applicable period of grace provided therefor in this Article 6, Customer fails to provide Company with additional Performance Assurance as required pursuant to the provisions of this Article 6 or this Agreement, (c) an Event of Default by Customer has occurred and is continuing, or (d) Company otherwise has the right to draw upon any Performance Assurance of Customer pursuant to the terms of this Agreement. Upon notice by Company to Customer from time to time of the amount of the highest monthly bill incurred by Customer over the most recent twelve (12) month period, Customer shall adjust the amount of the Letter of Credit to the Required Amount within thirty (30) calendar days if the available amount of the Letter of Credit does not then equal or exceed the Required Amount and provide Company evidence of such change. If Company draws upon the Letter of Credit, Customer shall restore and maintain the amount available for draw under the Letter of Credit to equal or exceed the Required Amount within five (5) Business Days after any such drawing so that the Required Amount is available at all times. All costs of a Letter of Credit shall be borne by Customer.

(c) If, at any time, Customer's Chief Executive Officer or its CFO has reasonable grounds to believe or has actual knowledge that Customer has experienced a business condition or event that has caused Customer to fail to either (i) maintain an Investment Grade Credit Rating, or (ii) if Customer does not have a Credit Rating, to satisfy the minimum financial covenants determined in accordance with Section 6.3(d), below, in accordance with the applicable requirements of Section 6.3(a), Customer shall immediately provide written notice to Company advising Company of such event and shall further provide Company a summary of the details of such event to the extent available.

(d) Customer agrees to comply with each of the financial covenants set forth in this Section 6.3(d) and represents and warrants that such financial covenants are the most stringent criteria among Customer's Lenders for these four financial covenants. If at any time during the Term of this Agreement, Customer does not have a Credit Rating, Customer shall at all times meet or exceed each of the following minimum financial covenants that are included in the Worksheet and defined and calculated in accordance with Appendix D:

- (i) Debt Service Coverage Ratio of greater than 1.75.
- (ii) Times Interest Earned Ratio of greater than 1.50.

- (iii) Equity Ratio equal to or greater than .35 to 1.0.
- (iv) Total Debt to EBITDA of not greater than 8.0 to 1.0.

Customer acknowledges that the minimum financial covenants and related definitions established by Customer's Lenders (or trustee under a trust indenture or similar instrument securing holders of obligations secured by a senior lien on Customer's assets), as referenced in the Worksheet, may be changed from time to time by Customer's Lenders or trustee under a trust indenture or similar instrument securing holders of obligations secured by a senior lien on Customer's assets. In the event the most stringent financial covenants and/or related definitions as set forth in the Worksheet are modified by Customer's Lender or trustee, as the case may be, imposing the most stringent covenant(s) such that the applicable covenant becomes more or less stringent than the corresponding financial covenant and/or related definition set forth in this Section 6.3(d) and the Worksheet, Customer agrees that the applicable covenant set forth in this Section

6.3(d) shall be automatically revised, as of the effective date of such change in such financial covenant, to match the most stringent covenant among Customer's Lenders or trustees, as the case may be, for each of these four financial covenants; provided that in the event any of these covenants is deleted by Customer's Lenders or trustees, such covenant shall not, without Company's consent, be deleted from and shall continue to apply with respect to this Agreement at the level and with the definition in effect prior to such deletion. Customer shall notify Company in writing within five (5) days of any such modification, adjustment or amendment and the Parties shall, within ten (10) days thereof, amend the Worksheet to conform to such modifications, adjustments or amendments, provided that, until such Worksheet is amended, the financial covenants and related definitions shall be automatically revised as provided in the preceding sentence. As a result, the most stringent financial covenant imposed by any one of Customer's Lenders or trustees, as the case may be, shall be the applicable financial covenant that applies for purposes of this Agreement.

6.4 Remedies.

(a) In the event that (1) Customer provides notice to Company pursuant to Section 6.3(c), above, (2) an Event of Default by Customer occurs and is continuing, (3) Customer fails to maintain an Investment Grade Credit Rating (if it has a Credit Rating), (4) Customer fails to satisfy any one or more of the financial covenants set forth in Section 6.3(d), or (5) Customer otherwise fails to comply with any of the other provisions of Section 6.3 (including, without limitation, the failure of Customer to replace any bank issuing a Dedicated Line of Credit or Letter of Credit with a Creditworthy Bank and provide a new Dedicated Line of Credit (that satisfies the requirements of this Agreement) or Letter of Credit, as applicable, within thirty (30) calendar days of the failure of such bank to satisfy the requirements set forth in the definition of Creditworthy Bank), upon the earlier to occur of (i) notice from Customer or Company to the other of any such event or (ii) actual knowledge of any such event by Customer, Customer shall (A) pay all amounts outstanding under this Agreement as of the date of notice or such

knowledge within five (5) Business Days of receipt of such notice or such knowledge, (B) post and maintain a Letter of Credit in favor of Company for an amount equivalent to or greater than two times the highest total monthly bill incurred by Customer over the most recent prior twelve (12) month period, and (C) commence prepaying Company weekly in advance for all amounts due as reasonably computed and invoiced by Company until such time as Customer satisfies the applicable requirements of Section 6.3(a) and each of the applicable events described in this Section 6.4(a) has been cured and is no longer continuing, unless otherwise agreed by Company. Company agrees that simultaneously with the establishment of a Letter of Credit pursuant to this Section 6.4(a), any previously established Dedicated Line of Credit shall be extinguished and of no further effect and any previously established Letter of Credit shall be amended to equal an amount equivalent to or greater than two times the highest total monthly bill incurred by Customer over the most recent prior twelve (12) month period as provided above or replaced upon the establishment of a new Letter of Credit pursuant to the preceding sentence. In the event that Company draws on the Letter of Credit from time to time, Customer shall post and maintain an additional Letter of Credit, or amend the existing Letter of Credit to reinstate the available amount thereunder by an amount equal to two times the Required Amount, for the amount drawn within three (3) Business Days after such drawing so that a Letter of Credit in an amount equal to two times the Required Amount remains available at all times.

(b) Failure of Customer to comply with the requirements of Article 6 shall be an Event of Default unless remedied within five (5) days; provided, however, the cure period set forth in this Section 6.4(b) shall not apply to the failure to post Performance Assurance under Section 6.4(a).

(c) Company shall apply the proceeds of the Performance Assurance realized upon the exercise of any such rights or remedies to reduce Customer's obligations under this Agreement (with Customer remaining liable for any amounts owing to Company after such application). Company shall return any surplus proceeds remaining after such obligations are satisfied in full provided that all required Performance Assurance has been posted, and provided further that no Event of Default or event, which with the giving of notice or the lapse of time, or both, would constitute an Event of Default, shall have occurred and then be continuing under this Agreement.

(d) Prepayments made by Customer pursuant to this Article 6 shall bear interest at a rate equal to the Federal Funds Rate minus 0.25% as from time to time in effect. "Federal Funds Rate" means the rate, for the relevant determination date opposite the caption "Federal Funds (Effective)", as set forth in the weekly statistical release designated as H.15 (519), published by the Board of Governors of the Federal Reserve System. Such prepayment shall bear interest at the foregoing rate commencing on the date the prepayment is received by Company, but excluding the date prepayment is applied to a Customer's obligations, and shall be calculated on a 365- or 366-day year, as the case may be, for the actual number of days elapsed.

(e) Customer shall invoice Company monthly setting forth the calculation of the interest amount due, and, provided that no Event of Default, or event which with the

giving of notice or the lapse of time, or both, would constitute an Event of Default, shall have occurred and be continuing, Company shall credit Customer's account with the amount of interest due by the later of (i) the fifteenth day of the first month after the last month to which such invoice relates, or (ii) the fifteenth day after the day on which such invoice is received.

6.5 Credit Assurances of Company. Customer hereby waives any and all rights it may have at law or otherwise to require Company to provide financial assurances or security (including cash, letters of credit or other security) in respect of Company's obligations under this Agreement.

ARTICLE 7 DEFAULT AND REMEDIES

7.1 Events of Default. Any one or more of the following shall constitute an Event of Default hereunder with respect to the Defaulting Party:

(a) The failure to make, when due, any payment required pursuant to this Agreement (other than payments disputed under Section 4.11) if such failure is not remedied within five (5) Business Days after written notice;

(b) Any representation or warranty made by a Party herein is false or misleading in any material respect when made, if such failure is not remedied within thirty (30) calendar days after written notice;

(c) Any certification made by Customer pursuant to Article 6, the Worksheet or the financial covenants is false or misleading in any material respect when made, if such failure is not remedied within five (5) Business Days after the earlier to occur of (i) receipt of written notice and (ii) Customer's knowledge of such failure;

(d) The failure by Customer to comply with the provisions of Article 6 if such failure is not remedied within five (5) Business Days (without duplication of the time period set forth in Section 6.4(b)), except that in the case of the failure to perform, maintain or replenish Performance Assurance within the time period set forth in Article 6, such failure shall be an Event of Default with no further cure period permitted;

(e) The failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default as specified above, and except to the extent Company's obligations to deliver Full Requirements Electric Service are excused by the provisions of Article 8 or this Agreement), if such failure is not remedied within thirty (30) calendar days after written notice; provided, however, if a period in excess of thirty (30) calendar days is required to cure such failure, the Defaulting Party shall have an additional amount of time not to exceed ninety (90) calendar days, as may be necessary to cure such failure, provided that the Defaulting Party uses reasonable diligence to remedy such failure;

(f) A Party: (i) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar Law, or has any such petition filed or commenced against it,

which is not dismissed within ninety (90) days; (ii) makes an assignment or any general arrangement for the benefit of creditors; (iii) otherwise becomes bankrupt or insolvent (however evidenced); (iv) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets; or (v) is generally unable to pay its debts as they fall due;

(g) With respect to Customer, a default of Customer occurs under Customer's loan documents with any Lender and such Lender provides a notice of default to Customer or, if no such notice is provided, a default under Customer's loan documents that (if uncured or due to the lapse of time or both) could lead to an acceleration of the outstanding indebtedness by such Lender;

(h) With respect to Customer, a breach of any of the requirements set forth in Article 16; or

(i) An Event of Default of Customer occurs under the Short-Term Agreement and such event of default is not cured within the applicable cure period.

7.2 Declaration of an Early Termination by Company.

(a) If an Event of Default by Customer as the Defaulting Party shall have occurred and be continuing, Company as the Non-Defaulting Party shall have the right to take one or more of the following actions or combinations of actions: (i) to designate a Business Day, no earlier than the day such notice is effective and no later than forty-five (45) days after such notice is effective, as an early termination date ("Early Termination Date"); (ii) withhold any payments due to the Defaulting Party under this Agreement; (iii) suspend performance; and/or (iv) pursue any remedy at Law, in equity and/or under this Agreement. The declaration of an Early Termination Date shall, as of the Early Termination Date, automatically terminate this Agreement by its terms, Company shall have no obligation to provide any level or amount of service to Customer under this Agreement on any basis and Customer waives any and all rights to raise in any forum a claim that Company must provide service to Customer on any basis other than pursuant to the terms of the Short-Term Agreement, including without limitation:

(i) Any terms or provisions of this Agreement;

(ii) Any previous agreements between Customer and Company, including, but not limited to, any previous electric service agreements, any settlement agreements resolving FERC proceedings, or any settlement agreements resolving any state or federal court suits;

(iii) any federal Law;

(iv) any Florida Law; or

(v) on any other basis.

(b) If, but only if, an Event of Default as specified in Section 7.1(f) occurs with respect to Company, Customer shall have the right to designate a Business Day, no earlier than the day such notice is effective and no later than forty-five (45) days after such notice is effective, as an Early Termination Date; and/or suspend performance.

7.3 Other Remedies of Company. Notwithstanding any other provision of this Agreement, if an Event of Default by Customer as the Defaulting Party shall have occurred and be continuing, or an Early Termination Date has occurred, Company as the Non-Defaulting Party, upon written notice to Customer, shall have the right to take one or more of the following actions or combinations of actions:

(a) To accelerate all amounts owed by Customer to Company to be due and payable immediately upon receipt of notice from Company;

(b) Exercise any remedy available at Law, subject to the limitations set forth in Section 10.1 hereof, which remedies shall include without limitation the right to recover direct damages for the remaining Term (as if this Agreement had not been terminated (if terminated)), and, in addition, Company shall have the right to recover its stranded costs in accordance with Section 35.26 of FERC's regulations;

(c) To exercise any remedy available in equity;

(d) To suspend performance under this Agreement, but only if the Event of Default is as specified in Sections 7.1(a), 7.1(d), 7.1(f), 7.1(g), 7.1(h) or 7.1(i) and only if, after such Event of Default, additional Performance Assurance as requested by Company to secure such Event of Default is not provided by Customer within two (2) Business days of Company's written demand therefor;

(e) exercise its rights of setoff against the Short-Term Agreement or any and all property of Customer in the possession of Company or its agent;

(f) draw on any outstanding Performance Assurance issued for Company's benefit (whether issued under the Short-Term Agreement or this Agreement); and/or

(g) exercise any of the rights and remedies of Company with respect to Performance Assurance issued for Company's benefit (whether issued under the Short-Term Agreement or this Agreement) including liquidation of all Performance Assurance then held by or for the benefit of Company free from any claim or right of any nature whatsoever of Customer, including any equity or right of purchase or redemption by Customer.

7.4 Right of Specific Performance and Injunctive Relief by Customer. If an Event of Default by Company shall have occurred and be continuing, Customer as the Non-Defaulting Party, upon written notice to Company, shall have the right to pursue specific performance of Company's obligations hereunder and injunctive relief pursuant to Article 15. Notwithstanding any other provision of this Agreement, absent fraud, such specific performance and injunctive relief and the remedies set forth in Section 8.1(c) (if applicable) and Section 13.1(d) (in the case of a breach of the confidentiality provisions

set forth in Section 13.1) shall be Customer's sole and exclusive remedies under this Agreement, and Customer hereby waives all other rights, damages and remedies, including without limitation direct damages, cover damages, damages at law, and any consequential or other damages or remedies waived or limited by Section 10.1. In no event shall such injunctive relief require the payment of money or property to Customer. Customer agrees and acknowledges that Company shall have no liability for damages or other responsibility for other losses hereunder (except as set forth in Sections 8.1(b) and 10.2). Without limiting the provisions of Section 17.5, if any provision or provisions of this Section 7.4 shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions of this Section 7.4 shall in no way be affected or impaired thereby; and the Parties hereby agree to effect such modifications to this Agreement as shall be reasonably necessary in order to give effect to the original intention of the Parties with respect to this Section 7.4.

7.5 Sole and Exclusive Remedies. ABSENT FRAUD, THE REMEDIES SET FORTH IN THIS AGREEMENT, INCLUDING WITHOUT LIMITATION IN ARTICLE 6, THIS ARTICLE 7 AND SECTIONS 4.11, 4.12, 8.1(c) AND 13.1(d), CONSTITUTE THE SOLE AND EXCLUSIVE REMEDIES AGAINST THE OTHER FOR EVENTS OF DEFAULT, BREACH OF CONTRACT OR ANY FAILURE TO PERFORM ANY OF THE OBLIGATIONS UNDER THIS AGREEMENT.

7.6 Defenses and Counterclaims; Dispute Resolution Authority. Subject to the terms and conditions of this Agreement, including without limitation the limitation on remedies and liability set forth in Sections 7.4 and 7.5 and Articles 8 and 10 of this Agreement, in the event of a Dispute (including but not limited to any Dispute concerning Company's right to take any action under Section 7.2), each Party reserves the right to assert affirmative defenses and compulsory counterclaims pursuant to the provisions of Article 15 of this Agreement. In addition, notwithstanding any contrary provision set forth in this Agreement, the Parties agree that FERC's, the arbitrators' or any court's (as the case may be) authority to grant remedies (including the award of money damages) pursuant to Article 15 shall be limited to the remedies expressly set forth in this Agreement (including without limitation those set forth in Articles 7 and 8) and any such remedies (including any award of money damages) shall be made subject to the limitations of liability and remedies and disclaimer of damages set forth in Sections 7.4 and 7.5 and Articles 8 and 10 of this Agreement. In the Event of a Default, breach of contract or other failure to perform by Company, money damages may be recovered by Customer only to the extent provided in Section 8.1 of this Agreement.

7.7 Obligations At Expiration or Termination. Upon the termination or expiration of this Agreement, in addition to such rights and obligations enumerated elsewhere in this Agreement, the grant of any and all right and interest to Company to supply Full Requirements Electric Service or any other level or amount of electric service under this Agreement shall automatically cease, except to the extent otherwise required under Section 3.6. In such event, Customer and Company shall cooperate, in advance to the extent possible, to make all necessary filings with the Transmission Provider and to perform all other acts necessary to transfer all such rights and interests back to Customer in a timely manner.

ARTICLE 8 CURTAILMENT, TEMPORARY INTERRUPTIONS AND FORCE MAJEURE

8.1 Curtailment and Temporary Interruptions.

(a) If there is a shortage of capacity and/or energy requiring the curtailment of Company's Full Requirements Electric Service deliveries, then upon being notified by the Transmission Provider or Company, Customer shall institute procedures which will cause a corresponding curtailment of the use of Full Requirements Electric Service by its Retail Load, including without limitation curtailment by Customer of its non-firm loads. It is the express intention of this provision that any curtailment of Full Requirements Electric Service shall fall equitably upon all firm loads served by Customer and all firm loads served by Company in the area affected by the curtailment, after, to the extent within Company's control, the curtailment of Company's and Customer's non-firm loads, and Company agrees that it will not curtail the supply of Full Requirements Electric Service to Customer in an undue discriminatory manner as compared with Company's Customers in the area affected by the curtailment. If upon notification of a requirement to curtail, Customer fails to institute such curtailment, Company shall be entitled to limit deliveries of Full Requirements Electric Service to Customer in order to effectuate reductions in Energy deliveries, in the smallest amount that is operationally practical, equivalent to or greater than the reduction which would have been effected had Customer fulfilled its curtailment obligation hereunder during the period any shortage exists, and, in such event, Company shall not incur any liability to Customer in connection with any such action so taken by Company.

(b) Company will use reasonable diligence in furnishing Full Requirements Electric Service to Customer, but Company does not guarantee that the supply of Full Requirements Electric Service furnished to Customer will be uninterrupted, or that voltage and frequency will be at all times constant. Company will not unduly discriminate against Customer, as among Company's Customers, when handling the impact of temporary interruptions that affect delivery of energy in the area of Customer. Temporary interruptions and fluctuations in voltage or frequency of Full Requirements Electric Service deliveries hereunder shall not constitute a breach of the obligations of Company under this Agreement. Regardless of any cause other than undue discrimination against Customer as described above in this Section 8.1(b), Company shall not in any case be liable under this Agreement (whether due to Company's own negligence, or strict liability), (a) for any such temporary interruptions of service, or (b) for complete or partial failure or interruption of service, or for fluctuations in voltage or frequency.

(c) It is the express intention of this provision that Company shall not be liable to Customer for the occurrence without regard to the cause (whether due to Company's own negligence, or strict liability), of any shortage of capacity and/or energy which will require or results from curtailment of any of the firm load served by Company, provided that Company curtails its available capacity and/or energy in a non-discriminatory manner in the manner provided above in this Section 8.1. In the event of any shortage of or failure to provide capacity and/or energy by Company to Customer (whether pursuant

to Section 8.1(a), (b) or otherwise) that is not excused pursuant to this Agreement (including without limitation pursuant to this Section 8.1) and that results from undue discrimination by Company, Company shall pay Customer its actual direct damages, if any, resulting from any such shortage or failure, not to exceed five million dollars (\$5,000,000) in the aggregate for all such shortages or failures to provide capacity and/or energy during any one Calendar Year. Except for the recovery of such direct damages in the event of undue discrimination by Company in breach of Company's obligations under this Section 8.1, Company shall not be liable to Customer for any damages, including direct damages, cover damages, damages at law, or consequential or other damages, and Customer's rights and remedies shall be limited to the extent provided in Article 7 for any other Claims under this Agreement, whether relating to any shortage of or failure to provide capacity and/or energy by Company to Customer or otherwise. Without limiting the preceding sentence, in no event shall Company be liable to Customer for curtailments of capacity and/or energy, whether discriminatory or non-discriminatory, to the extent resulting (either in whole or in part) from an event or circumstance described in Section 8.2 or 8.3, below. Notwithstanding any provision of this Agreement to the contrary, the liability of Company to Customer pursuant to this Agreement shall not exceed five million dollars (\$5,000,000) in the aggregate, in any one Calendar Year, and such liability is limited solely to the direct damages described in this Section 8.1(c).

8.2 Force Majeure. To the extent either Party is prevented by Force Majeure (or the effects of a Force Majeure) from carrying out, in whole or part, its obligations under this Agreement and such Party (the "Claiming Party") gives notice and details of the Force Majeure to the other Party as soon as practicable, then the Claiming Party shall be excused from the performance of its obligations with respect to this Agreement (other than obligations to pay money). The Claiming Party shall remedy the Force Majeure with all reasonable dispatch. Until remedied by the Claiming Party, the non-Claiming Party shall not be required to perform or resume performance of its obligations (other than obligations to pay money) to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.

8.3 Transmission. Customer recognizes that the Transmission Provider may curtail service to Customer's Retail Load and that upon notification of such a requirement to curtail, Customer and Company shall be obligated to do so, and if Customer fails to institute the required curtailment, the Transmission Provider will be entitled to limit deliveries during the period any shortage of capacity and/or energy exists. In no event shall Company be liable under this Agreement for any shortage of capacity and/or energy to the extent resulting from the transmission and/or distribution of capacity and/or energy, any acts or omissions of Company under the Limited Services Agreement or any acts or omissions of Company in its capacity as the Transmission Provider.

ARTICLE 9 NOTICES, REPRESENTATIVES OF THE PARTIES

9.1 Notices. Any notice, demand, or request required or authorized by this Agreement to be given by one Party to another Party shall be in writing. Such notice shall be sent by facsimile, courier, personally delivered or mailed, postage prepaid, to the representative of the other Party designated in this Article 9. Unless provided otherwise

in this Agreement, any such notice, demand, or request shall be deemed to be given and effective (i) when received by facsimile; (ii) when actually received if delivered by courier, overnight mail or personal delivery; or (iii) three (3) days after deposit in the United States mail, if sent by first class mail.

(a) Notices and other communications to Company from Customer shall be addressed to:

Florida Power & Light Company
700 Universe Blvd.
Mail Stop EMT/JB
Juno Beach, FL 33408
Attention: Vice President

(b) With a copy to:

Florida Power & Light Company
700 Universe Blvd.
Mail Stop EMT/JB
Juno Beach, FL 33408
Attention: General Counsel Office

(c) Notices and other communications to Customer from Company shall be addressed to:

Lee County Electric Cooperative, Inc.
4980 Bayline Drive
North Fort Myers, Florida 33917-3910
Attention: Chief Executive Officer

(d) With a copy to:

Henderson, Franklin, Starnes and Holt, P.A.
1715 Monroe Street
P.O. Box 280
Fort Myers, FL 33902
Attention: General Counsel for Lee County Electric Cooperative, Inc.

(e) Any Party may change its representative by written notice to the other Parties.

9.2 Authority of Representative. The Parties' representatives designated in Section 9.1 shall have full authority to act for their respective principals in all technical matters relating to the performance of this Agreement. The Parties' representatives shall not, however, have the authority to amend, modify or waive any provision of this Agreement unless they are duly authorized officers of their respective entities and such amendment, modification or waiver is made pursuant to Section 17.6.

ARTICLE 10 LIABILITY, INDEMNIFICATION, AND RELATIONSHIP OF PARTIES

10.1 Limitation on Consequential, Incidental and Indirect Damages. THE LIMITATIONS ON DAMAGES CONTAINED HEREIN ARE IN ADDITION TO AND NOT IN LIEU OF ANY OTHER LIMITATIONS OF LIABILITY PROVIDED FOR ELSEWHERE IN THIS AGREEMENT. TO THE FULLEST EXTENT PERMITTED BY LAW, NEITHER CUSTOMER NOR COMPANY, NOR THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, MEMBERS, CUSTOMERS, PARENTS, SUBSIDIARIES OR AFFILIATES, SUCCESSORS OR ASSIGNS, OR THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, MEMBERS, CUSTOMERS, SUCCESSORS, SUBSIDIARIES, AFFILIATES OR ASSIGNS, SHALL BE LIABLE TO THE OTHER PARTY OR THEIR RESPECTIVE MEMBERS, CUSTOMERS, PARENTS, SUBSIDIARIES, AFFILIATES, OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, SUCCESSORS OR ASSIGNS, FOR CLAIMS, SUITS, ACTIONS OR CAUSES OF ACTION FOR INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, MULTIPLE, EXEMPLARY OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR RESULTING FROM PERFORMANCE OR NON-PERFORMANCE OF THIS AGREEMENT, OR ANY ACTIONS UNDERTAKEN IN CONNECTION WITH OR RELATED TO THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, ANY SUCH DAMAGES WHICH ARE BASED UPON CAUSES OF ACTION FOR BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE AND MISREPRESENTATION), BREACH OF WARRANTY, STRICT LIABILITY, STATUTE, OPERATION OF LAW, INDEMNITY (EXCLUDING THIRD PARTY INDEMNIFIABLE CLAIMS UNDER SECTION 10.2) OR ANY OTHER THEORY OF RECOVERY. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN FOR COMPANY, CUSTOMER'S LIABILITY TO COMPANY SHALL BE LIMITED TO DIRECT DAMAGES ONLY, AND SUCH DIRECT DAMAGES SHALL BE THE SOLE AND EXCLUSIVE MEASURE OF DAMAGES AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. THE PROVISIONS OF THIS SECTION 10.1 SHALL APPLY REGARDLESS OF FAULT AND SHALL SURVIVE TERMINATION, CANCELLATION, SUSPENSION, COMPLETION OR EXPIRATION OF THIS AGREEMENT. NOTHING CONTAINED IN THIS AGREEMENT SHALL BE DEEMED TO BE A WAIVER OF A PARTY'S RIGHT TO SEEK INJUNCTIVE RELIEF.

10.2 Indemnification.

(a) Except for indemnifiable Claims pursuant to Section 10.2(c) and/or Section 10.2(d), to the extent permitted by Law, each Party shall indemnify, defend and hold harmless, on an After-Tax Basis, the other Party from and against any Claims arising from or out of any event, circumstance, act or incident, occurring or existing during the period when control and title to Full Requirements Electric Service is vested in such Party as provided in Section 10.3 of this Agreement.

(b) Each Party shall indemnify, defend and hold harmless, on an After-Tax Basis, the other Party from and against any and all Claims for injuries to person or property arising in any manner directly or indirectly by reason of the acts of such Party's authorized representatives while on the premises of the other Party under any rights of access provided herein to the extent of the indemnified Party's self-insured retention or deductible under its insurance policies.

(c) Customer shall indemnify, defend and hold harmless, on an After-Tax Basis, Company from and against any and all Claims by any Member or Person arising in any manner directly or indirectly by reason of this Agreement, including without limitation (i) a failure, interruption, curtailment, or deficiency in Company's supply of Full Requirements Electric Service under this Agreement for any reason or (ii) a breach or default of this Agreement for any reason.

(d) Neither Party assumes any responsibility of any kind with respect to the construction, maintenance, or operation of the system or other property owned or used by the other Party. To the extent permitted by Law, each Party agrees to indemnify, defend and hold harmless, on an After-Tax Basis, the other Party from any and all Claims for injuries to person or property by any Member or Person in any way resulting from, growing out of, or arising from or in connection with the construction, maintenance or operation of the other Party's system or other property. Customer further agrees to indemnify, defend and hold harmless Company from any and all Claims for injuries to persons or property by any Member or Person in any way resulting from, growing out of, or arising in or in connection with the use of, or contact with, Energy or Full Requirements Electric Service delivered hereunder after it is delivered to Customer and while it is flowing through the lines of Customer, or is being distributed by Customer, or is being used by Retail Load.

(e) If a Party intends to seek indemnification under this Section 10.2 from the other Party with respect to any Claim, the Party seeking indemnification shall give such other Party notice of such Claim within thirty (30) calendar days of the commencement of, or actual knowledge of such Claim, whichever is earlier. Such Party seeking indemnification shall have the right, at its sole cost and expense, to participate in the defense of any such Claim. The Party seeking indemnification shall not compromise or settle any such Claim without the prior consent of the other Party, which consent shall not be unreasonably withheld.

(f) The provisions of this Section 10.2 shall not apply to Company in its capacity as Transmission Provider or to Company as limited services provider under the Limited Services Agreement.

10.3 Title; Risk of Loss. Title to and risk of loss related to the Full Requirements Electric Service provided hereunder shall transfer from Company to Customer at the Points of Receipt. Company represents and warrants that it will deliver Full Requirements Electric Service to Customer free and clear of all claims or any interest therein or thereto by any person arising prior to the Points of Receipt.

ARTICLE 11 REPRESENTATIONS, WARRANTIES AND COVENANTS

11.1 Company and Customer Representations and Warranties. As of the date of this Agreement and assuming the satisfaction of the conditions precedent set forth in Section 2.5 that are applicable to Company or Customer (as the case may be), Company and Customer each represent and warrant to the other that:

- (a) It is duly organized, validly existing and in good standing under the Laws of the State of Florida;
- (b) It has all corporate (or cooperative in the case of Customer) and regulatory authorizations, consents, notices and approvals necessary for it to legally perform its obligations under this Agreement;
- (c) The execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, including, but not limited to, any organizational documents, charters, by-laws, indentures, mortgages or any material contracts to which it is a party, or any Law applicable to it;
- (d) It has the necessary power and authority to enter into and deliver this Agreement and to perform its obligations under this Agreement;
- (e) This Agreement, and each other document executed and delivered in accordance with this Agreement, constitutes its legally valid and binding obligation enforceable against it in accordance with its terms, subject to any equitable defenses;
- (f) It is not bankrupt or insolvent and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it, which would result in it being or becoming bankrupt or insolvent;
- (g) As of the Effective Date of this Agreement, there is not pending or, to its knowledge, threatened against it any legal proceedings or Claims that could materially and/or adversely affect its ability to perform its obligations under this Agreement;
- (h) There is no Event of Default or events which, with the giving of notice or lapse of time or both, would constitute an Event of Default with respect to it, and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;
- (i) It has no rights of sovereign immunity; and
- (j) It is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understands and accepts the terms, conditions and risks of this Agreement.

11.2 Additional Company and Customer Representations and Warranties.

(a) Company represents and warrants to Customer that this Agreement has been duly approved by the board of directors of Company and the board is authorized under the organizational documents of Company to enter into this Agreement.

(b) Customer represents and warrants to Company that this Agreement has been duly approved by the board of trustees of Customer and the board is authorized under the organizational documents of the Customer to enter into this Agreement without further action or consent of the Members.

(c) Customer represents and warrants that it is a rural electric cooperative that is subject to, and entitled to the powers provided by, Chapter 425 of the Florida Statutes (the "Act").

11.3 Additional Customer Covenants.

(a) Customer shall establish, maintain, and revise from time to time its rates, fees, and other charges for electric energy and/or capacity and distribution and other facilities, suppliers, equipment or services furnished by Customer so that Customer's cash flow shall be sufficient at all times to enable Customer to satisfy all of its obligations under this Agreement.

(b) Customer and Company hereby waive any rights of sovereign immunity, if any, for liability under contract or for torts.

(c) The Term of this Agreement does not extend beyond any applicable limitation on Customer imposed by Chapter 425 of the Florida Statutes or other relevant constitution, organic or other governing documents and applicable Law. Subject to Article 16, Customer shall maintain its status as a rural electric cooperative that is subject to, and entitled to the powers provided by, Chapter 425 of the Florida Statutes.

11.4 Warranty Disclaimer. EXCEPT AS SET FORTH IN THIS ARTICLE 11, COMPANY MAKES NO WARRANTIES (EXPRESS OR IMPLIED) WITH REGARD TO FULL REQUIREMENTS ELECTRIC SERVICE, CAPACITY, ENERGY OR ANCILLARY SERVICES SOLD OR PROVIDED PURSUANT TO THIS AGREEMENT, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE; AND ANY AND ALL WARRANTIES ARE DISCLAIMED.

ARTICLE 12 ASSIGNMENT

12.1 General Prohibition Against Assignments. Except as provided in Section 12.2 and Section 12.3, below, no Party shall assign, pledge or otherwise transfer this Agreement or any right or obligation under this Agreement without first obtaining the other Party's prior written consent, which consent shall not be unreasonably withheld. Any assignment, pledge or transfer in contravention of the terms of this Article 12 shall be null and void.

12.2 Exceptions to Prohibition Against Assignments by Company. Company may, without Customer's prior written consent, (i) pledge, encumber or collaterally assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements; (ii) in the case of Company only, transfer or assign this agreement to an Affiliate of Company, where such Affiliate's creditworthiness is equal to or higher than that of Company; or (iii) transfer or assign this Agreement to any Person or entity succeeding by merger, consolidation, a change in control of Company or by acquisition of all or substantially all of the assets of Company; provided, however, that in each such case, any such transferee or assignee shall agree in writing to be bound by the terms and conditions hereof.

12.3 Exceptions to Prohibition Against Assignments by Customer. Customer may, without Company's prior written consent, (i) transfer or assign this Agreement to any Person or entity succeeding by merger or by acquisition to all or substantially all of the assets of Customer provided that all of the conditions set forth in Section 16.1(a) through (e) are first satisfied; or (ii) collaterally assign, mortgage or pledge its interest in this Agreement as security to one or more of the Lenders or an indenture trustee under any indenture securing the obligations of Customer (the "Other Secured Party") if Customer is then a borrower of such Lender or Other Secured Party for any obligations secured by any indenture, mortgage or similar lien on its system assets; provided that Lender or Other Secured Party may not (a) have itself or its designee substituted for Customer under this Agreement, or (b) sell, assign, transfer or otherwise dispose of this Agreement to itself or a third party, in each case without the prior written approval of Company (such approval not to be unreasonably withheld, delayed or conditioned) and unless itself and such third party satisfies the requirements set forth in Section 16.1(a) through (e). Upon any assignment for security to the Lender or the Other Secured Party, Company and Customer agree to enter into a consent and agreement, substantially in the form attached hereto as Appendix I, with such Lender or Other Secured Party and Customer.

ARTICLE 13 CONFIDENTIALITY

13.1 Treatment of Confidential Information.

(a) To the extent permitted by Law, all Confidential Information shall be held and treated by the Parties and their agents, counsel and consultants in confidence, used solely in connection with this Agreement, and shall not, except as hereinafter provided, be disclosed without the other Party's prior written consent.

(b) Notwithstanding the foregoing, Confidential Information may be disclosed (i) to a third party for the purpose of effectuating the supply, transmission and/or distribution of Full Requirements Electric Service to be delivered pursuant to this Agreement; (ii) to regulatory authorities of competent jurisdiction, or as otherwise required by applicable Law, including state sunshine, open meeting, freedom of information, securities Laws or similar Laws; (iii) as part of any required, periodic filing or disclosure with or to any regulatory authority of competent jurisdiction; (iv) to rating agencies; and (v) to third parties in connection with merger, acquisition/disposition and/or financing transactions, provided that, in the case of (v), above, any such third party shall have signed a

confidentiality agreement with the Disclosing Party containing customary terms and conditions that protect against the disclosure of the Confidential Information and that strictly limit the recipient's use of such information only for the purpose of the subject transaction and that provide for remedies for non-compliance. Disclosing Party shall make all reasonable efforts to ensure that Confidential Information remains confidential even if disclosed, including marking such information confidential and requesting confidential treatment of such information.

(c) In the event that a Party ("Disclosing Party") is requested or required to disclose any Confidential Information pursuant to subsection (b)(ii) or (iii) of this Article 13, the Disclosing Party shall provide the other Party with prompt written notice of any such request or requirement, so that the other Party may seek an appropriate protective order, other confidentiality arrangement or waive compliance with the provisions of this Agreement. If, failing the entry of a protective order, other confidentiality arrangement or the receipt of a waiver hereunder, the Disclosing Party, in the opinion of counsel, is compelled to disclose Confidential Information, the Disclosing Party may disclose that portion of the Confidential Information which the Disclosing Party's counsel advises that the Disclosing Party is compelled to disclose. Notwithstanding the above language, this provision does not permit a Disclosing Party to provide the other Party notice of a request or requirement of the FERC or its staff to disclose Confidential Information to the FERC or its staff.

(d) The Parties shall be entitled to all remedies available at Law or in equity to enforce, or seek relief in connection with, this confidentiality obligation. In addition to the foregoing, the Disclosing Party shall indemnify, defend and hold harmless the other Party from and against any Claims, threatened or filed, and, subject to Articles 7 and 10 of this Agreement, any direct losses, damages, expenses, attorneys' fees or court costs incurred by such Party in connection with or arising directly or indirectly from or out of the Disclosing Party's disclosure of the Confidential Information to third parties except as permitted above.

(e) Notwithstanding the above provisions, Company and Customer shall be permitted to communicate to the Transmission Provider any necessary information, including Confidential Information, with regard to implementation of this Agreement, and will make all reasonable efforts to ensure that such Confidential Information remains confidential.

(f) Notwithstanding anything in this Section to the contrary, if the FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to the FERC or its staff. In providing the information to FERC or its staff, the Party may, consistent with 18 C.F.R. 388.112, request that the information be treated as confidential and non-public by the FERC and its staff and that the information be withheld from public disclosure. The Party shall notify the other Party to the Agreement when it is notified by FERC or its staff that a request for disclosure of, or decision to disclose, confidential information has

been received, at which time either of the parties may respond before such information is made public, pursuant to 18 CFR 388.112.

ARTICLE 14 REGULATORY AUTHORITIES

14.1 Effect of Regulation.

(a) Each Party shall perform its obligations hereunder in accordance with applicable Law. Unless specifically provided otherwise in this Agreement, nothing in this Agreement affects, modifies or negates either Party's rights or obligations under the FPA and the regulations promulgated thereunder, or any other federal or state Law. Nothing contained herein shall be construed to constitute consent or acquiescence by either Party to any action of the other Party which violates the Laws of the United States or any applicable state Laws, as those Laws may be amended, supplemented or superseded, or which violates any other Law.

(b) The Parties acknowledge that this Agreement is an agreement subject to the jurisdiction of the FERC under the FPA, that this Agreement is being entered into by Customer for the purpose of serving its Retail Load, and that neither Party shall terminate this Agreement except as provided in this Agreement and in accordance with 18 CFR 35.15.

(c) Customer shall not oppose, directly or indirectly, Company or any of its positions with regard to Company's provision of Full Requirements Electric Service or the provision of electric service or capacity to Company's Customers, including but not limited to the determination of any cost included in the formula charges established herein or in Company's retail tariff, and Customer hereby waives its right to do so, in each case, before the FPSC.

ARTICLE 15 DISPUTE RESOLUTION

15.1 Negotiation by Officers of the Parties; Provisional Relief

Except as specifically provided in Sections 4.6 and 4.11 herein, if any controversy, dispute, claim, counterclaim or cause of action involving the parties and/or their respective representatives ("Dispute") arises out of or relates to this Agreement or the interpretation, breach, validity or termination thereof, the Parties shall first seek to resolve the Dispute through negotiation; provided that all Disputes relating to termination of this Agreement shall be resolved by petition to FERC directly without negotiation. Either Party shall provide the other Party with written notice setting forth the parameters of the Dispute and a proposed means for resolving the same, and the support for such position ("Notice"). If such Dispute cannot be resolved through negotiation within sixty (60) days of the receipt by a party of Notice (or such longer period as the Parties may agree to in writing), the Parties agree that any such Dispute shall be resolved pursuant to Section 15.2 and, if applicable, Section 15.4 of this Agreement. The procedures specified in this Article 15 shall be the sole and exclusive procedures for the resolution of Disputes; provided, however, either Party may, without prejudice to any negotiation, FERC or arbitration procedures commenced pursuant to this Article 15, proceed in a Florida state court of competent jurisdiction located in Orange County, Florida to obtain temporary provisional injunctive relief (excluding permanent injunctive relief, including

declaratory actions) if such action is necessary to avoid imminent irreparable harm, to provide uninterrupted electrical and other services, or to preserve the status quo pending the conclusion of such negotiation, FERC proceeding or arbitration. Without being prejudiced or bound by such temporary provisional injunctive relief as may be available or granted under the exclusive jurisdiction of a Florida state court of competent jurisdiction located in Orange County, Florida, and subject to the limitations set forth in this Agreement, including without limitation those set forth in Articles 7, 8 and 10 hereof, either FERC or the arbitrators (as the case may be) shall have full authority to grant the remedies set forth in this Agreement (including without limitation those set forth in Articles 7 and 8) or order the Parties to request that a court modify or vacate any temporary or preliminary relief issued by a court, and the Parties shall continue to participate in the procedures specified in this Article 15.

15.2 Procedures for Resolution of Disputes

(a) Disputes within the primary or exclusive jurisdiction of FERC shall be resolved by petition to FERC, subject to the further provisions of this paragraph. Where FERC does not act within sixty (60) Days of filing a Dispute with FERC or issues an order declining to act upon such a Dispute, the Dispute shall be subject to binding arbitration in accordance with the procedures set forth in Section 15.3(a). In addition, Disputes within the concurrent jurisdiction of FERC (which are those disputes subject to both FERC and court jurisdiction) shall be subject to binding arbitration in accordance with the procedures set forth in Section 15.3(a) if: (i) the current body of valid FERC precedent, as reasonably determined by counsel for the Party requesting resolution of the Dispute, reflects FERC's practice or policy of allowing disputes of a similar nature to be resolved by alternative dispute resolution rather than by FERC; or (ii) the Parties agree that the Dispute shall be arbitrated (each, an "Arbitrable FERC Dispute"). Disputes within the current jurisdiction of FERC that are not Arbitrable FERC Disputes shall be resolved by petition to FERC.

(b) All other Disputes that are not resolved by FERC pursuant to Section 15.2(a), above, shall be resolved by arbitration pursuant to Section 15.4; provided, however, that claims for breach of the confidentiality obligations set forth in Article 13, or claims for personal injury or tangible personal property damage arising in connection with this Agreement may at the election of either Party be resolved by any court of competent jurisdiction in the State of Florida, provided that exclusive jurisdiction for such claims shall reside with the courts of Orange County, Florida, and each of the Parties hereby irrevocably consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such limited suit, action or proceeding involving such claims and irrevocably waives, to the fullest extent permitted by Law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY DISPUTE SUBJECT TO COURT RESOLUTION HEREUNDER OR OTHERWISE.

15.3 Changes Subject to FERC and Standard of Review

(a) Subject to the exceptions set out herein in Section 15.3(b) and in Appendix B, the Parties hereby waive any rights they may have to request that any changes be made to this Agreement pursuant to Sections 205 or 206 of the FPA, and pursuant to the rules and regulations promulgated thereunder, and Customer further agrees to waive its rights to seek or support: (i) an order from FERC finding that the rate formulas or rate(s), charges, classifications, terms or conditions agreed to by the Parties in this Agreement are unjust and unreasonable; or (ii) any refund with respect thereto.

(b) Notwithstanding Section 15.3(a), the Parties expressly reserve their rights as follows:

(i) Customer reserves its rights under Section 4.6 to challenge certain aspects of Company's calculations, but only to the extent expressly provided in Section 4.6;

(ii) Either party may file under Section 205 or 206 of the FPA, as applicable, to the extent permitted in Section 4.7(c) and (d);

(iii) In the event that there is a change in Law or the FERC changes or adds any classification, rule or regulation or issues any order that impacts or otherwise effects the cost-of-service formulas provided for in Article 4, Appendix B or Appendix C or the FERC Form No. 1 data, Company may make a filing pursuant to Section 205 of the FPA to conform this Agreement or the associated Appendices to such changes or additions;

(iv) In the event that the FPSC changes or adds any classification, rule or regulation or otherwise issues any order that results in or otherwise recognizes or permits Company's recovery of additional or new costs, expenses, charges, Taxes, fees and/or assessments through Company's retail rates, Company may make a filing pursuant to Section 205 of the FPA to revise the cost-of-service formulas provided for in Article 4, Appendix B and Appendix C to permit the recovery of such costs, expenses, charges, Taxes, fees and/or assessments under this Agreement;

(v) (A) In the event that there is any change in Law that results in, or in the event any ISO, RTO, ITC or other future transmission organization creates, any additional or new costs, expenses, charges, Taxes, fees and/or assessments that are attributable or related to the production and/or provision of capacity, Energy and/or Generation-Related Services by Company to Company's retail and/or wholesale customers (including Full Requirements Electric Service to Customer); or (B) to the extent any production-related costs, expenses, charges, taxes, fees and/or assessments are incurred by Company that are not already provided for in the cost-of-service formulas provided for in Article 4, Appendix B or Appendix C, or are not reflected in the FERC Form No. 1 data, Company may make a filing pursuant to Section 205 of the FPA to revise the cost-of-service formulas provided for in Article 4 or the associated Appendices and/or to include the costs not reflected in the FERC Form No. 1 data in order to permit the recovery of such costs, expenses, charges, Taxes, fees and/or assessments under this Agreement;

(vi) The page, column and line number references to the FERC Form No. 1 data identified under the heading "Reference" in Appendix B shall be automatically amended to reflect any changes made by FERC that cause changes in the pagination, columns and line numbers of such FERC Form 1 data and Company will make a filing pursuant to Section 205 of the FPA to revise such page, column and line number references in Appendix B to reflect such changes in the FERC Form No. 1 data;

(vii) Company may file, pursuant to Section 205 of the FPA, to implement any changes permitted under Section 4.12 of the Agreement in the event of the advent of Retail Competition in Florida; and

(viii) Company may file, pursuant to Section 205 of the FPA, to implement any changes to the Delivery Points pursuant to Section 2.4 or any changes to the Company Generation Resources as contemplated by the definition of such term.

(ix) In the event that a filing is made pursuant to this Section 15.3(b), Customer and Company reserve their right to oppose any such filing to the extent such filing is inconsistent with the provisions of this Agreement. Customer shall be limited in any opposition to opposing the change proposed by Company as being inconsistent with the provisions of this Agreement and shall not be entitled to argue that changes should be made to any other aspect of this Agreement in order to make the overall rate just and reasonable or otherwise, and the scope of any proceeding initiated as a result of such filing shall be limited to those matters contained in the filing. Except as provided in this subsection (ix), Company and Customer shall support filings made pursuant to this Section 15.3(b).

(c) It is the intent of this Section and the Parties after a knowing, voluntary and due inquiry, to the maximum extent permitted by Law, that the provisions of this Agreement, except as enumerated in Section 15.3(b), shall not be subject to change under Sections 205 or 206 of the FPA, and that absent the written agreement of the Parties to change any of the exceptions enumerated in Section 15.3(b), above, the standard of review for changes to any of those enumerated exceptions proposed by a Party, or the FERC, acting sua sponte, shall be the public interest application of the just and reasonable standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) (the "Mobile-Sierra Doctrine"), and as clarified in *Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County*, 128 S. Ct. 2733 (2008).

In furtherance of the foregoing, each Party knowingly, voluntarily, and, after due inquiry and to the maximum extent permitted by Law: (x) covenants and agrees not to seek unilaterally from FERC, or any other authority, relief of any kind changing the provisions set forth in this Agreement under the public interest standard enumerated in the Mobile-Sierra Doctrine, notwithstanding any subsequent changes in applicable Law or market conditions that may occur; (y) completely waives any rights under statute, regulation, state or federal constitution or common law to assert or to support any complaint, claim, suit or other challenge in any regulatory, judicial or other forum, including without limitation, the public utility or service commission of any state, FERC, or any state or

federal court, concerning or related in any way to unilateral abrogation or modification of the above enumerated provisions; and (z) acknowledges and agrees that acceptance for filing by FERC of this Agreement shall be sufficient to constitute as between the Parties, FERC's approval of this Agreement.

15.4 Arbitration Procedure

(a) In the event of a Dispute which is to be resolved by binding arbitration in accordance with this Article 15, such arbitration shall be held in accordance with the Rules for Non-Administered Arbitration of the CPR International Institute for Conflict Prevention and Resolution ("CPR") then in effect (the "Rules"), except as modified herein, before a panel of three (3) arbitrators. The arbitration shall be held and the award shall be rendered in Orlando, Florida.

(b) The Party initiating arbitration shall nominate one (1) arbitrator at the same time it initiates arbitration. This nominee shall be neutral and impartial, shall not be a current or former representative or agent of such Party, shall be a CPR panel member and shall be reasonably believed by such Party to possess the requisite experience, education and expertise in respect of the matters to which the claim relates to enable such person to perform arbitral duties competently. The other Party shall nominate one (1) arbitrator within twenty (20) calendar days of receiving the notice of arbitration. This nominee shall be neutral and impartial, shall not be a current or former representative or agent of such Party, shall be a CPR panel member and shall be reasonably believed by such Party to possess the requisite experience, education and expertise in respect of the matters to which the claim relates to enable such person to perform arbitral duties competently. The two arbitrators shall appoint a third, neutral and impartial arbitrator, who shall serve as the chair of the arbitral tribunal, which arbitrator shall be a CPR panel member. The third, neutral arbitrator shall be a competent and experienced arbitrator, with at least fifteen (15) years of United States electric industry experience as a practicing attorney, and shall be unaffiliated with and without prior financial alliances with any Party, or either of the other arbitrators.

(i) If the two arbitrators are unable to agree on a third arbitrator within twenty (20) days of the appointment of the second arbitrator, a third arbitrator shall be selected by CPR with due regard given to the selection criteria above and input from the Parties and other arbitrators. The Parties shall undertake to request CPR to complete selection of the third arbitrator if possible, no later than forty (40) calendar days after the appointment of the second arbitrator. The costs charged by CPR for this service shall be borne equally by Company and Customer.

(ii) If prior to the conclusion of the arbitration any arbitrator becomes incapacitated or otherwise unable to serve, then a replacement arbitrator shall be appointed in the manner described above and applicable to the original arbitrator being replaced.

(c) Discovery and other pre-hearing procedures shall be conducted as agreed by the Parties, or if they cannot agree, as determined by a majority of the arbitrators. The

hearing shall be held, if practicable, thirty (30) calendar days after all prehearing discovery has been completed.

(d) The arbitrators' decision shall be made in accordance with the terms and conditions of this Agreement, and shall consider any relevant evidence and testimony, and the arbitrators shall, if practicable, render their decision within thirty (30) calendar days following close of the hearing. The decision and award rendered by a majority of the arbitrators, made in writing, shall be final and binding upon the Parties. Any such decision and award may be entered and enforced in any court of competent jurisdiction. The arbitrators shall have no authority to award special, exemplary, multiple, punitive or consequential damages, or any other damages or remedies that are not permitted or provided for under this Agreement.

(e) The expenses of arbitration shall be borne equally by the Parties, except that each Party shall bear the compensation and expenses of its nominated arbitrator, own counsel, witnesses and employees; provided further, that any costs incurred by a Party in seeking judicial enforcement of any decision and award rendered by the arbitrators, or a majority of the arbitrators, shall be chargeable to and borne exclusively by the Party against whom such court order of enforcement is obtained.

ARTICLE 16 CONSOLIDATION, MERGER, CONVEYANCE AND TRANSFER

16.1 Consolidation, Merger, Conveyance, or Transfer Only to Certain Person.

Customer covenants and agrees that a Change in Control shall not occur with respect to Customer without the prior written consent of Company (such consent not to be unreasonably withheld or delayed) unless all of the following conditions are satisfied:

(a) The Person formed, succeeding, surviving or resulting from such Change in Control, including without limitation the Person resulting from any consolidation or into which or with the Customer merges, that acquires all of or substantially all of the assets of Customer (whether by asset transfer, liquidation, dissolution or otherwise), or that acquires a majority of the ownership in or control of Customer (collectively, the "Successor Person"), shall be a Person organized and existing under the laws of the United States of America or any state or the District of Columbia, shall be organized as a cooperative with membership sufficient to recover the costs incurred under this Agreement on an annual basis, and shall expressly assume this Agreement by instrument supplemental hereto executed and delivered to Company, which instrument shall be in a form satisfactory to Company, and shall provide for the performance and observance of every covenant and condition hereof on the part of Customer to be performed or observed and, in addition, shall provide Company with the representations and warranties set forth in Sections 11.1 and 11.2.

(b) The Successor Person shall satisfy, on a pro-forma consolidated basis (based upon a pro forma consolidation as of the date of its last audited financial statements) the requirements set forth in Section 6.3(d) and shall have equal or better creditworthiness to that of Customer.

(c) Immediately after giving effect to such transaction, no Event of Default hereunder shall have occurred and be continuing.

(d) The Successor Person shall be organized as a cooperative with membership equal to or greater than that of Customer prior to such Change in Control so that it will have sufficient capability to satisfy the payment obligations of Customer under this Agreement.

(e) For purposes of this Section 16.1, the term "Change in Control" shall mean a merger or consolidation of Customer with or into another Person, a direct or indirect transfer or conveyance of all or substantially all of Customer's assets or the liquidation or dissolution of Customer, or a direct or indirect transfer, in one or a series of related transactions, of a majority of the ownership in or control of Customer.

16.2 Successor Substituted. Upon any consolidation or merger, or any conveyance or transfer of the properties and assets of any Person substantially as an entirety in accordance with Section 16.1, the Successor Person shall succeed to, and be substituted for, and, subject to Section 16.3, may exercise every right and power of Customer hereunder with the same effect as if such Successor Person had been named as the Customer herein.

16.3 Coordination. Customer promptly shall notify Company of any proposed Change in Control. Company is not required, but shall have the option, to serve new Customer load that as of the Effective Date of this Agreement is being served by or is in the service territory of another electric provider that Customer proposes to serve; provided, however, to the extent that such new load is currently being served by another generator pursuant to a written power purchase agreement with such generator that was in effect prior to any proposed service by Customer, Company shall have no obligation to serve such new load. Company shall have one hundred eighty (180) days from the date of notification from Customer to determine whether to serve new Customer load under the terms and conditions of this Agreement. If Company does not elect to serve such new Customer load under the terms and conditions of this Agreement prior to the expiration of such one hundred eighty (180) days, Customer shall have the right to enter into other arrangements to serve such new load. The provisions of this Section 16.3 shall not apply to de minimis new Member load which Customer serves as a result of acquisition of Members from or adjustments of service territory with adjacent electric providers, and any such load shall be part of Customer's Retail Load.

16.4 Non-Solicitation. Company agrees that neither Company nor its affiliates shall, without the prior written consent of Customer or the board of trustees of Customer (or similar governing body of Customer), (1) acquire, offer to acquire, or agree to seek to acquire, directly or indirectly, all or substantially all of the assets of Customer or all or substantially all of its members; (2) make any public announcement with respect to, or enter into or agree to, offer, propose, or seek to enter into, directly or indirectly, any acquisition, transaction or other business combination for all or substantially all of the assets of Customer or all or substantially all of its members; or (3) make, or in any way participate in, directly or indirectly, any solicitation of proxies, votes, or gathering of

consents, however denominated, seeking the vote of or consent of, or seeking to influence any member in connection with any election or vote related to the acquisition of all or substantially all of the assets of Customer or all or substantially all of its members. In no event are the provisions of this Section 16.4 intended to limit those rights which Company may obtain in the event of the adoption of Retail Competition in the State of Florida and Customer acknowledges that Company shall have the right to sell capacity, energy and related services directly to existing and/or former Members of Customer in the event of the adoption of Retail Competition in the State of Florida.

16.5 Customer's Loss of Members.

(a) During the Term, if Customer experiences a Loss of Members, as set forth in Section 16.5(e), below, Customer shall pay an amount calculated as set forth in Appendix L, and such amount shall be included as part of the Monthly Bill (the "Loss of Members Charge"). Customer shall receive a credit against the load represented by such Loss of Members used to calculate the Loss of Members Charge by reducing the annual kW demand subject to Loss of Members Charge in column (6), Table 2, of Appendix L to the extent that (i) the FPSC, in a proceeding, recognizes Company's generation that was used to serve the load represented by such Loss of Members as benefiting Company's Customers and permits Company to recover the costs (including the ROE) associated with such generation through the retail rates payable by Company's Customers, or (ii) Company sells the capacity and energy associated with Company's generation used to serve the load represented by such Loss of Members to another wholesale customer such that Company is able to recover the costs (including the ROE) associated with such generation from another wholesale customer. To the extent Company does not fully recover the costs of Company's generation (including the ROE) that was used to serve the load represented by such Loss of Members, Customer shall continue to pay an amount equal to the difference between the costs (including the ROE) of Company's generation that was used to serve the load represented by such Loss of Members and the actual costs recovered by Company pursuant to (i) and (ii) above.

(b) Customer shall not directly or indirectly aid, encourage, participate in or otherwise facilitate any act undertaken to cause any Member of Customer to terminate its membership unless such Member has failed to comply with its obligations to Customer, and Customer shall use commercially reasonable efforts to renew and extend all franchise agreements, territorial agreements and similar arrangements for the Term of this Agreement.

(c) Company shall use commercially reasonable efforts to secure FPSC approval for Company to recover, through retail rates payable by Company's Customers, costs associated with Company's generation used to serve the load existing prior to the Loss of Members.

(d) To the extent related solely to and as necessary to indirectly serve the load represented by a Loss of Members, Customer shall be entitled to resell capacity and energy purchased from Company to any successor which obtains the same franchise formerly held by Customer or otherwise serves the same area associated with a Loss of

Members; provided, however, Company also shall have the right to serve any Person that is subsumed under the definition of Loss of Members. To the extent any capacity and Energy is resold by Customer under the first sentence of this Section 16.5(d) or to the extent Company sells capacity and Energy to any former Members (in the same area such Members were formerly served by Customer) that are part of the Loss of Members calculation, or to the extent any former Members that are part of the Loss of Members calculation become Members of Customer again (in the same area such Members were formerly served by Customer), Customer shall not be subject to any Loss of Members Charge calculation based on such Loss of Members under Section 16.5(a).

(e) For purposes of this Section 16.5, the term "Loss of Members" means a cumulative decrease exceeding three percent (3%) in the number of Members' accounts, which cumulative percentage decrease is calculated for the three year period that includes the current Calendar Year and the two (2) prior Calendar Years, where the load represented by the accounts formerly served by Customer continues to be served at or about the same locations, but by an electric service provider other than Customer. The Loss of Members calculation shall be performed each Calendar Year during the Delivery Period. The reasons for a Loss of Members could include, but are not limited to, Customer's failure to retain a franchise agreement granting Customer the right to provide retail electric service to Members within a particular geographic area, incorporation of a new municipality that acquires Customer's facilities and thereafter serves the Members within said municipality, and changes of service territorial boundaries. The cumulative percentage decrease in the number of Members' accounts in a Calendar Year shall be calculated by dividing the number of former Members' accounts taking retail electric service at their existing locations from an electric service provider other than Customer during that Calendar Year plus such losses from the prior two (2) Calendar Years, by the highest number of Members' accounts during that three (3) year period, which resulting amount shall be i) multiplied by 100 percent. If the result of this calculation is greater than three percent (3%), then the calculation set forth in Appendix L shall be used to determine the amount of annual Loss of Members Charge that is attributable to the Loss of Members' accounts, and for which Customer continues to be responsible. Customer shall certify to Company, by January 30th of each year during the Term, the total number of Members and Members' accounts for the prior Calendar Year along with the total kWhs consumed in the prior Calendar Year by the Members' accounts that have been lost. Customer represents and warrants that the schedule set forth in Appendix L represents the total number of Members' accounts that Customer has had for the three (3) Calendar Years of 2004, 2005 and 2006 set forth in such Appendix. The method for calculating the amount of Loss of Members Charge and examples of such calculation are set forth in Appendix L.

ARTICLE 17 GENERAL PROVISIONS

17.1 Third Party Beneficiaries. This Agreement is intended solely for the benefit of the Parties hereto, and nothing herein shall be construed to create any duty to, or standard of care with reference to, or any liability to, any Person not a Party hereto. For the avoidance of doubt, neither Members nor the Lenders are third party beneficiaries of this Agreement.

17.2 No Dedication of Facilities. Any undertakings or commitments by one Party to the other under this Agreement shall not constitute the dedication of generation facilities or the transmission system or any portion thereof by either Party to the other Party.

17.3 Waivers. The failure of a Party to insist in any instance upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights under this Agreement shall not be construed as a general waiver of any such provision or the relinquishment of any such right, except to the extent such waiver is in writing and signed by an authorized representative of such Party.

17.4 Choice of Law. The interpretation and performance of this Agreement shall be in accordance with and controlled by the Laws of the State of Florida, without giving effect to its conflict of Laws provisions.

17.5 Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired thereby; and, subject to Section 2.5, the Parties hereby agree to effect such modifications to this Agreement as shall be reasonably necessary in order to give effect to the original intention of the Parties.

17.6 Modification. No modification to this Agreement will be binding on any Party unless it is in writing and signed by the Parties.

17.7 Counterparts. This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument. Execution of this Agreement by facsimile or PDF signature is deemed to be, and has the same effect as, execution by original signature.

17.8 Headings. Article and Section headings used throughout this Agreement are for the convenience of the Parties only and are not to be construed as part of this Agreement.

17.9 Records. The Parties shall keep (or as necessary cause to be kept by their respective agents) for a period of at least five (5) years such records as may be needed to afford a clear history of the Full Requirements Electric Service supplied pursuant to this Agreement. For any matters in dispute, the Parties shall keep the records related to such matters until the dispute is ended.

17.10 Survival. The provisions of Section 3.3, Section 3.4, Section 3.5 and Section 3.6, Article 7, Article 10, Article 11, Article 13, Article 15, Section 17.4, Section 17.9, Section 18.2 and any other Section of this Agreement that specifies by its terms that it survives termination and any other Section of this Agreement that pertains to the obligation to pay amounts due for service rendered prior to termination, shall survive the cancellation, termination or expiration of this Agreement.

17.11 Cooperation to Effectuate Agreement. Each Party shall cooperate to implement the provisions of and to administer this Agreement in accordance with the intent of the Parties.

17.12 No Public Announcement. The Parties agree that no press release or public announcement concerning the transactions contemplated by this Agreement will be made unless mutually agreed to by the Parties in writing; provided, however, such mutual agreement shall not be required if:

- (a) the disclosing Party determines that disclosure is reasonably necessary to comply with applicable Laws of a governmental authority having jurisdiction; or
- (b) disclosure is made to the FERC or the FPSC in connection with a hearing, proceeding or a submission, whether voluntary or compulsory.

17.13 Stranded Costs. If a Party or any of its Affiliates becomes entitled to receive compensation associated with stranded generation, transmission, distribution or other assets or costs, the other Party shall have no claim or entitlement to any such compensation.

17.14 Further Assurances. If either Party determines in its reasonable discretion that any further instruments, assurances, or other things are necessary or desirable to carry out the terms of this Agreement, the other Party shall execute and deliver all such instruments or assurances, and do all things reasonably necessary or desirable to carry out the terms of this Agreement.

17.15 No Joint Venture. This Agreement is not intended, and shall not be construed, to create any association, joint venture, agency relationship or partnership between the Parties or to impose any such obligation or liability upon either Party. Except as set forth in the Limited Services Agreement, neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or otherwise bind, the other Party.

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

17.17 Entire Agreement. This Agreement and the Short-Term Agreement contain the entire agreement between the Parties with respect to the subject matter hereto and supersede all previous oral and written negotiations, commitments, and understandings of the Parties (including any preliminary term sheet) with respect to the Parties' respective rights and obligations set forth herein. There exist no other understandings, terms or conditions, written or oral, related to the rights and obligations established by this Agreement, and neither Party has relied on any representation, express or implied, not contained herein.

ARTICLE 18 TAXES

18.1 General. Company and Customer shall each use reasonable efforts to minimize Taxes applicable to the transactions to be carried out under the terms of this Agreement. Either Party, upon written request of the other, shall provide a certificate of exemption or

other reasonably satisfactory evidence of exemption including, but not limited to, an applicable affidavit approved by the Florida Department of Revenue, if such Party is exempt from Taxes, and shall use reasonable efforts to obtain and cooperate with obtaining any exemption from or reduction of Tax.

18.2 Applicable Taxes.

(a) Customer shall be responsible for its share of any existing or new Taxes imposed or levied upon Company and Customer's share of such Taxes shall be included in the Monthly Bill as costs identified in and allocated pursuant to the cost-of-service formulas set forth in Article 4, Appendix B and Appendix C.

(b) Customer shall be responsible for all existing and any new Taxes, or other similar tax, fee or assessment 1) imposed or levied upon Customer, 2) attributable or related to Full Requirements Electric Service not included in any of the other elements of the Monthly Bill and/or 3) relating to the sale, use or consumption of Energy or Full Requirements Electric Service pursuant to this Agreement. In the event of a conflict between the provisions set forth in this subsection (b) and any other provision of this Agreement, this subsection (b) controls.

(c) If Company is required to collect or remit any Tax on behalf of Customer as a result of the transactions contemplated in this Agreement, as agent or otherwise, Customer shall reimburse any Tax to Company through the Monthly Bill, with such reimbursement to be made on an After-Tax-Basis.

(d) To the extent that Company incurs a Tax liability due to denied or lost Tax benefits previously recognized or enjoyed by Customer during the term of this Agreement, Customer shall be responsible for all such Taxes. Additionally, in the event that Company incurs interest expense or penalties on a Tax deficiency related to denied or lost Tax benefit previously recognized or enjoyed by Customer during the Term of this Agreement, Customer shall be responsible for all such related penalties and interest expense. To the extent such Taxes and interest are not captured and reflected in the Monthly Bill pursuant to Section 4.9, such Taxes or interest expense shall be incorporated into the Monthly Bill of Customer. To the extent any Taxes or interest is due from Customer to Company after termination of this Agreement, Company shall be paid all outstanding amounts for which Customer is responsible, in twelve (12) equal monthly payments, beginning with the month immediately following the month in which Customer is notified that such amount is due to Company. Such payments shall be made by Customer to Company on or before the first day of each month. This Section 18.2 shall survive the termination or expiration of this Agreement.

ARTICLE 19 RULES OF CONSTRUCTION

19.1 Terms used in this Agreement but not listed in this Article, or defined herein or in Article 1, shall have meanings as commonly used in the English language and, where applicable, in Good Utility Practice.

19.2 Words not otherwise defined herein that have well known and generally accepted technical or trade meanings are used herein in accordance with such recognized meanings.

19.3 The masculine shall include the feminine and neuter.

19.4 The words “include,” “includes” and “including” are deemed to be followed by the words “without limitation.”

19.5 References to contracts, agreements and other documents and instruments shall be references to the same as amended, supplemented or otherwise modified from time to time.

19.6 The Appendices attached hereto are incorporated in and are intended to be a part of this Agreement; provided, that in the event of a conflict between the terms of any Appendices and the terms of this Agreement, the terms of this Agreement shall take precedence.

19.7 References to Laws and to terms defined in, and other provisions of, Laws shall be references to the same (or a successor to the same) as amended, supplemented or otherwise modified from time to time.

19.8 References to a Person shall include its permitted successors and assigns, and any entity succeeding to the functions and capacities of that Person.

19.9 References to “Articles,” “Sections,” or “Appendices” shall be to articles, sections, or appendices of this Agreement, or, as appropriate, to sections of the FPA or FERC’s regulations.


19.10 Unless the context plainly indicates otherwise, words importing the singular number shall be deemed to include the plural number (and vice versa); terms such as “hereof,” “herein,” “hereunder” and other similar compounds of the word “here” shall mean and refer to the entire Agreement rather than any particular part of the same.

19.11 This Agreement was negotiated and prepared by both Parties with the advice and participation of counsel. The Parties have agreed to the wording of this Agreement and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this Agreement or any part hereof.

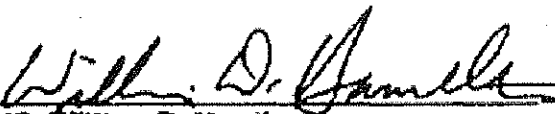
19.12 The Parties acknowledge and agree that this Agreement, the transactions contemplated hereby, and any instruments that may be provided by either Party hereunder (including any Performance Assurance) shall each, and together, constitute one and the same “forward contract” within the meaning of the United State Bankruptcy Code, and Company shall constitute a “forward contract merchant” under the United State Bankruptcy Code.

IN WITNESS WHEREOF, Company and Customer have caused this Agreement to be executed in duplicate by their respective duly authorized officers as of the Effective Date.

FLORIDA POWER & LIGHT COMPANY

BY: 
NAME: Sam A. Forrest
TITLE: Vice President, Energy Marketing &
JK Trading

**LEE COUNTY ELECTRIC
COOPERATIVE, INC.**

BY: 
NAME: William D. Hamilton
TITLE: Executive Vice President and
Chief Executive Officer

APPENDIX A
LIST OF DELIVERY POINTS

Belle Meade

Buckingham

Calusa

Note: Each of the above Delivery Points is at the point recognized by the Transmission Provider.

APPENDIX B
GENERATION DEMAND CHARGE AND
GENERATION ENERGY CHARGE FORMULA RATE

APPENDIX B

December 31

Generation Energy Charge Formula Rate

The "Generation Demand Charge Rate" and "Generation Energy Charge Rate" used to calculate the Generation Demand and Energy Charges shall be determined pursuant to the cost-of-service formulas set forth in this Appendix B and in accordance with the provisions of Article 4 of this

The Generation Energy Charge Rate shall exclude costs recovered through the Fuel Charge and the Fuel Adjustment Charge, set forth in Section 4.5 of the Agreement.

The references to FERC FORM No. 1 pages, columns and line numbers set forth in this Appendix B were derived from FPL's YYYY FERC FORM No.1. Such references are expected to change during the term of this Agreement and the parties agree to support any FERC filings required to reflect any such changes.

FPL's Cost of Service Formulas
 A-1
 Determination of Generation Demand Charge Rate
 December 31

Line	Description	Reference	Demand Related
1	Return on investment	A-5, L19 Col (2)	#DIV/0!
2	Operation & maintenance expense	A-14, L19 Col (2)	#DIV/0!
3	Depreciation expense	A-15, L16 Col (2)	#DIV/0!
4	Taxes other than income taxes	A-16, L14 Col (3)	#DIV/0!
5	Income tax	A-17, L5 Col (2)	#DIV/0!
6	Subtotal	Sum L1 thru L5	#DIV/0!
7	Less: Share of gains on non-separated wholesale power sales excluding emergency sales	A-4, L5 Col (2)	-
8	Less: Other revenue credits	A-4a, L5 Col (3)	#DIV/0!
9	Annual production fixed cost	L6 - L7 - L8	#DIV/0!
10	Total of 12 monthly peak firm MWs @ generator	FPL CP Demand Schedule	- MW
11	Customer's adjusted monthly coincident peaks	Customer CP Demand Schedule	#DIV/0! MW
12	Customer's share of annual production fixed cost	L11 / L10	#DIV/0!
13	Customer's annual production fixed cost	L9 X L12	#DIV/0!
14	Customer's sum of monthly kW billing demand	Customer Billing Demand Schedule	- kW
15	Generation Demand Charge Rate	L13 / L14	#VALUE! \$/kW-month

FPL's Cost of Service Formulas

A-2

Determination of Generation Energy Charge Rate
December 31

Line	Description	Reference	Energy Related
1	Total fuel	A-14, L21 Col (4) - L1 Col (4)	-
2	Purchased power (555)	A-14, L1 Col (4)	-
3	Other production expense	A-14, Col (3), L6 + L15 + L17 + L18	-
4	Total production cost	Sum L1 thru L3	-
5	Administrative and general expense	A-10, L18 Col (5)	#DIV/0!
6	Return on investment	A-5, L19 Col (3)	#DIV/0!
7	Depreciation expense	A-15, L16 Col (3)	#DIV/0!
8	Income tax	A-17, L5 Col (3)	#DIV/0!
9	Annual production variable costs	Sum L4 thru L8	#DIV/0!
10	Less: Fuel Costs	Sum L1 + L2	-
11	Non-fuel costs	L9 - L10	#DIV/0!
12	Net MWh generated and purchased, less MWh sold	FERC 1, p. 401b Col (b) - Col (c)	- MWh
13	Generation Energy Charge Rate	L11 / L12 / 1,000	#DIV/0! \$/KWh

FPL's Cost of Service Formulas

A-4

Share of gains on non-separated wholesale power sales excluding emergency sales
December 31

Line	Description	Reference	Production		
			Total (1)	Demand (2)	Energy (3)
1	Actual Gain on Non-Separated Wholesale Power Sales excluding emergency sales	a/		-	
2	Incentive Threshold	a/		-	
3	Difference of Actual vs. Threshold	L1 - L2	-	-	-
4	FPL Share of Gains	b/	-	-	
5	Deduction to Production O&M from the Gain on non-separated wholesale power sales excluding emergency sales	L1 - L4	-	-	-

a/ As provided by Article 4.7(c) of the Agreement.

b/ Equal to 20% of the gains above the Incentive Threshold as provided by Article 4.7(c) of the Agreement.

FPL's Cost of Service Formulas

A-4a

Other Revenue Credits

December 31

Line	Description	Reference	System (1)	Allocator (2)	Production (3)
1	Ancillary Service Revenues - Generation Related	a/		100.00%	-
2	Other Generation Related Revenue Credits	b/		100.00%	-
3	Rent From Electric Property - General Plant	c/		#DIV/0!	#DIV/0!
4	Other General Revenue Credits	d/		#DIV/0!	#DIV/0!
5	Total	Sum L1 thru L4	\$0		#DIV/0!

a/ Ancillary Service Revenues - Generation Related includes the revenues booked in accounts 447 and 456 for generation-related ancillary services. These revenues include amounts charged to transmission customers as well as amounts charged to FPL for the use of the FPL system in making off-system power sales. The ancillary services charged transmission customers include reactive, regulation, spinning operating reserves and supplemental operating reserves. Revenues from energy imbalance service are revenue credited through the fuel charge. Reactive charges imputed for FPL's use of the FPL system are also included in Ancillary Services Revenues - Generation Related.

b/ Other Generation Related Revenue Credits includes generation-related revenues booked in accounts 447 and 456, excluding amounts for: 1) transactions included in the divisor of this formula rate and 2) revenues credited through other components of this formula.

c/ Rental From Electric Property includes revenues booked to account 454 for the rental of general plant, allocated to production based on gross plant.

d/ Other General Revenue Credits includes miscellaneous revenues booked to accounts 454 and 456 not associated with a specific function, allocated to production based on gross plant.

FPL's Cost of Service Formulas

A-5

Return on production related investment

December 31, Simple Average

Line	Description	Reference	Production		
			Total (1)	Demand (2)	Energy (3)
1	<u>Electric plant:</u>				
2	Gross plant in service	A-6, L9	#DIV/0!	#DIV/0!	#DIV/0!
3	Accumulated depreciation	A-6, L18	#DIV/0!	#DIV/0!	#DIV/0!
4	Accumulated Deferred Taxes	A-6, L25	#DIV/0!	#DIV/0!	#DIV/0!
5	Net plant in service	L2 + L3 + L4	#DIV/0!	#DIV/0!	#DIV/0!
6	Plant held for future use	FERC-1 p. 214	-	-	-
7	Construction work in progress	CWIP Schedule	-	-	-
8	Adjustment for FERC CWIP treatment	CWIP Adjustment Schedule	-	-	-
9	Subtotal - Electric Plant	Sum L5 thru L8	#DIV/0!	#DIV/0!	#DIV/0!
10	<u>Working capital:</u>				
11	Materials & supplies				
12	Fuel	A-9, L2	#DIV/0!	-	#DIV/0!
13	Non-fuel	A-9, L9	#DIV/0!	#DIV/0!	#DIV/0!
14	Total Materials and Supplies	L12 + L13	#DIV/0!	#DIV/0!	#DIV/0!
15	Prepayments	a/	#DIV/0!	#DIV/0!	#DIV/0!
16	Cash requirements	A-8, L2	#DIV/0!	#DIV/0!	#DIV/0!
17	Total investment	L9 + L14 thru L16	#DIV/0!	#DIV/0!	#DIV/0!
18	Composite cost of capital	A-11, L5 Col (4)	#DIV/0!	#DIV/0!	#DIV/0!
19	Return on investment	L17 x L18	#DIV/0!	#DIV/0!	#DIV/0!

a/ Classified and functionalized using Gross Plant, A-6 L10 Col (2)

Total company (simple average)

FERC-1 p. 110 L57

#DIV/0!

Gross Plant Allocator

A6, L10 Col (2)

#DIV/0!

Prepayments

#DIV/0!

FPL's Cost of Service Formulas
 A-6
 Production related electric plant in service
 December 31, Simple Average

Line	Description	Reference	System	Production		
				Production	Demand	Energy
			(1)	(2)	(3)	(4)
1	Gross plant in service:					
2	Plant in service, excl G&I	FERC-1 p. 204 - 207	#DIV/0!	#DIV/0!	#DIV/0!	-
3	Acquisition Adjustment Scherer 4	a/	-	-	-	-
4	Less: ARO related plant	FERC-1 p. 204-207	#DIV/0!	#DIV/0!	#DIV/0!	-
5	Restated plant in service	L2 + L3 - L4	#DIV/0!	#DIV/0!	#DIV/0!	-
6	GSUs included in system total above (353)	GSU Statement	-	-	-	-
7	General, intangible & electric plant purchased	A-7, L19	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
8	Less: ARO related general and intangible plant	FERC-1 p. 204-207	-	#DIV/0!	#DIV/0!	#DIV/0!
9	Total	L5 + L6 + L7 - L8	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
10	Gross Plant allocator		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
11	Accumulated Depreciation:					
12	Plant in service, excl G&I	Accum Dep Statement, Rows 2 + 4 thru 9	-	-	-	-
13	Acquisition Adjustment Scherer 4	Accum Dep Statement, Row 3	-	-	-	-
14	GSUs included in system total above (353)	GSU Statement	-	-	-	-
15	General, intangible & electric plant purchased	Accum Dep Statement, Rows 1 + 10	-	#DIV/0!	#DIV/0!	#DIV/0!
16	Less: Reserve Surplus Flowback - FPSC	b/	-	-	-	-
17	Less: Reserve Surplus Flowback - FPSC - General	b/	-	#DIV/0!	#DIV/0!	#DIV/0!
18	Total	Sum L12 thru L15 - 16 - 17	-	#DIV/0!	#DIV/0!	#DIV/0!
19	Accumulated Deferred Taxes:					
20	Accumulated Deferred Taxes - Account 190 (debit)	FERC-1 p. 111 L32	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
21	Accumulated Deferred Taxes - Account 282 (credit)	FERC-1 p. 113 L63	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
22	Accumulated Deferred Taxes - Account 283 (credit)	FERC-1 p. 113 L64	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
23	Other Reg Asset - Deferred Taxes FAS 109 (debit)	FERC-1 p. 232 L36	-	#DIV/0!	#DIV/0!	#DIV/0!
24	Other Reg Liability - Deferred Taxes FAS 109 (credit)	FERC-1 p. 278 L40	-	#DIV/0!	#DIV/0!	#DIV/0!
25	Total	Sum L20 thru L24	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
			Ending Balance	Beginning Balance	Simple Average	
a/	Acquisition Adjustment	FERC-1 p. 200 L12	-	-	-	-
b/	Reserve Surplus Flowback - FPSC	FERC-1 p. 232 L32 Footnote				
			Beginning Balance	Ending Balance	Simple Average	
Steam			-	-	-	-
Nuclear			-	-	-	-
Other Production			-	-	-	-
Transmission			-	-	-	-
Distribution			-	-	-	-
General Plant			-	-	-	-
Total			-	-	-	-

FPL's Cost of Service Formulas

A-7

Production related general plant allocation

December 31, Simple Average

Line	Description	Reference	General plant accounts 101 and 106									
			(a)	(b)	(c)	(d)	(e)	(f)				
			Total system	Payroll Allocator	Production		Demand	Energy				
1	General plant											
2	389 Land and land rights	FERC-1 p. 206 L86	#DIV/0!									
3	390 Structures and improvements	FERC-1 p. 206 L87	#DIV/0!									
4	391 Office furniture and equipment	FERC-1 p. 206 L88	#DIV/0!									
5	392 Transportation equipment	FERC-1 p. 206 L89	#DIV/0!									
6	393 Stores equipment	FERC-1 p. 206 L90	#DIV/0!									
7	394 Tools, shop and garage equipment	FERC-1 p. 206 L91	#DIV/0!									
8	395 Laboratory equipment	FERC-1 p. 206 L92	#DIV/0!									
9	396 Power operated equipment	FERC-1 p. 206 L93	#DIV/0!									
10	397 Communication equipment	FERC-1 p. 206 L94	#DIV/0!									
11	398 Miscellaneous equipment	FERC-1 p. 206 L95	#DIV/0!									
12	102 Electric plant purchased	FERC-1 p. 206 L101	#DIV/0!									
13	Subtotal	Sum L2 thru L12	#DIV/0!	#DIV/0!	a/	#DIV/0!	x	#DIV/0!	b/	=	#DIV/0!	#DIV/0!
14	Percent of subtotal	% of L13 Col (a)				#DIV/0!		#DIV/0!			#DIV/0!	#DIV/0!
15	399 Other tangible property	FERC-1 p. 206 L97	-									
16	Total general plant	Sum L13 + L15	#DIV/0!			#DIV/0!		#DIV/0!			#DIV/0!	#DIV/0!
17	Percent of total	% of L16 Col (a)				#DIV/0!		#DIV/0!			#DIV/0!	#DIV/0!
18	Intangible plant	FERC-1 p. 204 L5	#DIV/0!			#DIV/0!		#DIV/0!			#DIV/0!	#DIV/0!
19	General and intangible plant	Sum L16 + L18	#DIV/0!			#DIV/0!		#DIV/0!			#DIV/0!	#DIV/0!

a/ FERC-1 p. 354: Production payroll / Total payroll excluding A&G payroll

b/ A-14a L51 Col (a)

FPL's Cost of Service Formulas
 A-8
 Production related Cash Requirement
 December 31

Line	Description	Reference	Production		Non-Fuel Energy
			Production	Demand	
1	Other O&M expenses	A-14, L19 - L1	#DIV/0!	#DIV/0!	#DIV/0!
2	Total cash requirements	L1 X 1/8	#DIV/0!	#DIV/0!	#DIV/0!

FPL's Cost of Service Formulas
 A-9
 Production related Materials & Supplies
 December 31, Simple Average

Line	Description	Reference	System	Allocator	Production	Demand	Energy
1	Materials & supplies:						
2	Fuel (151)	FERC-1 p. 110 L45	#DIV/0!	100.00%	#DIV/0!	-	#DIV/0!
3	Non-fuel						
4	Account (158-allowances)	FERC-1 p. 110 L52	#DIV/0!	100.00%	#DIV/0!	-	#DIV/0!
5	Plant materials (154 & 163) a/	FERC-1 p. 110 L48 + L54	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
6	Merchandise (155) a/	FERC-1 p. 110 L49	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
7	Other M&S (156) a/	FERC-1 p. 110 L50	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
8	Nuclear held for sale (157) a/	FERC-1 p. 110 L51	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
9	Total non-fuel	Sum L4 thru L8	#DIV/0!		#DIV/0!	#DIV/0!	#DIV/0!
10	Total materials & supplies	Sum L2 + L9	#DIV/0!		#DIV/0!	#DIV/0!	#DIV/0!

a/ functionalized to Production Plant based on Gross Plant allocator, A-6, L10

FPL's Cost of Service Formulas

A-10

Production related Administrative & General expense allocation
December 31

Line	Description	Reference	System (1)	Allocator (2)	Production (3)	Demand (4)	Energy (5)
1	Administrative & General Expense						
2	920 Administrative and general salaries	FERC-1 p. 323 L181	-				
3	921 Office supplies and expenses	FERC-1 p. 323 L182	-				
4	922 Administrative expenses transferred--- Credit	FERC-1 p. 323 L183	-				
5	923 Outside services employed	FERC-1 p. 323 L184	-				
6	925 Injuries and damages	FERC-1 p. 323 L186	-				
7	926 Employee pensions and benefits	FERC-1 p. 323 L187	-				
8	927 Franchise requirements	FERC-1 p. 323 L188	-				
9	929 Duplicate charges---Credit	FERC-1 p. 323 L190	-				
10	930 Miscellaneous general expenses	FERC-1 p. 323 L191 + L192	-				
11	931 Rents	FERC-1 p. 323 L193	-				
12	Subtotal a/	Sum L2 thru L11	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
13	924 Property insurance	FERC-1 p. 323 L185	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
14	Production related storm expense not recorded in 924	W					
15	928 Regulatory commission expenses a/	FERC-1 p. 323 L189	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
16	Less: Regulatory comm exp FERC annual assessment a/	FERC Assessment Fee		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
17	935 Maintenance of general plant a/	FERC-1 p. 323 L196	-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
18	Total	Sum L12 to L15 - L16 + L17	-		#DIV/0!	#DIV/0!	#DIV/0!

a/ Payroll allocator, A-7, L13 Col (b)

b/ The amount of total company production-related storm damage expenses (if any) that for retail rate-making purposes is charged against an operating reserve, as authorized by the FPSC.

FPL's Cost of Service Formulas
 A-11
 Composite cost of capital
 December 31, Simple Average

Line	Description	Reference	Total company			
			Average capitalization		Cost	Wtd cost
			(1)	(2)	(3)	(4)
1	Long term debt	A-12, L3	-	#DIV/0!	#DIV/0!	#DIV/0!
2	Preferred stock	A-13, L3	-	#DIV/0!	#DIV/0!	#DIV/0!
3	Common stock	a/	-	#DIV/0!	b/	#DIV/0!
4	Total equity	Sum L2 + L3	-	#DIV/0!		#DIV/0!
5	Total	Sum L1 + L3	-	#DIV/0!		#DIV/0!

a/

	Proprietary capital		
	Ending	Beginning	Average
Total Proprietary Capital	FERC-1 p. 112 L16	-	-

b/ Return on Common Equity as defined in article 4.7(b) of the PSA

FPL's Cost of Service Formulas
 A-12
 Average Long Term Debt
 December 31, Simple Average

Line	Description	Reference	Debt balances		
			Ending	Beginning	Average
1	Total long-term debt	FERC-1 p. 112 L.24	-	-	-
2	(Less) Securitization Bonds	a/	-	-	-
3	Adjusted Long-Term Debt	Sum L.1 - L.2	-	-	-
					<u>Year End Total</u>
4	Interest on long-term debt (427)	FERC-1 p. 117 L.62			-
5	Amort. of Debt Disc. and Expense (428)	FERC-1 p. 117 L.63			-
6	Amortization of Loss on Required Debt (428.1)	FERC-1 p. 117 L.64			-
7	Amort. of Premium on Debt-Credit (429)	FERC-1 p. 117 L.65			-
8	Amort. of Gain on Required Debt-Credit (429.1)	FERC-1 p. 117 L.66			-
9	Interest on Debt to Assoc. Companies (430)	FERC-1 p. 117 L.67			-
10	(Less) Interest on Securitization Bonds	w/			-
11	Total interest	Sum 1.4 thru 1.9 - 1.10			-
12	Cost of long-term debt	L.11 / L.3			<u>#DIV/0!</u>
	Securitization Bonds Support				
	Securitization Bonds	n/a	-	-	-
	(Less) Unamortized Discount	A/C 226151	-	-	-
a/	Net Securitization Bonds (Included in L. 1 above)		-	-	-
	Interest on Securitization Bonds Support				
	Interest on Securitization Bonds	n/a			-
	Amort. of Debt Disc. and Expense on Securitized Bonds	A/C 428552 thru 428555 (included in L. 5 above)			-
b/	Total Interest on Securitization Bonds				-

FPL's Cost of Service Formulas
 A-13
 Average preferred stock
 December 31, Simple Average

Line	Description	Reference	Preferred stock balances		
			Ending	Beginning	Average
1	Preferred stock issued (204)	FERC-1 p. 112 L3	-	-	-
2	Premium on preferred stock	Currently n/a	-	-	-
3	Total preferred stock	Sum L1 thru L2	-	-	-
4	Preferred stock dividends	FERC-1 p. 121 L80			-
5	Embedded costs	L4 / L3			-

FPL's Cost of Service Formulas
 A-14
 Production O&M Expenses
 December 31

Line	Description	Reference	Energy			
			Total company (1)	Demand (2)	Non-fuel (3)	Fuel (4)
1	555 Purchased power	d/ FERC-1 p.327	-	-	-	-
2	556 System control and load dispatching	FERC-1 p.321 L77	-	-	-	-
3	557 Other expenses	b/	-	-	-	-
4	565 Transmission of electricity by others	c/	-	-	-	-
5	Other production expenses	A-14(e)	-	-	-	-
6	Total production excluding fuel used in generation	Sum L1 thru L5	-	-	-	-
7	A&G expenses	A-10, L18	-	#DIV/0!	#DIV/0!	-
8	GSU related O&M	GSU Schedule	-	-	-	-
9	Total O&M, excluding fuel	SOM L6 thru L8	-	#DIV/0!	#DIV/0!	-
10	501 Fuel	FERC-1 p. 320 L5	-	-	-	-
11	518 Fuel	FERC-1 p. 320 L25	-	-	-	-
12	Less: Fuel handling	Currently n/a	-	-	-	-
13	Less: Sale of fly ash	Currently n/a	-	-	-	-
14	547 Fuel	FERC-1 p. 321 L63	-	-	-	-
15	Subtotal fuel	L10 + L11 - L12 + L13 + L14	-	-	-	-
16	Subtotal Production O&M and fuel costs	L9 + L15	-	#DIV/0!	#DIV/0!	-
17	Other costs and expenses	a/	-	-	-	-
18	Gains/Losses on disposition of allowances (411.8 and 411.9)	a1/	-	-	-	-
19	Total Production O&M and fuel costs	1.16 + 1.17 + 1.18	-	#DIV/0!	#DIV/0!	-
20	Fuel Adjustments and Revenue Credits	e/	-	-	-	-
21	Total Fuel Cost	Sum L19 + L20	-	-	-	-

a/ Includes any other costs and expenses incurred for compliance with the RPS Requirements provided in Article 3.6 of the Agreement.
 a1/ provided by Accounting

		Total company	Demand	Non-fuel	Fuel
Details of Account 557					
	OTHER POWER SUPPLY EXPENSES	557000	-	-	-
b/	Total Other Power Supply Expenses (Account 557)	-	-	-	-
Details of Account 565					
	TRANSMISSION OF ELECTRICITY BY OTHERS	565000	-	-	-
	TRANS OF ELECTRICITY BY OTHERS-CCRC	565120	-	-	-
	TRANS OF ELECTRICITY BY OTHERS-FCRC	565130	-	-	-
	TRANSMISSION OF ELECTRICITY-OTHERS-FCRC A7	565140	-	-	-
c/	Total Transmission of Electricity by Others (Account 565)	-	-	-	-
Details of Account 555					
	PURCH PWR-RECOVERABLE INTRCHG-LOC 54	555110	-	-	-
	RECOVERABLE INTERCHANGE POWER-PSL	555120	-	-	-
	PURCH PWR-UNIT PWR PURCH-SOUTHERN CO-EGY	555140	-	-	-
	PURCHASE POWER - PPA - ENERGY	555141	-	-	-
	PURCH PWR-SJRPP ENERGY EXPENSE	555142	-	-	-
	PUR PWR-PPA-L/T CONTR-MIN PYMT-FUEL	555143	-	-	-
	PURCH PWR-RECOVERABLE EXP-QUALIFY FACIL	555160	-	-	-
	UPS CAPACITY CHARGES-CCR	555410	-	-	-
	QF CAPACITY CHARGES-CCR	555420	-	-	-
	OTH DEF CR-SJRPP CAPACITY ACCEL RECOVERY	555429	-	-	-
	SJRPP CAPACITY CHARGES-CCR	555430	-	-	-
	SJRPP DEFERRED INTEREST PAYMENTS-CCR	555432	-	-	-
	SHORT TERM CAPACITY PURCHASES	555440	-	-	-
	PUR PWR-CAPAC PUR-L/T CNTR-MIN PYMT-CCR	555441	-	-	-
d/	Total Purchased power (Account 555)	-	-	-	-
Details of Fuel Adjustment and Revenue Credits					
	SALES FOR RESALE-RECOV INTCHG PWR SALES	447110	-	-	-
	Fuel Costs of Sales to FKEC and CKW	N/A	-	-	-
	ENERGY IMBALANCE SERVICE	456225	-	-	-
	ENERGY IMBALANCE PENALTY REVENUE	456230	-	-	-
	ENERGY IMBALANCE PENALTY REVENUE REFUND	456231	-	-	-
	Other Minor Items - Rounding	N/A	-	-	-
e/	Total Fuel Adjustments and Revenue Credits	-	-	-	-

FPL's Cost of Service Formulas
 A-14(a)
 Classification of fixed and variable production expenses
 December 31

Line	Description	Reference	(a) Demand	(b) Energy	(c) Fuel	(d) Total
1	500 Operation supervision and engineering	FERC-4 p. 320 L4	-	-	-	-
2	501 Fuel	FERC-4 p. 320 L5	-	-	-	-
3	502 Steam expenses	FERC-4 p. 320 L6	-	-	-	-
4	503 Steam from other sources	FERC-4 p. 320 L7	-	-	-	-
5	504 Steam transferred—Credit	FERC-4 p. 320 L8	-	-	-	-
6	505 Electric expenses	FERC-4 p. 320 L9	-	-	-	-
7	506 Miscellaneous steam power expenses	FERC-4 p. 320 L10	-	-	-	-
8	507 Rents	FERC-4 p. 320 L11	-	-	-	-
9	509 Allowances	FERC-4 p. 320 L12	-	-	-	-
10	510 Maintenance supervision and engineering	FERC-4 p. 320 L15	-	-	-	-
11	511 Maintenance of structures	FERC-4 p. 320 L16	-	-	-	-
12	512 Maintenance of boiler plant	FERC-4 p. 320 L17	-	-	-	-
13	513 Maintenance of electric plant	FERC-4 p. 320 L18	-	-	-	-
14	514 Maintenance of miscellaneous steam plant	FERC-4 p. 320 L19	-	-	-	-
15	517 Operation supervision and engineering	FERC-4 p. 320 L24	-	-	-	-
16	518 Fuel	FERC-4 p. 320 L25	-	-	-	-
17	519 Coolants and water	FERC-4 p. 320 L26	-	-	-	-
18	520 Steam expenses	FERC-4 p. 320 L27	-	-	-	-
19	521 Steam from other sources	FERC-4 p. 320 L28	-	-	-	-
20	522 Steam transferred—Credit	FERC-4 p. 320 L29	-	-	-	-
21	523 Electric expenses	FERC-4 p. 320 L30	-	-	-	-
22	524 Miscellaneous nuclear power expenses	FERC-4 p. 320 L31	-	-	-	-
23	525 Rents	FERC-4 p. 320 L32	-	-	-	-
24	528 Maintenance supervision and engineering	FERC-4 p. 320 L35	-	-	-	-
25	529 Maintenance of structures	FERC-4 p. 320 L36	-	-	-	-
26	530 Maintenance of reactor plant equipment	FERC-4 p. 320 L37	-	-	-	-
27	531 Maintenance of electric plant	FERC-4 p. 320 L38	-	-	-	-
28	532 Maintenance of miscellaneous nuclear plant	FERC-4 p. 320 L39	-	-	-	-
29	535 Operation supervision and engineering	FERC-4 p. 320 L44	-	-	-	-
30	536 Water for power	FERC-4 p. 320 L45	-	-	-	-
31	537 Hydraulic expenses	FERC-4 p. 320 L46	-	-	-	-
32	538 Electric expenses	FERC-4 p. 320 L47	-	-	-	-
33	539 Miscellaneous hydraulic power generation expenses	FERC-4 p. 320 L48	-	-	-	-
34	540 Rents	FERC-4 p. 320 L49	-	-	-	-
35	541 Maintenance supervision and engineering	FERC-4 p. 320 L53	-	-	-	-
36	542 Maintenance of structures	FERC-4 p. 320 L54	-	-	-	-
37	543 Maintenance of reservoirs, dams and waterways	FERC-4 p. 320 L55	-	-	-	-
38	544 Maintenance of electric plant	FERC-4 p. 320 L56	-	-	-	-
39	545 Maintenance of miscellaneous hydraulic plant	FERC-4 p. 320 L57	-	-	-	-
40	546 Operation supervision and engineering	FERC-4 p. 321 L62	-	-	-	-
41	547 Fuel	FERC-4 p. 321 L63	-	-	-	-
42	548 Generation expenses	FERC-4 p. 321 L64	-	-	-	-
43	549 Miscellaneous other power generation expenses	FERC-4 p. 321 L65	-	-	-	-
44	550 Rents	FERC-4 p. 321 L66	-	-	-	-
45	551 Maintenance supervision and engineering	FERC-4 p. 321 L68	-	-	-	-
46	552 Maintenance of structures	FERC-4 p. 321 L70	-	-	-	-
47	553 Maintenance of generating and electric plant	FERC-4 p. 321 L71	-	-	-	-
48	554 Maintenance of miscellaneous other power generation plant	FERC-4 p. 321 L72	-	-	-	-
49	TOTAL		-	-	-	-
50	Non Fuel Demand/Energy Allocator	L-9 Col (a) (b)	-	-	-	-
51	Allocator used in A-7, L13 Col (d)	- 1% of total Col (d)	-	-	-	-
			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Details of Account 501						
	FUEL-RECOVERABLE FUEL,OIL	501110	-	-	-	-
	FUEL OIL RECOVERABLE ADJUSTMENTS	501111	-	-	-	-
	FUEL-RECOVERABLE FUEL GAS	501120	-	-	-	-
	OIL, RECOV TEMPERATURE & CALIBRATION AD.	501130	-	-	-	-
	RECOVERABLE FUEL,COAL(GENERATION)	501140	-	-	-	-
	SIRPP/SCHERER COAL CARS DEPR EXPENSE	501141	-	-	-	-
	RECOVERABLE FUEL COAL ADDITIVES	501144	-	-	-	-
	RECOVERABLE FUEL, DISTILLATE(GENERATION)	501160	-	-	-	-
	FUEL-NON-RECOVERABLE FUEL,OIL	501210	-	-	-	-
	OIL, NON-RECOV TERMINAL & TRSPT EXP	501230	-	-	-	-
	NON-RECOVERABLE FUEL,COAL (ADJ)	501250	-	-	-	-
	ASH HANDLING EXPENSE	501260	-	-	-	-
	FUEL-NON-RECOVERABLE-NON M&S EXPENSES	501270	-	-	-	-
	FUEL-NON-RECOVERABLE-NON M&S EXP, GAS	501271	-	-	-	-
a/	Total A/C 501		-	-	-	-
Details of Account 518						
	NUCLEAR FUEL EXPENSE	518000	-	-	-	-
	NUC FUEL EXP-RECOV BURNUP CHG-LEASD FUEL	518110	-	-	-	-
	NUC FUEL EXP-DSPL CST-CURR-ST LUCIE #1	518151	-	-	-	-
	NUC FUEL EXP-DSPL CST-CURR-ST LUCIE #2	518152	-	-	-	-
	NUC FUEL EXP-DSPL CST-CURR-TURKEY PT #1	518153	-	-	-	-
	NUC FUEL EXP-DSPL CST-CURR-TURKEY PT #1	518154	-	-	-	-
	NUCLEAR PLANTS RECOVERABLE ADJUSTMENTS	518180	-	-	-	-
	NUCLEAR FUEL EXPENSE-LAST CORE	518201	-	-	-	-
b/	Total A/C 518		-	-	-	-
Details of Account 547						
	FUEL-RECOVERABLE FUEL,OIL	547110	-	-	-	-
	FUEL-RECOVERABLE FUEL,GAS	547120	-	-	-	-
	OIL, RECOV TEMPERATURE & CALIBRATION AD.	547130	-	-	-	-
	FUEL-NON-RECOVERABLE-OIL	547210	-	-	-	-
	FUEL-NON-RECOV-NON M&S EXP-OIL	547270	-	-	-	-
	FUEL-NON-RECOV-NON M&S EXP-GAS	547271	-	-	-	-
c/	Total A/C 547		-	-	-	-

FPL's Cost of Service Formulas

A-15

Production related depreciation expense

December 31

Line	Description	Reference	Payroll Allocator	Production Related (1)	Demand (2)	Energy (3)
1	Steam production	FERC-1 p. 336 L2 Col (f)		-	-	
2	Nuclear production	FERC-1 p. 336 L3 Col (f)		-	-	
3	Add: ARO decommissioning and dismantling credit	A/C 403333			-	
4	Hydro production:					
5	Conventional	FERC-1 p. 336 L4 Col (f)		-		
6	Pumped storage	FERC-1 p. 336 L5 Col (f)		-		
7	Other production	FERC-1 p. 336 L6 Col (f)		-		
8	Subtotal	Sum L1 thru L7		-	-	-
9	Scherer Acquisition Adjustment	A/C 406000				
10	Production related G&I plant	FERC-1 p. 336 L1 & L10	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
11	Less: ARO related plant	FERC-1 p. 336 L1 Col (e)	#DIV/0!	#DIV/0!	#DIV/0!	
12	GSU-related depreciation expense	GSU Schedule		-	-	
13	Amortization for FERC CWIP treatment	CWIP Adjustment Schedule		-	-	
14	Reserve Surplus Flowback - FPSC	a/		-	-	
15	Reserve Surplus Flowback - FPSC - General	a/	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
16	Total production	Sum L8 thru L10 - L11 + Sum of L12 thru L15		#DIV/0!	#DIV/0!	#DIV/0!
a/	Reserve Surplus Flowback - FPSC	FERC-1 p. 232 L32 Footnote		(A)	(B)	(C) = (A) - (B)
				Beginning Balance	Ending Balance	Flowback Amortization
			Steam			-
			Nuclear			-
			Other Production			-
			Transmission			-
			Distribution			-
			General Plant			-
			Total			-

FPL's Cost of Service Formulas

A-16

Production related taxes other than income taxes

December 31

Line	Description	Reference	System (1)	Allocator (2)	Production (3)
1	Unemployment	FERC-1 p. 263 L10, 11, 19 Col (i)	-		
2	FICA	FERC-1 p. 263 L6, 7 Col (i)	-		
3	Total taxes related to wages & salaries	SUM L1 + L2	-	#DIV/0!	#DIV/0!
4	Real and personal property taxes	FERC-1 p. 263.1 L13, 14 Col (i)	-		
5	Use tax	FERC-1 p. 263 L34, 36 Col (i)	-		
6	Total taxes related to property	SUM L4 + L5	-	#DIV/0!	#DIV/0!
7	Total taxes other than income taxes	SUM L3 + L6	-		
8	Franchise tax	FERC-1 p. 263.1 L3, 6, 7 Col (i)	-		
9	Gross receipts	FERC-1 p. 263 L23, 24 Col (i)	-		
10	FPSC Fee	FERC-1 p. 263 L31, 32 Col (i)	-		
11	Intangible Tax	FERC-1 p. 263 L38 Col (i)	-		
12	Occupational License	FERC-1 p. 263.1 L9 Col (i)	-	#DIV/0!	#DIV/0!
13	Other Taxes	a/	-		
14	Total Taxes Other than Income Taxes	Sum L7 thru L13	-	Sum L3, L6, L12, L13	#DIV/0!

(1) System - FERC-1 p. 263-263.1 Col (i)

(2) Allocators:

L3 and L12 - Payroll Allocator, A-7, L13

L6 - Gross Plant Allocator, A-6, L10

a/ Includes any other Taxes, as defined in Article 1 of the Agreement. Production allocator based on how the tax is attributable or related to the production and/or provision of capacity, Energy and Generation-Related Services by Company to Company's retail and wholesale customers and Full Requirements Electric Service to Customer.

FPL's Cost of Service Formulas
A-17
Production Related Income Tax
December 31

Line	Description	Reference	Total (1)	Demand (2)	Energy (3)
1	Total Investment	A-5, L17	#DIV/0!	#DIV/0!	#DIV/0!
2	Weighted return on equity	A-11, L4 Col (4)	#DIV/0!	#DIV/0!	#DIV/0!
3	Equity earnings	L1 X L2	#DIV/0!	#DIV/0!	#DIV/0!
4	Combined income tax factor	A-18, L13	#DIV/0!	#DIV/0!	#DIV/0!
5	Income tax	L3 X L4	#DIV/0!	#DIV/0!	#DIV/0!

FPL's Cost of Service Formulas

A-18

Computation of effective income tax rate

December 31

Line	Description	Reference	FPL Amount
1	Net Utility Operating Income	FERC-1 p. 117 L27 Col (e)	-
2	Less: Net interest charges	FERC-1 p. 117 L70 Col (e)	-
3	Adjusted net income	L1 - L2	-
4	Income taxes:		
5	Federal	FERC-1 p. 114 L15 Col (e)	-
6	Other	FERC-1 p. 114 L16 Col (e)	-
7	Provision for deferred income taxes	FERC-1 p. 114 L17 Col (e)	-
8	Provision for deferred income taxes-Cr	FERC-1 p. 114 L18 Col (e)	-
9	ITC adjustment - net	FERC-1 p. 114 L19 Col (e)	-
10	Total income taxes	L5 thru L9	-
11	Pretax earnings base	L3 + L10	-
12	Effective income tax rate	L10 / L11	#DIV/0!
13	Combined income tax factor	L12 / (1 - L12)	#DIV/0!

FPL's Cost of Service Formulas
 FERC Form No. 1 - 2012
 Comparative Balance Sheet
 Page 110, 111, 112, 113, 118 and 119

row number	Title of Account (a)	end qtr bal (c)	pri yr q4 bal (d)	Simple Average
1	UTILITY PLANT			#DIV/0!
2	Utility Plant (101-106, 114)			#DIV/0!
3	Construction Work in Progress (107)			#DIV/0!
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)			#DIV/0!
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)			#DIV/0!
6	Net Utility Plant (Enter Total of line 4 less 5)			#DIV/0!
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)			#DIV/0!
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)			#DIV/0!
9	Nuclear Fuel Assemblies in Reactor (120.3)			#DIV/0!
10	Spent Nuclear Fuel (120.4)			#DIV/0!
11	Nuclear Fuel Under Capital Leases (120.6)			#DIV/0!
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)			#DIV/0!
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)			#DIV/0!
14	Net Utility Plant (Enter Total of lines 6 and 13)			#DIV/0!
15	Utility Plant Adjustments (116)			#DIV/0!
16	Gas Stored Underground - Noncurrent (117)			#DIV/0!
17	OTHER PROPERTY AND INVESTMENTS			#DIV/0!
18	Nonutility Property (121)			#DIV/0!
19	(Less) Accum. Prov. for Depr. and Amort. (122)			#DIV/0!
20	Investments in Associated Companies (123)			#DIV/0!
21	Investment in Subsidiary Companies (123.1)			#DIV/0!
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			#DIV/0!
23	Noncurrent Portion of Allowances			#DIV/0!
24	Other Investments (124)			#DIV/0!
25	Sinking Funds (125)			#DIV/0!
26	Depreciation Fund (126)			#DIV/0!
27	Amortization Fund - Federal (127)			#DIV/0!
28	Other Special Funds (128)			#DIV/0!
29	Special Funds (Non Major Only) (129)			#DIV/0!
30	Long-Term Portion of Derivative Assets (175)			#DIV/0!
31	Long-Term Portion of Derivative Assets - Hedges (176)			#DIV/0!
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)			#DIV/0!
33	CURRENT AND ACCRUED ASSETS			#DIV/0!
34	Cash and Working Funds (Non-major Only) (130)			#DIV/0!
35	Cash (131)			#DIV/0!
36	Special Deposits (132-134)			#DIV/0!
37	Working Fund (135)			#DIV/0!
38	Temporary Cash Investments (136)			#DIV/0!
39	Notes Receivable (141)			#DIV/0!
40	Customer Accounts Receivable (142)			#DIV/0!
41	Other Accounts Receivable (143)			#DIV/0!
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)			#DIV/0!
43	Notes Receivable from Associated Companies (145)			#DIV/0!
44	Accounts Receivable from Assoc. Companies (146)			#DIV/0!
45	Fuel Stock (151)			#DIV/0!
46	Fuel Stock Expenses Undistributed (152)			#DIV/0!
47	Residuals (Elec) and Extracted Products (153)			#DIV/0!
48	Plant Materials and Operating Supplies (154)			#DIV/0!
49	Merchandise (155)			#DIV/0!
50	Other Materials and Supplies (156)			#DIV/0!
51	Nuclear Materials Held for Sale (157)			#DIV/0!
52	Allowances (158.1 and 158.2)			#DIV/0!

FPL's Cost of Service Formulas
 FERC Form No. 1 - 2012
 Comparative Balance Sheet
 Page 110, 111, 112, 113, 118 and 119

53	(Less) Noncurrent Portion of Allowances			#DIV/0!
54	Stores Expense Undistributed (163)			#DIV/0!
55	Gas Stored Underground - Current (164.1)			#DIV/0!
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)			#DIV/0!
57	Prepayments (165)			#DIV/0!
58	Advances for Gas (166-167)			#DIV/0!
59	Interest and Dividends Receivable (171)			#DIV/0!
60	Rents Receivable (172)			#DIV/0!
61	Accrued Utility Revenues (173)			#DIV/0!
62	Miscellaneous Current and Accrued Assets (174)			#DIV/0!
63	Derivative Instrument Assets (175)			#DIV/0!
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)			#DIV/0!
65	Derivative Instrument Assets - Hedges (176)			#DIV/0!
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)			#DIV/0!
67	Total Current and Accrued Assets (Lines 34 through 66)			#DIV/0!
68	DEFERRED DEBITS			#DIV/0!
69	Unamortized Debt Expenses (181)			#DIV/0!
70	Extraordinary Property Losses (182.1)			#DIV/0!
71	Unrecovered Plant and Regulatory Study Costs (182.2)			#DIV/0!
72	Other Regulatory Assets (182.3)			#DIV/0!
73	Prelim. Survey and Investigation Charges (Electric) (183)			#DIV/0!
74	Preliminary Natural Gas Survey and Investigation Charges (183.1)			#DIV/0!
75	Other Preliminary Survey and Investigation Charges (183.2)			#DIV/0!
76	Clearing Accounts (184)			#DIV/0!
77	Temporary Facilities (185)			#DIV/0!
78	Miscellaneous Deferred Debits (186)			#DIV/0!
79	Def. Losses from Disposition of Utility Plt. (187)			#DIV/0!
80	Research, Devel. and Demonstration Expend. (188)			#DIV/0!
81	Unamortized Loss on Required Debt (189)			#DIV/0!
82	Accumulated Deferred Income Taxes (190)			#DIV/0!
83	Unrecovered Purchased Gas Costs (191)			#DIV/0!
84	Total Deferred Debits (lines 69 through 83)			#DIV/0!
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)			#DIV/0!

FPL's Cost of Service Formulas
 FERC Form No. 1 - 2012
 Statement of Income
 Page 114, 115 and 117

row number	row literal (a)	current yr total (c)	previous yr total (d)	cy electr total (g)	prev yr elec tot (h)
1	UTILITY OPERATING INCOME				
2	Operating Revenues (400)				
3	Operating Expenses				
4	Operation Expenses (401)				
5	Maintenance Expenses (402)				
6	Depreciation Expense (403)				
7	Depreciation Expense for Asset Retirement Costs (403.1)				
8	Amort. & Depl. of Utility Plant (404-405)				
9	Amort. of Utility Plant Acq. Adj. (406)				
10	Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)				
11	Amort. of Conversion Expenses (407)				
12	Regulatory Debits (407.3)				
13	(Less) Regulatory Credits (407.4)				
14	Taxes Other Than Income Taxes (408.1)				
15	Income Taxes - Federal (409.1)				
16	- Other (409.1)				
17	Provision for Deferred Income Taxes (410.1)				
18	(Less) Provision for Deferred Income Taxes-Cr. (411.1)				
19	Investment Tax Credit Adj. - Net (411.4)				
20	(Less) Gains from Disp. of Utility Plant (411.6)				
21	Losses from Disp. of Utility Plant (411.7)				
22	(Less) Gains from Disposition of Allowances (411.8)				
23	Losses from Disposition of Allowances (411.9)				
24	Accretion Expense (411.10)				
25	TOTAL Utility Operating Expenses (Enter Total of lines 4 thru 24)				
26	Net Util Oper Inc (Enter Tot line 2 less 25) Carry to Pg 117, line 27				
27	Net Utility Operating Income (Carried forward from page 114)				
28	Other Income and Deductions				
29	Other Income				
30	Nonutility Operating Income				
31	Revenues From Merchandising, Jobbing and Contract Work (415)				
32	(Less) Costs and Exp. of Merchandising, Job. & Contract Work (416)				
33	Revenues From Nonutility Operations (417)				
34	(Less) Expenses of Nonutility Operations (417.1)				
35	Nonoperating Rental Income (418)				
36	Equity in Earnings of Subsidiary Companies (418.1)				
37	Interest and Dividend Income (419)				
38	Allowance for Other Funds Used During Construction (419.1)				
39	Miscellaneous Nonoperating Income (421)				
40	Gain on Disposition of Property (421.1)				
41	TOTAL Other Income (Enter Total of lines 31 thru 40)				
42	Other Income Deductions				
43	Loss on Disposition of Property (421.2)				
44	Miscellaneous Amortization (425)				
45	Donations (426.1)				
46	Life Insurance (426.2)				
47	Penalties (426.3)				
48	Exp. for Certain Civic, Political & Related Activities (426.4)				
49	Other Deductions (426.5)				
50	TOTAL Other Income Deductions (Total of lines 43 thru 49)				
51	Taxes Applic. to Other Income and Deductions				
52	Taxes Other Than Income Taxes (408.2)				
53	Income Taxes-Federal (409.2)				
54	Income Taxes-Other (409.2)				
55	Provision for Deferred Inc. Taxes (410.2)				
56	(Less) Provision for Deferred Income Taxes-Cr. (411.2)				
57	Investment Tax Credit Adj.-Net (411.5)				
58	(Less) Investment Tax Credits (420)				
59	TOTAL Taxes on Other Income and Deductions (Total of lines 52-58)				
60	Net Other Income and Deductions (Total of lines 41, 50, 59)				
61	Interest Charges				
62	Interest on Long-Term Debt (427)				
63	Amort. of Debt Disc. and Expense (428)				
64	Amortization of Loss on Required Debt (428.1)				
65	(Less) Amort. of Premium on Debt-Credit (429)				
66	(Less) Amortization of Gain on Required Debt-Credit (429.1)				
67	Interest on Debt to Assoc. Companies (430)				
68	Other Interest Expense (431)				
69	(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)				
70	Net Interest Charges (Total of lines 62 thru 69)				
71	Income Before Extraordinary Items (Total of lines 27, 60 and 70)				
72	Extraordinary Items				
73	Extraordinary Income (434)				
74	(Less) Extraordinary Deductions (435)				
75	Net Extraordinary Items (Total of line 73 less line 74)				
76	Income Taxes-Federal and Other (409.3)				
77	Extraordinary Items After Taxes (line 75 less line 76)				
78	Net Income (Total of line 71 and 77)				

FPL's Cost of Service Formulas
 FERC Form No. 1 - 2012
 Statement of Cash Flows
 Page 121

Line No.	Description (See Instruction No. 1 for Explanation of Codes) (a)	Current Year to Date Quarter/Year (b)	Previous Year to Date Quarter/Year (c)
46	Loans Made or Purchased		
47	Collections on Loans		
48			
49	Net (Increase) Decrease in Receivables		
50	Net (Increase) Decrease in Inventory		
51	Net (Increase) Decrease in Allowances Held for Speculation		
52	Net Increase (Decrease) in Payables and Accrued Expenses		
53	Other (provide details in footnote):		
54			
55			
56	Net Cash Provided by (Used in) Investing Activities		
57	Total of lines 34 thru 55)		
58			
59	Cash Flows from Financing Activities:		
60	Proceeds from Issuance of:		
61	Long-Term Debt (b)		
62	Preferred Stock		
63	Common Stock		
64	Other (provide details in footnote):		
65			
66	Net Increase in Short-Term Debt (c)		
67	Other (provide details in footnote):		
68	Capital Contribution from NextEra Energy, Inc.		
69			
70	Cash Provided by Outside Sources (Total 61 thru 69)		
71			
72	Payments for Retirement of:		
73	Long-term Debt (b)		
74	Preferred Stock		
75	Common Stock		
76	Other (provide details in footnote):		
77			
78	Net Decrease in Short-Term Debt (c)		
79			
80	Dividends on Preferred Stock		
81	Dividends on Common Stock		
82	Net Cash Provided by (Used in) Financing Activities		
83	(Total of lines 70 thru 81)		
84			
85	Net Increase (Decrease) in Cash and Cash Equivalents		
86	(Total of lines 22,57 and 83)		
87			
88	Cash and Cash Equivalents at Beginning of Period		
89			
90	Cash and Cash Equivalents at End of period		

FPL's Cost of Service Formulas
 FERC Form No. 1 - 2012
 Electric Plant In Service
 Page 200, 204, 205, 206 and 207

row number	Account (a)	begin yr bal (b)	yr end bal (g)	Acct	Average
1	1. INTANGIBLE PLANT				
2	(301) Organization			301	#DIV/0!
3	(302) Franchises and Consents			302	#DIV/0!
4	(303) Miscellaneous Intangible Plant			303	#DIV/0!
5	TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)				#DIV/0!
6	2. PRODUCTION PLANT				
7	A. Steam Production Plant				
8	(310) Land and Land Rights			310	#DIV/0!
9	(311) Structures and Improvements			311	#DIV/0!
10	(312) Boiler Plant Equipment			312	#DIV/0!
11	(313) Engines and Engine-Driven Generators			313	#DIV/0!
12	(314) Turbogenerator Units			314	#DIV/0!
13	(315) Accessory Electric Equipment			315	#DIV/0!
14	(316) Misc. Power Plant Equipment			316	#DIV/0!
15	(317) Asset Retirement Costs for Steam Production			317	#DIV/0!
16	TOTAL Steam Production Plant (Enter Total of lines 8 thru 15)				#DIV/0!
17	B. Nuclear Production Plant				
18	(320) Land and Land Rights			320	#DIV/0!
19	(321) Structures and Improvements			321	#DIV/0!
20	(322) Reactor Plant Equipment			322	#DIV/0!
21	(323) Turbogenerator Units			323	#DIV/0!
22	(324) Accessory Electric Equipment			324	#DIV/0!
23	(325) Misc. Power Plant Equipment			325	#DIV/0!
24	(326) Asset Retirement Costs for Nuclear Production			326	#DIV/0!
25	TOTAL Nuclear Production Plant (Enter Total of lines 18 thru 24)				#DIV/0!
26-35	Hydro				
36	D. Other Production Plant				
37	(340) Land and Land Rights			340	#DIV/0!
38	(341) Structures and Improvements			341	#DIV/0!
39	(342) Fuel Holders, Products, and Accessories			342	#DIV/0!
40	(343) Prime Movers			343	#DIV/0!
41	(344) Generators			344	#DIV/0!
42	(345) Accessory Electric Equipment			345	#DIV/0!
43	(346) Misc. Power Plant Equipment			346	#DIV/0!
44	(347) Asset Retirement Costs for Other Production			347	#DIV/0!
45	TOTAL Other Prod. Plant (Enter Total of lines 37 thru 44)				#DIV/0!
46	TOTAL Prod. Plant (Enter Total of lines 16, 25, 35, and 45)				#DIV/0!
47	3. TRANSMISSION PLANT				

FPL's Cost of Service Formulas
 FERC Form No. 1 - 2012
 Electric Plant In Service
 Page 200, 204, 205, 206 and 207

row number	Account (a)	begin yr bal (b)	yr end bal (g)	Acct	Average
48	(350) Land and Land Rights			350	#DIV/0!
49	(352) Structures and Improvements			352	#DIV/0!
50	(353) Station Equipment			353	#DIV/0!
51	(354) Towers and Fixtures			354	#DIV/0!
52	(355) Poles and Fixtures			355	#DIV/0!

FPL's Cost of Service Formulas
 FERC Form No. 1 - 2012
 Electric Plant In Service
 Page 200, 204, 205, 206 and 207

row number	Account (a)	begin yr bal (b)	yr end bal (g)	Acct	Average
53	(356) Overhead Conductors and Devices			356	#DIV/0!
54	(357) Underground Conduit			357	#DIV/0!
55	(358) Underground Conductors and Devices			358	#DIV/0!
56	(359) Roads and Trails			359	#DIV/0!
57	(359.1) Asset Retirement Costs for Transmission Plant			359	#DIV/0!
58	TOTAL Transmission Plant (Enter Total of lines 48 thru 57)				#DIV/0!
59	4. DISTRIBUTION PLANT				
60	(360) Land and Land Rights			360	#DIV/0!
61	(361) Structures and Improvements			361	#DIV/0!
62	(362) Station Equipment			362	#DIV/0!
63	(363) Storage Battery Equipment			363	#DIV/0!
64	(364) Poles, Towers, and Fixtures			364	#DIV/0!
65	(365) Overhead Conductors and Devices			365	#DIV/0!
66	(366) Underground Conduit			366	#DIV/0!
67	(367) Underground Conductors and Devices			367	#DIV/0!
68	(368) Line Transformers			368	#DIV/0!
69	(369) Services			369	#DIV/0!
70	(370) Meters			370	#DIV/0!
71	(371) Installations on Customer Premises			371	#DIV/0!
72	(372) Leased Property on Customer Premises			372	#DIV/0!
73	(373) Street Lighting and Signal Systems			373	#DIV/0!
74	(374) Asset Retirement Costs for Distribution Plant			374	#DIV/0!
75	TOTAL Distribution Plant (Enter Total of lines 60 thru 74)				#DIV/0!
85	6. GENERAL PLANT				
86	(389) Land and Land Rights			389	#DIV/0!
87	(390) Structures and Improvements			390	#DIV/0!
88	(391) Office Furniture and Equipment			391	#DIV/0!
89	(392) Transportation Equipment			392	#DIV/0!
90	(393) Stores Equipment			393	#DIV/0!
91	(394) Tools, Shop and Garage Equipment			394	#DIV/0!
92	(395) Laboratory Equipment			395	#DIV/0!
93	(396) Power Operated Equipment			396	#DIV/0!
94	(397) Communication Equipment			397	#DIV/0!
95	(398) Miscellaneous Equipment			398	#DIV/0!
96	SUBTOTAL (Enter Total of lines 86 thru 95)				#DIV/0!
97	(399) Other Tangible Property			399	
98	Plant			399	
99	TOTAL General Plant (Enter Total of lines 96, 97 and 98)				#DIV/0!
100	TOTAL (Accounts 101 and 106)				#DIV/0!
101	(102) Electric Plant Purchased (See Instr. 8)			102	#DIV/0!
102	(Less) (102) Electric Plant Sold (See Instr. 8)			102	

FPL's Cost of Service Formulas
 FERC Form No. 1 - 2012
 Electric Plant In Service
 Page 200, 204, 205, 206 and 207

row number	Account (a)	begin yr bal (b)	yr end bal (g)	Acct	Average
103	(103) Experimental Plant Unclassified			103	
104	TOTAL Electric Plant in Service (Enter Total of lines 100 thru 103)				#DIV/0!
12	Add Acquisition Adjustment Scherer 4 (FF1 Pg 200 L 12)				#DIV/0!
	TOTAL				#DIV/0!

FPL's Cost of Service Formulas
 FERC Form No. 1 - 2012
 Electric Plant Held for Future Use
 Page 214 L 47

Ledger Month	Other				Total			Grand Total Page 214 L 47
	Steam	Nuclear	Production	Production	Production	Transmission	Distribution	
Beginning Balance	-	-	-	-	-	-	-	-
Ending Balance	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
Simple Average	-	-	-	-	-	-	-	-

FPL's Cost of Service Formulas
 FERC Form No. 1 - 2012
 Accumulated Provision for Depreciation of Electric Utility Plant
 Page 219

Simple Average a/		
Intangible	Row #1	-
Steam Production	Row #2	-
Acquisition Adjustment Scherer 4 A/C 115000	Row #3	-
Nuclear Production	Row #4	-
Hydraulic Production - Conventional	Row #5	-
Hydraulic Production-Pumped Storage	Row #6	-
Other Production	Row #7	-
Transmission	Row #8	-
Distribution	Row #9	-
General	Row #10	-
Total	Row #11	-

Beginning Balance a/				
	Total	Less ARO Accounts	Less Decommissioning	Adjusted totals
<u>Intangible:</u>				
ARO		-		
Unallocated				
\$125 million/yr	-			-
Other				-
Subtotal Intangible	-	-	-	-
<u>Production:</u>				
Steam				-
Nuclear				-
Other				-
Scherer Acquisition b/				-
Subtotal Production	-	-	-	-
Transmission				-
Distribution				-
General				-
Total	-	-	-	-

Ending Balance a/				
	Total	Less ARO Accounts	Less Decommissioning	Adjusted totals
<u>Intangible:</u>				
ARO		-		
Unallocated				
\$125 million/yr	-			-
Other				-
Subtotal Intangible	-	-	-	-
<u>Production:</u>				
Steam				-
Nuclear				-
Other				-
Scherer Acquisition b/				-
Subtotal Production	-	-	-	-
Transmission				-
Distribution				-
General				-
Total	-	-	-	-

a/ Includes depreciation and amortization recorded in accounts 108 and 111
 b/ Scherer Acquisition recorded in account 115

FPL's Cost of Service Formulas
 FERC Form No. 1 - 2012
 Other Regulatory Assets
 Page 232

row number	Description	Beginning Balance	Ending Balance	Simple Average
1	Underrecovered Fuel Clause Costs - FERC			-
2				-
3	Underrecovered Fuel Clause Costs - FPSC			-
4				-
5	Tax Audit Settlements			-
6	(5 year amortization - various periods)			-
7				-
8	Mark-to-Market Adjustments			-
9	(Energy Related Derivatives)			-
10				-
11	Recovery			-
12				-
13	Underrecovered Franchise Fees			-
14				-
15	Underrecovered Capacity Costs			-
16				-
17	Storm Recovery (12 year amortization)			-
18				-
19	Florida Glades Power Park Pre-Construction			-
20	Costs (5 year amortization beginning 1/1/10)			-
21				-
22	Nuclear Cost Recovery			-
23	(1 year amortization - various periods)			-
24				-
25	Solar Convertible Investment Tax Credit			-
26	(30 year amortization - various periods)			-
27				-
28	Retirement for Plant in Service per Nuclear Cost			-
29	Recovery Clause Rule No. 25-6.0423			-
30	(5 year amortization-various periods)			-
31				-
32	Theoretical Depreciation Reserve Surplus - FPSC			-
33				-
34	St. Johns River Power Park Railcars			-
35				-
36	Deferred Income Taxes			-
37				-
38				-
44	Total	-	-	-

FPL's Cost of Service Formulas
 FERC Form No. 1 - 2012
 Taxes Accrued, Prepaid and Charged During Year
 Page 262, 263.262.1 and 263.1

Unemployment -
 FICA -
 Workers Comp -
 Franchise -
 Use -
 Property -
 Gross Receipts -
 Income -
 Motor Vehicles -
 FPSC Fee -
 Intangible Tax -
 Occupational License -
 TOTAL -

row number	kind of tax (a)	Balance at beginning of year		tax chrg drng yr (d)	tax paid drng yr (e)	adjustments (f)	Balance at end of year		Electric (i)	Other (j)
		tax accr'd bgn yr (b)	prpd tax bgn yr (c)				tax accr'd end yr (g)	tax prepaid end yr (h)		
1	FEDERAL									
2										
3	INCOME TAXES									
4										
5	FICA:									
6	YEAR 2011									
7	YEAR 2012									
8										
9	UNEMPLOYMENT:									
10	YEAR 2011									
11	YEAR 2012									
12										
13	SUBTOTAL FEDERAL									
14	STATE									
15										
16	INCOME TAXES									
17										
18	UNEMPLOYMENT:									
19	YEAR 2012									
20										
21										
22	GROSS RECEIPTS									
23	YEAR 2011									
24	YEAR 2012									
25										
26	MOTOR VEHICLES									
27	YEAR 2012									
28	YEAR 2013									
29	YEAR 2014									
30	FPSC FEE:									
31	YEAR 2011									
32	YEAR 2012									
33										
34	SALES TAX									
35										
36	SALES TAX SRPP									
37										
38	INTANGIBLE TAX									
39										
40	SUBTOTAL STATE									
1	LOCAL									
2										
3	FRANCHISE PREPAID									
4										
5	FRANCHISE ACCRUED									
6	YEAR 2011									
7	YEAR 2012									
8										
9	OCCUPATIONAL LICENSES									
10										
11	REAL AND PERSONAL									
12	PROPERTY TAX:									
13	YEAR 2011									
14	YEAR 2012									
15										
16	OTHER									
17										
18	SUBTOTAL LOCAL									
41	Total									

FPL's Cost of Service Formulas
 FERC Form No. 1 - 2012
 Other Regulatory Liabilities
 Page 278

number	Description	Balance	Balance	Average
1	Deferred Interest Income - Tax Refunds			-
2	(5 year amortization-various periods)			-
3				
4	Deferred Gains on Sale of Land			-
5	(5 year amortization-various periods)			-
6				
7	Overrecovered Franchise Fees			-
8				
9	Derivatives			-
10				
11	Nuclear Amortization (14 year amortization)			-
12				
13	Deferred Gain on Sale of Emission Allowances			-
14				
15	Asset Retirement Obligation			-
16				
17	Overrecovered Environmental Cost Recovery			-
18	Clause Revenues			-
19				
20	Deferred Regulatory Assessment Fee			-
21				
22	Recovery			-
23				
24	Overrecovered Fuel Clause Revenues - FERC			-
25				
26	Overrecovered Fuel Clause Revenues - FPSC			-
27				
28	Interest on Uncertain Tax Issues			-
29	(5 year amortization after settlement)			-
30				
31	Nuclear Cost Recovery			-
32	(amortization-various periods)			-
33				
34	Solar Convertible Investment Tax Credit			-
35	(30 year amortization - various periods)			-
36				
37	Deferred Gain Aviation Group			-
38	(5 year amortization)			-
39				
40	Deferred Income Taxes			-
41	Total	-	-	-

FPL's Cost of Service Formulas
 FERC Form No. 1 - 2012
 Electric Operation and Maintenance Expense
 Page 320 - 323

row number	row literal	cmt yr amt	prev yr amt
1	1. POWER PRODUCTION EXPENSES		
2	A. Steam Power Generation		
3	Operation		
4	(500) Operation Supervision and Engineering		
5	(501) Fuel		
6	(502) Steam Expenses		
7	(503) Steam from Other Sources		
8	(Less) (504) Steam Transferred-Cr.		
9	(505) Electric Expenses		
10	(506) Miscellaneous Steam Power Expenses		
11	(507) Rents		
12	(509) Allowances		
13	TOTAL Operation (Enter Total of Lines 4 thru 12)		
14	Maintenance		
15	(510) Maintenance Supervision and Engineering		
16	(511) Maintenance of Structures		
17	(512) Maintenance of Boiler Plant		
18	(513) Maintenance of Electric Plant		
19	(514) Maintenance of Miscellaneous Steam Plant		
20	TOTAL Maintenance (Enter Total of Lines 15 thru 19)		
21	TOTAL Power Production Expenses-Steam Power (Entr Tot lines 13 &		
22	B. Nuclear Power Generation		
23	Operation		
24	(517) Operation Supervision and Engineering		
25	(518) Fuel		
26	(519) Coolants and Water		
27	(520) Steam Expenses		
28	(521) Steam from Other Sources		
29	(Less) (522) Steam Transferred-Cr.		
30	(523) Electric Expenses		
31	(524) Miscellaneous Nuclear Power Expenses		
32	(525) Rents		
33	TOTAL Operation (Enter Total of lines 24 thru 32)		
34	Maintenance		
35	(528) Maintenance Supervision and Engineering		
36	(529) Maintenance of Structures		
37	(530) Maintenance of Reactor Plant Equipment		
38	(531) Maintenance of Electric Plant		
39	(532) Maintenance of Miscellaneous Nuclear Plant		
40	TOTAL Maintenance (Enter Total of lines 35 thru 39)		
41	TOTAL Power Production Expenses-Nuc. Power (Entr tot lines 33 & 40)		
42			
43			
44			
45			
46			
47			
48			
49			
50	Hydro		
51			
52			
53			
54			
55			
56			
57			
58			
59			
60	D. Other Power Generation		
61	Operation		
62	(546) Operation Supervision and Engineering		
63	(547) Fuel		
64	(548) Generation Expenses		
65	(549) Miscellaneous Other Power Generation Expenses		
66	(550) Rents		
67	TOTAL Operation (Enter Total of lines 62 thru 66)		
68	Maintenance		
69	(551) Maintenance Supervision and Engineering		

FPL's Cost of Service Formulas
 FERC Form No. 1 - 2012
 Electric Operation and Maintenance Expense
 Page 320 - 323

row number	row literal	crnt yr amt	prev yr amt
70	(552) Maintenance of Structures		
71	(553) Maintenance of Generating and Electric Plant		
72	(554) Maintenance of Miscellaneous Other Power Generation Plant		
73	TOTAL Maintenance (Enter Total of lines 69 thru 72)		
74	TOTAL Power Production Expenses-Other Power (Enter Tot of 67 & 73)		
75	E. Other Power Supply Expenses		
76	(555) Purchased Power		
77	(556) System Control and Load Dispatching		
78	(557) Other Expenses		
79	TOTAL Other Power Supply Exp (Enter Total of lines 76 thru 78)		
80	TOTAL Power Production Expenses (Total of lines 21, 41, 59, 74 & 79)		
81	2. TRANSMISSION EXPENSES		
82	Operation		
83	(560) Operation Supervision and Engineering		
84			
85	(561.1) Load Dispatch-Reliability		
86	(561.2) Load Dispatch-Monitor and Operate Transmission System		
87	(561.3) Load Dispatch-Transmission Service and Scheduling		
88	(561.4) Scheduling, System Control and Dispatch Services		
89	(561.5) Reliability, Planning and Standards Development		
90	(561.6) Transmission Service Studies		
91	(561.7) Generation Interconnection Studies		
92	(561.8) Reliability, Planning and Standards Development Services		
93	(562) Station Expenses		
94	(563) Overhead Lines Expenses		
95	(564) Underground Lines Expenses		
96	(565) Transmission of Electricity by Others		
97	(566) Miscellaneous Transmission Expenses		
98	(567) Rents		
99	TOTAL Operation (Enter Total of lines 83 thru 98)		
100	Maintenance		
101	(568) Maintenance Supervision and Engineering		
102	(569) Maintenance of Structures		
103	(569.1) Maintenance of Computer Hardware		
104	(569.2) Maintenance of Computer Software		
105	(569.3) Maintenance of Communication Equipment		
106	(569.4) Maintenance of Miscellaneous Regional Transmission Plant		
107	(570) Maintenance of Station Equipment		
108	(571) Maintenance of Overhead Lines		
109	(572) Maintenance of Underground Lines		
110	(573) Maintenance of Miscellaneous Transmission Plant		
111	TOTAL Maintenance (Total of lines 101 thru 110)		
112	TOTAL Transmission Expenses (Total of lines 99 and 111)		
113-131	3. REGIONAL MARKET EXPENSE		
132	4. DISTRIBUTION EXPENSES		
133	Operation		
134	(580) Operation Supervision and Engineering		
135	(581) Load Dispatching		
136	(582) Station Expenses		
137	(583) Overhead Line Expenses		
138	(584) Underground Line Expenses		
139	(585) Street Lighting and Signal System Expenses		
140	(586) Meter Expenses		
141	(587) Customer Installations Expenses		
142	(588) Miscellaneous Expenses		
143	(589) Rents		
144	TOTAL Operation (Enter Total of lines 134 thru 143)		
145	Maintenance		
146	(590) Maintenance Supervision and Engineering		

FPL's Cost of Service Formulas
 FERC Form No. 1 - 2012
 Electric Operation and Maintenance Expense
 Page 320 - 323

row number	row literal	crnt yr amt	prev yr amt
147	(591) Maintenance of Structures		
148	(592) Maintenance of Station Equipment		
149	(593) Maintenance of Overhead Lines		
150	(594) Maintenance of Underground Lines		
151	(595) Maintenance of Line Transformers		
152	(596) Maintenance of Street Lighting and Signal Systems		
153	(597) Maintenance of Meters		
154	(598) Maintenance of Miscellaneous Distribution Plant		
155	TOTAL Maintenance (Total of lines 146 thru 154)		
156	TOTAL Distribution Expenses (Total of lines 144 and 155)		
157	5. CUSTOMER ACCOUNTS EXPENSES		
158	Operation		
159	(901) Supervision		
160	(902) Meter Reading Expenses		
161	(903) Customer Records and Collection Expenses		
162	(904) Uncollectible Accounts		
163	(905) Miscellaneous Customer Accounts Expenses		
164	TOTAL Customer Accounts Expenses (Total of lines 159 thru 163)		
165	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
166	Operation		
167	(907) Supervision		
168	(908) Customer Assistance Expenses		
169	(909) Informational and Instructional Expenses		
170	(910) Miscellaneous Customer Service and Informational Expenses		
171	TOTAL Customer Service and Information Expenses (Total 167 thru 170)		
172	7. SALES EXPENSES		
173	Operation		
174	(911) Supervision		
175	(912) Demonstrating and Selling Expenses		
176	(913) Advertising Expenses		
177	(916) Miscellaneous Sales Expenses		
178	TOTAL Sales Expenses (Enter Total of lines 174 thru 177)		
179	8. ADMINISTRATIVE AND GENERAL EXPENSES		
180	Operation		
181	(920) Administrative and General Salaries		
182	(921) Office Supplies and Expenses		
183	(Less) (922) Administrative Expenses Transferred-Credit		
184	(923) Outside Services Employed		
185	(924) Property Insurance		
186	(925) Injuries and Damages		
187	(926) Employee Pensions and Benefits		
188	(927) Franchise Requirements		
189	(928) Regulatory Commission Expenses		
190	(929) (Less) Duplicate Charges-Cr.		
191	(930.1) General Advertising Expenses		
192	(930.2) Miscellaneous General Expenses		
193	(931) Rents		
194	TOTAL Operation (Enter Total of lines 181 thru 193)		
195	Maintenance		
196	(935) Maintenance of General Plant		
197	TOTAL Administrative & General Expenses (Total of lines 194 and 196)		
198	TOTAL Elec Op and Maint Expns (Total 80,112,131,156,164,171,178,197)		

FPL's Cost of Service Formulas
 FERC Form No. 1 - 2012
 Purchased Power
 Page 326, 327, 326.1, 327.1, 326.2, 327.2, 326.3, 327.3

row number	utility co. name (a)	status classification	mWh purchased (g)	druid charges (f)	eng charges (h)	otr charges (i)	settlement tot (m)
1	Southern Company Services, Broward County Resource	AD					-
2	Recovery	LU					-
3	Broward County Resource	AD					-
4	Recovery	LU					-
5	Broward County Resource	AD					-
6	Recovery	LU					-
7	Broward County Resource	AD					-
8	Recovery	LU					-
9	Broward County Resource	AD					-
10	Recovery	LU					-
11	Cedar Bay Generating	AD					-
12	Cedar Bay Generating	LU					-
13	First Solar, Inc	AD					-
14	First Solar, Inc	LU					-
1	Florida Municipal Power	AD					-
2	Agency	AD					-
3	Georgia Pacific Corporation	LU					-
4	Georgia Pacific Corporation	AD					-
5	Indiantown Cogeneration LP	LU					-
6	Indiantown Cogeneration LP	AD					-
7	Jacksonville Electric Authority	LU					-
8	Jacksonville Electric Authority	AD					-
9	MMA Bee Ridge	LU					-
10	MMA Bee Ridge	AD					-
11	Okeelanta Power Limited Partners	LU					-
12	Okeelanta Power Limited Partners	AD					-
13	Orlando Utilities Commission	LU					-
14	Orlando Utilities Commission	AD					-
1	Port Charlotte Landfill Solid Waste Authority of Palm Beach Co	LU					-
2	Port Charlotte Landfill Solid Waste Authority of Palm Beach Co	AD					-
3	Tropicana Products	LU					-
4	Tropicana Products	AD					-
5	WM-Renewable, LLC	LU					-
6	WM-Renewable, LLC	AD					-
7	WM-Renewable, LLC - Naples	LU					-
8	WM-Renewable, LLC - Naples	AD					-
9	Desoto County Generating Co, LLC	SF					-
10	Calpine Energy Services, LP	AD					-
11	Constellation Energy	AD					-
12	Desoto County Generating Co, LLC	AD					-
13	Florida Power Corporation	AD					-
14	Progress Ventures, Inc.	AD					-
1	Reliant Energy Services, Inc.	AD					-
2	Seminole Electric Cooperative, Inc.	SF					-
3	Southern Company Services	IU					-
4	Southern Company Services	IU					-
5	Southern Company Services	IU					-
6	Southern Company Services	IU					-
7	Tampa Electric Company	SF					-
8	The Energy Authority, Inc.	OS					-
9	The Energy Authority, Inc.	AD					-
10	Florida Municipal Power	OS					-
11	Florida Power Corporation	OS					-
12	Florida Power Corporation	AD					-
13	Gainesville Regional Utilities	AD					-
14	New Smyrna Beach Utilities	OS					-
1	Orlando Utilities Commission	OS					-
2	Seminole Electric Cooperative, Inc.	OS					-
3	Tampa Electric Company	OS					-
4	Calpine Energy Services, LP	OS					-
5	Cargill Power Markets, LLC	OS					-
6	Cargill Power Markets, LLC	AD					-
7	Constellation Energy	OS					-
8	EDFT, NA	OS					-
9	JP Morgan Ventures Energy Corp	OS					-
10	Morgan Stanley Capital Group, Inc.	OS					-
11	Oglethorpe Power Corporation	OS					-
12	Reliant Energy Services, Inc.	AD					-
13	Southern Company Services	OS					-
14	TOTAL						-

FPL's Cost of Service Formulas
 FERC Form No. 1 - 2012
 Depreciation and Amortization of Electric Plant
 Page 336

row number	Functional Classification (a)	depreciation expense (b)	depr exp aro (c)	lim term elc plnt (d)	total (f)
1	Intangible Plant				0
2	Steam Production Plant				0
3	Nuclear Production Plant				0
4	Hydraulic Production Plant-Conventional				0
5	Hydraulic Production Plant-Pumped Storage				0
6	Other Production Plant				0
7	Transmission Plant				0
8	Distribution Plant				0
9	Regional Transmission and Market Operation				0
10	General Plant				0
11	Common Plant-Electric				0
12	TOTAL	0	0	0	0

FPL's Cost of Service Formulas
 FERC Form No. 1 - 2012
 Distribution of Salaries and Wages
 Page 354 and 355

Production payroll	-
A&G Payroll	-
Total payroll	-
Payroll excluding A&G	-
Production/Total excl. A&G	#DIV/0!

row number	Classification (a)	drct pyrl dstrbt (b)	alloc of payroll (c)	total (d)
1	Electric			
2	Operation			
3	Production			
4	Transmission			
5	Regional Market			
6	Distribution			
7	Customer Accounts			
8	Customer Service and Informational			
9	Sales			
10	Administrative and General			
11	TOTAL Operation (Enter Total of lines 3 thru 10)	0		
12	Maintenance			
13	Production			
14	Transmission			
15	Regional Market			
16	Distribution			
17	Administrative and General			
18	TOTAL Maintenance (Total of lines 13 thru 17)	0		
19	Total Operation and Maintenance			
20	Production (Enter Total of lines 3 and 13)			
21	Transmission (Enter Total of lines 4 and 14)			
22	Regional Market (Enter Total of Lines 5 and 15)			
23	Distribution (Enter Total of lines 6 and 16)			
24	Customer Accounts (Transcribe from line 7)			
25	Customer Service and Informational (Transcribe from line 8)			
26	Sales (Transcribe from line 9)			
27	Administrative and General (Enter Total of lines 10 and 17)			
28	TOTAL Oper. and Maint. (Total of lines 20 thru 27)	0		0
65	TOTAL All Utility Dept. (Total of lines 28, 62, and 64)		0	0
66	Utility Plant			
67	Construction (By Utility Departments)			
68	Electric Plant			0
69	Gas Plant			0
70	Other (provide details in footnote):			0
71	TOTAL Construction (Total of lines 68 thru 70)	0	0	0
72	Plant Removal (By Utility Departments)			
73	Electric Plant			0
74	Gas Plant			0
75	Other (provide details in footnote):			0
76	TOTAL Plant Removal (Total of lines 73 thru 75)	0	0	0
77	Other Accounts (Specify, provide details in footnote):			0
78	Accounts Receivable from Associated Companies (146)			0
79	Misc. Current and Accrued Assets - Jobbing Accounts			0
80	Preliminary Survey and Investigation Charges (183)			0
81	Temporary Facilities (185)			0
82	Misc. Deferred Debits (186)			0
83	Accumulated Provision for Pensions and Benefits (228.3)			0
84	Accounts Payable to Associated Companies (234)			0
85	Other Electric Revenues (456)			0
86	Various			0
95	TOTAL Other Accounts	0	0	0
96	TOTAL SALARIES AND WAGES	0	0	0

FPL's Cost of Service Formulas
 FERC Form No. 1 - 2012
 Monthly Peaks and Output
 Page 401b

(1)	(2)	(3)	(4)	(5)	(6)	(7)
row number	month (a)	tot mthly erg (b)	mthly sales loss (c)	megawatts as reported on 401b (d)	activated load management (Includes Wholesale) MW a/	adjusted peak demand MW (5) + (6)
29	January					-
30	February					-
31	March					-
32	April					-
33	May					-
34	June					-
35	July					-
36	August					-
37	September					-
38	October					-
39	November					-
40	December					-
41	TOTAL					-

Winter	Summer
--------	--------

Less: FPL Load Management Capability
 (includes Load Management Capability under FPL's control):

Residential Load Management b/
 C/I Load Management b/
 Total FPL Load Management Capability b/
 Number of months
 FPL Load Management Capability

-	-
-	-
-	-

Total of 12 monthly peak firm MWs @

a/ per article 3.7 of the PSA
 b/ per Ten Year Site Plan, includes wholesale Load Management capability under FPL's control

FPL's Cost of Service Formulas
 FERC Form No. 1 - 2012
 Construction Work in Progress Statement
 Page 110

LINE NO.	Period	Gross Steam Production	Nuclear Production	Other Production	Total Production	Non-Production CWIP	Total CWIP FF 1, p.110 L3
1	Beginning Balance	0	0	0 =	0	0	0
2							
3	Ending Balance	0	0	0 =	0	0	0
4							
5	AVERAGE	<u>0</u>	<u>0</u>	<u>0 =</u>	<u>0</u>	<u>0</u>	<u>0</u>
6	100% Pollution Control Facilities and Fuel Conversion facilities				0		
7	50% All other Production CWIP				<u>0</u>		
8	Total CWIP for Statement A-5				<u>0</u>		

FPL's Cost of Service Formula December 31
 CWIP Adjustment Schedule

Year	(1) Input Expenditures	(2) Input AFUDC FPSC	(3) (Prior Bal)+(1)+(2) CWIP BALANCE - FPSC	(4) (2) * 50% LCEC	(5) (Prior Bal)+(1)+(4) CWIP BALANCE - LCEC	(6) (4) - (2) AFUDC DIFF	(7) Note 1 Plant In Service Diff Balance	(8) Cumulative Sum (7) LCEC CWIP Adj Balance Before Amort	(9) (7) * Depreciation Rate Amort of LCEC Plant Adjustment	(10) Cumulative Sum (9) Accumulated Amort of LCEC Plant Adjustment	(11) (8) - (10) LCEC CWIP Adjustment Balance After Amort
2010	Total 2010 Activity										
2011											
2010	Total 2011 Activity										
2012											
2011											
2010	Total 2012 Activity										
2013											
2012											
2011											
2010											
	Cumulative Activity (2010 -2012)										

Summary of 2013 Activity and Balances

Closed to Plant in 2013	
2013 Activity	
Open Orders	
Canceled Orders	
Total 2013 AFUDC Diff	

Summary of 2012 Activity and Balances

Closed to Plant in 2013	
Closed to Plant in 2012	
2012 Activity	
Open Orders	
Canceled Orders	
Total 2012 AFUDC Diff	

Summary of 2011 Activity and Balances

Closed to Plant in 2013	
Closed to Plant in 2012	
Closed to Plant in 2011	

FPL's Cost of Service Formula December 31
 GSU Statement

<u>Year</u>	<u>Plant In Service</u>	<u>Reserve</u>	<u>Annual Depr Expense</u>	<u>GSU O&M</u>
2011				-
2012				-
Average	<u>0</u>	<u>0</u>		

FPL's Cost of Service Formulas
 Actual Losses
 Loss Study - Development of Loss Expansion Factors
 December 31

Line No	Description	(1) ENERGY (1)		(3) DEMAND (2)	
		Flow MWH	Loss Expansion Factor	Flow MW	Loss Expansion Factor
1	Net Energy / Demand to Transmission	0 (A)		0 (G)	
2					
3	Step-up Losses	0 (B)		0 (H)	
4					
5	Flow to Transmission	0 (C)		0 (I)	
6					
7	Transmission Losses	0 (D)		0 (J)	
8					
9	Flow on Transmission	0 (E)		0 (K)	
10					
11	Transmission Energy / Demand Losses		0.00000000 (F)		0.00000000 (L)

Notes:

(1) Energy Loss Expansion Factor is calculated based on information provided by Power Supply.

(A) Power Supply (NEL plus net power wheeled for others)

(B) Power Supply

(C) = (A) + (B)

(D) Power Supply

(E) = (C) + (D)

(F) = 1 / (E / A)

(2) Demand Loss Expansion Factor is calculated based on the Westinghouse Formula.

(G) Represents system demand including power wheeled for others.

(H) Based on Westinghouse Formula --> Demand Loss = Flow to Transmission (line 1) * Energy Loss Factor / (.3+(.7*Load Factor))

(I) = (G) + (H)

(J) Based on Westinghouse Formula --> Demand Loss = Flow to Transmission (line 5) * Energy Loss Factor / (.3+(.7*Load Factor))

(K) = (I) + (J)

(L) = 1 / (K / G)

FPL's Cost of Service Formula
 Calculation of Customer's CP Demand
 December 31

Line	Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
		Sum of Monthly CP Demand (Sum Cols 2 - 13)	January Demand	February Demand	March Demand	April Demand	May Demand	June Demand	July Demand	August Demand	September Demand	October Demand	November Demand	December Demand
1	Annual Loss % (per Demand and Energy Loss schedule)													
2	Annual Loss Factor (1-Line 1)													
3	Sum of 60 Minute MW CP Demand Measured At the Delivery Point(s)													
4	Plus: Adjustment for any activated Load Management LCEC Summer Adjusted Load Management Capability = The lower of: a) SUM Ratio times Customer's actual peak load coincident with the peak hour of Company's Summer Months with the effect of any Customer Load Management activated removed or b) LCEC actual load management for the summer months													
5	Less: LCEC 5 Winter Months Load Management Capability LCEC Winter Adjusted Load Management Capability = The lower of: a) WLM Ratio times Customer's actual peak load coincident with the peak hour of Company's Winter Months with the effect of any Customer Load Management activated removed or b) LCEC actual load management for the winter months													
6	LCEC Adjusted CP Demand (Line 3 + Line 4 - Line 5 - Line 6)													
7	Qualifying Facility Purchases Behind the Delivery Point(s) During 60 minute Interval for Measured CP Demand													
8	Maximum Allowed MW Credit For Qualifying Facility Purchases													
9	Sum: If line 8 is greater than line 9 then take line 8 minus line 9													
10	Renewable Energy Purchases Behind the Delivery Point(s) During 60 minute Interval for Measured CP Demand													
11	Maximum Allowed MW Credit For Renewable Energy Purchases													
12	Sum: If line 11 is greater than line 12 then take line 11 minus line 12													
13	Distributed Generation Purchases Behind the Delivery Point(s) During 60 minute Interval for Measured CP Demand													
14	Maximum Allowed MW Credit For Distributed Generation Purchases													
15	Sum: If line 14 is greater than line 15 then take line 14 minus line 15													
16	Sum L 7, L 10, L 13, L 16													
17	Customer's adjusted monthly coincident peaks (L 17 / L 2, col 1)													

FPL's Cost of Service Formula
 Calculation of Customer's Billing Demand
 December 31

Line	Description	Sum of Monthly Billing Demand (Sum Cols 2 - 13)											
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
		January	February	March	April	May	June	July	August	September	October	November	December
		Billing Demand	Billing Demand	Billing Demand	Billing Demand	Billing Demand	Billing Demand	Billing Demand	Billing Demand	Billing Demand	Billing Demand	Billing Demand	Billing Demand
1	Annual Loss % (per Demand and Energy Loss schedule)												
2	Annual Loss Factor (1-Line 1)												
3	Highest 60 Minute kW Demand Measured At the Delivery Point(\$)												
4	Qualifying Facility Purchases Behind the Delivery Point(s) During 60 minute Interval for Measured Demand												
5	Maximum Allowed kW Credit For Qualifying Facility Purchases												
6	Sum: If line 4 is greater than line 5 then take line 4 minus line 5												
7	Renewable Energy Purchases Behind the Delivery Point(s) During 60 minute Interval for Measured Demand												
8	Maximum Allowed kW Credit For Renewable Energy Purchases												
9	Sum: If line 7 is greater than line 8 then take line 7 minus line 8												
10	Distributed Generation Purchases Behind the Delivery Point(s) During 60 minute Interval for Measured Demand												
11	Maximum Allowed kW Credit For Distributed Generation Purchases												
12	Sum: If line 10 is greater than line 11 then take line 10 minus line 11												
13	Sum L 3, L 6, L 9, L 12												
14	Sum of Customer's monthly kW billing demand (L 13 / L 2)												

APPENDIX C

Fuel Charge Factor Formula and Fuel Adjustment Charge Factor Formula

1. The Fuel Charge Factors.
 - (a) The amounts included in the estimated and actual total expense of system fuel and purchased economic power shall be consistent with 18 CFR 35.14 and shall include without limitation fees for disposal of spent nuclear fuel and/or high-level radioactive waste as specified in the Contract for Disposal of Spent Nuclear Fuel And/or High-Level Radioactive Waste between the United States of America represented by the US Department of Energy and Florida Power and Light Company dated June 1983.
 - (b) The total expense of estimated and actual system fuel and purchased economic power included in the Fuel Charge Factors and the Fuel Adjustment Charge Factors shall be the cost of:
 - (i) fuel consumed in Company's own plants, and Company's share of fuel consumed in jointly owned or leased plants;
 - (ii) the actual identifiable fuel costs associated with energy purchased for reasons other than identified in section 1(b)(iii) of this Appendix;
 - (iii) the total cost of the purchase of economic power as defined in section 1(d) of this Appendix, if the reserve capacity of Company is adequate independent of all other purchases where nonfuel charges are included;
 - (iv) generation energy charges for any purchase if the total amount of generation energy charges is less than Company's total avoided variable costs;
 - (v) less the cost of fuel recovered through all intersystem sales;
 - (vi) plus any Taxes on the energy cost of fuel or, electric energy generated, where such Taxes are not included elsewhere.
 - (c) The cost of fuel included in the estimated and actual system fuel and purchased economic power expenses shall include no items other than those listed in the account 151 of the FERC Uniform System of Accounts For Public Utilities and Licensees. The cost of nuclear fuel shall be that as shown in account 518, except that if account 518 also contains any expenses for fossil fuel that has already been included in the cost of fossil fuel, it shall be deducted from this account.

- (d) For the purpose of section 1 (b) (iii) and (iv), the following definitions apply:
- (i) Economic power is economic power or energy purchased over a period of 12 months or less where the total cost of the purchase is less than Company's avoided variable cost;
 - (ii) Total cost of the purchase is all charges incurred in buying economic power and having such power delivered to Company system. The total cost includes, but is not limited to, capacity reservation charges, generation energy charges, adders, and any transmission or wheeling charges associated with the purchase.
 - (iii) Total avoided variable costs is all identified and documented variable costs that would have been incurred by Company had a particular purchase not been made. Such costs include, but are not limited to, those associated with fuel, startup, shutdown or any purchases that would have been made in lieu of the purchase made.
- (e) For the purpose of section 1 (b) (iii), the system reserved capacity criteria used by Company's system operators is demand and energy purchased for a period of less than a year and shall be deemed as being for reliability purposes if Company expects that the purchase is required in order to maintain operating reserves in accordance with Good Utility Practice.
- (f) Total system net generation and purchased economic power costs included in the Fuel Charge Factors and the Fuel Adjustment Charge Factors shall be the sum of:
- (i) generation,
 - (ii) purchases,
 - (iii) exchange received, less
 - (iv) energy associated with pumped storage operations, less
 - (v) intersystem sales referred to in section 1 (b) (v) of this Appendix C, less
 - (vi) total system losses (losses shall be deemed to be zero because Customer takes Full Requirements Electric Service at the Receipt Points).
- (g) Calculation of estimated On-peak Fuel Charge Factor:
- ((Estimated total fuel costs and net power transactions defined in 1(b) and (c)¹ * On-peak cost ratio²) / (estimated total net generation defined in 1(f)¹ * On-peak load ratio²))

¹ Total fuel costs and net power transactions and total MWh generation estimates approved by the FPSC for the current period. Includes applicable FERC adjustments.

(h) Calculation of estimated Off-peak Fuel Charge Factor:

((Estimated total fuel costs and net power transactions defined in 1(b) and (c)¹ * Off-peak cost ratio²) / (estimated total net generation defined in 1(f)¹ * Off-peak load ratio²))

(i) The attached Schedule 1 illustrates the calculation of the On-peak and Off-peak Fuel Charge Factors.

(j) "On-peak" and "Off-peak" shall have the meanings attributed to such terms in Company's retail tariff GSLDT-3.

2. The Fuel Adjustment Charge Factors.

(a) Calculation of On-peak Fuel Adjustment Charge Factor:

Actual On-peak Fuel Charge Factor minus estimated On-peak Fuel Charge Factor

(b) Calculation of Off-peak Fuel Adjustment Charge Factor:

Actual Off-peak Fuel Charge Factor minus estimated Off-peak Fuel Charge Factor

The actual On-peak and Off-peak Fuel Charge Factors shall be calculated by applying actual costs and expenses to the formulas used to calculate the estimated On-peak and Off-peak Fuel Charge Factors in part 1 of this Appendix C.

² On-peak and off-peak cost and load ratios calculated using cost and load data from the Production Costing Model POWRSYM.

APPENDIX C
Schedule 1
Calculation of On-Peak and Off-Peak Fuel Charge Factors

<u>Line</u>	<u>Description</u>	<u>Amount</u>
	<u>Total Fuel Costs and Net Power Transactions</u>	-
1	Cost of Fuel Consumed - Section 1(b)(i)	-
2	Fuel Costs for Energy Purchased - Section 1(b)(ii)	-
3	Total Cost of Purchased Economic Power - Section 1(b)(iii)	-
4	Generation energy charges - Section 1(b)(iv)	-
5	Cost of Fuel Recovered Through all Intersystem Sales - Section 1(b)(v)	-
6	Taxes on Energy Cost of Fuel or Electric Energy Generated - Section 1(b)(vi)	-
7	Total Fuel Costs and Net Power Transactions - Section 1(g) (Sum Lines 1 - 4, less line 5, plus line 6)	_____
	<u>Total Net Generation</u>	
8	Generation - Section 1(f)(i)	
9	Purchases - Section 1(f)(ii)	
10	Exchanged Received 1(f)(iii)	
11	Energy Associated With Pumped Storage Operations - Section 1(f)(iv)	
12	Intersystem Sales Included in Line 5 - Section 1(f)(v)	
13	Total Net Generation - Section 1(f) (Sum lines 8 - 10, less lines 11 - 12)	_____
14	On-peak Cost Ratio - Section 1(g) (POWRSYM)	
15	Total On-peak Fuel Costs and Net Power Transactions - Section 1(g) (Line 7 x Line 14)	_____
16	On-peak Load Ratio - Section 1(g) (POWRSYM)	
17	On-peak Net Generation - Section 1(g) (Line 13 x Line 16)	_____
18	ON-PEAK FUEL FACTOR - Section 1(g) (Line 15 / Line 17)	=====
19	Off-peak Cost Ratio - Section 1(h) (POWRSYM)	
20	Total Off-peak Fuel Costs and Net Power Transactions - Section 1(h) (Line 7 x Line 19)	_____
21	Off-peak Load Ratio - Section 1(h) (POWRSYM)	
22	Off-peak Net Generation - Section 1(h) (Line 13 x Line 21)	_____
23	OFF-PEAK FUEL FACTOR - Section 1(h) (Line 20 / Line 22)	=====

APPENDIX D

FINANCIAL COVENANT COMPLIANCE WORKSHEET

FINANCIAL COVENANT COMPLIANCE WORKSHEET - 12 MONTH PERIOD

PERIOD ENDED	
Deb Service Coverage	Bank
Debt Service Coverage = Margins + Interest Expense + Depreciation and Amortization / Principal and Interest on Long Term Debt	
Margins:*	
Interest Expense:	
Premium on Discounted RUS Debt	
Early Payment Penalty	
Depreciation and Amortization:	_____
1) Total	
Long Term Debt Principal Payments Bank A:	
Long Term Debt Principal Payments Bank B:	
Interest Expense:	_____
2) Total	
Debt Service Coverage Ratio: (1/2)	Not less than 1.75 to 1.0
Times Interest Earned Ratio:	
Net Margins + Interest Expense / Interest Expense	
Margins:*	
Interest Expense:	_____
1) Total	
Interest Expense:	_____
2) Total	
TIER: (1/2)	Not less than 1.5
Equity Ratio	
Total Margins & Equities / Total Assets	
1) Total Margins and Equities	
2) Total Assets	
Equity Percent: (1/2)	Equal or > than 35%
Total Debt to EBITDA Earnings Before Interest Taxes Depreciation and Amortization	
Total Debt (all borrowed money, notes, bonds, debentures & capital leases) / Operating Revenues – Operating Expenses + Depreciation and Amortization)	
Long Term Debt & LOC	
Notes Payable	
Capital Leases	
1) Total	
Operating Margins:	
Premium on Discounted RUS Debt	
Early Payment Penalty	
Interest Expense	
Depreciation and Amortization:	
2) Total	
Debt to EBITDA	Not greater than 8 to 1
Other investments:	
Total of Other Investments do not exceed 15% of "Net Utility Plant"	
Other Investments	
Net Utility Plant	
Other Investments/Net Utility Plant	
Note:	
*=	Net Margins
	+ Cash received from Bank A
	+ Cash received from Company X
	+ Cash received from Y
	+ Cash received from Bank B
	- Capital credits

- Company X capital credits	
+ Return of CTC-Bank A	
+ capital credits	
+ Cash received from Z	
Margins:	_____

TIER
DSC
EBITDA

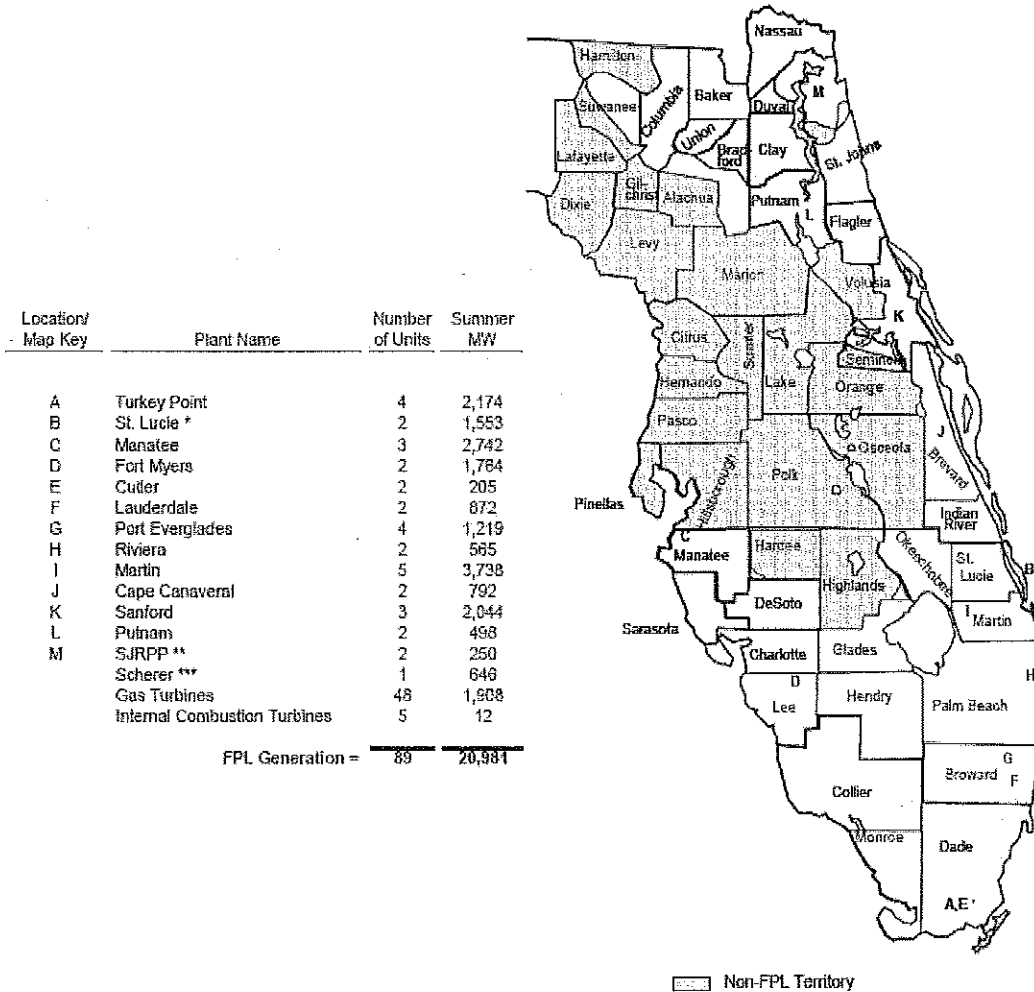
(A) **Debt Service Coverage Ratio.** For purposes hereof, the term “Debt Service Coverage Ratio” shall mean the ratio of: (1) net income (after taxes and after eliminating any gain or loss on sale of assets or other extraordinary gain or loss), plus depreciation expense, amortization expense, and interest expense, minus non-cash patronage, and non-cash income from subsidiaries and/or joint ventures; to (2) all principal payments due within the period on all “Long-Term Debt” (as defined below) plus total interest expense (all as calculated on a consolidated basis for the applicable period in accordance with GAAP consistently applied or the appropriate standards of the regulatory agency having jurisdiction over Customer). For purposes hereof, “Long-Term Debt” shall mean, for Customer, on a consolidated basis, the sum of (a) all indebtedness for borrowed money, (b) obligations which are evidenced by notes, bonds, debentures or similar instruments, and (c) that portion of obligations with respect to capital leases or other capitalized agreements that are properly classified as a liability on the balance sheet in conformity with GAAP or which are treated as operating leases under regulations applicable to them but which otherwise would be required to be capitalized under GAAP, in each case having a maturity of more than one year from the date of its creation or having a maturity date within one year from such date, but that is renewable or extendible, at Customer’s option, to a date more than one year from such date or that arises under a revolving credit or similar agreement that obligates the lenders to extend credit during a period of more than one year from such date, including all current maturities in respect of such indebtedness whether or not required to be paid within one year from the date of its creation.

(B) **Times Interest Earned Ratio (“TIER”).** “Times Interest Earned Ratio” shall mean the ratio of (1) net income (after taxes and after eliminating any gain or loss on sale of assets or other extraordinary gain or loss), plus total interest expense (all as calculated on a consolidated basis for the applicable period in accordance with GAAP consistently applied or the appropriate standards of the regulatory agency having jurisdiction over Customer); to (2) total interest expense (all as calculated on a consolidated basis for the applicable period in accordance with GAAP consistently applied or the appropriate standards of the regulatory agency having jurisdiction over Customer). Said TIER ratio shall be determined by averaging the two highest annual ratios during the most recent three calendar years.

(C) **Equity Ratio.** “Equity Ratio” shall mean the ratio of consolidated total margins and equities to consolidated total assets (both as determined in accordance with GAAP consistently applied or the appropriate standards of the regulatory agency having jurisdiction over Customer).

(D) **Total Debt to EBITDA.** “Total Debt to EBITDA” shall mean the ratio of Total Debt to EBITDA. For the purposes hereof: (1) “Total Debt” shall mean, for Customer, on a consolidated basis, the sum of (a) all indebtedness for borrowed money, (b) obligations which are evidenced by notes, bonds, debentures, or similar instruments, and (c) that portion of obligations with respect to capital leases or other capitalized agreements that are properly classified as a liability on the balance sheet in conformity with GAAP or which are treated as operating leases under regulations applicable to them but which otherwise would be required to be capitalized under GAAP; and (2) “EBITDA” shall mean, for Customer, on a consolidated basis, operating revenues minus operating expenses, plus depreciation and amortization expenses for such fiscal year (all as calculated on a consolidated basis in accordance with GAAP consistently applied or the appropriate standards of the regulatory agency having jurisdiction over Customer).

APPENDIX E FPL Generating Resources by Location



* Represents FPL's ownership share: St. Lucie nuclear: 100% unit 1, 85% unit 2; St. Johns River: 20% of two units.
 ** SJRPP = St. John's River Power Park
 *** The Scherer unit is located in Georgia and is not shown on this map.

Figure I.A.1: Capacity Resources by Location (as of December 31, 2006)

APPENDIX F

LOAD MANAGEMENT

1.0 Load Management Verification Testing Methodology.

- 1.1 If Company believes Customer's monthly Load Management capability is not representative of Customer's actual Load Management capability, a verification test ("Test") may be requested as set forth in Section 3.7(g) of this Agreement to determine Customer's Adjusted Load Management Capability.
- 1.2 Once Company notifies Customer of the requirement for testing, the Customer will have five (5) business days to negotiate with Company to establish a date for testing. If a date cannot be agreed upon, the Company will establish the test date.
- 1.3 Tests shall be performed for the Summer Months from June through August on a day when rain or significant cloud cover is not expected and when the forecasted high is above 93 degrees in N. Ft. Myers, Florida. If rain occurs in the Customer's service territory on a Test day between 13:00 and 18:00, Customer or Company shall have the option of postponing the Test until the next Business Day. Tests shall be performed in the Winter Months from December through February on a day when the forecasted lows are predicted to be below 38 degrees in N. Ft. Myers, Florida. If by February 15th of each year, no Test has been conducted during the Winter Months, Company may select a day between February 15th and 28th to conduct a Test. All tests shall be performed on a Business Day.
- 1.4 Test frequency shall not exceed one test during the Summer Months and one test during the Winter Months consistent with Section 1.3 for each Party, unless the Parties mutually agree otherwise.
- 1.5 Results of a Test shall establish a new Load Management Capability for the entire season of Summer Months or Winter Months, as applicable, of the applicable Calendar Year.
- 1.6 LCEC will activate load management at the forecasted peak period. Customers Adjusted Load Management Capability will be comprised of the Direct Load Control (DLC) and Interruptible Service (IS) capabilities as established in Section 2.0 and grossed up by the Annual Loss Factor established in Appendix B Generation Demand Charge and Generation Energy Charge Formula, sheet LCEC CP Demand.
- 1.7 Measurements shall be made using the Customer's remote meter reading system. Company shall have access to all data used to establish Customer's Load Management Capability.

2.0 Customer Adjusted Load Management Capability.

- 2.1 Credit provided for Customer's Adjusted Load Management Capability shall not exceed the amount specified in Section 3.7(a) of the Agreement.

2.2 Direct Load Control (DLC) Testing Program:

- 2.2.1 The Customer's Direct Load Control (DLC) capabilities will be established by comparing the ending test hour kW load of all customers who have DLC devices to the ending test hour kW load of an equal number of randomly selected customers who do not have DLC devices. The Customer's compared DLC capabilities shall then be adjusted for losses.

- 2.2.2 On the day of the test, the Customer will total each hourly interval kW of all customers with DLC devices beginning four (4) hours prior to the activation of the DLC devices, continuing for a period of two (2) hours after the activation of the DLC devices (Test Period of six hours). An equal number of randomly selected customers who do not have DLC devices will have each hourly ending interval kW totaled for the same test period hours. The two load curves will be plotted using a spreadsheet. LCEC's compared DLC capability shall be the kW differences in the hour ending interval kW when the DLC devices were activated for the two test period load curves.

If the kW differences in each of the four (4) hours intervals before activation of the DLC devices is greater than plus or minus 3% during the test period, additional new random samples of equal number of customers without DLC devices will be polled and the data plotted until kW differences for each of the four (4) hours prior to activation of the DLC devices is within tolerance.

- 2.2.3 The Customer's DLC capability will be grossed up by the Annual Loss Factor established in Appendix B Generation Demand Charge and Generation Energy Charge Formula, sheet LCEC CP Demand.
- 2.2.4 Should an event of Force Majeure prevent the customer from initiating Load Management for the test then Company and Customer will negotiate a new test period.

2.3 Interruptible Load Management (ILM) Testing Program:

- 2.3.1 The Interruptible Service reference reduction shall be based on 15-minute interval demand and determined as follows: The customer's curtailed load 30 minutes after the curtailment activation is subtracted from the customer's load at the start of the curtailment period. The Test Load Management capability for interruptible customers shall be the sum of each individual interruptible customer reductions.
- 2.3.2 The Customer's Interruptible Service capability will be grossed up by the Annual Loss Factor established in Appendix B Generation Demand Charge and Generation Energy Charge Formula, sheet LCEC CP Demand.

- 2.4 As provided in Section 3.7(a) of this Agreement, Company may also determine Customer Adjusted Load Management Capability by requesting that Customer dispatch 100% of Customer's Load Management capability.

- 2.4.1 Upon Company's request, Customer shall provide all operating data available to demonstrate Load Management was dispatched as requested.
- 2.4.2 In the event Company determines that 100% of Customer's Load Management capability was not dispatched as requested and, upon request from Company, Customer fails to demonstrate that it used reasonable efforts to dispatch 100% of its Load Management, Company may establish Customer's Adjusted Load Management Capability for the applicable Summer or Winter Months for the current Calendar Year and the following two Calendar Years at the amount of Customer's Load Management actually dispatched.

2.4.2 Absent a Force Majeure event, should Customer have a complete failure to respond to Company's request for dispatch of Load Management and/or for operating data, Company may establish Customer's Adjusted Load Management Capability at zero for the applicable Summer or Winter Months for the current Calendar Year and the following two Calendar Years.

3.0 Notification to Implement Load Management

3.1 Company shall notify Customer to implement Load Management consistent with Company's dispatch of its Load Management in the Ft. Myers area of Company's service territory.

3.2 Company may request interruption of the following devices:

3.2.1 Direct Load Control

3.2.2 Interruptible Load Management

3.3 Company agrees to provide Customer with an alarm and printer for receipt of Load Management requests from Company.

3.4 Proper notice shall consist of a request by Company and a response by Customer acknowledging the request.

3.5 Notice shall consist of an e-mail to Customer at SYSOPS@LCEC.NET. Once received, Customer shall initiate a reply to Jeffrey.dunn@fpl.com and Timothy.gerrish@fpl.com.

3.5.1 Should Company not receive a response in the time Company deems appropriate, Company shall then contact Customer by telephone at the telephone numbers listed below:

3.5.1.1 (239) 995-5892

3.5.1.2 (239) 656-2161

3.5.1.3 (239) 656-2405

3.5.2 Upon request, Company shall provide to Customer e-mail and telephone records detailing the day, time, and communication methods utilized to request dispatch of Customer's Load Management.

3.5.3 Customer shall notify Company of any changes in e-mail addresses and telephone numbers in writing.

3.5.4 Customer and Company may change communication methods from time to time upon mutual written consent.

3.5.5 All notices of changes shall be made in accordance with Section 9.1 of this Agreement.

4.0 Company shall comply with any reporting requirements of FRCC or any other jurisdictional entity with respect to any information required for the use of Customer's Load Management equipment.

APPENDIX G

DEDICATED LINE OF CREDIT

The following are some required general attributes of the Dedicated Line of Credit:

- The Dedicated Line of Credit shall be a committed revolving credit facility provided by a financial institution reasonably acceptable to Company of at least 364 days in duration, with an automatic evergreen renewal provision similar to a Letter of Credit.
- Customer's rights under the Dedicated Line of Credit shall be pledged to Company and a first priority security interest therein properly perfected in favor of Company.
- The Lender shall enter into a conventional consent and agreement in form and substance satisfactory to Company, whereby it shall, among other things:
 - acknowledge the pledge of the credit agreement to Company and agree that, to the extent of any contradictory instructions from Customer and Company, it will act at the instruction of Company,
 - agree to provide Company notice and independent opportunity to cure defaults of Customer under the credit agreement prior to having the right to terminate or cease funding,
 - agree that payments will be made only to Company pursuant to draws made only by Company (the credit agreement will incorporate the Customer's authorization to the Lender to fund draws made only by Company and agree that all such draws shall be paid directly to Company), and
 - agree that the credit agreement will not be terminated or amended without the prior written consent of Company.
- The credit agreement shall not contain extensive representations, warranties, covenants or defaults and the right of the Lender to terminate the commitment to fund or refuse to fund draws presented by Company shall be limited to the following:
 - a payment default which remains uncured or unwaived for a period of five (5) Business Days after the Lender gives notice to Company and Customer, and
 - certain events of bankruptcy in respect of Customer.

Lender may retain its right to pursue remedies against the Customer, yet not refuse to make the funds available to Company due to the breach of any representation, warranty, covenant or event of default (other than the limited exceptions agreed to by Company).

- Company's right to draw shall include:
 - the default by Customer in the observance or performance of any term of the Short-Term Agreement or this Agreement,
 - the failure of Customer to renew or replace the Dedicated Line of Credit with other agreeable security at least thirty (30) calendar days prior to the current expiration of the Dedicated Line of Credit;
 - the failure of Customer to replace the Dedicated Line of Credit with an agreed Letter of Credit within five (5) Business Days following the failure to remain in compliance with the financial covenant; and
 - any other rights to draw set forth in the Agreement.

APPENDIX H

FORM OF LETTER OF CREDIT

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION
IRREVOCABLE NONTRANSFERABLE STANDBY LETTER OF CREDIT NO. { }

INITIAL AMOUNT: _____ U.S. Dollars (USD\$ _____)

DATE OF EXPIRY: On the Expiration Date (as hereinafter defined)

PLACE OF EXPIRY: At our Counters

BENEFICIARY:

APPLICANT:

FLORIDA POWER & LIGHT COMPANY

LEE COUNTY ELECTRIC COOPERATIVE,
INC.

700 UNIVERSAL BLVD.
JUNE BEACH, FL 33408

4980 BAYLINE DRIVE
NORTH FORT MYERS, FL 33918

We hereby issue in your favor our Irrevocable Nontransferable Standby Letter of Credit No. _____ (this "Letter of Credit") for the account of Lee County Electric Cooperative, Inc. (the "Applicant), in the aggregate stated amount of not to exceed _____ AND ___ /100 US DOLLARS (US\$ _____,) (as the same may be reduced from time to time as a result of draws made pursuant to the provisions of this Letter of Credit, the "Available Amount"), effective immediately and expiring at 5:00 p.m., New York, New York, time, on the Expiration Date (as hereinafter defined) at our counters at 2201 Cooperative Way, Herndon, VA 20171.

This Letter of Credit shall be of no further force or effect upon the close of business on _____, ___ (or, if such day is not a Business Day (as hereinafter defined), on the next preceding Business Day) (the expiration date as aforesaid is referred to herein as the "Expiration Date"). For the purposes hereof, "Business Day shall mean any day on which commercial banks are not authorized or required to close in New York, New York.

Subject to the terms and conditions herein, funds under this Letter of Credit are available to you by presentation in strict compliance on or prior to 5:00 p.m., New York, New York, time, on or prior to the Expiration Date at our counters of:

- (1) The original of this Letter of Credit and all amendments; and
- (2) Your sight draft drawn on us; and
- (3) Either:
 - (i) Beneficiary's Certificate issued in the form of Annex I attached hereto and which forms an integral part hereof, duly completed and purportedly bearing the original signature of an officer of the Beneficiary; or
 - (ii) Beneficiary's Certificate issued in the form of Annex II attached hereto and which forms an integral part hereof, duly completed and purportedly bearing the original

signature of an officer of the Beneficiary,

Drafts drawn under this Letter of Credit must contain the clause: "Drawn under National Rural Utilities Cooperative Finance Corporation Irrevocable Nontransferable Standby Letter of Credit No. { }, dated _____."

Multiple draws are permitted under this Letter of Credit; provided that the Available Amount of this Letter of Credit shall be permanently reduced by the amount of each such draw. Payment of any draft drawn under this Letter of Credit in an amount less than the maximum amount available hereunder shall be recorded by us on the reverse side hereof and this Letter of Credit shall then be returned to you.

This Letter of Credit may not be transferred or any of the rights hereunder assigned. Any purported transfer or assignment shall be void and of no force or effect.

This Letter of Credit sets forth in full our undertaking and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any documents, instruments or agreements referred to herein, except only the annexes referred to herein; and any such reference shall not be deemed to incorporate by reference any document, instrument or agreement except for such annexes.

We engage with you that your drafts drawn under and in strict compliance with the terms of this Letter of Credit will be duly honored if presented to us on or before the Expiration Date.

This Letter of Credit shall be governed by the Uniform Customs and Practice for Documentary Credits, 1993 Revision, International Chamber of Commerce Publication No. 500 as in effect on the date of issuance thereof (the "UCP"), except to the extent that the terms hereof are inconsistent with the provisions of the UCP, including but not limited to Articles 13(b) and 17 of the UCP, in which case the terms of this Letter of Credit shall govern. As to matters not covered by the UCP, this Letter of Credit shall be governed by and construed in accordance with the laws of the State of New York, without regard to the principles of conflicts of laws thereunder.

NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE CORPORATION

By: _____
Authorized Signature

ANNEX I TO NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION
IRREVOCABLE NONTRANSFERABLE STANDBY LETTER OF CREDIT NO. { }

Date: _____,

National Rural Utilities Cooperative Finance Corporation
2201 Cooperative Way
Herndon, VA 20171
Attn: Amy Luongo

The undersigned _____, the duly elected and acting _____ of Florida Power & Light Company (the "Beneficiary"), hereby certifies to National Rural Utilities Cooperative Finance Corporation (the "Bank") and Lee County Electric Cooperative, Inc. (the "Applicant"), with reference to Irrevocable Nontransferable Standby Letter of Credit No. { }, dated _____ (the "Letter of Credit"), issued by the Bank in favor of the Beneficiary, as follows as of the date hereof:

1.The Beneficiary is a party to that certain Short-Term Agreement for Partial Requirements Electric Service dated as of August 21, 2007, by and between Beneficiary and Applicant (as amended from time to time, the "Short-Term Agreement"). In addition, the Beneficiary is a party to that certain Long-Term Agreement for Full Requirements Electric Service dated as of August 21, 2007, by and between Beneficiary and Applicant (as amended from time to time, the "Long-Term Agreement").

2.The Beneficiary is entitled to draw under the Letter of Credit an amount equal to \$_____ pursuant to the terms and conditions of the Short-Term Agreement, including without limitation as a result of anyone of the following circumstances or events: (a) Applicant has failed to renew or replace the Letter of Credit at least thirty (30) calendar days prior to the stated expiration of the Letter of Credit, (b) within the applicable period of grace provided in Article 6 of the Short-Term Agreement, Applicant has failed to provide Beneficiary with a Letter of Credit or additional security as required pursuant to the provisions of the Short-Term Agreement, (c) an Event of Default by Applicant has occurred and is continuing, or (d) Company otherwise has the right to draw upon any Performance Assurance of Customer pursuant to the terms of the Short-Term Agreement and/or the Long-Term Agreement.

3.Based upon the foregoing, the Beneficiary hereby makes demand under the Letter of Credit for payment of U.S. DOLLARS _____ AND ___/100ths (U.S.\$_____). which amount does not exceed the lesser of (i) the amount set forth in paragraph 2 above, and (ii) the Available Amount under the Letter of Credit as of the date hereof.

4.The undersigned has concurrently presented to you its sight draft drawn in the amount specified in Paragraph 3 above. The date of the sight draft is the date hereof, which is not later than the Expiration Date.

5.Funds paid pursuant to the provisions of the Letter of Credit shall be wire transferred to the. Beneficiary in accordance with the following instructions:

Unless otherwise provided herein, capitalized terms which are used and not defined herein shall have the meaning given each such term in the Letter of Credit.

IN WITNESS WHEREOF, this Certificate has been duly executed and delivered on behalf of the Beneficiary by its duly elected and acting _____ as of this day of _____.

FLORIDA POWER & LIGHT COMPANY

By:
Name:
Title:

ANNEX II TO NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION
IRREVOCABLE NONTRANSFERABLE STANDBY LETTER OF CREDIT NO. { }

Date: _____,

National Rural Utilities Cooperative Finance Corporation
2201 Cooperative Way
Herndon, VA 20171
Attn: Amy Luongo

The undersigned _____, the duly elected and acting _____ of Florida Power & Light Company (the "Beneficiary"), hereby certifies to National Rural Utilities Cooperative Finance Corporation (the "Bank") and Lee County Electric Cooperative, Inc. (the "Applicant"), with reference to Irrevocable Nontransferable Standby Letter of Credit No. { }, dated _____ (the "Letter of Credit"), issued by the Bank in favor of the Beneficiary, as follows as of the date hereof:

1.The Beneficiary is a party to that certain Short-Term Agreement for Partial Requirements Electric Service, dated as of August 21, 2007, by and between Beneficiary and Applicant (as amended from time to time, the Agreement").

2.The Expiration Date of the Letter of Credit is less than forty-five (45) days from the date of this certification and Applicant has failed to provide the Beneficiary with a substitute letter of credit in substantially the same form as the Letter of Credit referred to in this paragraph.

or

3.The Beneficiary has provided at least thirty (30) calendar days' prior written notice to the Applicant that the Expiration Date of the Letter of Credit is less than forty-five (45) days from the date of such notice and Applicant has failed to provide the Beneficiary with a substitute letter of credit in substantially the same form as the Letter of Credit within the thirty (30) calendar day period referred to in this paragraph.

4.Based upon the either 2 or 3 above, the Beneficiary hereby makes demand under the Letter of Credit for payment of U.S. DOLLARS _____ AND ___/100ths (U.S.\$ _____), which amount does not exceed the lesser of (i) the amount Beneficiary is entitled to draw under the terms of the Agreement, and (ii) the Available Amount under the Letter of Credit as of the date hereof.

5.The undersigned has concurrently presented to you its sight draft drawn in the amount specified in Paragraph 4 above, which amount does not exceed the lesser of (a) the amount Beneficiary is entitled to draw pursuant to the provisions of the Agreement, and (b) the Available Amount as of the date hereof.. The date of the sight draft is the date of this Certificate, which is not later than the Expiration Date.

6. Funds paid pursuant to the provisions of the Letter of Credit shall be wire transferred to the Beneficiary in accordance with the following instructions:

Unless otherwise provided herein, capitalized terms which are used and not defined herein shall have the meaning given each such term in the Letter of Credit.

IN WITNESS WHEREOF, this Certificate has been duly executed and delivered on behalf of the Beneficiary by its duly elected and acting _____ as of this day of _____.

FLORIDA POWER & LIGHT COMPANY

By:
Name:
Title:

APPENDIX I

FORM OF CONSENT AND AGREEMENT

This CONSENT AND AGREEMENT (this "Consent and Agreement") dated as of _____, is executed by and among FLORIDA POWER & LIGHT COMPANY, a corporation organized under the laws of the State of Florida ("FPL"), LEE COUNTY ELECTRIC COOPERATIVE, INC., a rural electric cooperative ("LCEC"), and [LENDER NAME, a _____] (the "Lender").

1. FPL and LCEC have entered into the agreement specified in Schedule I hereto (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof and hereof, the "Assigned Agreement");

2. The Assigned Agreement expressly contemplates that LCEC may, subject to the provisions of the Assigned Agreement, collaterally assign, transfer, mortgage or pledge its interest in the Assigned Agreement to one or more of the Lenders (as defined in the Assigned Agreement) or an indenture trustee under any indenture securing the obligations of LCEC (the "Other Secured Party") if LCEC is then a borrower of such Lender or Other Secured Party for any obligations secured by any indenture, mortgage or similar lien on its system assets;

3. LCEC has obtained financing from the Lender pursuant to [Describe Financing Agreement], dated as of _____ (the "Financing Agreement"), and FPL has consented to the collateral assignment of the Assigned Agreement to the extent provided in Section 12.2(i) of the Assigned Agreement, which terms are supplemented and modified by the terms of this Consent and Agreement; and

4. Pursuant to the [Describe Security Agreement], dated as of _____ (the "Security Agreement"), between LCEC and the Lender, LCEC has assigned its interest under the Assigned Agreement to the Lender as security for the payment and performance by LCEC under the Financing Agreement and for other obligations owing to the Lender.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Consent to Assignment. Subject to the terms and conditions of this Consent and Agreement, FPL hereby acknowledges and consents solely to the pledge and collateral assignment of all right, title and interest of LCEC in, to and under (but not its obligations, liabilities or duties with respect to) the Assigned Agreement by LCEC to the Lender.

2. Right to Cure.

(a) Subject to Section 2(c), below, from and after the date hereof and unless and until FPL shall have received written notice from the Lender that the lien of the Security Agreement has been released in full, the Lender shall have the right, but not the obligation, following an "event of default" or "default" (or any other similar event however defined) by LCEC under an Assigned Agreement, to pay all sums due under such Assigned Agreement by LCEC and, to the extent it may lawfully do so, to perform any other act, duty or obligation required of LCEC thereunder as described in Section

2(c) below; provided, that no such payment or performance shall alone be construed as an assumption by the Lender of any covenants, agreements or obligations of LCEC under or in respect of the Assigned Agreement.

(b) FPL agrees that it will not terminate the Assigned Agreement without first giving the Lender notice and opportunity to cure as provided in Section 2(c), below.

(c) If a Termination Event shall occur, and FPL shall then be entitled to and shall desire to terminate the Assigned Agreement, FPL shall, prior to exercising such remedies or taking any other action with respect to such Termination Event, give written notice to the Lender of such Termination Event. If the Lender elects to exercise its right to cure as herein provided, it shall have a period of two (2) business days after receipt by it of notice from FPL referred to in the preceding sentence in which to cure the Termination Event specified in such notice if such Termination Event consists of a payment default, or if such Termination Event is an event other than a failure to pay amounts due and owing by LCEC (a "Non-monetary Event"), the Lender shall have ten (10) business days after receipt by it of notice from FPL referred to in the preceding sentence in which to cure the Termination Event specified in such notice of such Termination Event. If Lender fails to cure within the aforementioned cure period, Lender's right to cure shall be extinguished and FPL may exercise all its available rights and remedies.

(d) Any curing of or attempt to cure any Termination Event shall not be construed as an assumption by the Lender of any covenants, agreements or obligations of LCEC under or in respect of the Assigned Agreement.

(e) Notwithstanding any provision herein to the contrary, nothing herein shall be deemed to affect, impair or diminish any other rights or remedies FPL may have against LCEC in respect of such Termination Event, including, without limitation, the right to suspend performance under the Assigned Agreement.

3. Substitute Owner. Upon an event of default by LCEC under the Security Agreement, the Lender may not, without the prior written consent of FPL (a) have itself or its designee substituted for LCEC under the Assigned Agreement, or (b) sell, assign, transfer or otherwise dispose of the Assigned Agreement, and any such substitution, sale, assignment, transfer or other disposition in violation of this Section 3 shall be void and of no force and effect. In addition, if FPL provides such prior written consent, with respect to (a) and (b), Lender and any third party assignee or transferee must first satisfy the requirements set forth in Section 16.1(a) through (e) of the Assigned Agreement. If FPL provides such prior written consent and such conditions are satisfied, the Lender may (but shall not be obligated to) assume, or cause any purchaser at any foreclosure sale or any assignee or transferee under any instrument of assignment or transfer in lieu of foreclosure to assume, all of the interests, rights and obligations of LCEC thereafter arising under the Assigned Agreement, subject, however, to the provisions of Section 12.3 and 16.1 of the Assigned Agreement. If the interest of LCEC in the Assigned Agreement shall be assumed, sold, assigned, transferred or otherwise disposed as provided above and FPL shall have given its prior written consent thereto, the assuming party shall agree in writing to be bound by and to assume the terms and conditions of the Assigned Agreement and

any and all obligations to FPL arising or accruing thereunder from and after the date of such assumption, and FPL shall continue to perform its obligations under the Assigned Agreement in favor of the assuming party as if such party had thereafter been named as LCEC under the Assigned Agreement.

4. Notices. Notice to any Party hereto shall be in writing and shall be deemed to be delivered on the earlier of: (a) the date of personal delivery, (b) if deposited in a United States Postal Service depository, postage prepaid, registered or certified mail, return receipt requested, or sent by express courier, in each case addressed to such party at the address indicated below (or at such other address as such party may have theretofore specified by written notice delivered in accordance herewith), upon delivery or refusal to accept delivery, or (c) if transmitted by facsimile, the date when sent and facsimile confirmation is received; provided that any facsimile communication shall be followed promptly by a hard copy original thereof by express courier;

The Lender:

Attn: _____
Telephone: () _____
Facsimile: () _____

LCEC:

Lee County Electric Cooperative, Inc.
4980 Bayline Drive
North Fort Myers, FL 33917-3910
Attn: Chief Executive Officer
Telephone: () _____
Facsimile: () _____

With a copy to:

Henderson, Franklin, Starnes and Holt, P.A.
1715 Monroe Street
P.O. Box 280
Fort Myers, FL 33902
Attention: General Counsel for Lee County
Electric Cooperative, Inc.
Telephone: () _____
Facsimile: () _____

FPL:

Florida Power & Light Company
700 Universe Boulevard
Mail Stop EMT/JB
Juno Beach, FL 33408-0428
Attention: Vice President
Telephone: () _____

Facsimile: () _____

With a copy to:

Florida Power & Light Company
700 Universe Boulevard
Mail Stop EMT/JB
Juno Beach, FL 33408-0428
Attention: General Counsel Office
Telephone: () _____
Facsimile: () _____

5. Successors and Assigns. This Consent shall be binding upon and shall inure to the benefit of the permitted successors and assigns of FPL, and shall inure to the benefit of the Lender, LCEC and their respective permitted successors, transferees and assigns.

6. Counterparts. This Consent may be executed in one or more counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

7. Governing Law. This Consent shall be governed by and construed in accordance with the laws of the State of Florida (regardless of Florida's or any other jurisdiction's choice of law rules).

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute and deliver this Consent and Agreement as of the date first written above.

FLORIDA POWER & LIGHT COMPANY

By: _____
Name: _____
Title: _____

[LENDER NAME],
as Lender

By: _____
Name: _____
Title: _____

Acknowledged and Agreed:

LEE COUNTY ELECTRIC COOPERATIVE, INC.

By: _____

Name: _____

Title: _____

Assigned Agreement

Long-Term Agreement for Full Requirements Electric Service, dated as of August 21, 2007, between Florida Power & Light Company and Lee County Electric Cooperative, Inc.

APPENDIX J

NOT USED

APPENDIX K
BILLING AND CP EXAMPLES

	<u>Example 1</u>	<u>Example 2</u>	<u>Example 3</u>	
1	Loss %	3.20%	3.20%	3.20%
2	Loss Factor (1-Line 1)	0.96800	0.96800	0.96800
3	Highest 60 Minute kW Demand Measured At the Delivery Points	980,000	972,700	922,000
4	kW Qualifying Facility Purchases Behind the Delivery Points During 60 minute Interval for Measured Demand	-	4,000	50,000
5	Maximum Allowed kW Credit For Qualifying Facility Purchases	5,000	5,000	5,000
6	If line 4 is greater than line 5 then take line 4 minus line 5	-	-	45,000
7	kW Renewable Energy Purchases Behind the Delivery Points During 60 minute Interval for Measured Demand	-	2,200	3,000
8	Maximum Allowed kW Credit For Renewable Energy Purchases	2,000	2,000	2,000
9	If line 7 is greater than line 8 then take line 7 minus line 8	-	200	1,000
10	kW Distributed Generation Purchases Behind the Delivery Points During 60 minute Interval for Measured Demand	-	800	5,000
11	Maximum Allowed kW Credit For Distributed Generation Purchases	2,000	2,000	2,000
12	If line 10 is greater than line 11 then take line 10 minus line 11	-	-	3,000

13	Monthly Billing kW Demand (Sum Of Lines 3, 6, 9 and 12)	980,000	972,900	971,000
14	Monthly Billing kW Demand Adjusted For Losses (Line 13/ Line 2)	1,012,397	1,005,062	1,003,099

		<u>Example 1</u>	<u>Example 2</u>	<u>Example 3</u>
1	Loss %	3.20%	3.20%	3.20%
2	Loss Factor (1-Line 1)	0.96800	0.96800	0.96800
3	60 Minute kW CP Demand Measured At the Delivery Points	900,000	892,700	842,000
4	Adjustment for kW Load Management Activated Behind the Delivery Points During 60 minute Interval for Measured CP Demand	37,000	30,000	-
5	60 Minute kW Summer CP Demand Measured At the Delivery Points	950,000	950,000	950,000
6	SLM Ratio	4.933%	4.933%	4.933%
7	Maximum Allowed Load Management kW (Line 5 x Line 6)	46,864	46,864	46,864
8	Actual Verified Load Management kW For Summer Months	37,000	52,000	45,000
9	Allowed Load Management kW Adjustment (Lower of line 7 or line 8)	37,000	46,864	45,000
10	kW Qualifying Facility Purchases Behind the Delivery Points During 60 minute Interval for Measured CP Demand	-	4,000	50,000
11	Maximum Allowed kW Credit For Qualifying Facility Purchases	5,000	5,000	5,000
12	If line 10 is greater than line 11 then take line 10 minus line 11	-	-	45,000
13	kW Renewable Energy Purchases Behind the Delivery Points During 60 minute Interval for Measured CP Demand	-	2,200	3,000
14	Maximum Allowed kW Credit For Renewable Energy Purchases	2,000	2,000	2,000

15	If line 13 is greater than line 14 then take line 13 minus line 14		- 200	1,000
16	kW Distributed Generation Purchases Behind the Delivery Points During 60 minute Interval for Measured CP Demand		- 800	5,000
17	Maximum Allowed kW Credit For Distributed Generation Purchases	2,000	2,000	2,000
18	If line 16 is greater than line 17 then take line 16 minus line 17		-	- 3,000
19	Monthly CP kW Demand (Lines 3+4+12+15+18 minus Line 9)	900,000	876,036	846,000
20	Monthly CP kW Demand Adjusted For Losses (Line 19/ Line 2)	929,752	904,996	873,967

APPENDIX L

LOSS OF MEMBERS

Page 1 of 3

LOSS OF MEMBERS CHARGE CALCULATION (TABLE 1 - Reference Columns are on Page 2 of 3)

- (A) Applicable Calendar Year - **Column (1)**
- (B) Customer provides the total number of Member Accounts as of December 31 for the current Calendar Year - **Column (2)**
- (C) Subtract the number of Member Accounts in the immediately prior Calendar Year from the amount in the current Calendar Year to determine the amount of Member Accounts lost - **Column (3)**
- (D) Customer provides the total kWh consumption of Member Accounts lost based on the consumption during the 12-month period immediately prior for each Member Account lost - **Column (4)**
- (E) Add Member Accounts lost for the current Calendar Year and the two prior Calendar Years - **Column (5)**
- (F) Identify the highest number of total Member Accounts in the current Calendar Year and the two prior Calendar Years - **Column (6)**
- (G) Calculate the percentage of Member Accounts lost by dividing the result in step (E) by the result in step (F) - **Column (7)**
- (H) If the percentage calculated in step (G) is greater than 3%, the threshold has been exceeded - **Column (8)**
- (I) If step (H) results in the threshold being exceeded, calculate the average Calendar Year consumption per Member Account lost based on the current Calendar Year and the prior 2 Calendar Years - **Column (9)**
- (J) Multiply the result of step (I) by the result of step (C) in order to determine the Calendar Year kWh Contribution to be included in the calculation of the Loss of Members Charge - **Column (10)**
- (K) Determine the final Cumulative kWh Contribution to be included in the calculation of the Loss of Members Charge by summing the current year and all prior year values obtained in step (J) - **Column (11)**

LOSS OF MEMBERS CHARGE CALCULATION (TABLE 2 - Reference Columns are on Page 3 of 3)

- (A) Applicable Calendar Year - **Column (1)**
- (B) Cumulative kWh Consumption lost used in the calculation of the Loss of Members Charge from Column (11) in Table 1 - **Column (2)**
- (C) Actual Calendar Year Average Monthly kWh Consumption data that will be used in the calculation of the Average Monthly Load Factor - **Column (3)**
- (D) Actual Calendar Year Average Monthly kW Demand data that will be used in the calculation of the Average Monthly Load Factor - **Column (4)**
- (E) Divide the applicable Calendar Year data from step (C) by the product of the applicable Calendar Year data from step (D) and 730 hours - **Column (5)**
- (F) Divide the Cumulative kWh Contribution from step (B) by product of the result obtained in step (E) and 730 hours to determine the Calendar Year kW demand applicable to the Loss of Members Charge - **Column (6)**
- (G) The annual Loss of Members Charge equals the kW amount obtained in step (F) multiplied by the actual Yearly Generation Demand Charge Rate for the Calendar Year as true-up.

Page 2 of 3
LOSS OF MEMBER'S ACCOUNTS EXAMPLE (TABLE 1)

Historical Actual Total Member Accounts Are Set Forth For the Calendar Years 2004, 2005 and 2006.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Calendar Year	Customer Supplied Data	(2) Current Year minus (2) Prior Year	Customer Supplied Data	SUM (3) - Current Year plus Prior 2 Years	MAX (2) - Current Year through Prior 2 Years	(5) / (6)	(7) > 3%, YES (7) < 3%, NO	SUM (4) / SUM (3) - Current Year through Prior 2 Years	(3) * (9)	SUM (10) - Current Year through all Prior Years
Calendar Year	Calendar Year Total Member Accounts	Calendar Year Total Member Accounts Lost	Total Calendar Year kWh Consumption of Member Accounts Lost	Rolling 3 Year Cumulative Member Accounts Lost	Rolling 3 Year Highest Number of Member Accounts	Percentage of Member Accounts Lost	3% Threshold Exceeded?	Total Average Calendar Year Consumption per Member Account Lost	Calendar Year kWh Contribution to Loss of Members Charge Calculation	Cumulative kWh Contribution to Loss of Members Charge Calculation
2004	171,000	-	-	-	171,000	0.00%	NO	-	-	-
2005	183,000	-	-	-	183,000	0.00%	NO	-	-	-
2006	195,000	-	-	-	195,000	0.00%	NO	-	-	-
2007	193,000	2,000	32,400,000	2,000	195,000	1.03%	NO	-	-	-
2008	189,000	4,000	64,800,000	6,000	195,000	3.08%	YES	16,200	64,800,000	64,800,000
2009	188,000	1,000	16,200,000	7,000	193,000	3.63%	YES	16,200	16,200,000	81,000,000
2010	190,000	-	-	5,000	190,000	2.63%	NO	-	-	81,000,000
2011	195,000	-	-	1,000	195,000	0.51%	NO	-	-	81,000,000
2012	200,000	-	-	-	200,000	0.00%	NO	-	-	81,000,000
2013	198,000	2,000	36,000,000	2,000	200,000	1.00%	NO	-	-	81,000,000
2014	198,000	-	-	2,000	200,000	1.00%	NO	-	-	81,000,000
2015	200,000	-	-	2,000	200,000	1.00%	NO	-	-	81,000,000
2016	150,000	50,000	1,185,000,000	50,000	200,000	25.00%	YES	23,700	1,185,000,000	1,266,000,000
2017	149,500	500	11,850,000	50,500	200,000	25.25%	YES	23,700	11,850,000	1,277,850,000
2018	150,000	-	-	50,500	150,000	33.67%	YES	23,700	-	1,277,850,000
2019	150,000	-	-	500	150,000	0.33%	NO	-	-	1,277,850,000

LOSS OF MEMBER'S ACCOUNTS EXAMPLE (TABLE 2)

(1)	(2)	(3)	(4)	(5)	* (6)
Calendar Year	Table 1- (11) Cumulative kWh Contribution to Loss of Members Charge Calculation	Actual Calendar Year Data Average Monthly kWh Consumption	Actual Calendar Year Data Average Monthly kW Demand	(3) / ((4)*730) Average Monthly Load Factor	(2) / ((5)*730) Annual kW Demand Subject to Loss of Members Charge
2004	-	76,000,000	173,000	60.18%	-
2005	-	77,600,000	176,000	60.40%	-
2006	-	79,200,000	180,000	60.27%	-
2007	-	80,800,000	184,000	60.15%	-
2008	64,800,000	82,500,000	188,000	60.11%	147,665
2009	81,000,000	84,200,000	192,000	60.07%	184,703
2010	81,000,000	86,000,000	196,000	60.11%	184,605
2011	81,000,000	87,700,000	200,000	60.07%	184,721
2012	81,000,000	89,400,000	204,000	60.03%	184,832
2013	81,000,000	91,200,000	208,000	60.06%	184,737
2014	81,000,000	395,000,000	901,000	60.06%	184,762
2015	81,000,000	405,000,000	928,000	59.78%	185,600
2016	1,266,000,000	420,000,000	955,000	60.25%	2,878,643
2017	1,277,850,000	430,000,000	982,000	59.98%	2,918,253
2018	1,277,850,000	442,000,000	1,009,000	60.01%	2,917,083
2019	1,277,850,000	454,000,000	1,036,000	60.03%	2,915,975

* Column Referenced in Section 16.5 (a) and 16.5 (d)