

AMENDED AND RESTATED
UNIT POWER SALES AGREEMENT
BETWEEN
FLORIDA POWER & LIGHT COMPANY,
AND
ALABAMA POWER COMPANY, GEORGIA POWER COMPANY,
GULF POWER COMPANY, MISSISSIPPI POWER COMPANY
AND SOUTHERN COMPANY SERVICES, INC.

INDEX

| | <u>PAGE</u> |
|--|-------------|
| PREMISES..... | 1 |
| ARTICLE I - TERM OF AGREEMENT..... | 2 |
| Section 1.1 Term..... | 2 |
| Section 1.2 Reduction of Term..... | 3 |
| ARTICLE II - UNIT POWER CAPACITY..... | 3 |
| Section 2.1 Units From Which Capacity Will Be Made Available..... | 3 |
| Section 2.2 Capacity to be Purchased and Sold..... | 4 |
| Section 2.3 Determination of Capacity Available from Each Unit..... | 7 |
| Section 2.4 Delay in Commercial Operation of Units..... | 8 |
| Section 2.5 Character of Sale..... | 10 |
| ARTICLE III - ENERGY AVAILABILITY..... | 10 |
| Section 3.1 Energy..... | 10 |
| Section 3.2 Scheduling Energy..... | 11 |
| Section 3.3 Unavailability or Derating of Units..... | 11 |
| Section 3.4 Allocation of Energy Schedules to Generation Units. | 12 |
| Section 3.5 Minimum Energy Scheduling..... | 12 |
| Section 3.6 Minimum Operation Energy..... | 13 |
| Section 3.7 Option to Furnish Scheduled Energy from Alternate Resources..... | 13 |
| Section 3.8 Supplemental Energy Scheduling..... | 14 |
| Section 3.9 Discretionary Energy Scheduling..... | 15 |
| ARTICLE IV - DELIVERY POINT..... | 16 |
| Section 4.1 Points of Delivery..... | 16 |
| Section 4.2 Additional Points of Delivery to be Established..... | 16 |
| Section 4.3 Construction of FPL's Internal Transmission..... | 18 |

| | <u>PAGE</u> |
|---|-------------|
| Section 4.4 Transmission Contingencies.... | 20 |
| Section 4.5 Limitation of Transmission Facilities..... | 20 |
| ARTICLE V - PROCEDURE FOR CAPACITY AND ENERGY RATES..... | 22 |
| Section 5.1 Unit Power Sale Periodic Rate Computation Procedure..... | 22 |
| Section 5.2 Unit Power Sale Informa- tional Schedule..... | 23 |
| Section 5.3 Unilateral Revision of Capacity and Energy Rates and/or Unit Power Sale Periodic Rate Computation Procedure Manual..... | 24 |
| Section 5.4 Unilateral Changes Resulting from Regulatory Action..... | 24 |
| ARTICLE VI - CHARGES FOR SERVICE..... | 25 |
| Section 6.1 Rates..... | 25 |
| Section 6.2 Capacity Rates..... | 25 |
| Section 6.3 Base Energy Rates..... | 25 |
| Section 6.4 Alternate Energy Rates..... | 26 |
| Section 6.5 Supplemental Energy Rates..... | 27 |
| Section 6.6 Normalized Energy Rates..... | 27 |
| Section 6.7 Station Service Charges..... | 28 |
| Section 6.8 Discretionary Energy Rates..... | 28 |
| ARTICLE VII - BILLING AND PAYMENTS..... | 29 |
| Section 7.1 Presentation and Payment of Bills for Capacity Charges.... | 29 |
| Section 7.2 Presentation and Payment of Bills for Energy and Other Charges..... | 29 |
| Section 7.3 Disputed Invoice..... | 30 |
| Section 7.4 Audit Rights..... | 30 |
| ARTICLE VIII - OPERATING COMMITTEE..... | 30 |
| Section 8.1 Establishment of Operating Committee..... | 30 |
| Section 8.2 Responsibilities of the Unit Power Sales Operating Committee..... | 31 |
| Section 8.3 Unit Power Sales Operating Committee Meetings..... | 32 |

| | <u>PAGE</u> |
|---|-------------|
| ARTICLE IX - AGENCY OF SOUTHERN COMPANY SERVICES, INC. FOR SOUTHERN COMPANIES..... | 32 |
| Section 9.1 Role of SCS..... | 32 |
| Section 9.2 Payments to Agent..... | 32 |
| ARTICLE X - MISCELLANEOUS PROVISIONS..... | 33 |
| Section 10.1 Interrelationship with Inter- change Contract..... | 33 |
| Section 10.2 Provisions of Interchange Contract Specifically Incorpo- rated by Reference..... | 33 |
| Section 10.3 Specification of Sole Obliga- tion or Sole Remedy..... | 34 |
| Section 10.4 Standard of Performance of Obligations..... | 34 |
| Section 10.5 Definition of "Prudent Utility Practices"..... | 34 |
| Section 10.6 Limitation of Liability..... | 34 |
| Section 10.7 General Cost Principles..... | 34 |
| Section 10.8 Section References..... | 35 |
| Section 10.9 Equal Employment Opportunity and Civil Rights..... | 35 |

AMENDED AND RESTATED
UNIT POWER SALES AGREEMENT
BETWEEN
FLORIDA POWER & LIGHT COMPANY,
AND
ALABAMA POWER COMPANY, GEORGIA POWER COMPANY,
GULF POWER COMPANY, MISSISSIPPI POWER COMPANY
AND SOUTHERN COMPANY SERVICES, INC.

THIS AMENDED AND RESTATED AGREEMENT, made and entered into as of the 18th day of February, 1982, by and between FLORIDA POWER & LIGHT COMPANY ("FPL"), a Florida corporation, and ALABAMA POWER COMPANY ("APC"), an Alabama corporation, GEORGIA POWER COMPANY ("GaPC"), a Georgia corporation, GULF POWER COMPANY ("GuPC"), a Maine corporation, and MISSISSIPPI POWER COMPANY ("MPC"), a Mississippi corporation (APC, GaPC, GuPC and MPC being sometimes collectively referred to as "Southern Companies"), and SOUTHERN COMPANY SERVICES, INC. ("SCS"), an Alabama corporation.

W I T N E S S E T H:

WHEREAS, the Southern Companies are all affiliates by virtue of the ownership of the common stock of such companies by The Southern Company, a registered public utility holding company under the Public Utility Holding Company Act of 1935, and, together with SCS, are parties to an Intercompany Interchange Contract ("IIC") governing the coordination of operations between the Southern Companies; and

WHEREAS, Southern Companies, together with SCS, and FPL are parties to an Interchange Contract dated October 18, 1979, which provides for the establishment of certain points of interconnection between the parties, and, pursuant to the terms of which the parties contemplate the construction and maintenance of additional points of interconnection which will provide and improve system reliability of each of the systems and accommodate transactions under this Agreement as well as other agreements between the parties; and

WHEREAS, APC, GaPC, GuPC and MPC, electric public utilities in the States of Alabama, Georgia, Florida and Mississippi respectively, have undertaken to construct, or to have constructed, for the benefit of their respective territorial customers, certain coal fired steam electric generating units; and

WHEREAS, unforeseen changes in economic conditions and an intensified conservation effort have reduced the expectation of territorial demand growth and thereby also reduced the immediate need for the capacity from these units on their most economical construction schedule; and

WHEREAS, FPL, an electric public utility in the State of Florida, desires to purchase from Southern Companies, capacity and energy from such units in the years and amounts specified herein; and

WHEREAS, sales of such capacity to FPL will benefit the territorial customers of the Southern Companies by making use of capacity available during the time period of this Agreement and reducing ultimate cost to such territorial customers; and

WHEREAS, Southern Companies and FPL entered into a Unit Power Sales Agreement dated February 19, 1981 ("Original Agreement") pursuant to which Southern Companies undertook to sell to FPL and FPL undertook to purchase from Southern Companies capacity and energy from units as specified therein; and

WHEREAS, FPL desires to purchase and Southern Companies desire to sell additional unit power capacity from additional coal-fired steam electric generating units and additional capacity from units which were included in the Original Agreement; and

WHEREAS, to effect such additional sales, the parties agree to enter into an amendment and restatement of the Original Agreement.

NOW, THEREFORE, in consideration of the premises and the covenants and agreements of the parties hereinafter set forth, the parties hereto agree as follows:

ARTICLE I

TERM OF AGREEMENT

1.1 Term: The parties acknowledge that the Original Agreement became effective on February 19, 1981. The rights and obligations of the parties under the Original Agreement are hereby amended and restated in this Amended and Restated Agreement ("New Agreement" or simply "Agreement") which shall become effective as of the date of the latest signature on the signature page hereof and shall continue through May 31, 1995 or such extended period agreed to by the parties under the provisions of Sections 2.2.5 and 2.2.6 hereof. However, such term may be reduced as provided in Section 1.2 if the following condition is not met:

1.1.1 That review of this New Agreement be concluded by the Federal Energy Regulatory Commission ("FERC"), or successor agency, without significant change hereto. To such end, the Southern Companies agree to take steps promptly to file this New Agreement, together with appropriate supporting documents, with FERC. FPL agrees to cooperate and assist Southern

Companies in securing conclusion of the review by FERC of this New Agreement without significant change hereto, in an expeditious manner.

1.2 Reduction of Term: In the event the condition set forth in Section 1.1.1 is not met by January 1, 1983, Southern Companies shall have the right, at their option, to seek relief as provided in Section 5.4 hereof or give FPL notice that this Agreement shall terminate on a date certain not less than five (5) years from the date such notice is given to FPL, or both. In the event Southern Companies seek relief from FERC as provided in Section 5.4, but fail within twelve (12) months thereafter to obtain rates which would produce estimated charges to FPL at least equal to those which would have been produced under the New Agreement as initially filed with FERC, then Southern Companies shall have the further right, at any time and from time to time, at their option, and notwithstanding any provision of this Agreement to the contrary, to terminate this Agreement or seek any administrative or judicial relief from FERC's determination which they deem appropriate, except that Southern Companies may not terminate the Agreement on less than five (5) years' notice. In the event Southern Companies have given notice of termination as provided above and, further, have obtained relief pursuant to Section 5.4 so that the charges produced hereunder are equal to or greater than those which would have been produced under the New Agreement as filed initially, then, in such event, FPL may, at its election, upon notice to Southern Companies given within sixty (60) days after written notice that such change is contained in a final and nonappealable order, elect to have this Agreement extend for the entire term notwithstanding the notice of termination given by Southern Companies. In the event Southern Companies seek relief from a failure by FERC to conclude its review of the initial filing of this Agreement without significant change by the filing of unilateral changes pursuant to Section 5.4, and in the event FERC agrees to such change so that the rates to be charged would be higher than those which would have been imposed under the Agreement as initially filed then, in such events, FPL shall have the right, exercisable at any time up to sixty (60) days after the final and nonappealable order of FERC, to give Southern Companies notice that this Agreement shall terminate on a date not less than five (5) years from the date such notice is given to Southern Companies.

ARTICLE II

UNIT POWER CAPACITY

2.1 Units From Which Capacity Will Be Made Available: The Units referred to in Section 2.2 hereof from which capacity entitlement will be made available hereunder are (a) the V. J. Daniel, Jr. Steam Electric Generating Plant, Units 1 and 2 ("Daniel 1 and 2") located in Jackson County, Mississippi,

(b) the J. H. Miller, Jr. Steam Electric Generating Plant, Units 1, 2, 3 and 4 ("Miller 1, 2, 3 and 4") located in Jefferson County, Alabama, and (c) the Robert W. Scherer Steam Electric Generating Plant, Units 1, 2, 3 and 4 ("Scherer 1, 2, 3 and 4") located in Monroe County, Georgia. Daniel 1 and 2 are owned jointly by GuPC and MPC; Scherer 1 and 2 will be jointly owned by GaPC and others; and Scherer 3 and 4 will be jointly owned by GaPC and GuPC. . It is recognized that, with respect to Scherer 1 and 2, GaPC has entered into a Purchase and Ownership Participation Agreement and an Operating Agreement with other parties, both dated as of May 15, 1980, pursuant to which GaPC has agreed to purchase from such other parties an entitlement to capacity and energy from such units in amounts which diminish during the term thereof. Such capacity purchase is referred to herein as "buy-back capacity". Exhibit A hereto sets forth with respect to each unit identified above the Expected Total Operating Capacity ("Expected Capacity") of the unit; such values being 808 megawatts for each of the Scherer Units, 512 megawatts for Daniel 1, 506 megawatts for Daniel 2 and 666 megawatts for each of the Miller Units. Exhibit A also sets forth the projected date for commercial operation of each unit; and the amount of the Expected Capacity of each unit owned by or available to APC, GaPC, GuPC, and MPC which is made available for sale hereunder to FPL. For the purpose of determination of capacity availability hereunder, buy-back capacity from a unit shall be considered a separate unit from owned capacity in the same unit, and GuPC's ownership interest in Scherer 3 and 4 shall be considered separate units from GaPC's ownership interest in such units.

2.2 Capacity to be Purchased and Sold: Subject to adjustments as provided in this Article II, APC, GaPC, GuPC, and MPC hereby agree to sell and FPL hereby agrees to purchase, capacity entitlement from the units specified in 2.1 above, in the amounts and in the contract periods set forth in the following schedule:

| <u>Contract Period</u> | <u>Capacity (Megawatts)</u> |
|------------------------|---------------------------------|
| Jan. 1-Dec. 31, 1983 | 350 |
| Jan. 1-Dec. 31, 1984 | 650 |
| Jan. 1-Dec. 31, 1985 | 1,700 |
| Jan. 1-Dec. 31, 1986 | 1,700 |
| Jan. 1-Dec. 31, 1987 | 2,000 |
| Jan. 1-Dec. 31, 1988 | 2,000 |
| Jan. 1-Dec. 31, 1989 | 2,000 |

| <u>Contract Period</u> | <u>Capacity (Megawatts)</u> |
|---------------------------|---------------------------------|
| Jan. 1-Dec. 31, 1990 | 2,000 |
| Jan. 1-Dec. 31, 1991 | 2,000 |
| Jan. 1-Dec. 31, 1992 | 2,000 |
| Jan. 1, 1993-May 31, 1993 | 2,000 |
| June 1, 1993-May 31, 1994 | 1,200 |
| June 1, 1994-May 31, 1995 | 600 |

The parties recognize that long-range plans and forecasts which provide the basis for such sales and purchases of capacity are affected by many factors. Therefore:

2.2.1 In the event either party desires to increase or decrease capacity sales or purchases for the contract periods set forth above, the parties agree to negotiate in good faith and with diligence to proceed to evaluate alternatives which may reasonably provide for such desired change in capacity; provided, that no such change shall be made except upon mutual written agreement of the parties hereto.

2.2.2 The contract period and amount of capacity to be sold and purchased are subject to modification in the calendar years 1983 and 1985 under the specific conditions set forth in Sections 4.2 and 4.3 hereof.

2.2.3 The amount of capacity to be sold and purchased during the contract periods January 1, 1993 to May 31, 1993; June 1, 1993 to May 31, 1994; and June 1, 1994 to May 31, 1995 are expressly subject to the rights of the Jacksonville Electric Authority as a contemporaneous party to obtain a portion of such capacity under an existing unit power sales agreement between the Jacksonville Electric Authority and Southern Companies. Accordingly, the amount of capacity specified to be sold and purchased during such contract periods may be adjusted downward if the Jacksonville Electric Authority exercises such rights.

2.2.4 Except with respect to unit power capacity presently being offered to Gulf States Utilities Company, in the event Southern Companies shall offer to sell unit power capacity from coal-fired generating resources to third party utilities outside the geographical areas served by Southern Companies during the years 1983 through 1992, FPL and Jacksonville Electric Authority (which executed a Unit Power sale contract with Southern Companies within thirty (30) days after the Original Agreement became effective and as a result thereof both FPL and JEA hereinafter are referred to as

"Contemporaneous Parties"), shall have the right of first refusal for the purchase of a pro rata share of the capacity made available on substantially the same terms offered other potential purchasers to the extent the sale of such capacity would not cause the then existing Transfer Limit as set forth in Section 4.5.1 to be exceeded; provided, however, such right must be exercised within ninety (90) days after written notice from Southern Companies informing FPL of the offer and the terms and conditions of each such offer. FPL and the other Contemporaneous Party shall, prior to the end of such ninety (90) day period, notify Southern Companies of their election to purchase a pro rata share of such additional capacity being offered by Southern Companies based on the amount of unit power capacity each has previously agreed to purchase during each year for which the additional capacity is offered, and each Contemporaneous Party shall give notice whether it elects to purchase any part or all of the pro rata share refused by the other Contemporaneous Party. In addition, in the event such additional unit power capacity being offered is capacity not included in Exhibit A as being made available for sale to FPL, and FPL and the other Contemporaneous Party do not desire to purchase such additional capacity, FPL may request that the capacity being purchased by it be amended to include a portion of such additions to Exhibit A. Southern Companies agree, upon such request, and provided such additional capacity can be sold, to amend Exhibit A such that the capacity charges for unit power capacity sold to other purchasers is no less than the capacity charges for unit power sold to FPL. To the extent capacity is made available from a unit other than those designated in Section 2.1, such unit shall be considered to be a unit specified in Exhibit A for the period capacity from such unit is made available.

2.2.5 Southern Companies and FPL agree to negotiate in good faith, together with the other Contemporaneous Party, prior to January 1, 1986 to determine to what extent, if any, additional unit power capacity from coal-fired generating resources can be made available for contract periods after December 31, 1992 to provide for a more orderly decrease in capacity sales. Any offer of additional capacity by Southern Companies to FPL shall be predicated on the basis of an offer being made on a pro rata basis to both Contemporaneous Parties. On or before January 1, 1986, the parties shall agree on such capacity sales, or in the absence of mutual agreement by January 1, 1986, this Agreement shall continue for the amount of unit power capacity specified in Section 2.2 and terminate on May 31, 1995; except as provided for in Section 2.2.6.

2.2.6 If, prior to the year 1993, Southern Companies offer to sell unit power capacity from coal-fired generating resources to third party utilities outside of the geographical areas served by Southern Companies during the years 1993 through 1997, FPL and the other Contemporaneous Party shall

each have the right of first refusal for the purchase of any part or all of its pro rata share of such capacity for the period of time it may require on substantially the same terms offered other potential purchasers; provided, however, such right must be exercised within ninety (90) days after written notice from Southern Companies informing FPL of such capacity being made available for sale and the terms and conditions of each offer. FPL and the other Contemporaneous Party shall, prior to the end of such ninety (90) day period, notify Southern Companies of its election to purchase any part or all of its pro rata share of such capacity based upon the amount of unit power capacity each has previously agreed to purchase during the year 1992, and each Contemporaneous Party shall give notice whether it elects to purchase any capacity refused by the other Contemporaneous Party.

2.3 Determination of Capacity Available from Each Unit:

The amount of capacity to be made available from each unit specified in Section 2.1 to constitute the total capacity to be sold by APC, GaPC, GuPC, and MPC and purchased by FPL hereunder, will vary from time to time during the term of this Agreement. The nominal schedule of units, by time period, from which sales will be made is set forth in Exhibit A, such Exhibit A representing an agreed allocation to FPL of capacity from each of the units specified in Section 2.1 by time period based on Expected Capacity. It is recognized by the parties that the actual units from which sales will be made, and the total capacity to be sold and purchased, may vary from that set forth in Exhibit A and any such variance shall be based on the following principles:

2.3.1 On or before September 15, 1982 and September 15 of each year thereafter during the term hereof, the Net Dependable Capacity will be established for each unit which has theretofore been declared available for commercial operation or which is expected to be declared available for commercial operation during the ensuing calendar year. Net Dependable Capacity for each unit shall be determined in accordance with the procedure specified in Article I of the Unit Power Sale Manual described in Section 5.1 hereof.

2.3.2 If the Net Dependable Capacity established for a unit from which capacity is to be sold to FPL during the ensuing year is equal to the Expected Capacity of such unit as set forth in Exhibit A, the amount of capacity scheduled to be furnished from such unit during the ensuing year shall be as specified in Exhibit A.

2.3.3 If the Net Dependable Capacity established for the ensuing year for a unit from which capacity is to be sold to FPL is more than or less than the Expected Capacity of such unit as specified in Exhibit A, the capacity to be sold and purchased during each period identified in Exhibit A for the ensuing year shall be FPL's pro rata share of the Net

Dependable Capacity determined by multiplying the amount of capacity sale shown for such unit in Exhibit A for each period by the ratio of the Net Dependable Capacity of the unit to the Expected Capacity of such unit as set forth in Exhibit A.

2.3.4 In the event Net Dependable Capacity for any unit is less than the Expected Capacity, Southern Companies shall include in their notice of determination of Net Dependable Capacity under Section 2.3.1 information as to capacity which is available, consistent with Prudent Utility Practices (as defined in Section 10.5 hereof), from any remaining Net Dependable Capacity in units specified in Exhibit A then owned by or operated by Southern Companies or other coal-fired steam electric generating resources owned or operated by any of the Southern Companies, including the estimated capacity costs expected from any such other resources. On or before October 1 following such notice, FPL and any other purchaser of unit power capacity from that unit shall notify Southern Companies, in writing, whether they wish to purchase a pro rata share of such additional capacity. If any other purchaser of unit power capacity from the unit refuses to purchase such additional capacity, the refused amount of such capacity will be offered to FPL on a pro rata basis with other purchasers of unit power capacity from the unit. To the extent capacity is made available pursuant to the above procedure from a unit other than those designated in Section 2.1, such unit shall be considered to be a unit specified in Exhibit A for the period capacity from such unit is made available.

2.3.5 To the extent, notwithstanding the above efforts, capacity in the total amount specified in Section 2.2 hereof cannot be made available to FPL during any year (or portion thereof) because the Net Dependable Capacity determination for one or more units specified in Exhibit A is less than the Expected Capacity of such unit or units, the sole obligation of the Southern Companies shall be to provide additional capacity to FPL in the amount determined in accordance with Sections 2.3.1 through 2.3.4.

2.3.6 In the event any of the capacity of the Miller Units set forth in Exhibit A in any year cannot be made available because of a sale of the capacity of such units to Alabama Municipal Electric Authority, not to exceed five percent (5%) of any such unit, in such event, Southern Companies shall make available to FPL capacity from other coal-fired steam electric generating resources owned or operated by Southern Companies. To the extent such capacity is made available from a unit other than those designated in Section 2.1, such unit shall be considered to be a unit specified in Exhibit A for the period capacity from such unit is made available.

2.4 Delay in Commercial Operation of Units: Notwithstanding the schedule of sales set forth in Section 2.2 above,

the obligation of APC, GaPC, and GuPC to make capacity from the units specified in Exhibit A available to FPL shall further be subject to delays in the projected dates for commercial operation of each such unit. Construction of such units and any delays therein shall be governed by the following principles:

2.4.1 APC, GaPC, and GuPC, respectively, agree to use best efforts consistent with Prudent Utility Practices (as defined in Section 10.5 hereof) to design and construct, or to have designed and constructed, the units in which they agree to have an ownership or buy-back interest so that such units shall have been declared available for commercial operation as of the date set forth in Exhibit A. Southern Companies shall not be liable to FPL for any loss or damage for delays or failures to have such units declared available for commercial operation as of such dates due to causes not reasonably within their control including, but not limited to, acts of civil or military authority (e.g. courts or administrative agencies), acts of God, war, riot or insurrection, inability to obtain any required permits or licenses, blockades, embargoes, sabotage, epidemics, fires, floods, strikes, lockouts or other labor disputes or difficulties, unusually severe weather conditions, breakdowns of machinery or equipment, inability to obtain necessary materials or equipment, and economic constraints such as inability to secure adequate capital on reasonable terms for continued construction. In the event of any delay resulting from such causes, the time for performance shall be extended for a period of time reasonably necessary to overcome the effect of such causes. Southern Companies shall keep FPL informed of the construction schedules and any changes which alter the anticipated dates for commercial operation of the units, together with the reasons for such changes. The dates established in Exhibit A as the projected dates for commercial operation of the Miller and Scherer units are based on the present plans of APC and GaPC, respectively, and information available to it. It is recognized that the ability to predict such dates with exactness does not exist. In the event any of the dates for commercial operation are not met and the delay does not exceed one year from the projected date for commercial operation as set forth in Exhibit A, and in the further event capacity is made available to FPL during such period under Section 2.4.2, then it shall be conclusively presumed that the delay in the commercial operation of the unit resulted from events beyond the control of the Southern Companies. In the event such delay extends beyond one (1) year, such presumption shall be revoked retroactive to the projected date for commercial operation set forth in Exhibit A.

2.4.2 Southern Companies agree, nevertheless, that in the event a unit specified in Exhibit A is not available for commercial operation as of the date specified therein, as a result of the type of delay or failure described in Section

2.4.1, Southern Companies shall use their best efforts, consistent with Prudent Utility Practices, to make the amount of capacity from such unit which was scheduled to be made available to FPL as specified in Exhibit A available from other coal-fired steam electric generating resources owned or operated by any of the Southern Companies, including those specified in Section 2.1. To the extent such capacity is made available from a unit other than those designated in Section 2.1, such unit shall be considered to be a unit specified in Exhibit A for the period capacity from such unit is made available.

2.4.3 In the event any unit is not available for commercial operation as of the initial date for sales of capacity to FPL from such unit as specified in Exhibit A due to reasons not excused under Section 2.4.1, then in such event, as the sole obligation arising out of such delay, Southern Companies, shall (1) make available to FPL unit power from other coal-fired steam electric generating resources during the period of the delay attributable to causes not excused under Section 2.4.1 in the amount of capacity to have been furnished from the delayed unit as specified in Exhibit A, and (2) make adjustments in the capacity rates as specified in Article II of the Unit Power Sale Manual. To the extent such capacity is made available from a unit other than those designated in Section 2.1, such unit shall be considered to be a unit specified in Exhibit A for the period capacity from such unit is made available.

2.5 Character of Sale: The sale of unit power pursuant to this Agreement shall not constitute a sale, lease, transfer or conveyance of an ownership interest in such units to FPL, nor a dedication of ownership of such units to FPL or any other party. Energy associated with capacity from units made available hereunder shall, however, be devoted to FPL and the delivery of such energy to FPL shall not be subject to preemption by the Southern Companies for any other use. Except for capacity which is substituted during a year for capacity which was expected to be available, in accordance with Sections 2.4.2 or 2.4.3, the portion of such units to which FPL and others have a contractual capacity entitlement, shall not be included in the determination of capacity pricing for the purposes of power sales made by Southern Companies to FPL pursuant to any other power sales under contracts between Southern Companies and FPL.

ARTICLE III

ENERGY AVAILABILITY

3.1 Energy: During each year specified in Section 2.2 (or portion thereof), FPL will be entitled to schedule for delivery to the interconnection points identified in Section

4.1, energy in amounts up to a maximum of the capacity amount to which FPL is entitled in the particular time period, as determined in accordance with Article II, subject to the principles and determinations set forth in Sections 3.2 through 3.9. Beginning the week prior to the week for initial delivery hereunder and each week thereafter during the term hereof, Southern Companies will provide FPL with an estimated daily schedule of the availability of such energy for the coming week (herein defined as Monday through Sunday). Such estimated availability schedule by units, together with the estimated applicable Base Energy Rates, Alternate Energy Rates, Supplemental Energy Rates and Discretionary Energy Rates shall be furnished by 11:00 a.m. on the Friday of that week, unless mutually agreed otherwise. Further, Southern Companies will provide FPL an hourly schedule by units of the availability of such energy, together with estimated applicable energy rates, each day by 11:00 a.m. for the following day, and such schedule may not be altered on less than four (4) hours prior notice, unless an alteration is necessary due to forced outage or curtailment of generating capacity or unless otherwise mutually agreed by the Operating Representatives of FPL and Southern Companies. All hours specified herein shall be prevailing Central Time unless otherwise agreed.

3.2 Scheduling Energy: Beginning the week prior to the week for initial delivery hereunder and each week thereafter during the term hereof, FPL will supply Southern Companies an estimated daily schedule of capacity usage by units for the coming week (herein defined as Monday through Sunday). Such estimated schedule shall be furnished by 3:00 p.m. on the Friday prior to the week in which the capacity is required, unless mutually agreed otherwise. Further, FPL will provide Southern Companies an hourly schedule of capacity usage, by units, by 3:00 p.m. the day prior to when the capacity is required, and such schedule may not be altered on less than four (4) hours prior notice, unless otherwise mutually agreed by the Operating Representatives of FPL and Southern Companies. All hours specified herein shall be prevailing Central time, unless otherwise agreed. FPL will schedule total hourly capacity usage in amounts which are multiples of fifty (50) megawatts, unless otherwise agreed.

3.3 Unavailability or Derating of Units: Except as provided in Section 3.8 hereof, FPL shall not be entitled to energy associated with any unit which has been made available under Article II, or portion of any such unit, at any time when and to the extent such unit, or portion thereof, is unavailable for service because of scheduled maintenance, forced outage or any other non-discretionary cause, or is partially derated from the Net Dependable Capacity of such unit determined in accordance with Section 2.3.1. In the event of partial derating of a unit, FPL shall have the right to schedule energy associated with such unit, or to receive energy

previously scheduled, up to a maximum of the capacity amount determined by the following formula:

$$\text{MUPC} = \frac{\text{UPC}}{\text{NDC}} \times \text{AOC}$$

Where:

MUPC = Maximum unit power capacity entitlement of FPL from such unit after derating.

UPC = Unit power capacity entitlement of FPL from such unit determined in accordance with Article II.

NDC = Net Dependable Capacity of unit.

AOC = Actual operating capability after derating as determined by the company responsible for operating the unit.

3.4 Allocation of Energy Schedules to Generation

Units: Schedules for hourly capacity usage provided by FPL subject to Sections 3.1 and 3.2 above will be deemed to be requests for energy to be delivered from the generation units from which FPL has a capacity entitlement, as determined under Article II and as modified by Section 3.3 for units unavailable or derated. FPL may, upon four (4) hours notice, in accordance with Section 3.2, schedule energy from each generating unit for each hour in any amount, subject to Section 3.6, up to FPL's maximum capacity entitlement from that generating unit. The energy so scheduled by FPL and delivered by Southern Companies from the scheduled unit, is hereinafter called "Unit Energy." Unit Energy shall be supplied to all parties purchasing unit power from a generating unit on a pro rata basis based on the energy scheduled from that unit. Unit Energy supplied to FPL shall be the lesser of (1) an amount equal to the total net generation of that unit multiplied by the ratio of the energy scheduled by FPL to the total energy scheduled by all parties purchasing unit power from that unit, or (2) the energy scheduled by FPL. If the Unit Energy so supplied to FPL is less than the energy scheduled from that unit in accordance with this Section 3.4, the balance of the energy scheduled shall be supplied as Alternate Energy pursuant to Section 3.7.

3.5 Minimum Energy Scheduling: FPL agrees to schedule energy from each unit made available under Article II in excess of a fifty percent (50%) output factor on an annual basis. FPL agrees to use its best efforts, consistent with Prudent Utility Practices, to make the energy scheduled from each unit pursuant to Section 3.4 such that during any year the total energy scheduled from each unit is more than one-

half the total hourly capacity made available from that unit under Article II for such year, as adjusted pursuant to Section 3.3 above.

3.6 Minimum Operation Energy: During all periods when a unit made available to FPL under Article II is operating at minimum operating conditions, FPL shall accept delivery of the energy associated with the minimum operation capacity obligation of FPL associated with such unit. For the purpose of this Agreement, "minimum operating conditions" shall mean the minimum loading required for stable operation of a unit as determined from time to time by the entity responsible for operation of the unit. FPL's minimum operation capacity obligation for each unit shall be determined by the following formula:

$$\text{MOCO} = \frac{\text{UPC}}{\text{NDC}} \times \text{MC}$$

Where:

MOCO = FPL's minimum operation capacity obligation of a unit.

UPC = FPL's unit power capacity entitlement from such unit determined in accordance with Article II.

NDC = Net Dependable Capacity as determined in Section 2.3.1.

MC = Minimum loading required for stable operation of the unit.

3.7 Option to Furnish Scheduled Energy from Alternate Resources: Energy requested by FPL, and deemed to be scheduled from specific units, as determined in Section 3.4, may be provided by Southern Companies from other resources owned or operated by Southern Companies. Such energy, delivered from resources other than those from which such energy was scheduled pursuant to Section 3.4, during periods in which such specific units are available for operation, is hereinafter called "Alternate Energy." Any Alternate Energy delivered by Southern Companies in lieu of energy from a specific unit shall be delivered to all parties purchasing unit power from such unit on a pro rata basis to each party based on energy scheduled from that unit.

Alternate Energy may be supplied by Southern Companies from an assigned unit or from the units in economic dispatch on the system of the Southern Companies at the time, at the sole option of Southern Companies. However, it is agreed that Alternate Energy will normally be supplied from units in economic dispatch except when system operating

conditions indicate otherwise. Southern Companies will notify FPL of the amount of Alternate Energy to be made available, the selected energy sources, and the estimated energy rates at the times set forth in Section 3.1.

3.8 Supplemental Energy Scheduling: APC, GaPC, GuPC, or MPC as the case may be, agrees to use reasonable efforts to make energy available to FPL from each unit to which FPL has a capacity entitlement pursuant to Article II on the basis of a ninety percent (90%) target capacity factor on an annual basis. It is recognized that such efforts to achieve such target may be frustrated by forced outage of the units, needs for repair or maintenance of the units, governmental restrictions or other non-discretionary reasons. The sole obligation of Southern Companies for the failure to achieve such target capacity factor for each unit shall, where due to the aforesaid reasons, be as follows:

3.8.1 During periods in which a unit to which FPL has a capacity entitlement under Article II is unavailable for service, Southern Companies shall use their best efforts, consistent with Prudent Utility Practices, to make available supplemental energy from other coal-fired generating resources owned or operated by the Southern Companies equal to one hundred percent (100%) of FPL's entitlement in such unit under Article II.

3.8.2 During periods in which a unit to which FPL has a capacity entitlement under Article II is partially derated, Southern Companies shall use their best efforts, consistent with Prudent Utility Practices, to make available supplemental energy from other coal-fired generating resources owned or operated by the Southern Companies equal to one hundred percent (100%) of FPL's entitlement in such unit under Article II less FPL's entitlement to schedule energy from such derated unit pursuant to Section 3.3. Energy made available to FPL pursuant to this Section and Section 3.8.1 is hereinafter called "Supplemental Energy."

3.8.3 In the event the Supplemental Energy provided for in Sections 3.8.1 and 3.8.2 cannot be provided from coal-fired generating resources, Southern Companies agree to use their best efforts, consistent with Prudent Utility Practices, to make energy available from other generating resources of Southern Companies in amounts equal to the Supplemental Energy provided for in such Sections. Such energy made available by Southern Companies and scheduled for delivery, at FPL's election, shall be deemed Supplemental Energy.

3.8.4 Southern Companies will not be obligated to provide FPL any additional Supplemental Energy for the remainder of any year from and after the date on which Southern Companies have made available to FPL for scheduling under this Agreement (except for energy made available under Sections 3.8.3

and 3.9 but not taken by FPL and for energy made available but not deliverable because of Southern Companies' inability to deliver due to transmission contingencies of less than two (2) weeks duration pursuant to Section 4.4) energy in the aggregate equal to ninety percent (90%) of FPL's total capacity entitlement for such year, as determined in accordance with Article II, multiplied by the number of hours in such year. To the extent any energy requested by FPL during the remainder of any such year is not available from units to which FPL has a capacity entitlement, such energy and associated capacity shall be furnished, if at all, under other rate schedules between the parties.

3.8.5 Supplemental Energy shall mean energy available on the systems of the Southern Companies, not needed at that time on their own systems to meet their own system requirements (including power used for pumping at pumped storage hydroelectric projects) and other power sale commitments taking precedence before delivery under this Agreement. The only power sale commitments taking precedence over the availability of Supplemental Energy are: (1) any seasonal energy or capacity exchange agreements now existing or entered into in the future, (2) any firm power interchange sales to other utilities or third parties now existing or entered into in the future, (3) any other Unit Power sales with other utilities or third parties now existing or entered into in the future, (4) the Long Term Power sales with FPL and other utilities which were executed prior to February 19, 1981, and (5) any short term power being supplied under provisions of a now existing contract with Alabama Electric Cooperative, Inc. Notwithstanding the above, it is understood that any Supplemental Energy made available for delivery by the Southern Companies will be made available to FPL and Jacksonville Electric Authority on a pro rata basis based upon each such party's capacity entitlement in the unit unavailable for service.

Supplemental Energy, if available, may be supplied from an assigned generating unit of the Southern Companies or from the units in economic dispatch on the system of the Southern Companies at the time. Southern Companies will, at their sole option, determine whether the energy is to be supplied from an assigned unit or from units in economic dispatch. However, it is agreed that Supplemental Energy will normally be supplied from units in economic dispatch except when system operating conditions indicate otherwise. Southern Companies will notify FPL of the amount of Supplemental Energy to be made available, the selected energy sources and the estimated energy rates at the times set forth in Section 3.1.

3.9 Discretionary Energy Scheduling: In addition to the energy made available pursuant to Sections 3.8.1, 3.8.2 and 3.8.3, if requested by FPL, Southern Companies will make available, after meeting all other obligations of Southern

Companies and any discretionary sales, energy from other coal-fired generating resources owned or operated by the Southern Companies, up to ten percent (10%) in excess of FPL's total capacity entitlements. Energy made available to FPL pursuant to this Section is hereinafter called "Discretionary Energy." If at FPL's election such Discretionary Energy is scheduled for delivery, it will be considered as energy delivered in an effort to achieve the ninety percent (90%) target capacity factor provided for in Section 3.8.

3.9.1 Discretionary Energy shall mean energy available on the systems of the Southern Companies, not needed at that time to meet their own system requirements and needs, any power sale commitments now existing or entered into in the future, and any other discretionary power sales under agreements with FPL and other utilities (or third parties) now existing or entered into in the future.

3.9.2 Discretionary Energy made available for delivery by the Southern Companies will be made available to FPL and Jacksonville Electric Authority, as a Contemporaneous Party, on a pro rata basis based upon each such party's capacity entitlements during the contract period. Discretionary Energy, if available, may be supplied from an assigned generating unit of the Southern Companies or from the units in economic dispatch on the system of the Southern Companies at the time. Southern Companies will, at their sole option, determine whether the energy is to be supplied from an assigned unit or from units in an economic dispatch. However, it is agreed that Discretionary Energy will normally be supplied from units in economic dispatch except when system operating conditions indicate otherwise. Southern Companies will notify FPL of the amount of Discretionary Energy to be made available, the selected energy sources and the estimated energy rates at the times set forth in Section 3.1.

ARTICLE IV

ESTABLISHMENT OF DELIVERY POINTS, CONSTRUCTION OF TRANSMISSION FACILITIES AND TRANSMISSION CONTINGENCIES

4.1 Points of Delivery: Southern Companies shall deliver the power and energy purchased by FPL hereunder to the Points of Delivery specified in Article III of the FPL-Southern Companies Interchange Contract dated October 18, 1979 as amended by Agreement dated February 19, 1981 and the points of delivery to be established pursuant to Section 4.2 below.

4.2 Additional Points of Delivery to be Established: It is recognized that certain of the transmission facilities which are to be constructed by GaPC and FPL in order to establish the points of delivery and provide for the delivery and receipt of the power and energy to be sold and purchased

hereunder have not been completed. These interconnecting facilities are described in Sections 3.3 and 3.4 of the FPL-Southern Companies Interchange Contract, as amended. GaPC and FPL shall use best efforts consistent with Prudent Utility Practices to complete such facilities by the time such facilities are needed to deliver and receive power and energy sold and purchased hereunder.

4.2.1 In the event completion of such interconnecting transmission facilities to be constructed by GaPC is delayed for any reason and power and energy scheduled to be sold and purchased hereunder cannot be effected as a result thereof, GaPC and other Southern Companies shall, as their sole obligation for such delay, waive FPL's obligations to purchase capacity and energy until such facilities are completed. In the event GaPC has not completed such facilities by January 1, 1984, to the extent any delay is attributable to GaPC's failure to exert its best efforts consistent with Section 4.2 above, FPL may exercise all of its rights in equity and at law against GaPC and other of the Southern Companies for breach of contract, and Southern Companies shall not be relieved of any of their obligations hereunder.

4.2.2 In the event completion of such interconnecting transmission facilities to be constructed by FPL is delayed for any reason, and power and energy scheduled to be sold and purchased hereunder cannot be effected as a result thereof, FPL and Southern Companies shall suspend sales and purchases of power and energy with respect to Service Schedule E of the Interchange Contract as amended, and FPL shall, as its sole obligation for such delay, purchase from Southern Companies the amount of power under this Agreement which can be accommodated over the then existing interconnections between the parties consistent with the Transfer Limits (as defined in Section 4.5) and consistent with the rights of other Florida Utilities including Contemporaneous Parties which had contracts with Southern Companies for the purchase of Unit Power or Long Term Power as of the effective date of this Agreement. Such purchases, if not FPL's full capacity entitlement hereunder, shall be allocated on a pro rata basis from each unit to which FPL has capacity entitlement. To the extent sales and purchases of power and energy are suspended under Service Schedule E of the Interchange Contract as amended, FPL and Southern Companies shall, at FPL's option, add an equal period of time (up to one year) to the term of said contract providing for the sale and purchase of such power and energy suspended because of such delay. FPL shall exercise such option by giving written notice to Southern Companies on or before March 1, 1984.

In the event FPL has not completed its interconnecting transmission facilities by January 1, 1984, to the extent any delay is attributable to FPL's failure to exert best efforts consistent with Section 4.2 above, Southern

Companies may exercise all of their rights in equity and at law against FPL for breach of contract and FPL shall not be relieved of any of its obligations hereunder.

4.3 Construction of FPL's Internal Transmission: It is recognized that FPL must construct certain internal transmission lines to allow it to increase purchases of unit power capacity during the contract period beginning January 1, 1985 as specified in Section 2.2. Those facilities are (i) a 500 kV transmission line from its Duval Substation to its Rice Substation continuing to its Poinsett Substation, (ii) a separate 500 kV transmission line from its Duval Substation to its Poinsett Substation, and (iii) a 500 kV transmission line from its Poinsett Substation to its Martin Plant. FPL shall use best efforts consistent with Prudent Utility Practices to complete such facilities by the time such facilities are needed to purchase the increased unit power capacity on January 1, 1985.

4.3.1 In the event completion of such internal transmission is delayed despite FPL's best efforts to complete such internal transmission by January 1, 1985 and the increased power and energy scheduled to be sold and purchased on January 1, 1985 cannot be effected as a result thereof, FPL shall purchase from Southern Companies the amount of increased unit power capacity which can be accommodated over the then existing interconnections between the parties consistent with the Transfer Limits (as defined in Section 4.5) and consistent with the rights of other Florida utilities including the other Contemporaneous Party which had contracts with Southern Companies for the purchase of Unit Power or Long Term Power as of the effective date of this Agreement. Such increased purchases, if not FPL's full capacity entitlement hereunder, shall be allocated on a pro rata basis from each unit to which FPL has capacity entitlement.

4.3.2 In the event completion of such internal transmission is delayed despite FPL's best efforts to complete such internal transmission by January 1, 1985 and the increased power and energy scheduled to be sold and purchased beginning January 1, 1985 in accordance with Section 2.2 cannot be effected as a result thereof, Southern Companies shall waive FPL's obligation to purchase the increased capacity and energy which cannot be accommodated under the provisions of Section 4.3.1 until June 1, 1985 or such earlier date as the internal transmission is completed.

4.3.3 In the event completion of such internal transmission is delayed for any reason beyond June 1, 1985, FPL shall, as its sole obligation, begin paying capacity charges for that portion of the increased unit power capacity which cannot be delivered to FPL consistent with the transfer limits, provided, however, if pursuant to Section 4.3.1 FPL is able to purchase a portion of the increased unit power

capacity during the period January 1, 1985 to May 31, 1985, the June 1, 1985 date will be extended one day for each 35 megawatt-months of additional unit power capacity taken during this period (i.e., for every 35 megawatt-months over 3,250 megawatt-months, the June 1, 1985 date will be extended one day).

4.3.4 To the extent FPL cannot take unit power capacity for which it is paying capacity charges, Southern Companies shall use their best efforts, consistent with Prudent Utility Practices at the time, to sell to other utilities such power; or Southern Companies, at their option, may make use of such power for their own purposes. In the event Southern Companies sells such power and energy to third parties, Southern Companies shall credit FPL with the excess of revenues over generation expenses based on Base Energy Rates as specified in Section 6.3. For purposes of this Section 4.3.4, sales to others from resources of Southern Companies, other than oil-fired resources, shall take precedence over any sale made from capacity to which FPL is entitled. In the event Southern Companies elect to make use of energy for which FPL would be paying capacity charges but are unable to receive because of transfer limitations resulting from delay in construction of FPL's internal transmission, such energy shall be transacted under the provisions of Service Schedule C - Economy Interchange under the Interchange Contract between the parties, and Southern Companies shall pay to FPL the Base Energy Rate for such power and energy plus one-half the difference between such Base Energy Rate and the energy cost avoided by Southern Companies (if greater than the Base Rate).

4.3.5 In the event FPL has completed its internal transmission lines specified in Section 4.3 and is able at any time on or after January 1, 1985 to receive the increased power and energy scheduled to be sold and purchased beginning on January 1, 1985, but Southern Companies are unable to make available and deliver such power and energy during such period for any reason including causes set forth in Section 2.4.1, then as their sole obligation, notwithstanding any other provisions in this Agreement, Southern Companies shall exert best efforts consistent with Prudent Utility Practices to remedy the cause of such failure to make available and deliver such increased power and energy and further shall after FPL's completion of its internal transmission lines and continuing until such failure has been cured, Southern Companies shall pay FPL an amount equal to FPL's annual revenue requirements on its internal transmission lines identified in Section 4.3 (including associated substation facilities) for the period of delay multiplied by the ratio of [the increased capacity which Southern Companies are rendered unable to deliver] over [1050 megawatts]. For the purpose of this provision, FPL's annual revenue requirements for such lines shall be determined in a manner similar to the manner described in Article III of the Unit Power Sale Manual for determination of annual revenue requirements for Southern Companies' transmission line facilities using, nevertheless, data representing FPL's cost and FPL's incremental cost of capital.

Upon the occurrence of Southern Companies' ability to consistently make available and deliver power and energy after FPL has completed its internal transmission lines specified in Section 4.3 as contemplated by this Agreement, the provisions of this Section 4.3.5 shall have no further validity and effect.

4.4 Transmission Contingencies: Except as provided in Sections 4.3.2 and 4.3.3, in the event energy scheduled to be delivered hereunder cannot be delivered or received because of contingencies of any nature affecting transmission facilities of either party, there shall be no reduction in capacity charges hereunder; provided, however, where such inability to deliver energy hereunder continues for more than two (2) weeks because of a failure of Southern Companies to remedy problems within their systems, then Southern Companies shall waive capacity charges for periods during which such deliveries continue to be affected in excess of two (2) weeks.

During the period of a transmission contingency of less than two (2) weeks in duration within Southern Companies' systems, energy which could not be delivered to FPL shall not constitute energy made available toward the ninety percent (90%) target capacity factor provided for in Section 3.8. During the period of a transmission contingency of more than two (2) weeks in duration, the parties acknowledge and agree that certain adjustments in operating and accounting procedures will be necessary and that such adjustments will be made in an equitable manner consistent with principles set forth in this Agreement. Such adjustments will be referred to the Operating Committee for resolution.

To the extent the occurrence of a contingency is controllable, Southern Companies shall use their best efforts consistent with Prudent Utility Practices to prevent the occurrence of contingencies which would result in restricted scheduled deliveries of power and energy hereunder and if not prevented shall promptly exert best efforts consistent with Prudent Utility Practices to restore the affected facilities to provide for deliveries as scheduled.

4.5 Limitation of Transmission Facilities: Southern Companies and FPL recognize and acknowledge that transmission facilities being constructed pursuant to this Agreement and other interconnections now existing or which may be constructed in the future between Southern Companies and other electric utilities in Florida are governed by principles and guidelines set forth in the FCG-Southern Reliability Coordination Agreement. Southern Companies and FPL agree that in order for the full benefit of this Agreement to accrue to the parties hereto while preserving the reliability of their

systems, such principles and guidelines must be observed throughout the duration of existing power purchase and sales agreements, this Agreement and any and all power purchase and sales contemplated in the future.

Southern Companies and FPL hereby agree to observe "Transfer Limits" between Southern Companies and Florida (excluding GuPC) consistent with criteria set forth in the FCG-Southern Reliability Coordination Agreement. Until Transfer Limits are defined under the FCG-Southern Reliability Coordination Agreement, Transfer Limits will be defined by the criteria set forth below:

4.5.1 Transfer Limits: The Southern-Florida (excluding GuPC) First Contingency Transfer Limit is defined as the total amount of power that can be transferred from Southern Companies to Florida (excluding GuPC), for periods up to several days with an assurance of adequate system reliability, based on the most limiting of the following:

- (a) With all transmission facilities in service, all facility loadings are within normal ratings and all voltages are within normal limits.
- (b) The bulk power electrical system is capable of absorbing the dynamic power swings without separation between Southern Companies and Florida (excluding GuPC) and of remaining stable following the loss of any single transmission circuit, breaker, or transformer in the Southern Companies systems including the Southern-Florida interconnection circuits, or following the loss of the largest generating unit in Florida or in the Southern Companies systems.
- (c) After the dynamic power swings following a disturbance contemplated under (b), but before operator-directed system adjustments are made, all transmission facility loadings are within emergency ratings and all voltages are within emergency limits.

4.5.1.1 The total amount of power scheduled from Southern Companies to Florida (excluding GuPC), including any other sales or transfers from Southern Companies to other Florida utilities, shall not exceed the Transfer Limit except by mutual agreement during emergencies or other agreed to circumstances.

4.5.1.2 If either party desires to schedule transfers other than emergency transfers between Southern Companies and Florida (excluding GuPC) in excess of the then existing Transfer Limit, except as mutually agreed to in Section 4.5.1.1, then such party, in conjunction with any other third parties

in interest, shall install facilities on their system or take any actions which are necessary to permit the desired transfer in conformance with 4.5.1.1.

4.5.1.3 Schedules of power by Southern Companies to Florida (except GuPC) in excess of the level of transactions under existing or contemporaneous agreements with FPL, Jacksonville Electric Authority, Florida Power Corporation and the City of Tallahassee may create an undue burden on the transmission system of FPL, even though such schedules are within the Transfer Limit established under this Section 4.5. To the extent Southern Companies propose to make any additional sales of power in excess of such amounts to utilities in Florida for periods of one year or more, Southern Companies shall notify FPL of such proposal and FPL agrees to notify Southern Companies, within sixty (60) days after receipt of notice of such proposal whether, in its judgment, based on a good faith evaluation by FPL, a reasonable probability exists that such sale will result in the imposition of an undue burden on the transmission system of FPL. In the event FPL fails to identify any such burden within such time, the agreement for such sale by Southern Companies shall not be prohibited by this Agreement. To the extent FPL identifies any potential burden on its transmission system resulting from such sale, FPL agrees to meet with Southern Companies and the party or parties to whom such sale is to be made to discuss in good faith what facilities or operating procedures are necessary to avoid such burden. In the event no agreement can be reached as to methods of avoiding such burdens, Southern Companies shall not enter into such sales.

In the event Southern Companies schedule transfers to Florida (except GuPC) in excess of the level of transactions identified above under schedules involving sales of less than one year duration, then, to the extent such scheduled transfers together with other sales do not exceed the Transfer Limit established under Section 4.5 above, such schedule of power shall not be prohibited by this Agreement unless FPL notifies Southern Companies that, in its reasonable judgment made in good faith, a burden on its transmission system has been created by such schedule. Southern Companies shall upon receipt of such notice reduce its schedule of such transfers to an acceptable level.

ARTICLE V

PROCEDURE FOR CAPACITY AND ENERGY RATES

5.1 Unit Power Sale Periodic Rate Computation Procedure: FPL and Southern Companies recognize that the cost of providing the unit power and electric services contemplated herein may change during the term of this Agreement. Thus, in order for Southern Companies to be compensated fairly and

adequately, it will be necessary to revise or update, on a periodic basis, the cost, expense, and investment figures utilized in the derivation of the capacity charges and certain components of the energy charges provided for in this Agreement.

In order to facilitate revisions or updates of the charges calculated under the basic procedure and methodology outlined in this Agreement, Southern Companies have adopted a Unit Power Sale Periodic Rate Computation Procedure Manual ("Unit Power Sale Manual") which is attached hereto as Exhibit B to this Agreement and incorporated herein by reference. The Unit Power Sale Manual describes in detail the methodology and procedure to be utilized in the periodic calculation of charges provided for in this Agreement.

The Unit Power Sale Manual, together with this Agreement shall serve as a formulary rate allowing periodic revisions of the charges to reflect changes in costs of providing the services contemplated by this Agreement. The capacity charges and certain components of the energy charges calculated in accordance with the Unit Power Sale Manual will be shown on the Unit Power Sale Informational Schedule further described in Section 5.2 herein.

5.2 Unit Power Sale Informational Schedule: The Unit Power Sale Informational Schedule for Southern Companies showing estimated charges for the unit power sales contemplated by this Agreement is attached hereto for example purposes only and will be replaced with an updated Unit Power Sale Informational Schedule showing the initial charges for the unit power sales during the first calendar year in which the unit power sales occur. The Unit Power Sale Informational Schedule will be revised for each calendar year during the continuation of unit power sales hereunder. Revisions of charges contained in the Unit Power Sale Informational Schedule shall follow the methodology and procedure set forth in this Agreement and the Unit Power Sale Manual. A revised Unit Power Sale Informational Schedule shall be submitted by Southern Companies to FPL on or before November 1 of each year for application on January 1 of the following year. This time period will allow FPL and Southern Companies to verify that the charges contained in the revised Unit Power Sale Informational Schedule have been computed in accordance with this Agreement and the methodology and procedure set forth in the Unit Power Sale Manual. Since the charges contained in the revised Unit Power Sale Informational Schedule will be computed in accordance with the formulary rate method and procedures described in this Agreement and the Unit Power Sale Manual, it is the intent of Southern Companies and FPL that such revisions will not be changes in rates which would require a filing and suspension under the Federal Power Act and the applicable Rules and Regulations of the FERC. A revised Unit Power Sale Informational Schedule will be filed with the

FERC, or its successor in interest, for informational purposes to show the application of the formulary rate method and procedure and the resulting charges provided for in this Agreement and the Unit Power Sale Manual.

5.3 Unilateral Revision of Capacity and Energy Rates and/or Unit Power Sale Periodic Rate Computation Procedure Manual: In addition to the right to change the charges as described in Sections 5.1 and 5.2 above, Southern Companies shall have the right to amend the formulary capacity and energy rates established in this Agreement, Unit Power Sale Manual, and Unit Power Sale Informational Schedule. This right shall be limited to the following changes in the formulary capacity and energy rates: (i) changes in provision for percentage return on equity capital, and (ii) changes in provisions establishing capacity and energy losses. In addition, Southern Companies shall have the right on a single occasion prior to January 1, 1983 to amend cost components included in the formulae for capacity and energy rates to add thereto any legitimate costs which though existing as of the date of execution of this Agreement, were not recognized as being applicable hereto and were inadvertently omitted from a formula component. In the event such amendment would result in imposition of charges to FPL greater than two percent (2%) higher than charges to FPL which would have resulted without such amendment, and Southern Companies do not agree to eliminate such charges greater than two percent (2%), FPL shall have the right, within sixty (60) days from FERC's approval of such amendment, to terminate this Agreement by written notice to Southern Companies specifying a termination date as any date prior to December 31, 1992. Southern Companies shall have the right to unilaterally make application to the Federal Energy Regulatory Commission for a change in rates under Section 205 of the Federal Power Act and pursuant to the Commission's Rules and Regulations promulgated thereunder with respect to the specific matters identified above. In all such events, FPL shall be free to support or contest such amendment or raise any objection it may have to such amendment before FERC. Southern Companies shall further have the right to file unilateral changes in the capacity and energy rates to the extent, at any time, any additional legitimate cost not now in existence, is incurred with respect to charges for capacity and energy (including government impositions), which such cost is not recouped under the capacity and energy rates set forth herein. FPL will support any such change and cooperate and assist Southern Companies in securing approval by FERC of such additional charges to the extent the additional charge can reasonably be defended by FPL.

5.4 Unilateral Changes Resulting From Regulatory Action: Southern Companies shall further have the right to file one or more unilateral changes in the capacity and energy rates under this Agreement if the rates provided for in this Agreement are disapproved or modified by the FERC, or its

successor. FPL agrees to support any such change and cooperate and assist Southern Companies in securing approval by FERC of such change to the extent the change by Southern Companies would not result in the imposition of higher estimated charges to FPL than those which would have been produced under the Agreement prior to the action taken by FERC; provided, however, that FPL's support is contingent upon its determination that it can reasonably defend such change otherwise.

ARTICLE VI

CHARGES FOR SERVICE

6.1 Rates: FPL shall pay each month for the capacity, and energy furnished hereunder and transmission losses associated therewith on the following bases:

6.2 Capacity Rates: With respect to each unit from which capacity is made available to FPL pursuant to Article II, the capacity charge shall be the sum of the dollar per kilowatt-month charge produced by the applicable formulary rate set forth in Article II of the Unit Power Sale Manual for each unit plus the dollar per kilowatt-month charge produced by the formulary rate set forth in Article III thereof for associated transmission capacity. The dollar per kilowatt-month charge for each unit produced by the formulary rate shall be multiplied by the number of kilowatts of capacity from such unit made available to FPL pursuant to Article II hereof each month and the sum of the charges for all units during each month shall be paid by FPL in accordance with Section 7.1 hereof (Billing and Payment). In the event the Net Dependable Capacity of any unit from which capacity sales are to be made to FPL is determined to be zero for any year, FPL shall be responsible for the dollar per kilowatt month charge for such unit produced by the formulary rate assuming such Net Dependable Capacity equaled the Expected Capacity and multiplying such charge by the capacity to which FPL would have been entitled in such circumstance. FPL shall not be responsible for capacity charges for any such unit to the extent the Net Dependable Capacity for such unit is zero for any year due to causes within the reasonable control of the Company responsible for operating the unit, as governed by Prudent Utility Practices. Southern Companies shall true up the capacity charge, on a periodic basis (not less frequently than annually), to reflect actual costs. Such true up will be performed in accordance with Article IX of the Unit Power Sale Manual.

6.3 Base Energy Rates: For Unit Energy supplied to FPL during each month from the units specified in Exhibit A pursuant to Section 3.4, FPL shall pay an amount per MWh

(hereinafter called Base Energy Rate) delivered from each unit equal to the sum of the following items (expressed in \$/MWh):

- (a) Fuel Cost for each unit, which is defined in Article IV of the Unit Power Sale Manual, together with the procedure for determining this component of the energy charge.
- (b) The variable operation and maintenance expenses for the unit. The procedure for determining this component of the energy charge is described in Article V of the Unit Power Sale Manual.
- (c) The in-plant fuel handling expenses for the unit. The procedure for determining this component of the energy charge is described in Article V of the Unit Power Sale Manual.
- (d) Compensation for transmission losses, based on the average transmission loss percentage (%L). The procedure for determining "%L" is set forth in Article VII of the Unit Power^e Sale Manual. Using (a), (b) and (c) above,

$$(d) = [(a) + (b) + (c)] \left[\frac{(\%L \div 100)}{1 - (\%L_e \div 100)} \right]$$

6.4 Alternate Energy Rates: For energy supplied to FPL at any time from alternate sources owned or operated by Southern Companies, in accordance with Section 3.7, FPL shall pay an amount per MWh delivered which is the lesser of (1) the Base Energy Rate as determined in Section 6.3 for the unit for which Alternate Energy is provided, (2) the Normalized Energy Rate as determined in Section 6.6 for the unit for which Alternate Energy is provided, or (3) one-half (0.5) the sum of the Base Energy Rate for such unit and the cost of such Alternate Energy determined by the following principles:

For Alternate Energy whether supplied from an assigned unit of Southern Companies, or from the units in economic dispatch on the system of Southern Companies, the cost of such energy (\$/MWh) shall be the incremental expense of the assigned unit or the units in economic dispatch which is incurred in supplying the energy. With respect to energy supplied from units in economic dispatch, such energy shall be considered as having been delivered at the incremental cost of the Southern Companies after serving their own systems requirements (including energy used for pumping at pumped storage hydroelectric projects) and other power sale commitments taking precedence before delivery of such energy. The only power sale commitments taking precedence before delivery of such Alternate Energy are: (1) any seasonal energy or capacity exchange agreements now existing or entered into in the future, and (2) any firm power interchange sales to other

utilities or third parties now existing or entered into in the future. The expense from assigned units or units in economic dispatch shall include only the incremental cost of fuel, variable operation and maintenance expenses, in-plant fuel handling expenses, change in system transmission losses, and other such energy related costs which would otherwise not have been incurred.

6.5 Supplemental Energy Rates: For energy supplied to FPL at any time pursuant to Section 3.8, FPL shall pay an amount per MWh delivered which is the greater of (1) the Base Energy Rate for the unit for which Supplemental Energy is provided, as determined in Section 6.3; provided, however, such Base Energy Rate shall be limited to a value no greater than the Normalized Energy Rate as determined in Section 6.6 for such unit; or (2) the cost of such Supplemental Energy determined by the following principle:

For Supplemental Energy whether supplied from an assigned unit of Southern Companies or from the units in economic dispatch on the system of Southern Companies, the cost of such energy shall be the incremental expense of the assigned unit or the units in economic dispatch which is incurred in supplying the energy. With respect to energy supplied from units in economic dispatch, such energy shall be considered as having been delivered at the incremental cost of Southern Companies after serving their own systems requirements (including energy used for pumping at pumped storage hydroelectric projects) and other power sale commitments taking precedence before delivery of such Supplemental Energy as defined in Section 3.8.5. The expense from assigned units or units in economic dispatch shall include only the incremental cost of fuel, variable operation and maintenance expenses, in-plant fuel handling expenses, change in system transmission losses, and other such energy related costs which would otherwise not have been incurred.

6.6 Normalized Energy Rates: The Normalized Energy Rate each month for each unit specified in Exhibit A shall be equal to the sum of the following items (expressed in \$/MWh):

- (a) Normalized Fuel Cost for the unit, which is defined in Article IV of the Unit Power Sale Manual.
- (b) The variable operation and maintenance expenses for the unit as described in Article V of the Unit Power Sale Manual.
- (c) The in-plant fuel handling expenses for the Unit as described in Article V of the Unit Power Sale Manual.
- (d) Compensation for transmission losses, based on the

average transmission loss percentage (%L_e) set forth in Article VII of the Unit Power Sale Manual.

Using (a), (b), and (c) above,

$$(d) = [(a) + (b) + (c)] \left[\frac{(\%L_e \div 100)}{1 - (\%L_e \div 100)} \right]$$

6.7 Station Service Charges: For station service energy required each month for a unit specified in Exhibit A during the hours in which the net electrical output of such unit is equal to or less than zero, FPL shall pay an amount per MWh, for a pro rata share of such station service energy based on the ratio of FPL's capacity entitlement in such unit pursuant to Article II to the Net Dependable Capacity of such unit, equal to the Base Energy Rate of such unit as determined in Section 6.3.

6.8 Discretionary Energy Rates: For energy supplied to FPL at any time pursuant to Section 3.9, FPL shall pay an amount per MWh delivered which is the greater of (1) FPL's weighted average Energy Rate for FPL's pro rata share of all units as determined by the following formula:

$$WAER = \frac{UPC_1 \times ER_1}{UPC_1 + UPC_2 + \dots + UPC_N} + \dots + \frac{UPC_N \times ER_N}{UPC_1 + UPC_2 + \dots + UPC_N}$$

Where:

WAER = FPL's weighted average Energy Rate for FPL's pro rata share of all units.

N = Total number of units to which FPL has capacity entitlement.

UPC_N = Unit power capacity entitlement of FPL from such unit determined in accordance with Article II.

ER_N = Unit's respective Energy Rate which is lesser of (1) the Base Energy Rate of such unit as determined in accordance with Section 6.3, or (2) the Normalized Energy Rate of such unit as determined in accordance with Section 6.6.

or (2) the cost of such Discretionary Energy determined by the following principle:

For Discretionary Energy, whether supplied from an assigned unit of Southern Companies or from the units in economic dispatch on the system of Southern Companies, the cost

of such energy shall be the incremental expenses of the assigned unit or the units in economic dispatch which is incurred in supplying the energy. With respect to energy supplied from units in economic dispatch, such energy shall be considered as having been delivered at the incremental cost of Southern Companies after serving their own system's requirements and needs, any power sale commitments now or then existing, and any other discretionary power sales under agreements with other utilities (or third parties) now or then existing. The expense from assigned units or units in economic dispatch shall include only the incremental cost of fuel, variable operation and maintenance expenses, in-plant fuel handling expenses, change in system transmission losses, and other such energy related costs which would otherwise not have been incurred.

ARTICLE VII

BILLING AND PAYMENTS

7.1 Presentation and Payment of Bills for Capacity Charges: Capacity charges in the amounts determined in accordance with Article VI for each month shall be stated in an invoice presented by Southern Companies to FPL on or before December 1 of each year stating the amount due each month during the ensuing year. To the extent the monthly capacity charges specified in any such invoice change as a result of causes specified in this Agreement, an amended invoice shall be presented to FPL by Southern Companies as soon as practicable after such change occurs. On or before the fifteenth day of each month of the ensuing year, FPL shall make payment to Southern Companies in accordance with the invoice or amended invoice in immediately available funds through wiring of funds or other mutually agreeable methods of payment. Any adjustment due to be made as a result of the procedure set forth in Section 2.2.17 or Article IX of the Unit Power Sale Manual shall be added to or subtracted from the invoice due to be paid in the month next following the date on which FPL is notified by Southern Companies (by mail and telecopy on the same day) of such adjustment. Such payment shall also include any amounts theretofore invoiced by Southern Companies and not paid by FPL associated with the administration of the true up provision as specified in Article IX of the Unit Power Sale Manual. Payments of capacity charges not made when due shall accrue interest, at one hundred five percent (105%) of the prime rate quoted on the date due by Manufacturers Hanover Trust Company in New York, New York, from the due date to the date of payment (a day shall equal 1/30 of a month).

7.2 Presentation and Payment of Bills for Energy and Other Charges: As promptly as practicable after the first of each month during the term hereof, an invoice shall be sent by Southern Companies by mail and by telecopy on the same date

stating the charges determined in accordance with Article VI for energy sold and delivered to FPL hereunder during the preceding month together with any other charges then due by FPL to Southern Companies pursuant to the terms of this Agreement. All such invoices shall be due and payable within ten (10) days from the date of mailing (as determined by postmark) by Southern Companies, or by the 20th day of the month, whichever is later. FPL shall make payment to Southern Companies in accordance with such invoices on or before the date due in immediately available funds through wiring of funds or other mutually agreeable methods of payment. Bills not paid when due shall accrue interest, at one hundred five percent (105%) of the prime rate quoted on the due date by Manufacturers Hanover Trust Company in New York, New York, from the due date to the date of payment (a day shall equal 1/30 of a month). With each monthly invoice, Southern Companies will provide FPL a monthly statement to show the energy transactions and the basis for the settlement pertaining thereto, including the fuel cost components of energy charges. To expedite submission of invoices, the most recent available cost data will be used for the initial invoice. An adjusted invoice, if required to reflect the actual charges due for energy, shall be included in the monthly invoice immediately following the initial invoice.

7.3 Disputed Invoice: In case any portion of an invoice submitted pursuant to Section 7.2 is in bona fide dispute, the undisputed amount shall be payable when due; and the remainder shall be paid promptly, upon determination of the correct amount, in accordance with Section 7.2. Upon request by FPL, Southern Companies shall provide copies of supporting documentation and records necessary to verify invoices whether disputed or undisputed.

7.4 Audit Rights: Southern Companies shall, upon written request from FPL, promptly make arrangements for FPL to audit any and all books and records of the Southern Companies which relate to and are necessary for verification of charges and costs paid by FPL under this Agreement. Such audit shall, at the option of FPL, and at FPL's sole expense, be performed by FPL or by a nationally recognized accounting firm experienced in utility accounting practices. FPL's right to audit such records shall extend for a period of three years following any year to which such audit relates.

ARTICLE VIII

OPERATING COMMITTEE

8.1 Establishment of Operating Committee: FPL and SCS, acting as agent for Southern Companies, shall each appoint one representative to act for it in matters pertaining to detailed operating arrangements for delivery of power

hereunder, and FPL and SCS may each appoint an alternate to act for it in the absence of its representative. The two representatives, or their alternates, so appointed shall comprise and be referred to as the Unit Power Sales Operating Committee. Evidence of such appointment shall be given by written notice to each of the parties, and such appointments may be changed at any time by similar notice.

8.2 Responsibilities of the Unit Power Sales Operating Committee: The Unit Power Sales Operating Committee, in addition to matters specifically referred to elsewhere in this Agreement, shall be responsible for the following:

- (a) Communications with respect to energy scheduling under Sections 3.1 through 3.5.
- (b) Establishment of arrangements for metering, telemetering, telecommunications, data acquisition, etc., associated with the delivery and receipt of power and energy hereunder to the extent not provided for by the Operating Committee established under the Interchange Contract.
- (c) Communications with respect to the construction and schedule for commercial operation of the units specified in Section 2.1 and transmission facilities referred to in Sections 4.2 and 4.3.
- (d) Establishment of control and operating procedures to the extent not provided for by the Operating Committee under the Interchange Contract.
- (e) Establishment of methods and procedures for accounting and billing hereunder.
- (f) Communications with respect to Alternate Energy, Supplemental Energy and Discretionary Energy transactions under Sections 3.7, 3.8 and 3.9.
- (g) Communications with respect to determination of capacity available from each unit under Section 2.3.
- (h) Development of forecasts by month of energy availability, demand and pricing, including capacity costs for use in planning by the parties.
- (i) Communications with respect to the maintenance of the units specified in Section 2.1 including

the review and coordination of annual maintenance schedules for the upcoming 5-year period.

- (j) Such other duties as may be conferred upon it by mutual agreement of FPL and Southern Companies.

Both FPL and Southern Companies shall cooperate in providing to the Unit Power Sales Operating Committee all information required in the performance of its duties. If the Unit Power Sales Operating Committee is unable to agree on any matter falling under its jurisdiction, such matter shall be referred by the representatives to their Principals for decision. Failure of the Principals to agree on any matter referred to them shall not constitute a basis for cancellation of this Agreement. All decisions and agreements made by the Operating Committee shall be evidenced in writing.

8.3 Unit Power Sales Operating Committee Meetings: The Unit Power Sales Operating Committee shall hold an annual meeting at a time and place agreed upon by its members and review the duties set forth herein. When requested by either FPL or Southern Companies, the Unit Power Sales Operating Committee shall also meet at the earliest opportunity for consideration of matters under its jurisdiction.

ARTICLE IX

AGENCY OF SOUTHERN COMPANY SERVICES, INC. FOR SOUTHERN COMPANIES

9.1 Role of SCS: SCS joins in the execution of this Agreement for the sole purpose of serving and acting as agent for Southern Companies jointly and severally. Southern Companies may designate a new agent from time to time under this Agreement by giving FPL ten (10) days' written notice in which event the authority of SCS, as agent, shall cease and the newly designated agent shall be substituted for the sole purpose of serving and acting as agent for Southern Companies jointly and severally.

9.2 Payments to Agent: FPL shall be entitled to make all payments due to be made in accordance with this Agreement to SCS, or such other agent of Southern Companies as designated under Section 9.1, and the making of such payments shall discharge FPL's obligations hereunder notwithstanding the fact that such payments shall be due to be paid to one or more of the Southern Companies.

ARTICLE X

MISCELLANEOUS PROVISIONS

10.1 Interrelationship with Interchange Contract: It is recognized by the parties that the Interchange Contract in effect between the parties as of the date hereof governs the interconnected operations of the parties necessary for conduct of the transactions contemplated hereunder. To the extent not inconsistent herewith, such Interchange Contract, including any amendments thereto, shall govern the operations of the parties hereunder. In the event such Interchange Contract is terminated or cancelled during the term of this Agreement, the provisions of such Interchange Contract which are essential for the continuation of transactions hereunder shall survive the termination or cancellation of such Interchange Contract.

10.2 Provisions of Interchange Contract Specifically Incorporated by Reference: The parties agree that the following provisions of the Interchange Contract are specifically incorporated herein by reference as though fully set forth herein:

- (a) Section 5.4 Kilovar Supply.
- (b) Section 5.5 Determination of Amounts Supplied.
- (c) Section 5.6 Transfer of Power and Energy Through Other Systems.
- (d) Section 6.2 Metering and Metering Facilities.
- (e) Section 6.3 Inspecting and Testing of Meters.
- (f) Section 6.4 Billing Adjustments.
- (g) Section 7.1 Records.
- (h) Section 10.1 Third Parties.
- (i) Section 10.3 Responsibility and Indemnification.
- (j) Section 10.5 Notices.
- (k) Section 10.6 Waivers.
- (l) Section 10.7 Successors and Assigns.

10.3 Specification of Sole Obligation or Sole Remedy: With respect to the matters provided for herein where the Agreement specifies an obligation or remedy as being the sole obligation or remedy, it is the parties agreement and intent that such obligation or such remedy is the exclusive obligation or remedy. No expansion of such obligation or remedy shall be provided in any suit, action or proceeding of any nature whatsoever, whether the claim underlying such suit, action or proceeding is based on contract, tort (including strict liability) or otherwise.

10.4 Standard of Performance of Obligations: In connection with the operation and maintenance of units from which FPL is entitled to capacity, other facilities (including transmission) referenced in this Agreement and other facilities required in support of Southern Companies' obligations under this Agreement, Southern Companies' standard of management and performance during the term of this Agreement shall be at least equal to the standard which it would use if such units and facilities were solely for their own territorial customers.

10.5 Definition of "Prudent Utility Practices": For purposes of this contract, "Prudent Utility Practices" at a particular time shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry prior to such time, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. "Prudent Utility Practices" are not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts expected to accomplish the desired results.

10.6 Limitation of Liability: In no event shall either party hereto be liable (in contract or in tort, including negligence) to the other party for incidental or consequential loss or damage resulting from performance, nonperformance or delay in performance of their obligations under this Agreement, except where such loss or damage results from intentional tort or fraud.

10.7 General Cost Principles: Charges for electric services provided for in this Agreement consist of and include both direct and indirect costs incurred by Southern Companies attributable to activities required for the construction, operation and maintenance of transmission and generation facilities necessary to meet their obligations hereunder. FPL and Southern Companies have agreed upon certain formulary descriptions of methodology and procedure as contained in the

Unit Power Sale Manual and this Agreement which shall be used in computation of charges.

It is recognized that the derivation and computation of such charges will include costs both directly and indirectly incurred by the Southern Companies and that in the case of costs indirectly incurred it will be necessary to apply certain allocation methods and procedures to assign such costs to the appropriate facilities. Such costs shall be allocated by using the allocation methods and procedures set forth in Unit Power Sale Manual. If no allocation methods or procedures have been specified herein for a particular cost or cost component, Southern Companies shall apply fair and equitable allocation methods and procedures consistent with Prudent Utility Practices.

It is the intent of the parties hereto that the accounting for Southern Companies costs, both direct and indirect, and allocations thereof shall be pursuant to assessing actual costs incurred, and charges to FPL shall not include duplication or allocations of greater than 100% of such costs.

10.8 Section References: References herein to Articles or Sections of Articles shall be interpreted to mean all Sections of the Article referenced and all subsections of the Section referenced.

10.9 Equal Employment Opportunity and Civil Rights: The parties hereby certify that they will comply with Section 202, Paragraphs 1 through 7 of Executive Order 11246, as amended, and applicable portions of Executive Orders 11701 and 11758, relative to Equal Employment Opportunity and the Implementing Rules and Regulations of the Office of Federal Contracts Compliance which are incorporated herein by this reference.

[The next page is the signature page, page 36.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers effective as of the date set forth in Section 1.1.

ATTEST:

[Signature]

FLORIDA POWER & LIGHT COMPANY

By *H. L. Allen*
H. L. Allen
Senior Vice President
Date: 2/18/82

ATTEST:

[Signature]

SOUTHERN COMPANY SERVICES, INC.

By *R. O. Usry*
R. O. Usry
Vice President
Date: 2/18/82

ATTEST:

Dorothy L. Essig
Usry's Secretary

ALABAMA POWER COMPANY

By *R. E. Huffman*
R. E. Huffman
Vice President
Date: 2/18/82

ATTEST:

George V. Strickland

GEORGIA POWER COMPANY

By *A. W. Dahlberg*
A. W. Dahlberg
Vice President
Date: 2/18/82

ATTEST:

[Signature]

GULF POWER COMPANY

By *Earl B. Parsons, Jr.*
E. B. Parsons, Jr.
Vice President
Date: 2/18/82

ATTEST:

W. S. Wilson

MISSISSIPPI POWER COMPANY

By *H. H. Bell, Jr.*
H. H. Bell, Jr.
Vice President
Date: 2/18/82