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Docket 150075-EI Comprehensive Exhibit Listfor Entry into Hearing Record July 28, 2015				
Hearing I.D. #	**Witness**	**I.D. # As Filed**	**Exhibit Description**	**Entered**
STAFF				
1		Exhibit List	Comprehensive Exhibit List	
FLORIDA POWER & LIGHT (FPL) (DIRECT)				
2	Thomas L. Hartman	TLH-1	Existing Contract Capacity and Operation & Maintenance ("O&M") Payment Obligations	
3	Thomas L. Hartman	TLH-2	Purchase & Sale Agreement **(CONFIDENTIAL)**	
4	Thomas L. Hartman	TLH-3	Cedar Bay Ownership Structure	
5	Thomas L. Hartman	TLH-4	Results of FPL's Economic Evaluation	
6	David W. Herr	DH-1	Curriculum Vitae	
7	David W. Herr	DH-2	"Valuation of Certain Tangible and Intangible Assets of CBAS Power Inc." Report	
8	David W. Herr	DH-3	More Detailed Form of "Valuation of Certain Tangible and Intangible Assets of CBAS Power Inc." Report **(CONFIDENTIAL)**	
9	Kim Ousdahl	KO-1	Proposed Journal Entries	
OFFICE OF PUBLIC COUNSEL (OPC) (DIRECT)				

10	G. Brunault	Appendix A	Résumé of Gary D. Brunault	
11	G. Brunault	GB-1	Proposed Bonus Capacity Revenue of PPA	
12	D. Wittliff	Appendix A	Résumé of Dan J. Wittliff	
13	T. Myers	Appendix A	Résumé of Terry M. Myers	
14	T. Myers	TMM-1	Proposed Journal Entries for Cedar Bay Transaction	
15	C. Dawson	Appendix A	Résumé of Christopher C. Dawson	
16	C. Dawson	CCD-1	Modified FPL Economic Evaluation 1	
17	C. Dawson	CCD-2	Modified FPL Economic Evaluation 2	
18	C. Dawson	CCD-3	Modified FPL Economic Evaluation 3	
19	C. Dawson	CCD-4	Modified FPL Economic Evaluation 4	
20	C. Dawson	CCD-5	Modified FPL Economic Evaluation 5 **(CONFIDENTIAL)**	
21	C. Dawson	CCD-6	Modified FPL Economic Evaluation 6 **(CONFIDENTIAL)**	
22	C. Dawson	CCD-7	Summary of FPL's Alternatives to PPA **(CONFIDENTIAL)**	
FLORIDA INDUSTRIAL POWER USERS GROUP (FIPUG) (DIRECT)				
23	Jeffry Pollock	Appendix A	Qualifications of Jeffry Pollock	
24	Jeffry Pollock	Appendix B	Testimony Filed in Regulatory Proceedings	

25	Michael Lane	MGL-1	List of Utility Appraisals	
26	Michael Lane	MGL-2	Discount Rate Spreadsheet **(CONFIDENTIAL)**	
27	Cliff Evans	Composite Exhibit CE-1	Deposition Exhibits Nos. 1, 5, 6, 15, 24, 25, 26, 29, 30, 31, 33, 37, 38 **(CONFIDENTIAL)**	
28	Stephen Mark Rudolph	Composite Exhibit SR-1	Deposition Exhibits Nos. 17, 18, 21, 22 **(CONFIDENTIAL)** 3 (FPL Counter designation)	
STAFF				
29			FPL's Responses to Staff's First Set of Interrogatories (Nos. 1-2 **(CONFIDENTIAL)**, 6-18, 19 **(CONFIDENTIAL)** and 20-25) *[Bates Nos. 00001 – 00073]*	
30			FPL's Responses to Staff's Second Set of Interrogatories (No. 26) *[Bates Nos. 00074 – 00076]*	
31			FPL's Responses to Staff's Third Set of Interrogatories (Nos. 27-33) *[Bates Nos. 00077 – 00095]*	
32			FPL's Responses to Staff's Fourth Set of Interrogatories (Nos. 34 **(CONFIDENTIAL)**, and 35) *[Bates Nos. 00096 – 00100]*	
32A			FPL's Responses to Staff's Fifth Set of Interrogatories (No. 37, with **CONFIDENTIAL** Attachment) *[Bates Nos. 00101 – 00104]*	

33			FPL's Responses to Staff's Sixth Set of Interrogatories (Nos. 38-40) (38a has a 2 page **CONFIDENTIAL** Attachment and 38b has a 1 page **CONFIDENTIAL** Attachment) *[Bates Nos. 00105 – 00114]*	
34			FPL's Responses to Staff's Seventh Set of Interrogatories (Nos. 41-42) *[Bates Nos. 00115 – 00119]*	
35			FPL's Responses to Staff's Eighth Set of Interrogatories (Nos. 43 and 44 **(CONFIDENTIAL)**) *[Bates Nos. 00120 – 00125]*	
36			FPL's Responses to Staff's First Request for Production of Documents (Nos. 1 **(CONFIDENTIAL)**, 2, and 3 **(CONFIDENTIAL)**) *[Bates Nos. 00126 – 00357]*	
37			FPL's Responses to Staff's Second Request for Production of Documents (Nos. 5-6) *[Bates Nos. 00358 – 00367]*	
38			FPL's Responses to Staff's Third Request for Production of Documents (Nos. 7, 8, and 9-10 **(CONFIDENTIAL)**) *[Bates Nos. 00368 – 00392]*	
39			FPL's Responses to OPC's First Set of Interrogatories (Nos. 1-3, 4 **(CONFIDENTIAL)**, and 5) *[Bates Nos. 00393 – 00401]*	
40			FPL's Responses to OPC's Second Set of Interrogatories (Nos. 6-10 and 14-16) *[Bates Nos. 00402 – 00413]*	

41			FPL's Responses to OPC's Third Set of Interrogatories (Nos. 17-25, 27-32, 34-36, and 38-40) *[Bates Nos. 00414 – 00440]*	
42			FPL's Responses to OPC's Fourth Set of Interrogatories (Nos. 43 and 47) *[Bates Nos. 00441 – 00448]*	
43			FPL's Responses to OPC's Fifth Set of Interrogatories (Nos. 49 **(CONFIDENTIAL),** 51 **(CONFIDENTIAL),** and 52) *[Bates Nos. 00449 – 00457]*	
44			FPL's Responses to OPC's Sixth Set of Interrogatories (No. 53) *[Bates Nos. 00458 – 00460]*	
45			FPL's Responses to OPC's First Request for Production of Documents (Nos. 1, 2 **(CONFIDENTIAL)**, Excerpt from 4 (BN 572-593 only - **CONFIDENTIAL**), 5 **(CONFIDENTIAL),** 6, 10 **(CONFIDENTIAL – BN 1097 thru 1132 only)**, and 11) *[Bates Nos. 00461 – 00640]*	
46			FPL's Responses to OPC's Second Request for Production of Documents (Nos. 15a, 15b, 16 (SEE STAFF EXHIBIT CD FOR EXCEL FILES re: Nos. 15a, 15b, and 16), 17, 22, 23, 26, 28, 29, 32, and 34 **(CONFIDENTIAL)** *[Bates Nos. 00641 – 00746]*	
47			FPL's Responses to OPC's Fourth Request for Production of Documents (Nos. 45 **(CONFIDENTIAL)**, and 49 **(CONFIDENTIAL))** *[Bates Nos. 00747 – 00751]*	

48			FPL's Responses to OPC's Sixth Request for Production of Documents (No. 52 **(CONFIDENTIAL))** *[Bates Nos. 00752 – 00753]*	
49			FPL's Responses to FIPUG's First Set of Interrogatories (Nos. 8 and 9) *[Bates Nos. 00754 – 00757]*	
50			FPL's Responses to FIPUG's Second Request for Production of Documents (Staff Excerpt from No. 13 **(CONFIDENTIAL))** *[Bates Nos. 00758]*	
51			FPL's Responses to FIPUG's First Request for Admissions (Nos. 3 and 6) *[Bates Nos. 00759 – 00761]*	
52			OPC's Responses to FPL's First Set of Interrogatories (No. 8) *[Bates Nos. 00762 – 00765]*	
53			OPC's Responses to Staff's First Set of Interrogatories (Nos. 1, 2, and 3 **(CONFIDENTIAL))** *[Bates Nos. 00766 – 00772]*	
54			OPC's Responses to Staff's First Request for Production of Documents (Nos. 1 (Staff Excerpt), 2 (Staff Excerpt), 3 **(CONFIDENTIAL)**, 4, 5 **(CONFIDENTIAL -** Response only, no attachments), 6 (Staff Excerpt and **CONFIDENTIAL excerpt**), and 7 **(CONFIDENTIAL -** Response only, no attachments) *[Bates Nos. 00773 – 00783]*	
FLORIDA POWER & LIGHT (FPL) (REBUTTAL)				
55	David Herr	DH-4	Major Factors Impact FV of Cedar Bay PPA **CONFIDENTIAL**	

56	Kim Ousdahl	KO-2	FERC Accounting Decisions on Qualifying Facility ("QF") Acquisitions	
57	Kim Ousdahl	KO-3	Cedar Bay Journal Entries Under Original Cost Accounting	
58	Tracy L Patterson	TLP-1	Cedar Bay: Chronology of Plant Engineering Improvements	
59	Tracy L Patterson	TLP-2	Performance Statistics for Cedar Bay Generating Facility	
60	Tracy L Patterson	TLP-3	The Ground Lease Between Cedar Bay Generating Company and RockTenn **(CONFIDENTIAL)**	
61	Thomas L Hartman	TLH-5	Historical operating performance of the Cedar Bay Facility	
62	Thomas L Hartman	TLH-6	Graph of Monthly Capacity Factor from January 2010 through December 2014	
63	Thomas L Hartman	TLH-7	Economics of operating the Cedar Bay Facility through 2024	

OTHER HEARING EXHIBITS

Exhibit Number	Witness	Party	Description	Moved In/Due Date of Late Filed
64	Barrett	FIPUG	CONFIDENTIAL – Carlyle 3.24.14 indicative proposal	
65	Barrett	FIPUG	CONFIDENTIAL – FPL 5.20.14 offer	
66	Herr	FIPUG	CONFIDENTIAL – Excerpt from EXH 18 to Rudolph prefiled testimony	
67	Herr	FIPUG	CONDIFENTIAL - Excerpt EXH 17 to Rudolph prefiled testimony	
68	Herr	FIPUG	Carlyle Group 9.6.2012 Press Release regarding acquisition	
69	Butts	FIPUG	AA Phase 2 envieronmental site assessment overview	

Fixed Payment Obligations under Existing Contract:

Year	Capacity Payment ($/MW-mo)	Capacity Bonus at 98% C.F. ($/MW-mo)	O&M Fixed ($/MW-mo)
2015	$ 37,130	$ 1,857	$ 4,430
2016	$ 38,490	$ 1,925	$ 4,610
2017	$ 39,890	$ 1,995	$ 4,800
2018	$ 41,340	$ 2,067	$ 5,000
2019	$ 42,840	$ 2,142	$ 5,210
2020	$ 44,410	$ 2,221	$ 5,420
2021	$ 46,030	$ 2,302	$ 5,640
2022	$ 47,710	$ 2,386	$ 5,870
2023	$ 49,450	$ 2,473	$ 6,110
2024	$ 51,260	$ 2,563	$ 6,360

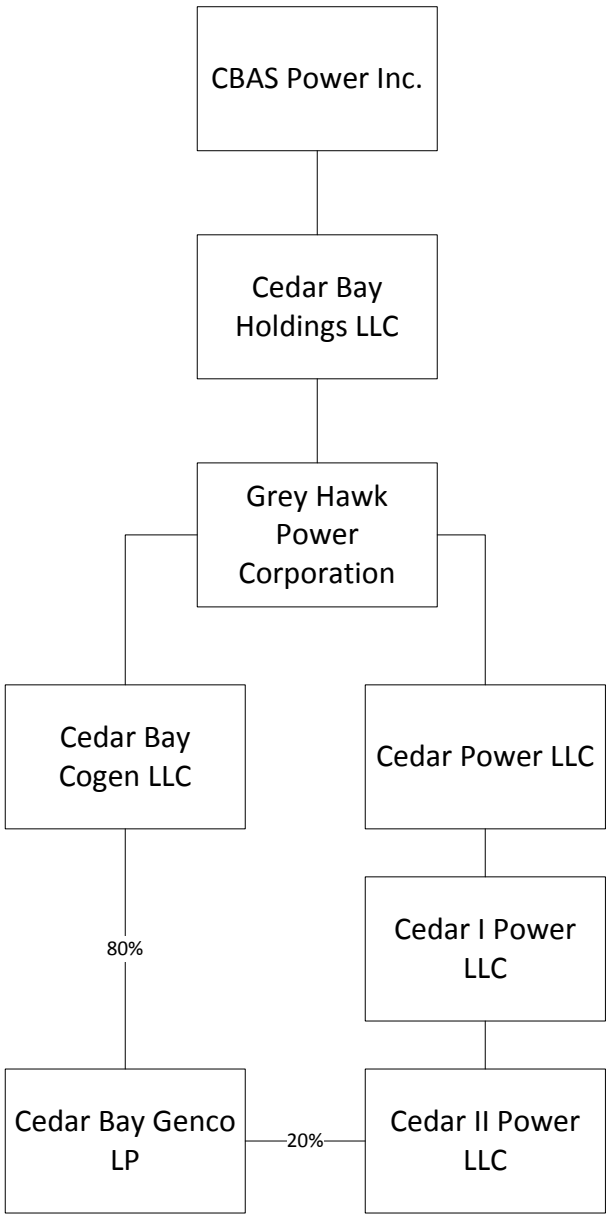
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 2
PARTY: FLORIDA POWER & LIGHT (FPL) (DIRECT)
DESCRIPTION: Thomas L. Hartman TLH-1

Docket No. 15_____-EI
Purchase and Sale Agreement
Confidential Exhibit TLH-2, Pages 1 - 65

Exhibit TLH-2 is confidential in its entirety.

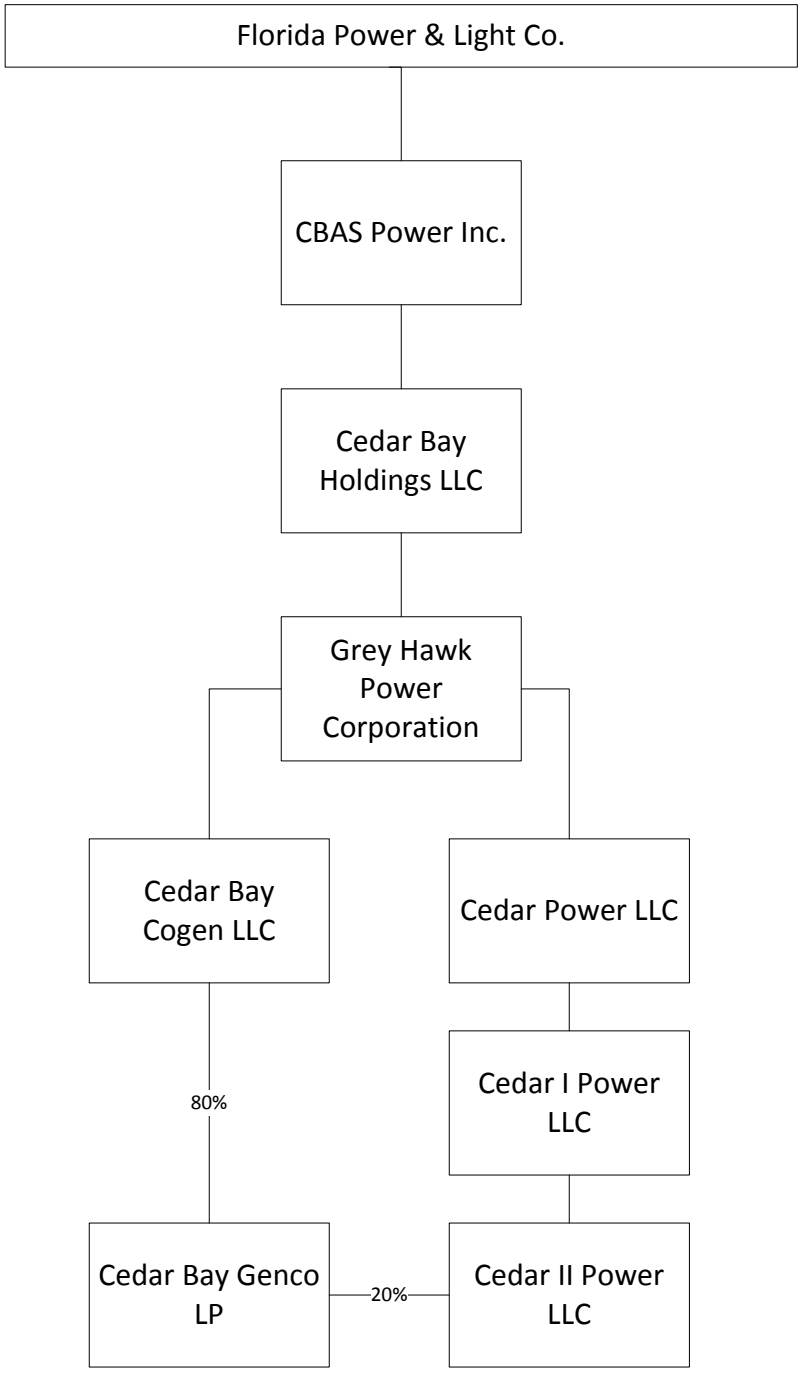
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 3
PARTY: FLORIDA POWER & LIGHT (FPL)
(DIRECT)
DESCRIPTION: Thomas L. Hartman TLH-2

Florida Power and Light Company
Cedar Bay Transaction
CBAS Legal Structure
Pre-Acquisition



FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 4
PARTY: FLORIDA POWER & LIGHT (FPL)
(DIRECT)
DESCRIPTION: Thomas L. Hartman TLH-3

Florida Power and Light Company
Cedar Bay Transaction
CBAS Legal Structure
Post-Acquisition



Results of FPL's Economic Evaluation[1]

	(dollars in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Nominal Total	Present Value[9]
A	Discount Factor[2]	0.99	0.94	0.88	0.81	0.76	0.70	0.66	0.61	0.57	0.53		
B	Amortization[3]	$ 30	$ 90	$ 90	$ 90	$ 90	$ 90	$ 90	$ 90	$ 90	$ 90	$ 842	$ 612
C	Operating Expenses[4]	8	17	1	1	1	1	1	1	1	1	30	27
D	Asset Retirement Obligation[5]	1	3	-	-	-	-	-	-	-	-	4	4
E	Interest Expense[6]	3	10	8	7	6	5	4	3	2	1	49	40
F	Return on Equity[7]	10	30	26	23	19	16	12	9	5	2	151	121
G	Income Tax	6	19	16	14	12	10	8	5	3	1	95	76
H	Total Cost of Acquiring CBAS	58	169	142	135	128	121	115	108	101	94	1,171	881
I	FPL System Impact[8]	3	9	3	15	11	9	15	18	22	22	127	86
J	Capacity Payment	(42)	(129)	(134)	(139)	(144)	(149)	(155)	(161)	(167)	(173)	(1,393)	(993)
K	Capacity Bonus	(2)	(6)	(6)	(6)	(6)	(7)	(7)	(7)	(7)	(8)	(62)	(44)
L	Total Avoided Costs of PPA	(43)	(135)	(140)	(145)	(151)	(156)	(162)	(168)	(174)	(181)	(1,455)	(1,038)
M	Net Customer Costs/(Savings)	$ 17	$ 43	$ 5	$ 5	$ (11)	$ (25)	$ (32)	$ (42)	$ (51)	$ (64)	$ (156)	$ (70)

1) Totals may not sum due to rounding
2) Discount Factor is based on weighted average cost of capital of 7.51% discounted to September 1, 2015
3) Reflects amortization of regulatory asset associated with $520.5 MM PPA and respective $326.9 MM tax gross up, less the $4.9 MM regulatory liability associated with the plant book/tax difference
4) Operating Expenses include operations and maintenance, land lease, rail lease, and change in net working capital
5) Reflects amortization of ARO Asset and accretion of ARO Liability
6) Interest expense assumes cost of debt of 5.05%
7) Assumes after-tax return on equity of 10.5%
8) Includes incremental system fuel costs, start-up costs, variable O&M, environmental compliance costs, and short-term purchases
9) Present value is calculated as the sum the annual values multiplied by the respective discount factor

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 5
PARTY: FLORIDA POWER & LIGHT (FPL) (DIRECT)
DESCRIPTION: Thomas L. Hartman TLH-4

Docket No. 15_____-EI
Results of FPL's Economic Evaluation
Exhibit TLH-4, Page 1 of 1

David Herr Resume

David Herr is a managing director in the Philadelphia office and part of the Valuation Services Advisory business unit, for which he is the global leader of the Energy and Mining industry group. He is also the Duff & Phelps Philadelphia city leader. David is in his twentieth year with the firm, starting with the Valuation Services Group within Coopers & Lybrand LLP.

David has substantial energy experience focused on fossil and renewable power as well as electric and water utilities. David has led purchase price allocations for eight transactions in excess of $5 billion over the last five years, including four announced power and utility transactions with purchase prices in excess of $10 billion. David has extensive experience in advising and assisting clients with application of Accounting Standards Codification ASC 820, Fair Value Measurements and Disclosures, ASC 805, Business Combinations and ASC 350, Intangibles-Goodwill and Other. Additionally, David has experience assisting global companies with preparation of purchase accounting pursuant to IFRS 3R, Business Combinations. David has substantial experience performing both single-entity tax valuations and complex multi-tier entity rollups for energy, mining and other industrial products companies.

David has instructed numerous internal courses on topics, such as valuation theory and fair value accounting and participated in an intensive training program in decision analysis, simulation and real option valuation. Additionally, David has been a speaker at numerous industry conferences, including Platt's Global Power Markets conference and Infocast's Solar Power Finance & Investment Summit.

David received his B.S. in finance from Villanova University, where he graduated first in his class. David is a chartered financial analyst ("CFA") charterholder, a member of the CFA Institute and the Financial Analysts of Philadelphia. David also is FINRA Series 7 and 63 certified. Prior to his valuation career, David was a pitcher in the Montreal Expos organization.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 6
PARTY: FLORIDA POWER & LIGHT (FPL) (DIRECT)
DESCRIPTION: David W. Herr DH-1

DUFF & PHELPS

Valuation of Certain Tangible and Intangible Assets of CBAS Power Inc.

March 4, 2015

Prepared For:
Florida Power & Light Company

This document and the accompanying schedules have been prepared for the limited purpose of evaluating the procedures to be employed, including the methods for verifying the underlying assumptions to be used, in a final report to be issued at a later date with respect to the Fair Value ("FV") of the properties described herein as of the date specified in that subsequent report. This document is not an appraisal or expression of opinion with respect to the FV of any of the properties described herein and should not be used or relied upon, in whole or in part, for any such purpose. The information contained herein is preliminary and subject to revision.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 7
PARTY: FLORIDA POWER & LIGHT (FPL)
(DIRECT)
DESCRIPTION: David W. Herr DH-2

March 4, 2015

Ms. Kimberly Ousdahl
Florida Power & Light Company
Vice President, Controller and Chief Accounting Officer
700 Universe Blvd.
Juno Beach, FL 33408

Subject: Valuation of Certain Tangible and Intangible Assets of CBAS Power Inc.

Dear Ms. Ousdahl:

Duff & Phelps, LLC ("Duff & Phelps"), having been retained by Florida Power & Light Company ("FPL" or the "Purchaser"), has completed the services (the "Services") set out below in connection with the estimation of the Fair Value of certain tangible and intangible assets (the "Subject Assets") in connection with the contemplated acquisition ("the "Acquisition") of CBAS Power, Inc. ("CBAS") as of an expected transaction close on August 30, 2015 (the "Valuation Date"). Collectively, this arrangement is the "Engagement."

Scope of Services

It is understood that the Services provided will be used to assist FPL management ("Management") with financial reporting requirements in accordance with Accounting Standards Codification ("ASC") 805, *Business Combinations* and ASC 980, *Regulated Operations* and regulatory filing requirements as part of the transaction approval process from Florida Public Service Commission ("FPSC") and the Federal Energy Regulatory Commission ("FERC" or together with FPSC, the "Regulators"). Specifically, we have assisted Management with the: (1) Estimation of the Fair Value of the Business Enterprise Value ("BEV") of CBAS as well as certain assets and liabilities of CBAS (altogether, the "Subject Assets"). Specifically, we have estimated the Fair Value of the following Subject Assets:

- Plant & Equipment ("P&E") of the Cedar Bay Generation Facility ("Cedar Bay" or the "Facility") – 250 MW coal-fired cogeneration plant in Florida.
- Power Purchase Agreement (the "PPA").

The Services assume that the PPA between CBAS and FPL is terminated at closing of the Acquisition, that all CBAS debt is extinguished and that the existing Management Services and Operating & Maintenance ("O&M") Agreement are terminated immediately prior to closing. It is also our understanding that the Fair Value of the PPA will be used by Management to determine the gain or loss on the effective settlement of the pre-existing relationship between CBAS and FPL, pursuant to the guidance in paragraphs ASC 805-10-55-20 through 805-10-55-23.

The PPA between Cedar Bay and FPL was entered into in 1988, and the Avoided Cost calculations were based on a very expensive Integrated Gasification Combined Cycle ("IGCC") coal fired power plant that FPL had projected for resource planning purposes at the time but was never built. The PPA provides FPL the right (or option) to call power from the Facility for 30 years at a price based on the parameters provided for in the contract, even if the cost to Cedar Bay of generating the power is greater than the contract price. In exchange for that option, FPL is required to make above market fixed capacity, bonus (for availability) and O&M payments to Cedar Bay that were established based upon the IGCC "avoided unit." It is important to note that the PPA is unit contingent, and that Cedar Bay must generate the power from the Facility, even if cheaper power is available from other sources.

Based on guidance noted above, FPL will effectively settle the PPA based on the difference between the estimated Fair Value of the PPA and FPL's existing basis in the PPA (which is $0). Because the PPA is unfavorable to FPL, it will record a loss on the settlement, and the net purchase price used to prepare the accounting for the CBAS acquisition within FPL's consolidated financial statements will be reduced accordingly.

During the Engagement, we also worked with Management to confirm that there are no additional assets (including contingent assets) or liabilities that meet the separation criteria in ASC 805. In addition to the Subject Assets, we assessed certain contracts, including but not limited to the Cedar Bay Ground Lease, the Coal Supply agreement, the Steam Offtake contract and the newly signed O&M Agreement, but all other contracts of CBAS were deemed to be at market (and therefore have negligible Fair Value). Our analysis incorporated Management's determination of the Fair Value or other amounts of any assets and liabilities excluded from the identified Subject Assets ("Excluded Assets and Liabilities"), which included the following:

- Current Assets; and
- Current Liabilities.

In the course of our valuation analysis, we used and relied upon financial and other information, including prospective financial information and the Fair Value or other amounts of the Excluded Assets and Liabilities, obtained from Management and from various public, financial, and industry sources. Our conclusion is dependent on such information being complete and accurate in all material respects. We will not accept responsibility for the accuracy and completeness of such provided information.

Procedures

The procedures that we followed in estimating the Fair Value of the Subject Assets included, but were not limited to, the following:

- Analysis of general market data, including economic, governmental, and environmental forces;
- Analysis of conditions in, and the economic outlook for the electric utility industry and specifically the Florida Reliability Coordinating Council ("FRCC") electricity market;
- Discussions concerning the history, current state, and future operations of CBAS with Management;
- Discussions with Management to obtain an explanation and clarification of data provided;
- Analysis of financial and operating projections including revenues, operating margins (e.g., earnings before interest and taxes), working capital investments, and capital expenditures based on Cedar Bay's historical operating results, industry results and expectation, and Management representations;
- Development of discounted cash flow models, a form of the Income Approach, based on information received from and discussions with Management regarding the projected financial results of Cedar Bay;
- Estimation of an appropriate weighted average cost of capital ("WACC") for use in the Income Approach based on analysis of financial data for publicly traded companies engaged in the same or similar business activities as the Subject Assets;
- Estimation of the Fair Values of the Subject Assets, primarily through the application of the Income Approach; and
- Analysis of other facts and data considered pertinent to estimating the Fair Value of the Subject Assets as of the Valuation Date.

Definition of Value

ASC 820, *Fair Value Measurements and Disclosures* defines Fair Value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date" ("Fair Value").

ASC 820 states that a Fair Value measurement assumes the highest and best use of the asset by market participants, considering the use of the asset that is physically possible, legally permissible and financially feasible at the measurement date. In broad terms, highest and best use refers to the use of an asset by market participants that would maximize the value of the asset or the group of assets within which the asset would be used. Moreover, the highest and best use is based on the use of the asset by market participants, even if the intended use of the asset by the reporting entity is different.

The highest and best use of the asset by market participants establishes the valuation premise used to measure the Fair Value of the asset: 1) in-use, if the asset would provide maximum value to market participants principally through its use in combination with other assets as a group, installed or otherwise configured for use; or, 2) in-exchange, if the asset would provide maximum value to market participants principally on a standalone basis.

In ascribing Fair Value to the Subject Assets, we assumed that a Market Participant purchaser would continue to operate Cedar Bay through the remaining term of the PPA, in order to receive the payments to which the purchaser would be entitled under the favorable terms of the unit-contingent PPA. This is not to suggest that FPL would or should continue operating Cedar Bay once the PPA is terminated, but rather reflects the perspective of a Market Participant around which the Fair Value determination is structured. It is also important to note that, while the Subject Assets will be accounted for pursuant to ASC 980 after the acquisition, the Fair Value should exclude any impact of regulation, as only FPL could demonstrate that the Acquisition of the Subject Assets provides benefits to customers by terminating the PPA and continuing to operate Cedar Bay only for so long as it remains beneficial from an economic and/or reliability perspective. ASC 820 and related guidance explicitly indicates that unique benefits, or "buyer specific synergies" should not be included in the Fair Value of assets, and the ability to cancel the PPA, avoid approximately 7 to 10 years of operating the plant at a loss and obtaining rate recovery of the cancellation is clearly unique to FPL.

Valuation Approaches

We considered the following approaches when estimating the Fair Value of the Subject Assets: the Income Approach, the Market Approach, and the Cost Approach.

Income Approach: The Income Approach is a valuation technique that provides an estimation of the Fair Value of an asset based on market participant expectations about the cash flows that an asset would generate over its remaining useful life. The Income Approach begins with an estimation of the annual cash flows a market participant would expect the subject asset (or business) to generate over a discrete projection period. The estimated cash flows for each of the years in the discrete projection period are then converted to their present value equivalent using a rate of return appropriate for the risk of achieving the projected cash flows. The present value of the estimated cash flows are then added to the present value equivalent of the residual value of the asset (if any) or the business at the end of the discrete projection period to arrive at an estimate of Fair Value. For uncertain assets and liabilities, contingent consideration and contingencies, it may be necessary to consider the expected cash flows taking into consideration probabilities of future events and/or future cash flow scenarios..

Market Approach: The Market Approach is a valuation technique that provides an estimation of Fair Value of a business, business ownership interest, security, or asset by using one or more methods that compare and correlate the subject to similar businesses, business ownership interests, securities, or assets that have been sold. Considerations such as time and condition of sale and terms of agreements are analyzed and adjustments are made, where appropriate, to arrive at an estimation of Fair Value.

Cost Approach: The Cost Approach is a valuation technique that uses the concept of replacement cost as an indicator of Fair Value. The premise of the Cost Approach is that, if it were possible to replace the asset, from the perspective of a market participant (seller), the price that would be received for the asset is estimated based on the cost to a market participant (buyer) to acquire or construct a substitute asset of comparable utility, adjusted for obsolescence. Obsolescence encompasses physical deterioration, functional (technological) obsolescence, and economic (external) obsolescence.

In developing the conclusions of Fair Value for the Subject Assets, we primarily relied on the Income Approach in reaching our valuation conclusion. The Income Approach incorporates the unique operating characteristics of the Subject Assets that cannot specifically be captured in the Market and Cost Approaches. As mentioned above, the DCF measures future cash flows and converts these cash flows to their present value using an appropriate cost of capital. The Income Approach includes Market Participant assumptions and continued existence of the PPA, and it does not reflect of the potential regulatory recovery received by FPL in connection with the Acquisition, assumptions specific to FPL.

The Cost Approach was considered in our analysis but ultimately not utilized as a prudent indicator of value. The primary reason for exclusion was that the power and capacity market forecast for FRCC as of the Valuation Date does not fully support the replacement cost of newly built merchant plants, nor is it expected to for the next 5 to 10 years. Accordingly it is likely that significant economic obsolescence will be prevalent within power plants within FRCC, including Cedar Bay (which is typically quantified through an Income Approach).

The Market Approach was also considered in our Fair Value conclusion for the P&E, but given the specific facts regarding the PPA as well as the economics of Cedar Bay (absent the PPA), no precedent transactions exist that would provide comparable metrics that would allow us to establish a Fair Value for the Subject Assets.

Summary Conclusion

Based on our analysis detailed in the accompanying report, we estimate the Fair Value of the Subject Assets as of the Valuation Date can be reasonably stated as follows (please see Exhibit A for further information):

Subject Asset	Fair Value ($000s)
Plant & Equipment (P&E)	$0
Power Purchase Agreement (PPA)	$520,000

In general terms, these Fair Value estimates reflect the following perspectives on the Subject Assets:

- The P&E valuation reflects the value of Cedar Bay as a merchant asset, without the benefit of the existing PPA. Specifically, because the annual net energy margin that Cedar Bay could generate from selling power at expected merchant power prices is less than the annual fixed costs to maintain and operate the Facility, a merchant owner of the Facility would likely retire Cedar Bay to avoid future expected operating losses. In general, Market Participants typically assume that the salvage value (for scrap metal, etc.) approximately offsets dismantlement costs, resulting in a de minimis Fair Value conclusion for the P&E.
- It is important to also note that the reliability value of Cedar Bay to FPL is a buyer specific consideration which should not be included in the Fair Value of an asset, as a Market Participant bidder for Cedar Bay (which would likely include independent power producers and power private equity firms) could not know whether and to what extent FPL would be willing to make reliability payments.
- The Fair Value of the PPA reflects the expected stream of payments that the PPA would provide for its remaining term, less the costs of owning, operating and maintaining Cedar Bay in the manner required to

fulfill its PPA obligations in order to qualify for those payments. This Fair Value is impacted by the unit-contingent requirement to deliver power from Cedar Bay despite the Facility's unfavorable economic profile.

- The Fair Value of the PPA also does not represent the avoided cost or value of the PPA termination to FPL, as this is also a buyer specific value. ASC 805-10-55-20 through 805-10-55-23 provides for recognition by FPL of the loss computed as the difference between the Fair Value of the PPA to a Market Participant and its basis in the PPA (which is $0). The fact that the avoided costs (for FPL and its customers) exceed the Fair Value is a buyer specific synergy which should be excluded from the Fair Value.

Based on the foregoing, it is reasonable to conclude that the $520 million proposed purchase price for CBAS relates entirely (from an ASC 805, Business Combinations perspective) to the buyout of the PPA, that the Fair value of the Facility is $0, and that FPL's ability to retire the Facility prior to the PPA expiration and avoid the obligation to run the Facility despite unfavorable economics represents a buyer specific synergy (and customer benefit) not shared with the current owners of CBAS.

Limiting Conditions

These conclusions are subject to the Assumptions & Limiting Conditions attached hereto, those set forth in our statement of work ("SOW") dated December 19, 2014 as well as the facts and circumstances as of the Valuation Date.

Any advice given or report issued by us is provided solely for your use and benefit and only in connection with the services that are provided hereunder. Except as required by law, this report shall not be provided to any third party, except that it may be provided to FPL's legal advisors and the Regulators and parties to any proceeding with the Regulators regarding the CBAS acquisition. Except as it relates to proceedings with the Regulators: (i) you shall not refer to us either directly by name or indirectly as an independent valuation service provider (or by any other indirect reference or description), or to the services, whether in any public filing or other document, without our prior written consent, which we may at our discretion grant, withhold, or grant subject to conditions, and (ii) in addition to the foregoing prohibitions and requirements with respect to all third parties, submission of our report or any portion thereof to, or responding to any comment letter issued by, the Securities and Exchange Commission or its staff, or any written or verbal references to us, this report or to the services in such a response is subject to you providing us with prior notice, and allowing us to provide input as to the content of such response. In no event, regardless of whether consent or pre-approval has been provided, shall we assume any responsibility to any third party to which any advice or report is disclosed or otherwise made available.

While our work has involved an analysis of financial information and accounting records, our Engagement does not include an audit in accordance with generally accepted auditing standards of CBAS's existing business records. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of you and Management.

Budgets, projections, and forecasts relate to future events and are based on assumptions that may not remain valid for the whole of the relevant period. Consequently, this information cannot be relied upon to the same extent as that derived from audited accounts for completed accounting periods. We express no opinion as to how closely the actual results of CBAS will correspond to those projected or forecast by Management.

In accordance with our agreement, this report is limited to estimating the Fair Value of certain tangible and intangible assets of CBAS. Additional issues may exist that could affect the tax treatment of FPL or CBAS. This report does not consider or provide a conclusion with respect to any of those issues. With respect to any significant local jurisdiction tax issue outside the scope of this report, this report was not written, and cannot be used, by anyone for the purpose of avoiding local jurisdiction tax penalties.

The valuation of companies and businesses is not a precise science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgment. There is therefore no indisputable single value and we normally express our opinion on the value as falling within a likely range. However, if purpose requires the expression of specific values, we will adopt values that we find to be both reasonable and defensible based on the information available.

If you have any questions or need any additional information, please do not hesitate to contact David Herr, Managing Director, at (215) 430-6039 or Lee Tourscher, Director, at (215) 430-6051.

Yours sincerely,

Duff & Phelps LLC

Duff & Phelps, LLC
David Herr
Managing Director

CERTIFICATION

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- We have no present or prospective interest in the business or property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
- Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- The Engagement was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- The analyses and conclusions are limited only by the reported assumptions and limiting conditions, and represents our unbiased professional analyses and conclusions.
- This analysis and report was prepared under the direction of David Herr, CFA, with significant professional assistance provided by Lee Tourscher, CFA, Payal Parikh and Caroline Neiley.

By: David Herr, CFA
Managing Director

Docket No. 15_____-EI
Valuation of Certain Tangible and Intangible Assets of CBAS Power Holdings LLC
Confidential-Exhibit DH-3, Pages 1 - 60

Exhibit DH-3 is confidential in its entirety.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 8
PARTY: FLORIDA POWER & LIGHT (FPL)
(DIRECT)
DESCRIPTION: David W. Herr DH-3

Florida Power and Light Company
Cedar Bay Transaction
Proposed Journal Entries

Line No	Description	FERC Account	Amount ($ Millions)	
1	Asset Retirement Cost	101	$ 4.2	
2	Regulatory Asset - Loss on PPA	182	520.5	
3	Regulatory Asset - Tax Gross-Up	182	326.9	
4	Deferred Tax Asset - Book/Tax Diff on Acquired Plant	190	4.9	
5	Asset Retirement Obligation	230		$ 4.2
6	Cash	131		520.5
7	Regulatory Liability - Def Tax on Plant Book/Tax Diff	254		4.9
8	Deferred Tax Liability - Loss on PPA	283		326.9
9				
10				
11	*To record Cedar Bay stock purchase.*			
12				
13				
14				
15				

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 9
PARTY: FLORIDA POWER & LIGHT (FPL) (DIRECT)
DESCRIPTION: Kim Ousdahl KO-1

Florida Power and Light Company
Cedar Bay Transaction
Proposed Journal Entries

Line No	Description	FERC Account	Amount ($ Millions)		
1	Regulatory Asset - Loss on PPA	182	$ 520.5		
2	Regulatory Asset - Tax Gross-Up	182	326.9		
3	Regulatory Liability - Deferred Taxes on Plant Book/Tax Diff	254	(4.9)		
4					
5	Net Regulatory Asset		$ 842.4		
6	Remaining Months of PPA Contract as of August 31, 2015		112		
7	Monthly Amortization to be Collected through FPL's Capacity Clause[(1)]		$ 7.5		
8					
9	Annual Amortization to be Collected through FPL's Capacity Clause[(1)]		$ 90.3		
10					
11					
12	**Annual Amortization**				
13					
14	Other Expenses	557	$ 90.3		
15	Regulatory Liability - Def Tax on Plant Book/tax Diff	254	0.5		
16	Regulatory Asset - Loss on PPA	182		$	55.8
17	Regulatory Asset - Deferred Taxes on Loss	182			35.0
18					
19					
20	*To record annual amortization of the net regulatory asset on FPL's books and records.*				
21					
22					
23					
24					
25					
26					
27					
28	Notes:				
29	(1) Retail jurisdictional amount to be recovered through the capacity clause will be based on the retail				
30	separation factor approved by the FPSC in each year of amortization.				

GDS Associates, Inc
ENGINEERS & CONSULTANTS

GARY D. BRUNAULT

Principal

EDUCATION

Bachelor of Science, Civil Engineering, Tufts University, Medford, MA, 1979

EXPERIENCE

Mr. Brunault has over 30 years of electric utility consulting experience, serving primarily joint action municipal power agencies. Gary started his career in the early 1980's and was involved in the start-up phases of operations for North Carolina Eastern Municipal Power Agency, North Carolina Municipal Power Agency Number 1, and Piedmont Municipal Power Agency, collectively representing 61 municipal utilities in the Carolinas. Gary has provided consulting services to these and other municipal clients ranging from power supply planning, municipal bond finance, wholesale electric cost of service and rates, risk analysis, contract negotiations, and litigation support.

More specifically, Mr. Brunault has provided consulting engineering services in the following areas:

- Evaluation of responses to RFPs for power supply, and contract negotiations
- Generating asset valuation, strategic portfolio analysis
- Consulting Engineer's reports for Official Statements in connection with the issuance of municipal revenue bonds
- Annual Engineering Reports in support of Bond Resolution requirements
- Long-term projections of wholesale power supply costs
- Working capital requirements
- Nuclear decommissioning planning and funding policy development
- Wholesale rate development and implementation of rate structure changes
- Negotiation support for development of (investor-owned utility) production and transmission cost of service formulas (and auditing of the implementation of such formula rates)
- Analysis of wholesale customer impacts of investor-owned utility mergers and settlement agreements
- Probabilistic analysis related to generating asset decisions
- Testimony in state utility commission proceedings related to municipal utility matters
- Support of jointly-owned coal and nuclear generation project agreements and contract amendments
- Litigation support related to contract interpretation disputes

GDS Associates, Inc., October 2012 – Present
Managing Director (Principal, effective January 1, 2015)

SAIC Energy, Environment, and Infrastructure, LLC, August 2009 – October 2012
Senior Program Manager

R. W. Beck, Inc., September 1981 – August, 2009
Principal

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 10
PARTY: OFFICE OF PUBLIC COUNSEL (OPC) (DIRECT)
DESCRIPTION: G. Brunault Appendix A

Florida Power and Light Company
Fair Value of Cedar Bay PPA
Proposed Bonus Capacity Revenue

	Base	O&M	Total	Actual Capacity Payments	Capacity Payments (without Bonus)	Bonus Capacity Revenue (% of Base Capacity Payment)
Base Capacity Credit and O&M Credit for 2007	$35,630	$3,220	$38,850	$ 116,055,218	$116,550,000	-0.46%
Base Capacity Credit and O&M Credit for 2008	$36,940	$3,350	$40,290	$ 117,391,789	$120,870,000	-3.14%
Base Capacity Credit and O&M Credit for 2009	$38,290	$3,490	$41,780	$ 125,348,712	$125,340,000	0.01%
Base Capacity Credit and O&M Credit for 2010	$39,700	$3,630	$43,330	$ 133,866,402	$129,990,000	3.25%
Base Capacity Credit and O&M Credit for 2011	$41,150	$3,780	$44,930	$ 137,621,447	$134,790,000	2.29%
Base Capacity Credit and O&M Credit for 2012	$42,660	$3,930	$46,590	$ 146,244,246	$139,770,000	5.06%
Base Capacity Credit and O&M Credit for 2013	$34,560	$4,090	$38,650	$ 123,914,033	$115,950,000	7.68%
Base Capacity Credit and O&M Credit for 2014	$35,820	$4,260	$40,080	$ 126,711,441	$120,240,000	6.02%
					Average:	2.59%

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 11
PARTY: OFFICE OF PUBLIC COUNSEL (OPC)
(DIRECT)
DESCRIPTION: G. Brunault GB-1

Dan J. Wittliff, P.E., DEE, Fellow NSPE **GDS Associates, Inc.**
Managing Director -- Environmental Services

EDUCATION: Southern Methodist University - B.S. in Mechanical Engineering
University of Oklahoma - Master of Business Administration

PROFESSIONAL Licensed Professional Engineer in the State of Texas (46887)
Licensed Professional Engineer in the State of Tennessee (114184)

MEMBERSHIPS: National Society of Professional Engineers (President 2012-2013 and Fellow)
Texas Society of Professional Engineers (Past State President)
American Academy of Environmental Engineers (Diplomate, General; Member Board of Trustees)
TxSWANA and SWANA

CERTIFICATIONS: Radiation Safety Officer (1985 to present)
Registered Environmental Manager (1994-2003)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 12
PARTY: OFFICE OF PUBLIC COUNSEL (OPC) (DIRECT)
DESCRIPTION: D. Wittliff Appendix A

EXPERIENCE:

Dan Wittliff, P.E., DEE, F. NSPE serves as Managing Director of Environmental Services with GDS Associates, Incorporated in Austin, Texas. Prior to joining GDS Associates, Mr. Wittliff was Principal of Dan Wittliff Consulting, PLLC. This firm provided professional engineering services in environmental engineering, regulatory affairs, and energy systems.

From 1995 through 1999, Mr. Wittliff served as the first Chief Engineer for the TNRCC. Upon leaving TNRCC, he worked with Naismith Engineering, Inc. for two years providing consulting services to a wide array of industrial and municipal clients. Before service with TNRCC, Mr. Wittliff served in several supervisory positions with West Texas Utilities Company, Abilene, TX managing and monitoring power station performance to include issues related to air pollution, water treatment, industrial hygiene, and solid waste disposal.

The National Society of Professional Engineers (NSPE) House of Delegates elected Dan Wittliff, P.E., F.NSPE, DEE, as President in 2012–13. Since joining NSPE in 1972, Wittliff has served in various leadership positions including president of the Abilene Chapter and the Texas Society of Professional Engineers where he was honored as Engineer of the Year in 1998 and Distinguished Engineer of the Texas Engineering Foundation in 2001. He was made a Fellow of NSPE in 2004.

Specific Experience Includes:

Facility Permitting, Design, and Construction

Mr. Wittliff works closely with regulators and owners to permit and build facilities that: (1) comply with the law, (2) make good engineering and economic sense, and (3) come in on schedule. Listed below is a sample of the permitting and construction work that Mr. Wittliff accomplished.

- **Multi-Media Permitting for 49 MW Biomass Energy Project.** Managed agency contacts, environmental permitting, and public outreach for 49 MW biomass energy project in East Texas. Scope included new source review permitting, acid rain permitting, Title V operating permits, wetlands review, cultural and historic review, storm water permitting and pollution prevention, and waste registration.

- **Review of Renewable Fuels for Industrial and Power Generation Projects.** Reviewed and evaluated landfill gas and biomass as alternative, renewable fuels for 15 MW landfill gas power plant and a 36 to 140 MW mixed fuels electric power projects in Missouri, 50 MW biomass power plant in Texas, 25 to 30 MW refuse derived fuel and landfill gas power plant, and a secondary aluminum smelter in Texas.

- **Multi-Media Permitting for Two 150 MW Combustion Turbine Projects.** Managed agency contacts, environmental permitting, and public outreach for two East Texas sites each with twp 75 MW combustion turbines. Scope included new source review permitting, acid rain permitting, Title V operating permits,

wetlands review, cultural and historic review, storm water permitting and pollution prevention, and waste registration.

- **Multi-Media Permitting for 24 MW Hydroelectric Power Project.** Managed agency contacts, environmental permitting, and public outreach for hydroelectric project located on 83,000 acre reservoir in East Texas. Scope included wetlands review, 401 certification, water rights, endangered and threatened species for power project and associated 138 kv transmission line.

- **New Source Review and Title V Operating Permits and Compliance for Nine Municipal Solid Waste (MSW) Facilities.** Provided essential support to permitting team and provided key testimony before state officials to secure a MSW permit for six landfills and three transfer stations. Wrote and secured from state regulators a standard air permits and permits by rule for these facilities. Modeled landfill gas emissions and developed a compliance timeline for relevant LFG control systems. Wrote application for a Title V Air Operating Permit for these facilities. Worked with client and legal team to resolve compliance and enforcement issues.

- **Payson Power Project, Payson, Utah.** Evaluated suitability of city WWTP effluent for use in cooling system of a 150 MW combined cycle plant. Worked with city and client engineers to determine availability and cost of surface and ground water for use in power plant. Worked with client's engineers and attorneys and represented client to the Utah regulators on a New Source Review Air Permit for the project.

- **Environmental Services, West Texas Utilities, Abilene, Texas.** Managed the efforts of a professional environmental staff and a million plus dollar budget used in securing permits, determining fees, reporting compliance, and maintaining awareness for company's nine power stations, eight service facilities, and 1,100 employees. Supervised staff engaged in:
  - Air emissions, water rights, wastewater discharge, solid waste, and storm water permits;
  - Industrial hygiene and radiation safety;
  - Pollution prevention and emergency response, and
  - Coordinating with state's health and environmental agencies.

- **Oklaunion Power Station, West Texas Utilities, Vernon, Texas.** Supervised plant engineering staff and oversaw the efficiency of systems and equipment at this 720 MW coal-fired plant. Conducted comprehensive acceptance and operations tests of steam generator, turbine-generator, cooling/heating apparatus, and other power plant equipment according to the national test codes. Developed management, performance testing, and operations procedures. Coordinated environmental compliance and radiation safety program. Participated in last two years of construction, initial unit start-up, and checkout.

- **Power Plant Engineering, West Texas Utilities, Abilene, Texas.** Prepared support information and testimony used in fuel filing and reconciliation. Reviewed/evaluated contractor proposal for remediation of environmental problems. Served on Central and South West project team on standardized performance test procedures and online performance monitoring. Managed the company's power station performance testing program for 18 units in 8 locations. Co-authored the WTU *Environmental Policy Manual* and *Water Treatment Manual*. Managed computer retrofit of fuels measuring and monitoring at two plants. Responsible for performance efficiency of two gas-fired electric power units with a combined capacity of 362 MW. Developed engineering training manuals and supervised overhaul work at WTU plants. Managed company cathodic protection program. Wrote the company's power plant *Performance Testing Guide*. Supervised Fort Phantom Power Station Operations.

PUBLICATIONS AND PRESENTATIONS:

- Authored *Power Plant Performance Testing Guide*, West Texas Utilities, Abilene, Texas, 1983.

Dan J. Wittliff, P.E., DEE, Fellow NSPE
Managing Director -- Environmental Services

GDS Associates, Inc.

- Co-authored *Environmental Policy Manual* and *Water Treatment Manual*, West Texas Utilities, Abilene, Texas, 1984-1985.

GDS Associates, Inc
ENGINEERS & CONSULTANTS

TERRY M. MYERS

Senior Project Manager

EDUCATION

Indiana State University, (Terre Haute, IN) Bachelor of Science Degree, Major: Accounting, Minor: Computer Science

PROFESSIONAL MEMBERSHIP

Indiana CPA Society

PROFESSIONAL CERTIFICATION

CPA: Indiana Certificate No. CP09200364

EXPERIENCE

Mr. Myers has extensive experience with over twenty nine (29) years in electric utility ratemaking and financial analysis. This experience includes numerous preparations of revenue requirements, cost of service studies, rate design analyses, cash working capital analyses, the analysis of wholesale and retail rate filings, review of wholesale contracts, reliability must run (RMR) proceedings, the preparation of retail and wholesale rate filings, review of depreciation studies, review of electric wholesale and retail fuel clause adjustments, review of OATT Formula Rate filings, and the preparation of retail and wholesale rate filings, the presentation of expert testimony before the Federal Energy Regulatory Commission (FERC) in wholesale RMR Rate proceedings. In addition to having presented expert testimony before FERC and various state commissions, Mr. Myers has also presented testimony before several local jurisdictions and utility boards.

Since joining GDS in October 2008, Mr. Myers has consulted with utilities and government agencies in multiple states in the following areas:

- Negotiation of Open Access Transmission revenue requirements and formula rates with Investor Owned Utilities.
- Negotiation of revenue requirements and stated rates for G&T Cooperative in Arizona.
- Prepared testimony and exhibits for the establishment of an RMR Rate which resulted in a settlement.
- Establishment of annual revenue requirements for multiple Transmission Owning Entities in the California ISO.
- In addition, Mr. Myers has assisted in the preparation of expert testimony in multiple cases before the Federal Energy Regulatory Commission and has been involved in settlement negotiations in several of those cases.

Specific Prior Experience Includes:

R.W. Beck, Inc., Orlando, FL – Senior Consultant

- Participate in multiple settlement agreements related to OATT Formula Rates representing power agencies and municipal clients.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 13
PARTY: OFFICE OF PUBLIC COUNSEL (OPC)

- Project Manager in multiple RMR proceedings before FERC including settlement negotiations and preparation and filing of testimony on behalf of the CT DPUC.
- Participate in utility rates and financings for water, wastewater, electric and gas divisions of municipal clients.
- Prepare Impact Fee Studies for water and wastewater divisions of municipal client.
- Project Manager for electric Cost of Service Study for a municipal client.
- Project Manager for projects related to the annual Power Coordination Agreement (PCA) True-ups and Interconnection Agreements (IA) for three large Power Agencies. Projects included an A&G Audit, Prepaid Coal Review, annual PCA and IA True-ups for 1999 through 2007, etc., which have led to over $22,000,000 in credits to the Power Agencies.
- Project Manager for water Cost of Service Studies for a large municipal client.
- Trained and supervised R.W. Beck employees for work with financial analyses and audits for Power Agencies.
- Assist Beck employees with projects including litigation for various Power Agencies in Florida and North Carolina.
- Project Manager for training sessions and audit manuals for Power Agencies' employees who work with contracts.
- Assist Beck employees with appraisals and valuations of electric utilities.
- Project Manager working with Beck employees performing transmission and distribution analyses for various municipal electric utilities.

Cinergy / PSI Energy Plainfield, IN – Senior Analyst - Retail Cost of Service

- Responsible for preparing the monthly statistical reports for PSI Energy (PSI) and Union Light Heat & Power (ULH&P) subsidiaries of Cinergy.
- Review and assist in the preparation of the monthly transformer bank report.
- Review and check the monthly statistical reports for Cincinnati Gas & Electric (CG&E) a subsidiary of Cinergy.
- Prepare the annual FERC fee calculation report for PSI Energy, Inc., CG&E and ULH&P.
- Assist in the preparation of cost of service studies for PSI Energy, Inc., CG&E and ULH&P.

Cinergy / PSI Energy Plainfield, IN – Senior Analyst - Revenue Requirements

- Responsible for preparing accounting testimony and exhibits for the quarterly fuel clause hearings before the Indiana Utility Regulatory Commission (IURC).
- Prepare various analyses of operating expenses and expense accounts as necessary in the preparation of the quarterly fuel clause applications.
- Assist in the preparation, review and input of monthly journal entries for wholesale and retail fuel clause calculations as well as various other monthly journal entries relating to wholesale and retail rates.
- Analyze IURC Orders and modify the quarterly fuel clause application to include the necessary changes.
- Assist in the preparation of the FERC Annual Filing in preparation of Schedules AH, AI and BI.
- Respond to various questions from the FERC Auditors, Office Utility Consumer Counselor's (OUCC's) staff and Arthur Andersen the outside auditors.

London Witte Group, LLC Indianapolis, IN – Utility Manager

- Responsible for preparing accounting testimony and exhibits for utility rate proceedings before the IURC and other State Utility Commissions regarding gas, electric, water and wastewater utilities whether they are investor-owned, REMCs, municipals or not-for-profits.
- Responsible for providing oral testimony in utility rate proceedings in support of the pre-filed testimony and exhibits.

- Responsible for the training and supervising the newer accounting staff in the art of utility rate making and regulation.
- In-charge and assist in the preparation of audits of gas and electric utilities.
- Responsible for preparing proposals to utilities in response to requests for assistance in preparing rate studies, bond financing, audits, etc.
- Supervise staff in preparation of monthly and quarterly compilations.

Technical Associates, Inc. Richmond, VA – Senior Accountant

- Responsible for preparing proposals in response to RFP's from Out of State Utility Commissions and Consumer Advocate Groups.
- Responsible for preparing accounting rate study testimony and exhibits for the State Utility Commissions and Consumer Advocate Groups after the proposal was accepted regarding gas, electric and water utilities rate proceedings.
- Responsible for providing oral testimony in the utility rate proceedings in support of the pre-filed testimony and exhibits.
- Assist the other members of the Firm with their cost of equity and engineering projects.

Indiana Utility Regulatory Commission, Indianapolis, IN – Senior Accountant

- Responsible for preparing accounting rate study testimony and exhibits for gas, electric, water and wastewater utilities rate cases in over 100 proceedings.
- Responsible for providing oral testimony in utility rate proceedings in support of the pre-filed testimony and exhibits.
- Responsible for the training and supervising the newer accounting staff in the art of utility rate making and regulation.
- Responsible for providing accounting exhibits, pre-filed testimony and oral testimony at Gas Cost Adjustment and Fuel Adjustment Clause hearings.

Regulatory Experience

- Federal Energy Regulatory Commission
- Arizona Corporation Commission
- Indiana Utility Regulatory Commission
- Virginia State Corporation Commission
- Public Service Commission of West Virginia

Expert Testimony in Court Proceedings

United States District Court for the Northern District of Mississippi, Delta Division

Recent FERC Transmission Cases in Which Mr. Myers has Participated on Behalf of Transmission Customer Clients

- Entergy Services, Inc., Docket Nos. ER08-1057
- American Electric Power (West) – Docket No. ER09-1198
- American Electric Power (East) – Docket No. ER08-1329
- Dominion Virginia Power – Docket No. ER09-545-000
- Duke Energy Carolinas – Docket No. ER11-3585-000
- Duke Energy Florida – Docket ER09-1166-000
- Duke Energy Progress (Progress Energy Carolina) – Docket No. ER09-1218
- PPL Electric Utilities - Docket No. ER08-1457

- Pacific Gas & Electric Company – Docket No. ER13-2022
- San Diego Gas & Electric Company – Docket No. ER15-553-000
- Southern California Edison – Docket No. ER11-3697-000
- Tampa Electric Company – Docket No. ER10-1782-000
- City of Pasadena, California – Docket No. EL09-67
- City of Riverside, California – Docket No. EL09-52

Software Experience

Microsoft Suite: Excel, Word, Access; Lotus 123, Symphony, Quattro Pro, and Word Perfect.

Florida Power and Light Company
Cedar Bay Transaction
Proposed Journal Entries - Office of Public Counsel (A)

Line No.	Description	FERC Account	Amount ($000's) DR	Amount ($000's) CR
	Entry #1			
1	Investment in subsidiary companies	123.1	520,500	
2	Cash	131		520,500
	To Record the Purchase of CBAS in accordance with CFR 18, Part 101 Balance Sheet Accounts.			
	Entry #2			
3	Electric plant purchased or sold - Cedar Bay Facility Plant	102		517,900
4	Utility Plant In Service - Acct 101 (Sub-Accounts)	310 - 347	517,900	
5	Electric plant purchased or sold - Cedar Bay Facility A/D	102	248,300	
6	Accumulated Provision for Depreciation of Electric Utility Plant	108		248,300
7	Electric plant purchased or sold - Fair Value Discount	102	269,600	
8	Electric plant acquisition adjustment - Fair Value Discount	114		269,600
9	Miscellaneous deferred debits - PPA	186	520,500	
10	Other Deferred Credits - PPA	253		520,500
11	Utility Plant In Service - Asset Retirement Obligations	101	4,200	
12	Asset Retirement Obligations	230		4,200
13	Deferred Tax Asset - Book/Tax Diff on Acquired Plant	190	4,900	
14	Regulatory Liability - Def Tax on Plant Book/Tax Diff	254		4,900
	To record the allocation of the purchase price to assets and liabilities acquired in accordance with CFR 18, Part 101, Electric Plant. PPA recorded in Accts 186 and 253.			
	Entry #3			
15	Other Regulatory Assets - PPA Loss	182.3	520,500	
16	Other Regulatory Assets - PPA Loss Deferred Taxes	182.3	326,900	
17	Miscellaneous deferred debits - PPA	186		520,500
18	Accumulated Deferred Income Taxes - Other - PPA Loss Deferred Taxes	283		326,900
	To record the Cancellation of the PPA.			

(A) See OPC's 3rd Set of Interrogatories No. 25 balances as of 12/31/14.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 14
PARTY: OFFICE OF PUBLIC COUNSEL (OPC) (DIRECT)
DESCRIPTION: T. Myers TMM-1

Florida Power and Light Company
Cedar Bay Transaction
Proposed Journal Entries - Office of Public Counsel (A)

Line No.	Description	FERC Account	Amount ($000's) DR	Amount ($000's) CR
	Annual Journal Entries			
	Entry #4			
19	Annual Depreciation Expense - Cedar Bay Facility	403	10,900	
20	Accumulated Depreciation Expense - Cedar Bay Facility	108		10,900
	To Record Annual Depreciation Expense			
	Entry #5			
21	Cedar Bay Facility - FV Discount	114	10,900	
22	Amortization of Acquistion Adjustment - Cedar Bay Facility FV Discount	403		10,900
	To Record Annual Amortization of Acquisition Adjustment			
	Entry #6			
23	Other Expenses - Amortization of PPA Loss	557	90,800	
24	Other Regulatory Assets - PPA Loss	182.3		55,800
25	Other Regulatory Assets - PPA Loss Deferred Taxes	182.3		34,500
26	Deferred Tax Asset - Book/Tax Diff on Acquired Plant	190		500
	To record annual amortization of the PPA Loss			
	Entry #7			
27	Accumulated Deferred Income Taxes - Other - PPA Loss Deferred Taxes	283	34,500	
28	Other Expenses - Amortization of PPA Loss	557		34,500
	To record annual amortization of PPA Loss deferred taxes to Other Expenses			

GDS Associates, Inc
ENGINEERS & CONSULTANTS

CHRISTOPHER C. DAWSON, P.E.

Principal

EDUCATION

Master of Business Administration – Risk Management & Finance, Georgia State University, 2005
Bachelor of Science, Industrial Engineering, Georgia Institute of Technology, 1994

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 15
PARTY: OFFICE OF PUBLIC COUNSEL (OPC) (DIRECT)
DESCRIPTION: C. Dawson Appendix A

PROFESSIONAL REGISTRATION

Registered Professional Engineer in the State of Georgia

PROFESSIONAL MEMBERSHIP

Institute of Industrial Engineers
National Society of Professional Engineers

PROFESSIONAL EXPERIENCE

GDS Associates, Inc., December 1994 to Present

Mr. Dawson has over 20 years of experience of electric utility consulting experience, serving primarily municipal and electric cooperative entities. Chris has worked with several G&Ts since the beginning of his career as well as joint-action agencies and municipals in Virginia, Louisiana, and Missouri. Chris has provided consulting services to these clients ranging from power supply planning and procurement, market power analysis and management of RTO/ISO market activities, risk analysis, contract negotiations, and litigation support.

More specifically, Mr. Dawson has been provided consulted engineering services in the following areas:

- Solicitation of proposals, evaluation of responses to RFPs for power supply, and contract negotiations
- Assisting with acquiring finance for generation / transmission projects
- Managing ISO/RTO market participation issues for load and generation clients
- Generating asset valuation, strategic portfolio analysis , risk management
- Short and long-term projections of wholesale power supply costs and financial planning
- Analysis of wholesale customer impacts of investor-owned utility mergers and settlement agreements
- Probabilistic analysis related to generating asset decisions
- Litigation support related to contract interpretation disputes

Modified FPL Economic Evaluation[1][13]
Adjustments to Cedar Bay fuel price, 2022 Excess Capacity Sale, and Capacity Bonus

	(dollar in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Nominal Total	Present Value[9]
A	Discount Factor[2]	0.99	0.94	0.88	0.81	0.76	0.7	0.66	0.61	0.57	0.53		
B	Amortization[3]	$30	$90	$90	$90	$90	$90	$90	$90	$90	$90	$842	$613
C	Operating Expenses[4]	8	17	1	1	1	1	1	1	1	1	30	27
D	Asset Retirement Obligation[5]	1	3	-	-	-	-	-	-	-	-	5	4
E	Interest Expenses[6]	3	10	8	7	6	5	4	3	2	1	49	40
F	Return On Equity[7]	10	30	26	23	19	16	12	9	5	2	151	121
G	Income Tax	6	19	16	14	12	10	8	5	3	1	95	76
H	Total Cost of Acquiring CBAS	58	169	142	135	128	121	115	108	101	94	1,171	882
I	FPL System Impact[8]	3	9	3	15	11	9	15	18	22	22	127	86
J	Fuel Price Adjustment[10]	-	2	2	2	2	2	2	2	2	2	19	14
K	Excess Capacity Sale[11]	-	-	-	-	-	-	-	7	-	-	7	4
L	Net FPL System Impact	3	12	5	17	13	11	17	27	24	24	153	104
M	Capacity Payment	(42)	(129)	(134)	(139)	(144)	(149)	(155)	(161)	(167)	(173)	(1,393)	(994)
N	Capacity Bonus[12]	(1)	(3)	(3)	(3)	(3)	(3)	(4)	(4)	(4)	(4)	(32)	(23)
O	Total Avoided Costs of PPA	(43)	(132)	(137)	(142)	(147)	(153)	(159)	(164)	(171)	(177)	(1,425)	(1,017)
P	Net Customer Costs/(Savings)	$18	$48	$10	$10	($6)	($20)	($27)	($29)	($46)	($59)	($101)	($32)

1) Totals may not sum due to rounding
2) Discount Factor is based on weighted average cost of capital of 7.51% discounted to September 1, 2015
3) Reflects amortization of regulatory asset associated with $520.5 MM PPA and respective $326.9 MM tax gross up, less the $4.9 MM regulatory liability associated with the plant book/tax difference
4) Operating Expenses include operations and maintenance, land lease, rail lease, and change in net working capital
5) Reflects amortization of ARO Asset and accretion of ARO Liability
6) Interest expense assumes cost of debt of 5.05%
7) Assumes after-tax return on equity of 10.5%
8) Includes incremental system fuel costs, start-up costs, variable O&M, environmental compliance costs, and short-term purchases
9) Present value is calculated as the sum the annual values multiplied by the respective discount factor
10) Fuel price adjustment to Cedar Bay energy costs
11) Reflects excess capacity of 162 MW using FPL's estimated price of $3.48/kW-month for short-term capacity in 2022
12) Capacity Bonus at 2.59% rate
13) Before consideration of proper equity method purchase price

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 16
PARTY: OFFICE OF PUBLIC COUNSEL (OPC)
(DIRECT)
DESCRIPTION: C. Dawson CCD-1

Modified FPL Economic Evaluation[1][13]
Recovery of Debt Component Only

	(dollar in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Nominal Total	Present Value[9]
A	Discount Factor[2]	0.99	0.94	0.88	0.81	0.76	0.7	0.66	0.61	0.57	0.53		
B	Amortization[3]	$30	$90	$90	$90	$90	$90	$90	$90	$90	$90	$842	$613
C	Operating Expenses[4]	8	17	1	1	1	1	1	1	1	1	30	27
D	Asset Retirement Obligation[5]	1	3	-	-	-	-	-	-	-	-	5	4
E	Interest Expenses[6]	14	39	34	30	25	21	16	11	7	2	200	161
F	Return On Equity[7]	-	-	-	-	-	-	-	-	-	-	0	0
G	Income Tax	-	-	-	-	-	-	-	-	-	-	0	0
H	Total Cost of Acquiring CBAS	53	150	125	121	116	112	107	102	98	93	1,077	806
I	FPL System Impact[8]	3	9	3	15	11	9	15	18	22	22	127	86
J	Fuel Price Adjustment[10]	-	2	2	2	2	2	2	2	2	2	19	14
K	Excess Capacity Sale[11]	-	-	-	-	-	-	-	7	-	-	7	4
L	Net FPL System Impact	3	12	5	17	13	11	17	27	24	24	153	104
M	Capacity Payment	(42)	(129)	(134)	(139)	(144)	(149)	(155)	(161)	(167)	(173)	(1,393)	(994)
N	Capacity Bonus[12]	(1)	(3)	(3)	(3)	(3)	(3)	(4)	(4)	(4)	(4)	(32)	(23)
O	Total Avoided Costs of PPA	(43)	(132)	(137)	(142)	(147)	(153)	(159)	(164)	(171)	(177)	(1,425)	(1,017)
P	Net Customer Costs/(Savings)	$13	$29	($7)	($4)	($18)	($30)	($35)	($35)	($49)	($60)	($195)	($108)

1) Totals may not sum due to rounding
2) Discount Factor is based on weighted average cost of capital of 7.51% discounted to September 1, 2015
3) Reflects amortization of regulatory asset associated with $520.5 MM PPA and respective $326.9 MM tax gross up, less the $4.9 MM regulatory liability associated with the plant book/tax difference
4) Operating Expenses include operations and maintenance, land lease, rail lease, and change in net working capital
5) Reflects amortization of ARO Asset and accretion of ARO Liability
6) Interest expense assumes cost of debt of 5.05%
7) Assumes no equity financing.
8) Includes incremental system fuel costs, start-up costs, variable O&M, environmental compliance costs, and short-term purchases
9) Present value is calculated as the sum the annual values multiplied by the respective discount factor
10) Fuel price adjustment to Cedar Bay energy costs
11) Reflects excess capacity of 162 MW using FPL's estimated price of $3.48/kW-month for short-term capacity in 2022
12) Capacity Bonus at 2.59% rate
13) Before consideration of proper equity method purchase price

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 17
PARTY: OFFICE OF PUBLIC COUNSEL (OPC) (DIRECT)
DESCRIPTION: C. Dawson CCD-2

Modified FPL Economic Evaluation[1][13]
FPL Acquires IRS Private Letter Ruling

	(dollar in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Nominal Total	Present Value[9]
A	Discount Factor[2]	0.99	0.94	0.88	0.81	0.76	0.7	0.66	0.61	0.57	0.53		
B	Amortization[3]	$18	$55	$55	$55	$55	$55	$55	$55	$55	$55	$516	$375
C	Operating Expenses[4]	8	17	1	1	1	1	1	1	1	1	30	27
D	Asset Retirement Obligation[5]	1	3	-	-	-	-	-	-	-	-	5	4
E	Interest Expenses[6]	3	10	8	7	6	5	4	3	2	1	49	40
F	Return On Equity[7]	10	30	26	23	19	16	12	9	5	2	151	121
G	Income Tax	6	19	16	14	12	10	8	5	3	1	95	76
H	Total Cost of Acquiring CBAS	46	134	107	100	93	86	80	73	66	59	844	644
I	FPL System Impact[8]	3	9	3	15	11	9	15	18	22	22	127	86
J	Fuel Price Adjustment[10]	-	2	2	2	2	2	2	2	2	2	19	14
K	Excess Capacity Sale[11]	-	-	-	-	-	-	-	7	-	-	7	4
L	Net FPL System Impact	3	12	5	17	13	11	17	27	24	24	153	104
M	Capacity Payment	(42)	(129)	(134)	(139)	(144)	(149)	(155)	(161)	(167)	(173)	(1,393)	(994)
N	Capacity Bonus[12]	(1)	(3)	(3)	(3)	(3)	(3)	(4)	(4)	(4)	(4)	(32)	(23)
O	Total Avoided Costs of PPA	(43)	(132)	(137)	(142)	(147)	(153)	(159)	(164)	(171)	(177)	(1,425)	(1,017)
P	Net Customer Costs/(Savings)	$7	$13	($25)	($25)	($41)	($55)	($62)	($64)	($81)	($94)	($428)	($269)

1) Totals may not sum due to rounding
2) Discount Factor is based on weighted average cost of capital of 7.51% discounted to September 1, 2015
3) Reflects amortization of regulatory asset associated with $520.5 MM PPA, less the $4.9 MM regulatory liability associated with the plant book/tax difference
4) Operating Expenses include operations and maintenance, land lease, rail lease, and change in net working capital
5) Reflects amortization of ARO Asset and accretion of ARO Liability
6) Interest expense assumes cost of debt of 5.05%
7) Assumes after-tax return on equity of 10.5%
8) Includes incremental system fuel costs, start-up costs, variable O&M, environmental compliance costs, and short-term purchases
9) Present value is calculated as the sum the annual values multiplied by the respective discount factor
10) Fuel price adjustment to Cedar Bay energy costs
11) Reflects excess capacity of 162 MW using FPL's estimated price of $3.48/kW-month for short-term capacity in 2022
12) Capacity Bonus at 2.59% rate
13) Before consideration of proper equity method purchase price

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 18
PARTY: OFFICE OF PUBLIC COUNSEL (OPC) (DIRECT)
DESCRIPTION: C. Dawson CCD-3

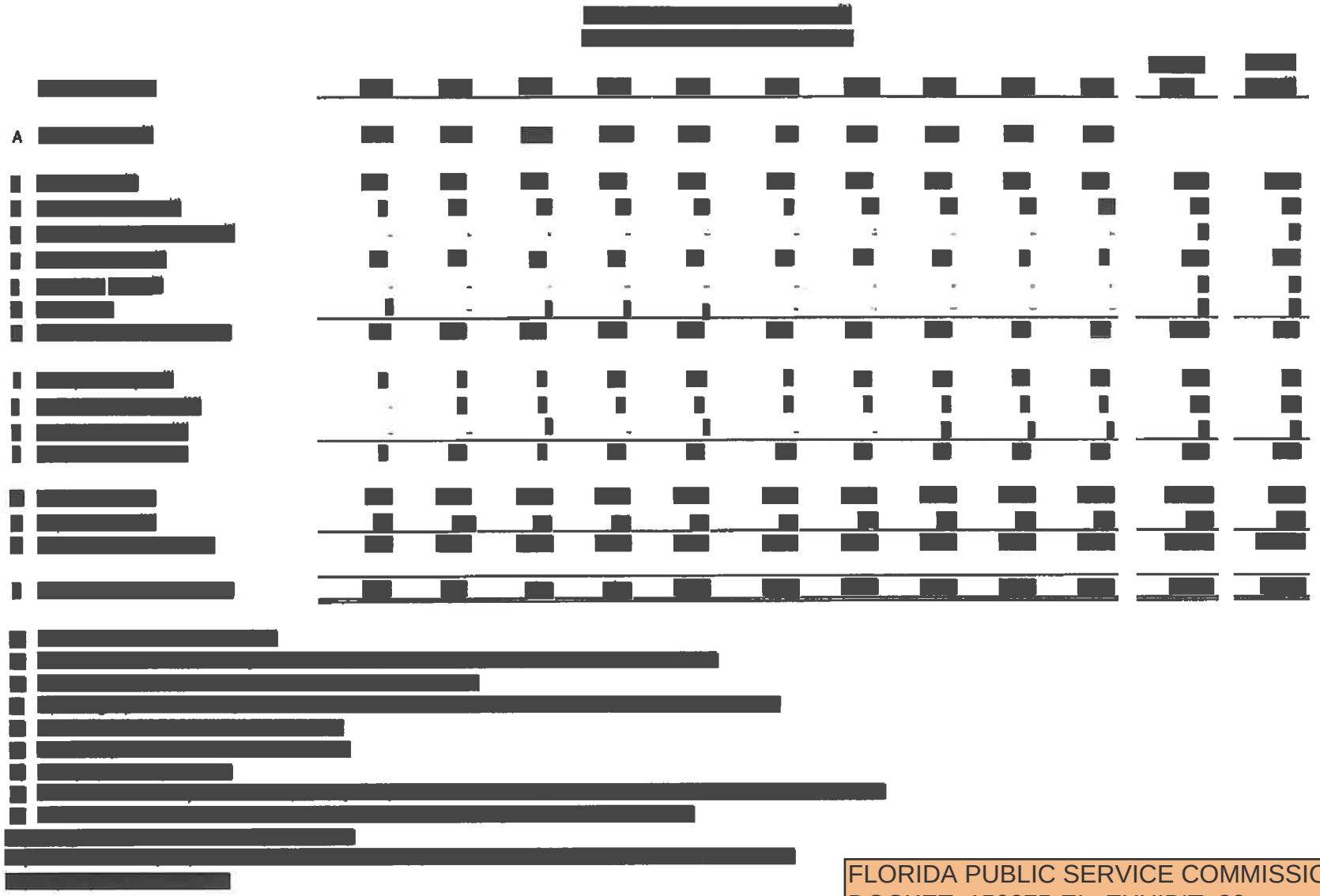
Modified FPL Economic Evaluation[1][13]

FPL Acquires IRS Private Letter Ruling & Recovery of Debt Component Only

	(dollar in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Nominal Total	Present Value[9]
A	Discount Factor[2]	0.99	0.94	0.88	0.81	0.76	0.7	0.66	0.61	0.57	0.53		
B	Amortization[3]	$18	$55	$55	$55	$55	$55	$55	$55	$55	$55	$516	$375
C	Operating Expenses[4]	8	17	1	1	1	1	1	1	1	1	30	27
D	Asset Retirement Obligation[5]	1	3	-	-	-	-	-	-	-	-	5	4
E	Interest Expenses[6]	9	24	21	18	15	13	10	7	4	1	123	99
F	Return On Equity[7]	-	-	-	-	-	-	-	-	-	-	0	0
G	Income Tax	-	-	-	-	-	-	-	-	-	-	0	0
H	Total Cost of Acquiring CBAS	36	100	77	74	71	69	66	63	60	57	673	506
I	FPL System Impact[8]	3	9	3	15	11	9	15	18	22	22	127	86
J	Fuel Price Adjustment[10]	-	2	2	2	2	2	2	2	2	2	19	14
K	Excess Capacity Sale[11]	-	-	-	-	-	-	-	7	-	-	7	4
L	Net FPL System Impact	3	11	5	17	13	11	17	27	24	24	153	104
M	Capacity Payment	(42)	(129)	(134)	(139)	(144)	(149)	(155)	(161)	(167)	(173)	(1,393)	(994)
N	Capacity Bonus[12]	(1)	(3)	(3)	(3)	(3)	(3)	(4)	(4)	(4)	(4)	(32)	(23)
O	Total Avoided Costs of PPA	(43)	(132)	(137)	(142)	(147)	(153)	(159)	(164)	(171)	(177)	(1,425)	(1,017)
P	Net Customer Costs/(Savings)	($4)	($22)	($55)	($51)	($63)	($73)	($76)	($75)	($86)	($95)	($599)	($408)

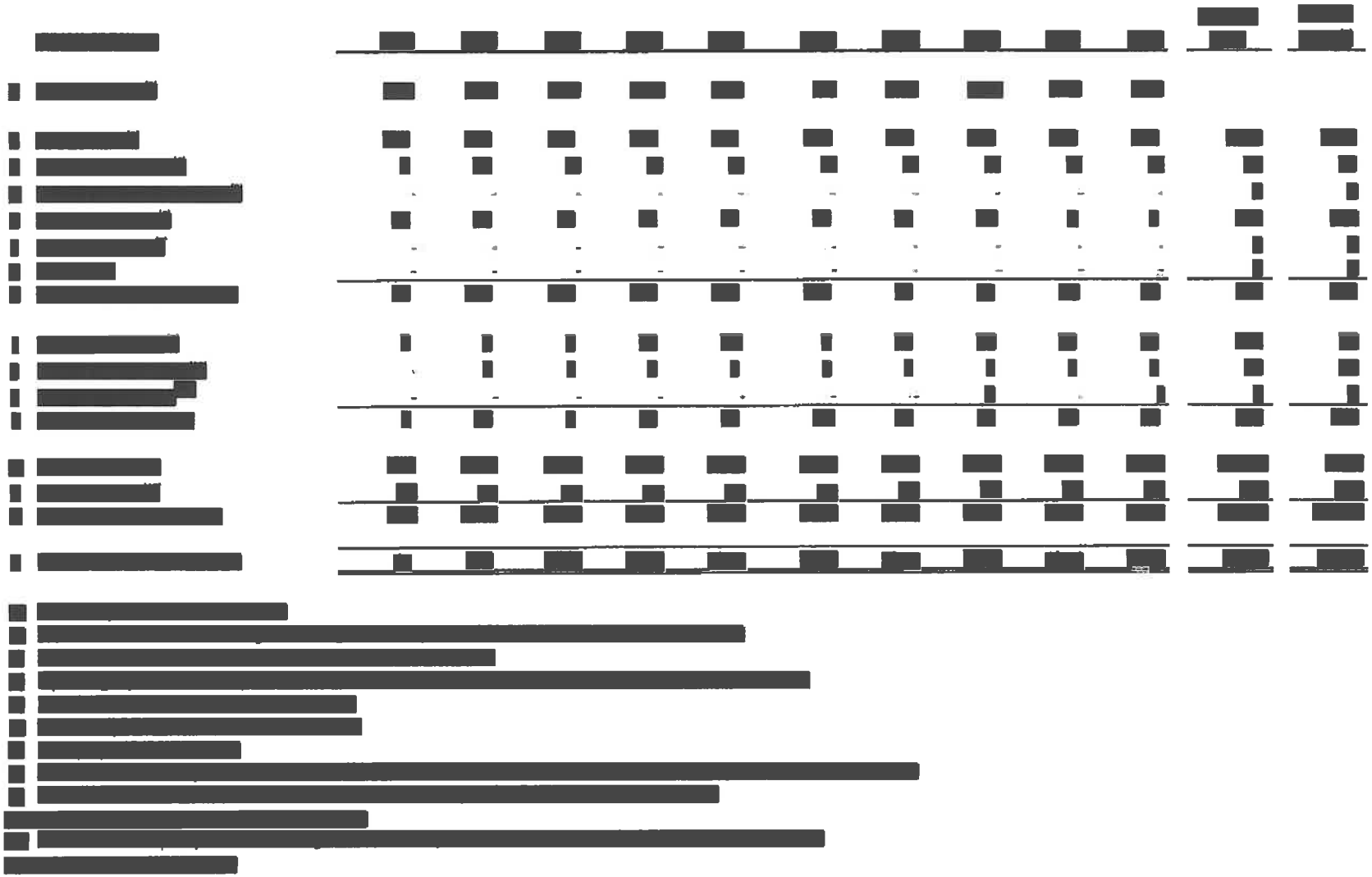
1) Totals may not sum due to rounding
2) Discount Factor is based on weighted average cost of capital of 7.51% discounted to September 1, 2015
3) Reflects amortization of regulatory asset associated with $520.5 MM PPA,
less the $4.9 MM regulatory liability associated with the plant book/tax difference
4) Operating Expenses include operations and maintenance, land lease, rail lease, and change in net working capital
5) Reflects amortization of ARO Asset and accretion of ARO Liability
6) Interest expense assumes cost of debt of 5.05%
7) No equity financing assumed.
8) Includes incremental system fuel costs, start-up costs, variable O&M, environmental compliance costs, and short-term purchases
9) Present value is calculated as the sum the annual values multiplied by the respective discount factor
10) Fuel price adjustment to Cedar Bay energy costs
11) Reflects excess capacity of 162 MW using FPL's estimated price of $3.48/kW-month for short-term capacity in 2022
12) Capacity Bonus at 2.59% rate
13) Before consideration of proper equity method purchase price

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 19
PARTY: OFFICE OF PUBLIC COUNSEL (OPC) (DIRECT)
DESCRIPTION: C. Dawson CCD-4



FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 20
PARTY: OFFICE OF PUBLIC COUNSEL (OPC)
(DIRECT)
DESCRIPTION: C. Dawson CCD-5

[redacted]



FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 21
PARTY: OFFICE OF PUBLIC COUNSEL (OPC) (DIRECT)
DESCRIPTION: C. Dawson CCD-6

Summary of FPL's Alternatives to Existing Cedar Bay PPA [1]

	Alternatives	Amortization of Regulatory Asset [2] ($ M)	Key Risk/Exposure	Estimated Customer Savings ($ M NPV)
1)	Existing PPA Continues	N/A	N/A	N/A
2)	FPL Purchase Cedar Bay Facility, as proposed (Exhibit CCD-1)	847	- Environmental Liability - Tax / Accounting Treatment - Gas & Coal Fuel Prices - Replacement Capacity Cost	(32)
3)	FPL Acquires IRS PVL & Debt Carrying Cost (Exhibit CCD-4)	520	- Environmental Liability - Gas & Coal Fuel Prices - Replacement Capacity Cost	(408)
[redacted]		[redacted]	[redacted]	[redacted]

1) ***This exhibit shows options 2 and 3 without regard to the valuation-related adjustment to the equity purchase price per OPC Witness Brunault's testimony.***
2) ***Includes applicable tax gross-ups.***

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 22
PARTY: OFFICE OF PUBLIC COUNSEL (OPC)
(DIRECT)
DESCRIPTION: C. Dawson CCD-7

APPENDIX A

Qualifications of Jeffry Pollock

Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A Jeffry Pollock. My business mailing address is 12647 Olive Blvd., Suite 585, St. Louis, Missouri 63141.

Q WHAT IS YOUR OCCUPATION AND BY WHOM ARE YOU EMPLOYED?

A I am an energy advisor and President of J. Pollock, Incorporated.

Q PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A I have a Bachelor of Science Degree in Electrical Engineering and a Masters in Business Administration from Washington University. I have also completed a Utility Finance and Accounting course.

Upon graduation in June 1975, I joined Drazen-Brubaker & Associates, Inc. (DBA). DBA was incorporated in 1972 assuming the utility rate and economic consulting activities of Drazen Associates, Inc., active since 1937. From April 1995 to November 2004, I was a managing principal at Brubaker & Associates (BAI).

During my tenure at both DBA and BAI, I have been engaged in a wide range of consulting assignments including energy and regulatory matters in both the United States and several Canadian provinces. This includes preparing financial and economic studies of investor-owned, cooperative and municipal utilities on revenue requirements, cost of service and rate design, and conducting site evaluation. Recent engagements have included advising clients on electric restructuring issues, assisting clients to procure and manage electricity in both competitive and regulated markets, developing and issuing requests for proposals

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 23
PARTY: FLORIDA INDUSTRIAL POWER USERS GROUP (FIPUG) (DIRECT)

(RFPs), evaluating RFP responses and contract negotiation. I was also responsible for developing and presenting seminars on electricity issues.

I have worked on various projects in over 20 states and several Canadian provinces, and have testified before the Federal Energy Regulatory Commission and the state regulatory commissions of Alabama, Arizona, Colorado, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, New Jersey, New Mexico, Ohio, Pennsylvania, Texas, Virginia, Washington, and Wyoming. I have also appeared before the City of Austin Electric Utility Commission, the Board of Public Utilities of Kansas City, Kansas, the Board of Directors of the South Carolina Public Service Authority (a.k.a. Santee Cooper), the Bonneville Power Administration, Travis County (Texas) District Court, and the U.S. Federal District Court. A partial list of my appearances is provided in **Appendix B**.

Q PLEASE DESCRIBE J. POLLOCK, INCORPORATED.

A J.Pollock assists clients to procure and manage energy in both regulated and competitive markets. The J.Pollock team also advises clients on energy and regulatory issues. Our clients include commercial, industrial and institutional energy consumers. J.Pollock is a registered Class I aggregator in the State of Texas.

APPENDIX B
Testimony Filed in Regulatory Proceedings
by Jeffry Pollock

PROJECT	UTILITY	ON BEHALF OF	DOCKET	TYPE	REGULATORY JURISDICTION	SUBJECT	DATE
140201	VARIOUS UTILITIES	Florida Industrial Power Users Group	140226	Surrebuttal	FL	Support of Opt-Out Provision	5/20/2015
140105	SOUTHWEST ERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	43695	Direct	TX	Post-Test Year Adjustments; Weather Normalization	5/15/2015
140105	SOUTHWEST ERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	43695	Direct	TX	Class Cost of Service Study; Class Revenue Allocation	5/15/2015
130901	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	43958	Direct	TX	Certificiate of Need	4/29/2015
140404	SOUTHWESTERN ELECTRIC POWER COMPANY	Texas Industrial Energy Consumers	42370	Cross-Rebuttal	TX	Allocation and recovery of Municipal Rate Case Expenses and the proposed Rate-Case-Expense Surcharge Tariff.	1/27/2015
140904	WEST PENN POWER COMPANY	West Penn Power Industrial Intervenors	2014-2428742	Surrebuttal	PA	Class Cost-of-Service Study; Class Revenue Allocation; Large Commercial and Industrial Rate Design; Storm Damage Charge Rider	1/6/2015
140903	PENNSYLVANIA ELECTRIC COMPANY	Penelec Industrial Customer Alliance	2014-2428743	Surrebuttal	PA	Class Cost-of-Service Study; Class Revenue Allocation; Large Commercial and Industrial Rate Design; Storm Damage Charge Rider	1/6/2015
140902	METROPOLITAN EDISON COMPANY	Med-Ed Industrial Users Group	2014-2428745	Surrebuttal	PA	Class Cost-of-Service Study; Class Revenue Allocation; Large Commercial and Industrial Rate Design; Storm Damage Charge Rider	1/6/2015
140904	WEST PENN POWER COMPANY	West Penn Power Industrial Intervenors	2014-2428742	Rebuttal	PA	Class Cost-of-Service Study; Class Revenue Allocation; Large Commercial and Industrial Rate Design; Storm Damage Charge Rider	12/18/2014
140903	PENNSYLVANIA ELECTRIC COMPANY	Penelec Industrial Customer Alliance	2014-2428743	Rebuttal	PA	Class Cost-of-Service Study; Class Revenue Allocation; Large Commercial and Industrial Rate Design; Storm Damage Charge Rider	12/18/2014
140902	METROPOLITAN EDISON COMPANY	Med-Ed Industrial Users Group	2014-2428745	Rebuttal	PA	Class Cost-of-Service Study; Class Revenue Allocation; Large Commercial and Industrial Rate Design; Storm Damage Charge Rider	12/18/2014

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 24
PARTY: FLORIDA INDUSTRIAL POWER USERS GROUP (FIPUG) (DIRECT)
DESCRIPTION: Jeffry Pollock Appendix B

APPENDIX B
Testimony Filed in Regulatory Proceedings
by Jeffry Pollock

PROJECT	UTILITY	ON BEHALF OF	DOCKET	TYPE	REGULATORY JURISDICTION	SUBJECT	DATE
140804	PUBLIC SERVICE COMPANY OF COLORADO	Colorado Healthcare Electric Coordinating Council	14AL-0660E	Cross	CO	Clean Air Clean Jobs Act Rider; Transmission Cost Adjustment	12/17/2014
140904	WEST PENN POWER COMPANY	West Penn Power Industrial Intervenors	2014-2428742	Direct	PA	Class Cost-of-Service Study; Class Revenue Allocation, Rate Design, Partial Services Rider; Storm Damage Rider	11/24/2014
140903	PENNSYLVANIA ELECTRIC COMPANY	Penelec Industrial Customer Alliance	2014-2428743	Direct	PA	Class Cost-of-Service Study; Class Revenue Allocation, Rate Design, Partial Services Rider; Storm Damage Rider	11/24/2014
140902	METROPOLITAN EDISON COMPANY	Med-Ed Industrial Users Group	2014-2428745	Direct	PA	Class Cost-of-Service Study; Class Revenue Allocation, Rate Design, Partial Services Rider; Storm Damage Rider	11/24/2014
140905	CENTRAL HUDSON GAS & ELECTRIC	Multiple Intervenors	14-E-0318 / 14-G-0319	Direct	NY	Class Cost-of-Service Study; Class Revenue Allocation (Electric)	11/21/2014
140804	PUBLIC SERVICE COMPANY OF COLORADO	Colorado Healthcare Electric Coordinating Council	14AL-0660E	Direct	CO	Clean Air Clean Jobs Act Rider; Electric Commodity Adjustment Incentive Mechanism	11/7/2014
140201	FLORIDA POWER AND LIGHT COMPANY	Florida Industrial Power Users Group	140001-E	Direct	FL	Cost-Effectiveness and Policy Issues Surrounding the Investment in Working Gas Production Facilities	9/22/2014
140401	ROCKY MOUNTAIN POWER	Wyoming Industrial Energy Consumers	20000-446-ER14	Surrebuttal	WY	Class Cost-of-Service, Rule 12 (Line Extension Policy)	9/19/2014
140805	INDIANA MICHIGAN POWER COMPANY	I&M Industrial Group	44511	Direct	IN	Clean Energy Solar Pilot Project, Solar Power Rider and Green Power Rider	9/17/2014
140201	VARIOUS UTILITIES	Florida Industrial Power Users Group	140002-EI	Direct	FL	Energy Efficiency Cost Recovery Opt-Out Provision	9/5/2014
140401	ROCKY MOUNTAIN POWER	Wyoming Industrial Energy Consumers	20000-446-ER14	Cross	WY	Class Cost-of-Service Study; Rule 12 Line Extension	9/5/2014
131002	NORTHERN STATES POWER COMPANY	Xcel Large Industrials	E-002/GR-13-868	Surrebuttal	MN	Nuclear Depreciation Expense, Monticello EPU/LCM Project, Class Cost-of-Service Study, Class Revenue Allocation, Fuel Clause Rider Reform, Rate Design	8/4/2014
140401	ROCKY MOUNTAIN POWER	Wyoming Industrial Energy Consumers	20000-446-ER14	Direct	WY	Class Cost-of-Service Study, Rule 12 Line Extension	7/25/2014
140601	DUKE ENERGY FLORIDA	NRG Florida, LP	140111 and 140110	Direct	FL	Cost-Effectiveness of Proposed Self Build Generating Projects	7/14/2014
131002	NORTHERN STATES POWER COMPANY	Xcel Large Industrials	E-002/GR-13-868	Rebuttal	MN	Class Cost-of-Service Study, Class Revenue Allocation	7/7/2014
140303	PPL ELECTRIC UTILITIES CORPORATION	PP&L Industrial Customer Alliance	2013-2398440	Rebuttal	PA	Energy Efficiency Cost Recovery	7/1/2014

APPENDIX B
Testimony Filed in Regulatory Proceedings
by Jeffry Pollock

PROJECT	UTILITY	ON BEHALF OF	DOCKET	TYPE	REGULATORY JURISDICTION	SUBJECT	DATE
131002	NORTHERN STATES POWER COMPANY	Xcel Large Industrials	E-002/GR-13-868	Direct	MN	Revenue Requirements, Fuel Clause Rider, Class Cost-of-Service Study, Rate Design and Revenue Allocation	6/5/2014
140303	PPL ELECTRIC UTILITIES CORPORATION	PP&L Industrial Customer Alliance	2013-2398440	Direct	PA	Energy Efficiency Cost Recovery	5/23/2014
140105	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	42042	Direct	TX	Transmission Cost Recovery Factor	4/24/2014
130901	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	41791	Cross	TX	Class Cost-of-Service Study and Rate Design	1/31/2014
130901	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	41791	Direct	TX	Revenue Requirements, Fuel Reconciliation; Cost Allocation Issues; Rate Design Issues	1/10/2014
131005	DUQUESNE LIGHT COMPANY	Duquesne Industrial Intervenors	R-2013-2372129	Supplemental Surrebuttal	PA	Class Cost-of-Sevice Study	12/13/2013
131005	DUQUESNE LIGHT COMPANY	Duquesne Industrial Intervenors	R-2013-2372129	Surrebuttal	PA	Class Cost-of-Service Study; Cash Working Capital; Miscellaneous General Expense; Uncollectable Expense; Class Revenue Allocation	12/9/2013
131005	DUQUESNE LIGHT COMPANY	Duquesne Industrial Intervenors	R-2013-2372129	Rebuttal	PA	Rate L Transmission Service; Class Revenue Allocation	11/26/2013
130905	ENTERGY TEXAS, INC. ITC HOLDINGS CORP.	Texas Industrial Energy Consumers	41850	Direct	TX	Rate Mitigation Plan; Conditions re Transfer of Control of Ownership	11/6/2013
130501	MIDAMERICAN ENERGY COMPANY	Deere & Company	RPU-2013-0004	Surrebuttal	IA	Class Cost-of-Service Study; Class Revenue Allocation; Depreciation Surplus	11/4/2013
130602	SHARYLAND UTILITIES	Texas Inustrial Energy Consumers and Atlas Pipeline Mid-Continent WestTex, LLC	41474	Cross-Rebuttal	TX	Customer Class Definitions; Class Revenue Allocation; Allocation of TTC costs	11/4/2013
131005	DUQUESNE LIGHT COMPANY	Duquesne Industrial Intervenors	R-2013-2372129	Direct	PA	Class Cost-of-Service, Class Revenue Allocations	11/1/2013
130906	PUBLIC SERVICE ENERGY AND GAS	New Jersey Large Energy Users Coalition	EO13020155 and GO13020156	Direct	NJ	Energy Strong	10/28/2013
130602	SHARYLAND UTILITIES	Texas Inustrial Energy Consumers and Atlas Pipeline Mid-Continent WestTex, LLC	41474	Direct	TX	Regulatory Asset Cost Recovery; Class Cost-of-Service Study, Class Revenue Allocation, Rate Design	10/18/2013
130903	GEORGIA POWER COMPANY	Georgia Industrial Group and Georgia Association of Manufacturers	36989	Direct	GA	Depreciation Expense, Alternate Rate Plan, Return on Equity, Class Cost-of-Service Study, Class Revenue Allocation, Rate Design	10/18/2013
130501	MIDAMERICAN ENERGY COMPANY	Deere & Company	RPU-2013-0004	Rebutal	IA	Class Cost-of-Service Study	10/1/2013
130902	FLORIDA POWER AND LIGHT COMPANY	Florida Industrial Power Users Group	130007	Direct	FL	Environmental Cost Recovery Clause	9/13/2013

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130501	MIDAMERICAN ENERGY COMPANY	Deere & Company	RPU-2013-0004	Direct	IA	Class Cost-of-Service Study, Class Revenue Allocation, Depreciation, Cost Recovery Clauses, Revenue Sharing, Revenue True-up	9/10/2013
130202	SOUTHWESTERN PUBLIC SERVICE COMPANY	Occidental Permian Ltd.	12-00350-UT	Rebuttal	NM	RPS Cost Rider	9/9/2013
130701	WESTAR ENERGY INC. and KANSAS GAS & ELECTRIC CO.	Occidental Chemical Corporation	13-WSEE-629-RTS	Cross-Answering	KS	Cost Allocation Methodology	9/5/2013
130202	SOUTHWESTERN PUBLIC SERVICE COMPANY	Occidental Permian Ltd.	12-00350-UT	Direct	NM	Class Cost-of-Service Study	8/22/2013
130701	WESTAR ENERGY INC. and KANSAS GAS & ELECTRIC CO.	Occidental Chemical Corporation	13-WSEE-629-RTS	Direct	KS	Class Revenue Allocation.	8/21/2013
130203	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	41437	Direct	TX	Avoided Cost; Standby Rate Design	8/14/2013
100902	MID-KANSAS ELECTRIC COMPANY, LLC	Western Kansas Industrial Electric Consumers	13-MKEE-699	Direct	KS	Class Revenue Allocation	8/12/2013
100902	MID-KANSAS ELECTRIC COMPANY, LLC	Western Kansas Industrial Electric Consumers	13-MKEE-447	Supplemental	KS	Testimony in Support of Settlement	8/9/2013
100902	MID-KANSAS ELECTRIC COMPANY, LLC	Western Kansas Industrial Electric Consumers	13-MKEE-447	Supplemental	KS	Modification Agreement	7/24/2013
130201	TAMPA ELECTRIC COMPANY	Florida Industrial Power Users Group	130040	Direct	FL	GSD-IS Consolidation, GSD and IS Rate Design, Class Cost-of-Service Study, Planned Outage Expense, Storm Damage Expense	7/15/2013
100902	MID-KANSAS ELECTRIC COMPANY, LLC	Western Kansas Industrial Electric Consumers	13-MKEE-452	Supplemental	KS	Testimony in Support of Nonunanimous Settlement	6/28/2013
121203	JERSEY CENTRAL POWER & LIGHT COMPANY	Gerdau Ameristeel Sayreville, Inc.	ER12111052	Direct	NJ	Cost of Service Study for GT-230 KV Customers; AREP Rider	6/14/2013
100902	MID-KANSAS ELECTRIC COMPANY, LLC	Western Kansas Industrial Electric Consumers	13-MKEE-447	Direct	KS	Wholesale Requirements Agreement; Process for Exemption From Regulation; Conditions Required for Public Interest Finding on CCN spin-down	5/14/2013
100902	MID-KANSAS ELECTRIC COMPANY, LLC	Western Kansas Industrial Electric Consumers	13-MKEE-452	Cross	KS	Formula Rate Plan for Distribution Utility	5/10/2013
100902	MID-KANSAS ELECTRIC COMPANY, LLC	Western Kansas Industrial Electric Consumers	13-MKEE-452	Direct	KS	Formula Rate Plan for Distribution Utility	5/3/2013
121001	ENTERGY TEXAS, INC. ITC HOLDINGS CORP.	Texas Industrial Energy Consumers	41223	Direct	TX	Public Interest of Proposed Divestiture of ETI's Transmission Business to an ITC Holdings	4/30/2013
121101	NORTHERN STATES POWER COMPANY	Xcel Large Industrials	12-961	Surrebuttal	MN	Depreciation; Used and Useful; Cost Allocation; Revenue Allocation	4/12/2013
121101	NORTHERN STATES POWER COMPANY	Xcel Large Industrials	12-961	Rebuttal	MN	Class Revenue Allocation.	3/25/2013
121101	NORTHERN STATES POWER COMPANY	Xcel Large Industrials	12-961	Direct	MN	Depreciation; Used and Useful; Property Tax; Cost Allocation; Revenue Allocation; Competitive Rate & Property Tax Riders	2/28/2013

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91203	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	38951	Second Supplemental Rebuttal	TX	Competitive Generation Service Tariff	2/1/2013
91203	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	38951	Second Supplemental Direct	TX	Competitive Generation Service Tariff	1/11/2013
110202	SOUTHWESTERN ELECTRIC POWER COMPANY	Texas Industrial Energy Consumers	40443	Cross Rebuttal	TX	Cost Allocation and Rate Design	1/10/2013
110202	SOUTHWESTERN ELECTRIC POWER COMPANY	Texas Industrial Energy Consumers	40443	Direct	TX	Application of the Turk Plant Cost-Cap; Revenue Requirements; Class Cost-of-Service Study; Class Revenue Allocation; Industrial Rate Design	12/10/2012
120301	FLORIDA POWER AND LIGHT COMPANY	Florida Industrial Power Users Group	120015	Corrected Supplemental Rebuttal	FL	Support for Non-Unanimous Settlement	11/13/2012
120301	FLORIDA POWER AND LIGHT COMPANY	Florida Industrial Power Users Group	120015	Corrected Supplemental Direct	FL	Support for Non-Unanimous Settlement	11/13/2012
120602	NIAGARA MOHAWK POWER CORP.	Multiple Intervenors	12-E-0201/12-G-0202	Rebuttal	NY	Electric and Gas Class Cost-of-Service Studies.	9/25/2012
120602	NIAGARA MOHAWK POWER CORP.	Multiple Intervenors	12-E-0201/12-G-0202	Direct	NY	Electric and Gas Class Cost-of-Service Study; Revenue Allocation; Rate Design; Historic Demand	8/31/2012
100902	MID-KANSAS ELECTRIC COMPANY, LLC	Western Kansas Industrial Electric Consumers	12-MKEE-650-TAR	Direct	KS	Transmission Formula Rate Plan	7/31/2012
120502	WESTAR ENERGY INC. and KANSAS GAS & ELECTRIC CO.	Occidental Chemical Corporation	12-WSEE-651-TAR	Direct	KS	TDC Tariff	7/30/2012
120301	FLORIDA POWER AND LIGHT COMPANY	Florida Industrial Power Users Group	120015	Direct	FL	Class Cost-of-Service Study, Revenue Allocation, and Rate Design	7/2/2012
120101	LONE STAR TRANSMISSION, LLC	Texas Industrial Energy Consumers	40020	Direct	TX	Revenue Requirement, Rider AVT	6/21/2012
111102	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	39896	Cross	TX	Class Cost-of-Service Study, Revenue Allocation, and Rate Design	4/13/2012
111102	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	39896	Direct	TX	Revenue Requirements, Class Cost-of-Service Study, Revenue Allocation, and Rate Design	3/27/2012
91023	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	38951	Supplemental Rebuttal	TX	Competitive Generation Service Issues	2/24/2012
91203	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	38951	Supplemental Direct	TX	Competitive Generation Service Issues	2/10/2012
101101	AEP TEXAS CENTRAL COMPANY	Texas Industrial Energy Consumers	39722	Direct	TX	Carrying Charge Rate Applicable to the Additional True-Up Balance and Tax Balances	11/4/2011
110703	GULF POWER COMPANY	Florida Industrial Power Users Group	110138-EI	Direct	FL	Cost Allocation and Storm Reserve	10/14/2011
90404	CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC	Texas Industrial Energy Consumers	39504	Direct	TX	Carrying Charge Rate Applicable to the Additional True-Up Balance and Taxes	9/12/2011
101101	AEP TEXAS NORTH COMPANY	Texas Industrial Energy Consumers	39361	Cross-Rebuttal	TX	Energy Efficiency Cost Recovery Factor	8/10/2011

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101101	AEP TEXAS CENTRAL COMPANY	Texas Industrial Energy Consumers	39360	Cross-Rebuttal	TX	Energy Efficiency Cost Recovery Factor	8/10/2011
100503	ONCOR ELECTRIC DELIVERY COMPANY, LLC	Texas Industrial Energy Consumers	39375	Direct	TX	Energy Efficiency Cost Recovery Factor	8/2/2011
90103	ALABAMA POWER COMPANY	Alabama Industrial Energy Consumers	31653	Direct	AL	Renewable Purchased Power Agreement	7/28/2011
101101	AEP TEXAS NORTH COMPANY	Texas Industrial Energy Consumers	39361	Direct	TX	Energy Efficiency Cost Recovery Factor	7/26/2011
101101	AEP TEXAS CENTRAL COMPANY	Texas Industrial Energy Consumers	36360	Direct	TX	Energy Efficiency Cost Recovery Factor	7/20/2011
90201	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	39366	Direct	TX	Energy Efficiency Cost Recovery Factor	7/19/2011
90404	CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC	Texas Industrial Energy Consumers	39363	Direct	TX	Energy Efficiency Cost Recovery Factor	7/15/2011
101201	NORTHERN STATES POWER COMPANY	Xcel Large Industrials	E002/GR-10-971	Surrebuttal	MN	Depreciation; Non-Asset Margin Sharing; Step-In Increase; Class Cost-of-Service Study; Class Revenue Allocation; Rate Design	5/26/2011
101201	NORTHERN STATES POWER COMPANY	Xcel Large Industrials	E002/GR-10-971	Rebuttal	MN	Classification of Wind Investment	5/4/2011
101201	NORTHERN STATES POWER COMPANY	Xcel Large Industrials	E002/GR-10-971	Direct	MN	Surplus Depreciation Reserve, Incentive Compensation, Non-Asset Trading Margin Sharing, Cost Allocation, Class Revenue Allocation, Rate Design	4/5/2011
101202	ROCKY MOUNTAIN POWER	Wyoming Industrial Energy Consumers	20000-381-EA-10	Direct	WY	2010 Protocols	2/11/2011
100802	TEXAS-NEW MEXICO POWER COMPANY	Texas Industrial Energy Consumers	38480	Direct	TX	Cost Allocation, TCRF	11/8/2010
90402	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Traditional Manufacturers Group	31958	Direct	GA	Alternate Rate Plan, Return on Equity, Riders, Cost-of-Service Study, Revenue Allocation, Economic Development	10/22/2010
90404	CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC	Texas Industrial Energy Consumers	38339	Cross-Rebuttal	TX	Cost Allocation, Class Revenue Allocation	9/24/2010
90404	CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC	Texas Industrial Energy Consumers	38339	Direct	TX	Pension Expense, Surplus Depreciation Reserve, Cost Allocation, Rate Design, Riders	9/10/2010
100303	NIAGARA MOHAWK POWER CORP.	Multiple Intervenors	10-E-0050	Rebuttal	NY	Multi-Year Rate Plan, Cost Allocation, Revenue Allocation, Reconciliation Mechanisms, Rate Design	8/6/2010
100303	NIAGARA MOHAWK POWER CORP.	Multiple Intervenors	10-E-0050	Direct	NY	Multi-Year Rate Plan, Cost Allocation, Revenue Allocation, Reconciliation Mechanisms, Rate Design	0714/2010

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91203	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	37744	Cross Rebuttal	TX	Cost Allocation, Revenue Allocation, CGS Rate Design, Interruptible Service	6/30/2010
91203	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	37744	Direct	TX	Class Cost of Service Study, Revenue Allocation, Rate Design, Competitive Generation Services, Line Extension Policy	6/9/2010
90201	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	37482	Cross Rebuttal	TX	Allocation of Purchased Power Capacity Costs	2/3/2010
90402	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Traditional Manufacturers Group	28945	Direct	GA	Fuel Cost Recovery	1/29/2010
90201	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	37482	Direct	TX	Purchased Power Capacity Cost Factor	1/22/2010
90403	VIRGINIA ELECTRIC AND POWER COMPANY	MeadWestvaco Corporation	PUE-2009-00081	Direct	VA	Allocation of DSM Costs	1/13/2010
90201	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	37580	Direct	TX	Fuel refund	12/4/2009
90403	VIRGINIA ELECTRIC AND POWER COMPANY	MeadWestvaco Corporation	PUE-2009-00019	Direct	VA	Standby rate design; dynamic pricing	11/9/2009
80601	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	37135	Direct	TX	Transmission cost recovery factor	10/22/2009
80703	MID-KANSAS ELECTRIC COMPANY, LLC	Western Kansas Industrial Electric Consumers	09-MKEE-969-RTS	Direct	KS	Revenue requirements, TIER, rate design	10/19/2009
90601	VARIOUS UTILITIES	Florida Industrial Power Users Group	090002-EG	Direct	FL	Interruptible Credits	10/2/2009
80505	ONCOR ELECTRIC DELIVERY COMPANY	Texas Industrial Energy Consumers	36958	Cross Rebuttal	TX	2010 Energy efficiency cost recovery factor	8/18/2009
81001	PROGRESS ENERGY FLORIDA	Florida Industrial Power Users Group	90079	Direct	FL	Cost-of-service study, revenue allocation, rate design, depreciation expense, capital structure	8/10/2009
90404	CENTERPOINT	Texas Industrial Energy Consumers	36918	Cross Rebuttal	TX	Allocation of System Restoration Costs	7/17/2009
90301	FLORIDA POWER AND LIGHT COMPANY	Florida Industrial Power Users Group	080677	Direct	FL	Depreciation; class revenue allocation; rate design; cost allocation; and capital structure	7/16/2009
90201	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	36956	Direct	TX	Approval to revise energy efficiency cost recovery factor	7/16/2009
90601	VARIOUS UTILITIES	Florida Industrial Power Users Group	VARIOUS DOCKETS	Direct	FL	Conservation goals	7/6/2009
90201	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	36931	Direct	TX	System restoration costs under Senate Bill 769	6/30/2009
90502	SOUTHWESTERN ELECTRIC POWER COMPANY	Texas Industrial Energy Consumers	36966	Direct	TX	Authority to revise fixed fuel factors	6/18/2009
80805	TEXAS-NEW MEXICO POWER COMPANY	Texas Industrial Energy Consumers	36025	Cross-Rebuttal	TX	Cost allocatiion, revenue allocation and rate design	6/10/2009
80805	TEXAS-NEW MEXICO POWER COMPANY	Texas Industrial Energy Consumers	36025	Direct	TX	Cost allocation, revenue allocation, rate design	5/27/2009
81201	NORTHERN STATES POWER COMPANY	Xcel Large Industrials	08-1065	Surrebuttal	MN	Cost allocation, revenue allocation, rate design	5/27/2009

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90403	VIRGINIA ELECTRIC AND POWER COMPANY	MeadWestvaco Corporation	PUE-2009-00018	Direct	VA	Transmission cost allocation and rate design	5/20/2009
90101	NORTHERN INDIANA PUBLIC SERVICE COMPANY	Beta Steel Corporation	43526	Direct	IN	Cost allocation and rate design	5/8/2009
81203	ENTERGY SERVICES, INC	Texas Industrial Energy Consumers	ER008-1056	Rebuttal	FERC	Rough Production Cost Equalization payments	5/7/2009
81201	NORTHERN STATES POWER COMPANY	Xcel Large Industrials	08-1065	Rebuttal	MN	Class revenue allocation and the classification of renewable energy costs	5/5/2009
81201	NORTHERN STATES POWER COMPANY	Xcel Large Industrials	08-1065	Direct	MN	Cost-of-service study, class revenue allocation, and rate design	4/7/2009
81203	ENTERGY SERVICES, INC	Texas Industrial Energy Consumers	ER08-1056	Answer	FERC	Rough Production Cost Equalization payments	3/6/2009
80901	ROCKY MOUNTAIN POWER	Wyoming Industrial Energy Consumers	20000-333-ER-08	Direct	WY	Cost of service study; revenue allocation; inverted rates; revenue requirements	1/30/2009
81203	ENTERGY SERVICES	Texas Industrial Energy Consumers	ER08-1056	Direct	FERC	Entergy's proposal seeking Commission approval to allocate Rough Production Cost Equalization payments	1/9/2009
80505	ONCOR ELECTRIC DELIVERY COMPANY & TEXAS ENERGY FUTURE HOLDINGS LTD	Texas Industrial Energy Consumers	35717	Cross Rebuttal	TX	Retail transformation; cost allocation, demand ratchet waivers, transmission cost allocation factor	12/24/2008
70101	GEORGIA POWER COMPANY	Georgia Industrial Group and Georgia Traditional Manufacturers Association	27800	Direct	GA	Cash Return on CWIP associated with the Plant Vogtle Expansion	12/19/2008
80505	ONCOR ELECTRIC DELIVERY COMPANY & TEXAS ENERGY FUTURE HOLDINGS LTD	Texas Industrial Energy Consumers	35717	Direct	TX	Revenue Requirement, class cost of service study, class revenue allocation and rate design	11/26/2008
80802	TAMPA ELECTRIC COMPANY	The Florida Industrial Power Users Group and Mosaic Company	080317-EI	Direct	FL	Revenue Requirements, retail class cost of service study, class revenue allocation, firm and non firm rate design and the Transmission Base Rate Adjustment	11/26/2008
80601	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	35763	Supplemental Direct	TX	Recovery of Energy Efficiency Costs	11/6/2008
80601	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	35763	Cross-Rebuttal	TX	Cost Allocation, Demand Ratchet, Renewable Energy Certificates (REC)	10/28/2008
80601	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	35763	Direct	TX	Revenue Requirements, Fuel Reconciliation Revenue Allocation, Cost-of-Service and Rate Design Issues	10/13/2008
50106	ALABAMA POWER COMPANY	Alabama Industrial Energy Consumers	18148	Direct	AL	Energy Cost Recovery Rate (WITHDRAWN)	9/16/2008

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50701	ENTERGY TEXAS, INC.	Texas Industrial Energy Consumers	35269	Direct	TX	Allocation of rough production costs equalization payments	7/9/2008
70703	ENTERGY GULF STATES UTILITIES, TEXAS	Texas Industrial Energy Consumers	34800	Direct	TX	Non-Unanimous Stipulation	6/11/2008
50103	TEXAS PUC STAFF	Texas Industrial Energy Consumers	33672	Supplemental Rebuttal	TX	Transmission Optimization and Ancillary Services Studies	6/3/2008
50103	TEXAS PUC STAFF	Texas Industrial Energy Consumers	33672	Supplemental Direct	TX	Transmission Optimization and Ancillary Services Studies	5/23/2008
60104	SOUTHWESTERN ELECTRIC POWER COMPANY	Texas Industrial Energy Consumers	33891	Supplemental Cross Rebuttal	TX	Certificate of Convenience and Necessity	5/21/2008
60104	SOUTHWESTERN ELECTRIC POWER COMPANY	Texas Industrial Energy Consumers	33891	Supplemental Direct	TX	Certificate of Convenience and Necessity	5/8/2008
70703	ENTERGY GULF STATES UTILITES, TEXAS	Texas Industrial Energy Consumers	34800	Cross-Rebuttal	TX	Cost Allocation and Rate Design and Competitive Generation Service	4/18/2008
70703	ENTERGY GULF STATES UTILITES, TEXAS	Texas Industrial Energy Consumers	34800	Direct	TX	Eligible Fuel Expense	4/11/2008
70703	ENTERGY GULF STATES UTILITES, TEXAS	Texas Industrial Energy Consumers	34800	Direct	TX	Competitive Generation Service Tariff	4/11/2008
70703	ENTERGY GULF STATES UTILITES, TEXAS	Texas Industrial Energy Consumers	34800	Direct	TX	Revenue Requirements	4/11/2008
70703	ENTERGY GULF STATES UTILITES, TEXAS	Texas Industrial Energy Consumers	34800	Direct	TX	Cost of Service study, revenue allocation, design of firm, interruptible and standby service tariffs; interconnection costs	4/11/2008
41229	TEXAS-NEW MEXICO POWER COMPANY	Texas Industrial Energy Consumers	35038	Rebuttal	TX	Over $5 Billion Compliance Filing	4/14/2008
60303	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Traditional Manufacturers Group	26794	Direct	GA	Fuel Cost Recovery	4/15/2008
71202	SOUTHWESTERN PUBLIC SERVICE COMPANY	Occidental Periman Ltd.	07-00319-UT	Rebuttal	NM	Revenue requirements, cost of service study, rate design	3/28/2008
61101	AEP TEXAS CENTRAL COMPANY	Texas Industrial Energy Consumers	35105	Direct	TX	Over $5 Billion Compliance Filing	3/24/2008
51101	CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC	Texas Industrial Energy Consumers	32902	Direct	TX	Over $5 Billion Compliance Filing	3/20/2008
71202	SOUTHWESTERN PUBLIC SERVICE COMPANY	Occidental Periman Ltd.	07-00319-UT	Direct	NM	Revenue requirements, cost of service study (COS); rate design	3/7/2008
50701	ENTERGY GULF STATES UTILITIES TEXAS	Texas Industrial Energy Consumers	34724	Direct	TX	IPCR Rider increase and interim surcharge	11/28/2007
70601	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Traditional Manufacturers Group	25060-U	Direct	GA	Return on equity; cost of service study; revenue allocation; ILR Rider; spinning reserve tariff; RTP	10/24/2007
70303	ONCOR ELECTRIC DELIVERY COMPANY & TEXAS ENERGY FUTURE HOLDINGS LTD	Texas Industrial Energy Consumers	34077	Direct	TX	Acquisition; public interest	9/14/2007
60104	SOUTHWESTERN ELECTRIC POWER COMPANY	Texas Industrial Energy Consumers	33891	Direct	TX	Certificate of Convenience and Necessity	8/30/2007
61201	ALTAMAHA ELECTRIC MEMBERSHIP CORPORATION	SP Newsprint Company	25226-U	Rebuttal	GA	Discriminatory Pricing; Service Territorial Transfer	7/17/2007
61201	ALTAMAHA ELECTRIC MEMBERSHIP CORPORATION	SP Newsprint Company	25226-U	Direct	GA	Discriminatory Pricing; Service Territorial Transfer	7/6/2007
70502	PROGRESS ENERGY FLORIDA	Florida Industrial Power Users Group	070052-EI	Direct	FL	Nuclear uprate cost recovery	6/19/2007

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70603	ELECTRIC TRANSMISSION TEXAS LLC	Texas Industrial Energy Consumers	33734	Direct	TX	Certificate of Convenience and Necessity	6/8/2007
60601	TEXAS PUC STAFF	Texas Industrial Energy Consumers	32795	Rebuttal Remand	TX	Interest rate on stranded cost reconciliation	6/15/2007
60601	TEXAS PUC STAFF	Texas Industrial Energy Consumers	32795	Remand	TX	Interest rate on stranded cost reconciliation	6/8/2007
50103	TEXAS PUC STAFF	Texas Industrial Energy Consumers	33672	Rebuttal	TX	CREZ Nominations	5/21/2007
50701	ENTERGY GULF STATES UTILITES, TEXAS	Texas Industrial Energy Consumers	33687	Direct	TX	Transition to Competition	4/27/2007
50103	TEXAS PUC STAFF	Texas Industrial Energy Consumers	33672	Direct	TX	CREZ Nominations	4/24/2007
61101	AEP TEXAS CENTRAL COMPANY	Texas Industrial Energy Consumers	33309	Cross-Rebuttal	TX	Cost Allocation,Rate Design, Riders	4/3/2007
50701	ENTERGY GULF STATES UTILITIES TEXAS	Texas Industrial Energy Consumers	32710	Cross-Rebuttal	TX	Fuel and Rider IPCR Reconcilation	3/16/2007
61101	AEP TEXAS NORTH COMPANY	Texas Industrial Energy Consumers	33310	Direct	TX	Cost Allocation,Rate Design, Riders	3/13/2007
61101	AEP TEXAS CENTRAL COMPANY	Texas Industrial Energy Consumers	33309	Direct	TX	Cost Allocation,Rate Design, Riders	3/13/2007
50701	ENTERGY GULF STATES UTILITIES TEXAS	Texas Industrial Energy Consumers	32710	Direct	TX	Fuel and Rider IPCR Reconcilation	2/28/2007
41219	AEP TEXAS NORTH COMPANY	Texas Industrial Energy Consumers	31461	Direct	TX	Rider CTC design	2/15/2007
50701	ENTERGY GULF STATES UTILITIES TEXAS	Texas Industrial Energy Consumers	33586	Cross-Rebuttal	TX	Hurricane Rita reconstruction costs	1/30/2007
60104	SOUTHWESTERN ELECTRIC POWER COMPANY	Texas Industrial Energy Consumers	32898	Direct	TX	Fuel Reconciliation	1/29/2007
50701	ENTERGY GULF STATES UTILITIES TEXAS	Texas Industrial Energy Consumers	33586	Direct	TX	Hurricane Rita reconstruction costs	1/18/2007
60303	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Textile Manufacturers Group	23540-U	Direct	GA	Fuel Cost Recovery	1/11/2007
60503	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	32766	Cross Rebuttal	TX	Cost allocation, Cost of service, Rate design	1/8/2007
60503	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	32766	Direct	TX	Cost allocation, Cost of service, Rate design	12/22/2006
60503	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	32766	Direct	TX	Revenue Requirements,	12/15/2006
60503	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	32766	Direct	TX	Fuel Reconcilation	12/15/2006
50701	ENTERGY GULF STATES UTILITIES TEXAS	Texas Industrial Energy Consumers	32907	Cross Rebuttal	TX	Hurricane Rita reconstruction costs	10/12/06
50701	ENTERGY GULF STATES UTILITIES TEXAS	Texas Industrial Energy Consumers	32907	Direct	TX	Hurricane Rita reconstruction costs	10/09/06
60601	TEXAS PUC STAFF	Texas Industrial Energy Consumers	32795	Cross Rebuttal	TX	Stranded Cost Reallocation	09/07/06
60101	COLQUITT EMC	ERCO Worldwide	23549-U	Direct	GA	Service Territory Transfer	08/10/06
60601	TEXAS PUC STAFF	Texas Industrial Energy Consumers	32795	Direct	TX	Stranded Cost Reallocation	08/23/06
60104	SOUTHWESTERN ELECTRIC POWER COMPANY	Texas Industrial Energy Consumers	32672	Direct	TX	ME-SPP Transfer of Certificate to SWEPCO	8/23/2006
50503	AEP TEXAS CENTRAL COMPANY	Texas Industrial Energy Consumers	32758	Direct	TX	Rider CTC design and cost recovery	08/24/06
60503	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	32685	Direct	TX	Fuel Surcharge	07/26/06

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PROJECT	UTILITY	ON BEHALF OF	DOCKET	TYPE	REGULATORY JURISDICTION	SUBJECT	DATE
60301	PUBLIC SERVICE ELECTRIC AND GAS COMPANY	New Jersey Large Energy Consumers	171406	Direct	NJ	Gas Delivery Cost allocation and Rate design	06/21/06
60303	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Textile Manufacturers Group	22403-U	Direct	GA	Fuel Cost Recovery Allowance	05/05/06
50503	AEP TEXAS CENTRAL COMPANY	Texas Industrial Energy Consumers	32475	Cross-Rebuttal	TX	ADFIT Benefit	04/27/06
50503	AEP TEXAS CENTRAL COMPANY	Texas Industrial Energy Consumers	32475	Direct	TX	ADFIT Benefit	04/17/06
41229	TEXAS-NEW MEXICO POWER COMPANY	Texas Industrial Energy Consumers	31994	Cross-Rebuttal	TX	Stranded Costs and Other True-Up Balances	3/16/2006
41229	TEXAS-NEW MEXICO POWER COMPANY	Texas Industrial Energy Consumers	31994	Direct	TX	Stranded Costs and Other True-Up Balances	3/10/2006
50303	SOUTHWESTERN PUBLIC SERVICE COMPANY	Occidental Periman Ltd. Occidental Power Marketing	ER05-168-001	Direct	NM	Fuel Reconciliation	3/6/2006
50701	ENTERGY GULF STATES UTILITIES TEXAS	Texas Industrial Energy Consumers	31544	Cross-Rebuttal	TX	Transition to Competition Costs	01/13/06
50701	ENTERGY GULF STATES UTILITIES TEXAS	Texas Industrial Energy Consumers	31544	Direct	TX	Transition to Competition Costs	01/13/06
50601	PUBLIC SERVICE ELECTRIC AND GAS COMPANY AND EXELON CORPORATION	New Jersey Large Energy Consumers Retail Energy Supply Association	BPU EM05020106 OAL PUC-1874-05	Surrebuttal	NJ	Merger	12/22/2005
50705	SOUTHWESTERN PUBLIC SERVICE COMPANY	Occidental Periman Ltd. Occidental Power Marketing	EL05-19-002; ER05-168-001	Responsive	FERC	Fuel Cost adjustment clause (FCAC)	11/18/2005
50601	PUBLIC SERVICE ELECTRIC AND GAS COMPANY AND EXELON CORPORATION	New Jersey Large Energy Consumers Retail Energy Supply Association	BPU EM05020106 OAL PUC-1874-05	Direct	NJ	Merger	11/14/2005
50102	PUBLIC UTILITY COMMISSION OF TEXAS	Texas Industrial Energy Consumers	31540	Direct	TX	Nodal Market Protocols	11/10/2005
50701	ENTERGY GULF STATES UTILITIES TEXAS	Texas Industrial Energy Consumers	31315	Cross-Rebuttal	TX	Recovery of Purchased Power Capacity Costs	10/4/2005
50701	ENTERGY GULF STATES UTILITIES TEXAS	Texas Industrial Energy Consumers	31315	Direct	TX	Recovery of Purchased Power Capacity Costs	9/22/2005
50705	SOUTHWESTERN PUBLIC SERVICE COMPANY	Occidental Periman Ltd. Occidental Power Marketing	EL05-19-002; ER05-168-001	Responsive	FERC	Fuel Cost Adjustment Clause (FCAC)	9/19/2005
50503	AEP TEXAS CENTRAL COMPANY	Texas Industrial Energy Consumers	31056	Direct	TX	Stranded Costs and Other True-Up Balances	9/2/2005
50705	SOUTHWESTERN PUBLIC SERVICE COMPANY	Occidental Periman Ltd. Occidental Power Marketing	EL05-19-00; ER05-168-00	Direct	FERC	Fuel Cost adjustment clause (FCAC)	8/19/2006
50203	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Textile Manufacturers Group	19142-U	Direct	GA	Fuel Cost Recovery	4/8/2005
41230	CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC	Texas Industrial Energy Consumers	30706	Direct	TX	Competition Transition Charge	3/16/2005
41230	CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC	Texas Industrial Energy Consumers	30485	Supplemental Direct	TX	Financing Order	1/14/2005
41230	CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC	Texas Industrial Energy Consumers	30485	Direct	TX	Financing Order	1/7/2005
8201	PUBLIC SERVICE COMPANY OF COLORADO	Colorado Energy Consumers	04S-164E	Cross Answer	CO	Cost of Service Study, Interruptible Rate Design	12/13/2004
8201	PUBLIC SERVICE COMPANY OF COLORADO	Colorado Energy Consumers	04S-164E	Answer	CO	Cost of Service Study, Interruptible Rate Design	10/12/2004
8244	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Textile Manufacturers Group	18300-U	Direct	GA	Revenue Requirements, Revenue Allocation, Cost of Service, Rate Design, Economic Development	10/8/2004
8195	CENTERPOINT, RELIANT AND TEXAS GENCO	Texas Industrial Energy Consumers	29526	Direct	TX	True-Up	6/1/2004

APPENDIX B
Testimony Filed in Regulatory Proceedings
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PROJECT	UTILITY	ON BEHALF OF	DOCKET	TYPE	REGULATORY JURISDICTION	SUBJECT	DATE
8156	GEORGIA POWER COMPANY/SAVANNAH ELECTRIC AND POWER COMPANY	Georgia Industrial Group	17687-U/17688-U	Direct	GA	Demand Side Management	5/14/2004
8148	TEXAS-NEW MEXICO POWER COMPANY	Texas Industrial Energy Consumers	29206	Direct	TX	True-Up	3/29/2004
8095	CONECTIV POWER DELIVERY	New Jersey Large Energy Consumers	ER03020110	Surrebuttal	NJ	Cost of Service	3/18/2004
8111	AEP TEXAS CENTRAL COMPANY	Texas Industrial Energy Consumers	28840	Rebuttal	TX	Cost Allocation and Rate Design	2/4/2004
8095	CONECTIV POWER DELIVERY	New Jersey Large Energy Consumers	ER03020110	Direct	NJ	Cost Allocation and Rate Design	1/4/2004
7850	RELIANT ENERGY HL&P	Texas Industrial Energy Consumers	26195	Supplemental Direct	TX	Fuel Reconciliation	9/23/2003
8045	VIRGINIA ELECTRIC AND POWER COMPANY	Virginia Committee for Fair Utility Rates	PUE-2003-00285	Direct	VA	Stranded Cost	9/5/2003
8022	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Textile Manufacturers Group	17066-U	Direct	GA	Fuel Cost Recovery	7/22/2003
8002	AEP TEXAS CENTRAL COMPANY	Flint Hills Resources, LP	25395	Direct	TX	Delivery Service Tariff Issues	5/9/2003
7857	PUBLIC SERVICE ELECTRIC AND GAS COMPANY	New Jersey Large Energy Consumers	ER02050303	Supplemental	NJ	Cost of Service	3/14/2003
7850	RELIANT ENERGY HL&P	Texas Industrial Energy Consumers	26195	Direct	TX	Fuel Reconciliation	12/31/2002
7857	PUBLIC SERVICE ELECTRIC AND GAS COMPANY	New Jersey Large Energy Consumers	ER02050303	Surrebuttal	NJ	Revenue Allocation	12/16/2002
7836	PUBLIC SERVICE COMPANY OF COLORADO	Colorado Energy Consumers	02S-315EG	Answer	CO	Incentive Cost Adjustment	11/22/2002
7857	PUBLIC SERVICE ELECTRIC AND GAS COMPANY	New Jersey Large Energy Consumers	ER02050303	Direct	NJ	Revenue Allocation	10/22/2002
7863	DOMINION VIRGINIA POWER	Virginia Committee for Fair Utility Rates	PUE-2001-00306	Direct	VA	Generation Market Prices	8/12/2002
7718	FLORIDA POWER CORPORATION	Florida Industrial Power Users Group	000824-EI	Direct	FL	Rate Design	1/18/2002
7633	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Textile Manufacturers Group	14000-U	Direct	GA	Cost of Service Study, Revenue Allocation, Rate Design	10/12/2001
7555	TAMPA ELECTRIC COMPANY	Florida Industrial Power Users Group	010001-EI	Direct	FL	Rate Design	10/12/2001
7658	SOUTHWESTERN ELECTRIC POWER COMPANY	Texas Industrial Energy Consumers	24468	Direct	TX	Delay of Retail Competition	9/24/2001
7647	ENTERGY GULF STATES, INC.	Texas Industrial Energy Consumers	24469	Direct	TX	Delay of Retail Competition	9/22/2001
7608	RELIANT ENERGY HL&P	Texas Industrial Energy Consumers	23950	Direct	TX	Price to Beat	7/3/2001
7593	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Textile Manufacturers Group	13711-U	Direct	GA	Fuel Cost Recovery	5/11/2001
7520	GEORGIA POWER COMPANY SAVANNAH ELECTRIC & POWER COMPANY	Georgia Industrial Group/Georgia Textile Manufacturers Group	12499-U,13305-U, 13306-U	Direct	GA	Integrated Resource Planning	5/11/2001
7303	ENTERGY GULF STATES, INC.	Texas Industrial Energy Consumers	22356	Rebuttal	TX	Allocation/Collection of Municipal Franchise Fees	3/31/2001
7309	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	22351	Cross-Rebuttal	TX	Energy Efficiency Costs	2/22/2001
7305	CPL, SWEPCO, and WTU	Texas Industrial Energy Consumers	22352, 22353, 22354	Cross-Rebuttal	TX	Allocation/Collection of Municipal Franchise Fees	2/20/2001
7423	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Textile Manufacturers Group	13140-U	Direct	GA	Interruptible Rate Design	2/16/2001
7305	CPL, SWEPCO, and WTU	Texas Industrial Energy Consumers	22352, 22353, 22354	Supplemental Direct	TX	Transmission Cost Recovery Factor	2/13/2001
7310	TEXAS-NEW MEXICO POWER COMPANY	Texas Industrial Energy Consumers	22349	Cross-Rebuttal	TX	Rate Design	2/12/2001
7308	TXU ELECTRIC COMPANY	Texas Industrial Energy Consumers	22350	Cross-Rebuttal	TX	Unbundled Cost of Service	2/12/2001
7303	ENTERGY GULF STATES, INC.	Texas Industrial Energy Consumers	22356	Cross-Rebuttal	TX	Stranded Cost Allocation	2/6/2001

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PROJECT	UTILITY	ON BEHALF OF	DOCKET	TYPE	REGULATORY JURISDICTION	SUBJECT	DATE
7308	TXU ELECTRIC COMPANY	Texas Industrial Energy Consumers	22350	Direct	TX	Rate Design	2/5/2001
7303	ENTERGY GULF STATES, INC.	Texas Industrial Energy Consumers	22356	Supplemental Direct	TX	Rate Design	1/25/2001
7307	RELIANT ENERGY HL&P	Texas Industrial Energy Consumers	22355	Cross-Rebuttal	TX	Stranded Cost Allocation	1/12/2001
7303	ENTERGY GULF STATES, INC.	Texas Industrial Energy Consumers	22356	Direct	TX	Stranded Cost Allocation	1/9/2001
7307	RELIANT ENERGY HL&P	Texas Industrial Energy Consumers	22355	Direct	TX	Cost Allocation	12/13/2000
7375	CENTRAL POWER AND LIGHT COMPANY	Texas Industrial Energy Consumers	22352	Cross-Rebuttal	TX	CTC Rate Design	12/1/2000
7375	CENTRAL POWER AND LIGHT COMPANY	Texas Industrial Energy Consumers	22352	Direct	TX	Cost Allocation	11/1/2000
7308	TXU ELECTRIC COMPANY	Texas Industrial Energy Consumers	22350	Direct	TX	Cost Allocation	11/1/2000
7308	TXU ELECTRIC COMPANY	Texas Industrial Energy Consumers	22350	Cross-Rebuttal	TX	Cost Allocation	11/1/2000
7305	CPL, SWEPCO, and WTU	Texas Industrial Energy Consumers	22352, 22353, 22354	Direct	TX	Excess Cost Over Market	11/1/2000
7315	VARIOUS UTILITIES	Texas Industrial Energy Consumers	22344	Direct	TX	Generic Customer Classes	10/14/2000
7308	TXU ELECTRIC COMPANY	Texas Industrial Energy Consumers	22350	Direct	TX	Excess Cost Over Market	10/10/2000
7315	VARIOUS UTILITIES	Texas Industrial Energy Consumers	22344	Rebuttal	TX	Excess Cost Over Market	10/1/2000
7310	TEXAS-NEW MEXICO POWER COMPANY	Texas Industrial Energy Consumers	22349	Cross-Rebuttal	TX	Generic Customer Classes	10/1/2000
7310	TEXAS-NEW MEXICO POWER COMPANY	Texas Industrial Energy Consumers	22349	Direct	TX	Excess Cost Over Market	9/27/2000
7307	RELIANT ENERGY HL&P	Texas Industrial Energy Consumers	22355	Cross-Rebuttal	TX	Excess Cost Over Market	9/26/2000
7307	RELIANT ENERGY HL&P	Texas Industrial Energy Consumers	22355	Direct	TX	Excess Cost Over Market	9/19/2000
7334	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Textile Manufacturers Group	11708-U	Rebuttal	GA	RTP Petition	3/24/2000
7334	GEORGIA POWER COMPANY	Georgia Industrial Group/Georgia Textile Manufacturers Group	11708-U	Direct	GA	RTP Petition	3/1/2000
7232	PUBLIC SERVICE COMPANY OF COLORADO	Colorado Industrial Energy Consumers	99A-377EG	Answer	CO	Merger	12/1/1999
7258	TXU ELECTRIC COMPANY	Texas Industrial Energy Consumers	21527	Direct	TX	Securitization	11/24/1999
7246	CENTRAL POWER AND LIGHT COMPANY	Texas Industrial Energy Consumers	21528	Direct	TX	Securitization	11/24/1999
7089	VIRGINIA ELECTRIC AND POWER COMPANY	Virginia Committee for Fair Utility Rates	PUE980813	Direct	VA	Unbundled Rates	7/1/1999
7090	AMERICAN ELECTRIC POWER SERVICE CORPORATION	Old Dominion Committee for Fair Utility Rates	PUE980814	Direct	VA	Unbundled Rates	5/21/1999
7142	SHARYLAND UTILITIES, L.P.	Sharyland Utilities	20292	Rebuttal	TX	Certificate of Convenience and Necessity	4/30/1999
7060	PUBLIC SERVICE COMPANY OF COLORADO	Colorado Industrial Energy Consumers Group	98A-511E	Direct	CO	Allocation of Pollution Control Costs	3/1/1999
7039	SAVANNAH ELECTRIC AND POWER COMPANY	Various Industrial Customers	10205-U	Direct	GA	Fuel Costs	1/1/1999
6945	TAMPA ELECTRIC COMPANY	Florida Industrial Power Users Group	950379-EI	Direct	FL	Revenue Requirement	10/1/1998
6873	GEORGIA POWER COMPANY	Georgia Industrial Group	9355-U	Direct	GA	Revenue Requirement	10/1/1998
6729	VIRGINIA ELECTRIC AND POWER COMPANY	Virginia Committee for Fair Utility Rates	PUE960036,PUE960296	Direct	VA	Alternative Regulatory Plan	8/1/1998
6713	CENTRAL POWER AND LIGHT COMPANY	Texas Industrial Energy Consumers	16995	Cross-Rebuttal	TX	IRR	1/1/1998
6582	HOUSTON LIGHTING & POWER COMPANY	Lyondell Petrochemical Company	96-02867	Direct	COURT	Interruptible Power	1997
6758	SOUTHWESTERN ELECTRIC POWER COMPANY	Texas Industrial Energy Consumers	17460	Direct	TX	Fuel Reconciliation	12/1/1997

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PROJECT	UTILITY	ON BEHALF OF	DOCKET	TYPE	REGULATORY JURISDICTION	SUBJECT	DATE
6729	VIRGINIA ELECTRIC AND POWER COMPANY	Virginia Committee for Fair Utility Rates	PUE960036,PUE960296	Direct	VA	Alternative Regulatory Plan	12/1/1997
6713	CENTRAL POWER AND LIGHT COMPANY	Texas Industrial Energy Consumers	16995	Direct	TX	Rate Design	12/1/1997
6646	ENTERGY TEXAS	Texas Industrial Energy Consumers	16705	Rebuttal	TX	Competitive Issues	10/1/1997
6646	ENTERGY TEXAS	Texas Industrial Energy Consumers	16705	Rebuttal	TX	Competition	10/1/1997
6646	ENTERGY TEXAS	Texas Industrial Energy Consumers	473-96-2285/16705	Direct	TX	Rate Design	9/1/1997
6646	ENTERGY TEXAS	Texas Industrial Energy Consumers	16705	Direct	TX	Wholesale Sales	8/1/1997
6744	TAMPA ELECTRIC COMPANY	Florida Industrial Power Users Group	970171-EU	Direct	FL	Interruptible Rate Design	5/1/1997
6632	MISSISSIPPI POWER COMPANY	Colonial Pipeline Company	96-UN-390	Direct	MS	Interruptible Rates	2/1/1997
6558	TEXAS-NEW MEXICO POWER COMPANY	Texas Industrial Energy Consumers	15560	Direct	TX	Competition	11/11/1996
6508	TEXAS UTILITIES ELECTRIC COMPANY	Texas Industrial Energy Consumers	15195	Direct	TX	Treatment of margins	9/1/1996
6475	TEXAS UTILITIES ELECTRIC COMPANY	Texas Industrial Energy Consumers	15015	DIRECT	TX	Real Time Pricing Rates	8/8/1996
6449	CENTRAL POWER AND LIGHT COMPANY	Texas Industrial Energy Consumers	14965	Direct	TX	Quantification	7/1/1996
6449	CENTRAL POWER AND LIGHT COMPANY	Texas Industrial Energy Consumers	14965	Direct	TX	Interruptible Rates	5/1/1996
6449	CENTRAL POWER AND LIGHT COMPANY	Texas Industrial Energy Consumers	14965	Rebuttal	TX	Interruptible Rates	5/1/1996
6523	PUBLIC SERVICE COMPANY OF COLORADO	Multiple Intervenors	95A-531EG	Answer	CO	Merger	4/1/1996
6235	TEXAS UTILITIES ELECTRIC COMPANY	Texas Industrial Energy Consumers	13575	Direct	TX	Competitive Issues	4/1/1996
6435	SOUTHWESTERN PUBLIC SERVICE COMMISSION	Texas Industrial Energy Consumers	14499	Direct	TX	Acquisition	11/1/1995
6391	HOUSTON LIGHTING & POWER COMPANY	Grace, W.R. & Company	13988	Rebuttal	TX	Rate Design	8/1/1995
6353	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	14174	Direct	TX	Costing of Off-System Sales	8/1/1995
6157	WEST TEXAS UTILITIES COMPANY	Texas Industrial Energy Consumers	13369	Rebuttal	TX	Cancellation Term	8/1/1995
6391	HOUSTON LIGHTING & POWER COMPANY	Grace, W.R. & Company	13988	Direct	TX	Rate Design	7/1/1995
6157	WEST TEXAS UTILITIES COMPANY	Texas Industrial Energy Consumers	13369	Direct	TX	Cancellation Term	7/1/1995
6296	GEORGIA POWER COMPANY	Georgia Industrial Group	5601-U	Rebuttal	GA	EPACT Rate-Making Standards	5/1/1995
6296	GEORGIA POWER COMPANY	Georgia Industrial Group	5601-U	Direct	GA	EPACT Rate-Making Standards	5/1/1995
6278	COMMONWEALTH OF VIRGINIA	VCFUR/ODCFUR	PUE940067	Rebuttal	VA	Integrated Resource Planning	5/1/1995
6295	GEORGIA POWER COMPANY	Georgia Industrial Group	5600-U	Supplemental	GA	Cost of Service	4/1/1995
6063	PUBLIC SERVICE COMPANY OF COLORADO	Multiple Intervenors	94I-430EG	Rebuttal	CO	Cost of Service	4/1/1995
6063	PUBLIC SERVICE COMPANY OF COLORADO	Multiple Intervenors	94I-430EG	Reply	CO	DSM Rider	4/1/1995
6295	GEORGIA POWER COMPANY	Georgia Industrial Group	5600-U	Direct	GA	Interruptible Rate Design	3/1/1995
6278	COMMONWEALTH OF VIRGINIA	VCFUR/ODCFUR	PUE940067	Direct	VA	EPACT Rate-Making Standards	3/1/1995
6125	SOUTHWESTERN PUBLIC SERVICE COMPANY	Texas Industrial Energy Consumers	13456	Direct	TX	DSM Rider	3/1/1995
6235	TEXAS UTILITIES ELECTRIC COMPANY	Texas Industrial Energy Consumers	13575|13749	Direct	TX	Cost of Service	2/1/1995
6063	PUBLIC SERVICE COMPANY OF COLORADO	Multiple Intervenors	94I-430EG	Answering	CO	Competition	2/1/1995
6061	HOUSTON LIGHTING & POWER COMPANY	Texas Industrial Energy Consumers	12065	Direct	TX	Rate Design	1/1/1995
6181	GULF STATES UTILITIES COMPANY	Texas Industrial Energy Consumers	12852	Direct	TX	Competitive Alignment Proposal	11/1/1994

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PROJECT	UTILITY	ON BEHALF OF	DOCKET	TYPE	REGULATORY JURISDICTION	SUBJECT	DATE
6061	HOUSTON LIGHTING & POWER COMPANY	Texas Industrial Energy Consumers	12065	Direct	TX	Rate Design	11/1/1994
5929	CENTRAL POWER AND LIGHT COMPANY	Texas Industrial Energy Consumers	12820	Direct	TX	Rate Design	10/1/1994
6107	SOUTHWESTERN ELECTRIC POWER COMPANY	Texas Industrial Energy Consumers	12855	Direct	TX	Fuel Reconciliation	8/1/1994
6112	HOUSTON LIGHTING & POWER COMPANY	Texas Industrial Energy Consumers	12957	Direct	TX	Standby Rates	7/1/1994
5698	GULF POWER COMPANY	Misc. Group	931044-EI	Direct	FL	Standby Rates	7/1/1994
5698	GULF POWER COMPANY	Misc. Group	931044-EI	Rebuttal	FL	Competition	7/1/1994
6043	EL PASO ELECTRIC COMPANY	Phelps Dodge Corporation	12700	Direct	TX	Revenue Requirement	6/1/1994
6082	GEORGIA PUBLIC SERVICE COMMISSION	Georgia Industrial Group	4822-U	Direct	GA	Avoided Costs	5/1/1994
6075	GEORGIA POWER COMPANY	Georgia Industrial Group	4895-U	Direct	GA	FPC Certification Filing	4/1/1994
6025	MISSISSIPPI POWER & LIGHT COMPANY	MIEG	93-UA-0301	Comments	MS	Environmental Cost Recovery Clause	1/21/1994
5971	FLORIDA POWER & LIGHT COMPANY	Florida Industrial Power Users Group	940042-EI	Direct	FL	Section 712 Standards of 1992 EPACT	1/1/1994

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of arrangement to mitigate impact of unfavorable Cedar Bay power purchase obligation, by Florida Power & Light Company	**DOCKET NO. 150075-EI** **Filed: June 8, 2015**

AFFIDAVIT OF JEFFRY POLLOCK

State of Missouri)
) SS
County of St. Louis)

Jeffry Pollock, being first duly sworn, on his oath states:

1. My name is Jeffry Pollock. I am President of J. Pollock, Incorporated, 12647 Olive Blvd., Suite 585, St. Louis, Missouri 63141. We have been retained by Florida Industrial Power Users Group to testify in this proceeding on its behalf;

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony which has been prepared in written form for introduction into evidence in Florida Public Service Commission Docket No. 150075-EI; and,

3. I hereby swear and affirm that the answers contained in my testimony and the information in my exhibits are true and correct.

Jeffry Pollock

Subscribed and sworn to before me this 8th day of June, 2015.

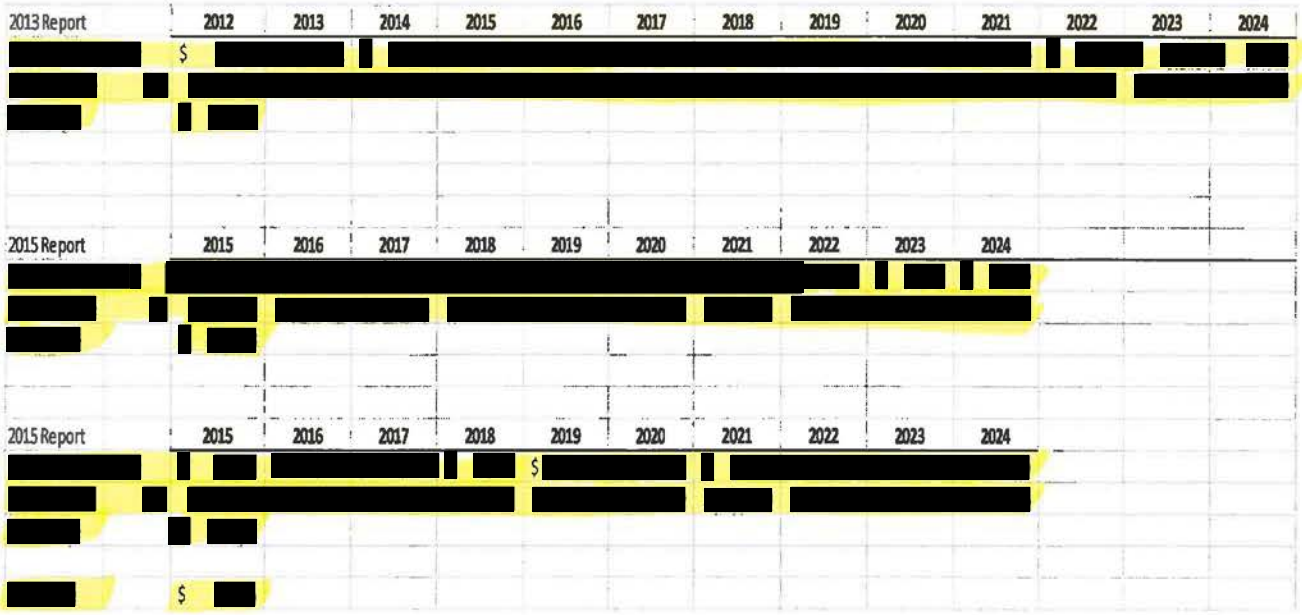
Kitty Turner, Notary Public
Commission #: 15390610

My Commission expires on April 25, 2019.

Petitioners' Exhibit MGL-1

Indianapolis Water and Wastewater Asset Appraisal
City of Falls Church, VA Water and Wastewater Asset Appraisal
Eastman Chemical Company
Hull, Massachusetts
Volunteer Army Ammunition Plant
Hemphill Light and Power (Bio Mass)
Upper Occoquan Sewer Authority
Mass Development (Electric and Gas)
North VA Electric Coop (power portfolio)
Key Equipment Finance (coal fired power)
Alcoa Power Generating (Hydro)
Alcoa Power Generating (Cogen)
Citipower (gas field and gas distribution)
Key Equipment Finance
Smurfitt Stone Container (cogen)
Williams Power Company (Combined Cycle generating)
Wheelabrator (Waste energy facility)
Capstar Partners Capital (wind generating facility)
Bank of America (coal fired generating)
Ky. Governor's Office for Local Development (gas distribution)
Mesirow Financial (Wind generating)
Competitive Power Ventures (geothermal)
South Kentucky RECC (electric distribution)
AES (coal fired generation)
Southeastern Public Service Authority (waste to energy)
Currituck County, NC (water distribution)
GE Capital (cogen)
Louisville Water Company (water transportation valuation)
Key Equipment Finance (coal generation)
Kill Devil Hills, NC (waste water appraisal)
Brownsville Public Utility Board (water distribution)
Brownsville Public Utility Board (wastewater)
Concord, NC (water appraisal)
Greater Ouachita Water Company (water distribution)
Greater Ouachita Water Company (wastewater)
St. Tammany Parrish (wastewater)
Geneva, Ohio (water distribution)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 25
PARTY: FLORIDA INDUSTRIAL POWER USERS GROUP (FIPUG) (DIRECT)
DESCRIPTION: Michael Lane MGL-1


2013 Report
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FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 26
PARTY: FLORIDA INDUSTRIAL POWER USERS GROUP (FIPUG) (DIRECT)
DESCRIPTION: Michael Lane MGL-2

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 27
PARTY: FLORIDA INDUSTRIAL POWER USERS GROUP (FIPUG) (DIRECT)
DESCRIPTION: Cliff Evans Composite Exhibit

Cedar Bay Monthly Operations Summary

April, 2013

Electrical Power

Gross Generation:
Net Exported:
Used In House:
Imported:
Equivalent Net Exported:
Decommit Export(incl. above)

Process Steam

Steam Exported:
Steam Energy:
Condensate Returned:
Condensate Energy:
Net Exported Process Energy:
Equivalent Power:
Conversion:

Capacity Factors, Contractual

On Peak:
Off Peak:
Overall:

Capacity Factors, Raw

On Peak:
Off Peak:
Overall:

Production (non-shutdown hours)
On Peak

AGC Hours:
AGC Average Load:
Derate Hours:
Derate Average Load:
Force Majeure Hours:
Force Majeure Average Load:
Over Generation Hours:
Over Generation Average Load:
Planned Outage Hours:
Planned Outage Average Load:
Net Exported:

Production (cont., non-shutdown hours)
Off Peak

AGC Hours:
AGC Average Load:
Derate Hours:
Derate Average Load:
Force Majeure Hours:
Force Majeure Average Load:
Over Generation Hours:
Over Generation Average Load:
Planned Outage Hours:
Planned Outage Average Load:
Net Exported:

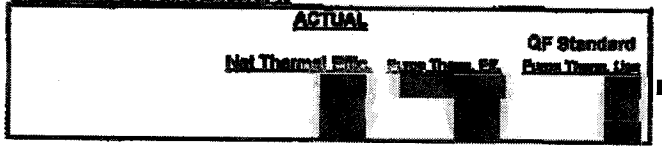
Heat Rates

Generation Only:
Average Full Load (Gen. Only):
Gross Plant:
Net Plant:
Net Plant equivalent:
Process:
Average Boiler Efficiency:
Turbine

Consumables

Coal Used:
Coal Heat Input:
Average Coal Heating Value:
Boiler Oil Used:
Boiler Oil Heat Input:
Fiber Rejects Used:
Fiber Rejects Heat Input:
Average Fiber Rejects Heating Value:
TDF Used:
TDF Heat Input:
Average TDF Heating Value:
Total Heat Input:
Limestone Used:
Limestone Usage Rate:
Limestone Drying Oil Used:
Limestone Drying Oil Heat Input:
Aqueous Ammonia Used:

Efficiencies and QF Standard, %



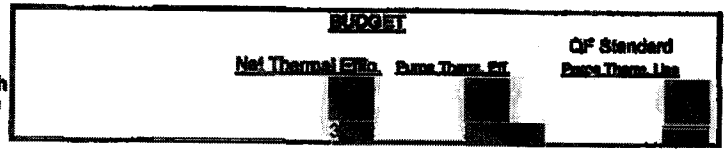


EXHIBIT 1
Witness Patterson
Date 5-14-15
Reporter: Sarah B. Gilroy

NOT FOR DISTRIBUTION

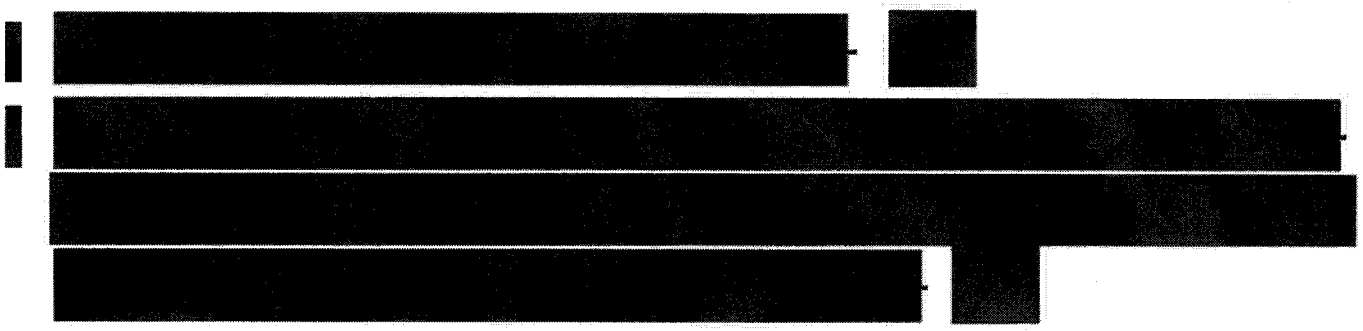
2014
Cogentrix Energy Power Management Business Plan Objectives

All Hands Meeting
October 7, 2014

Cogentrix

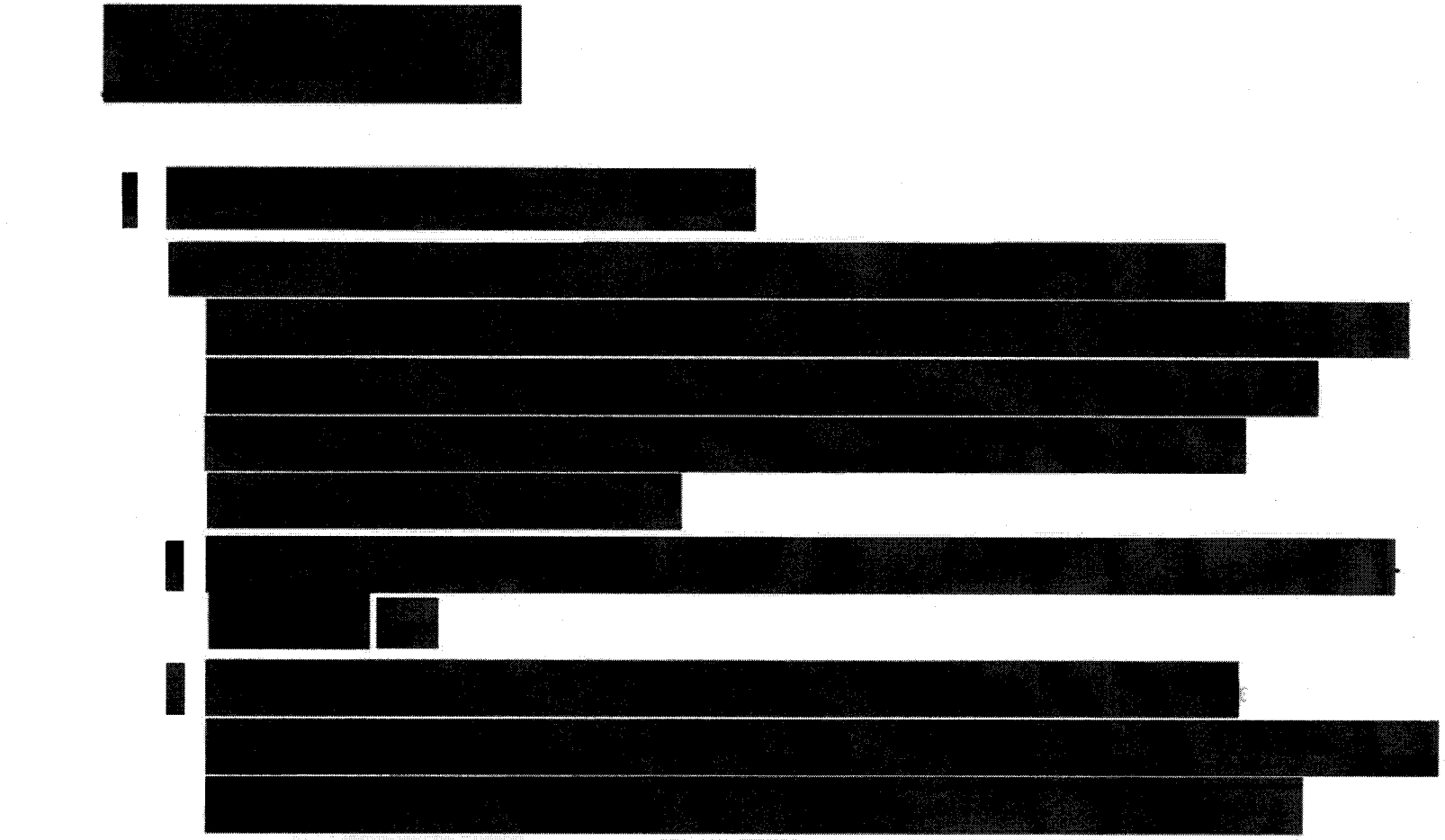
EXHIBIT 5
Witness Patterson
Date 5-14-15
Reporter: Sarah B. Gilroy



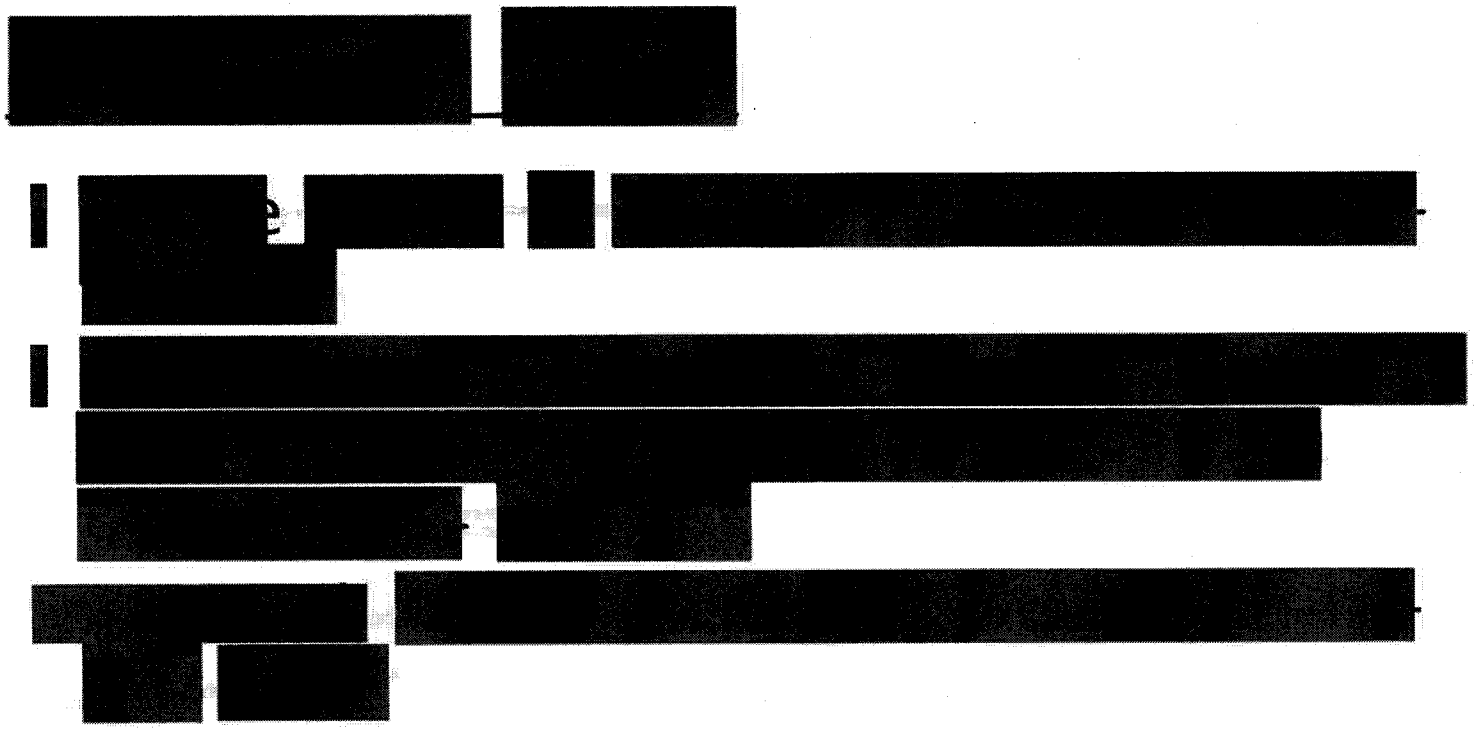


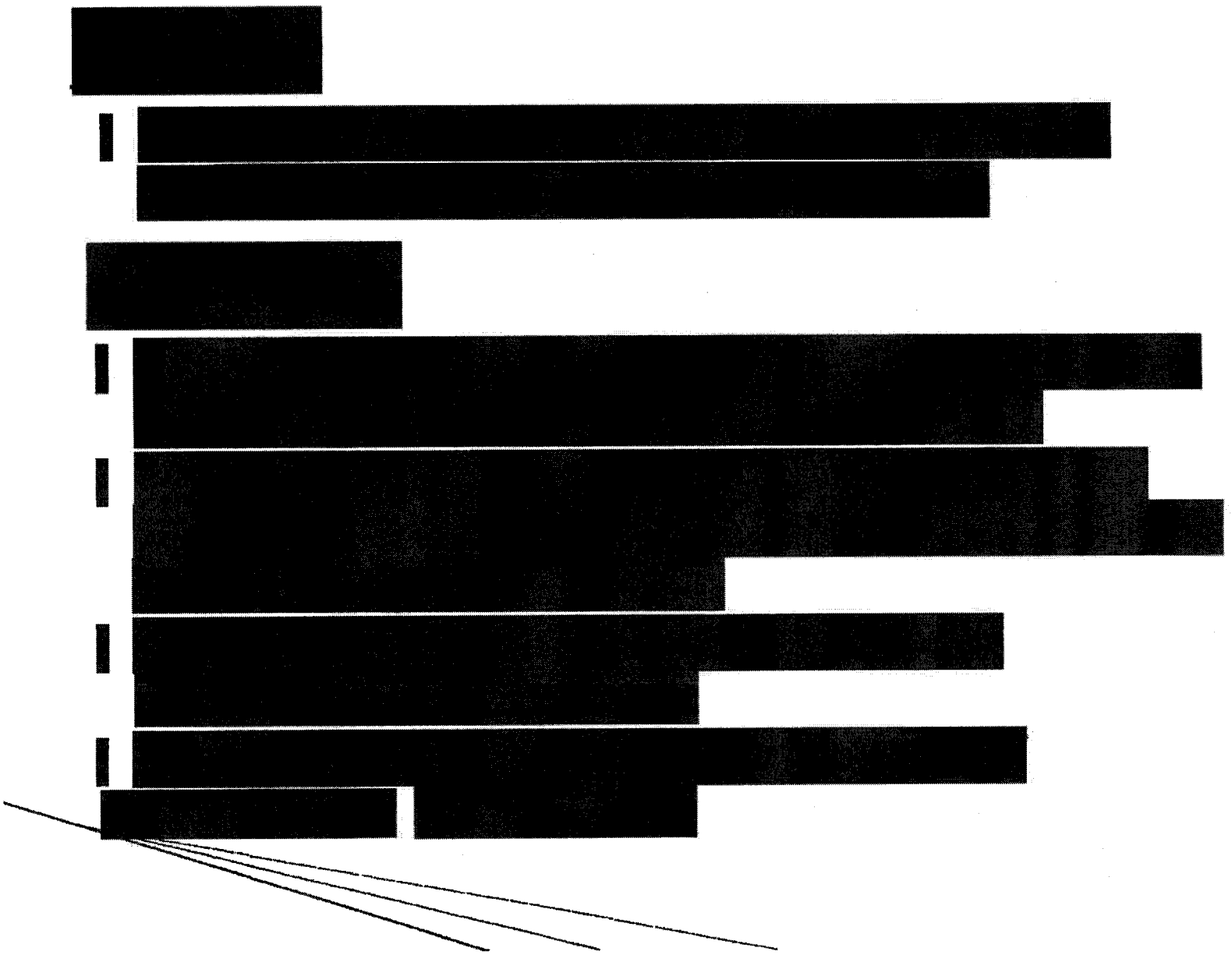
Confidential

CB0025290



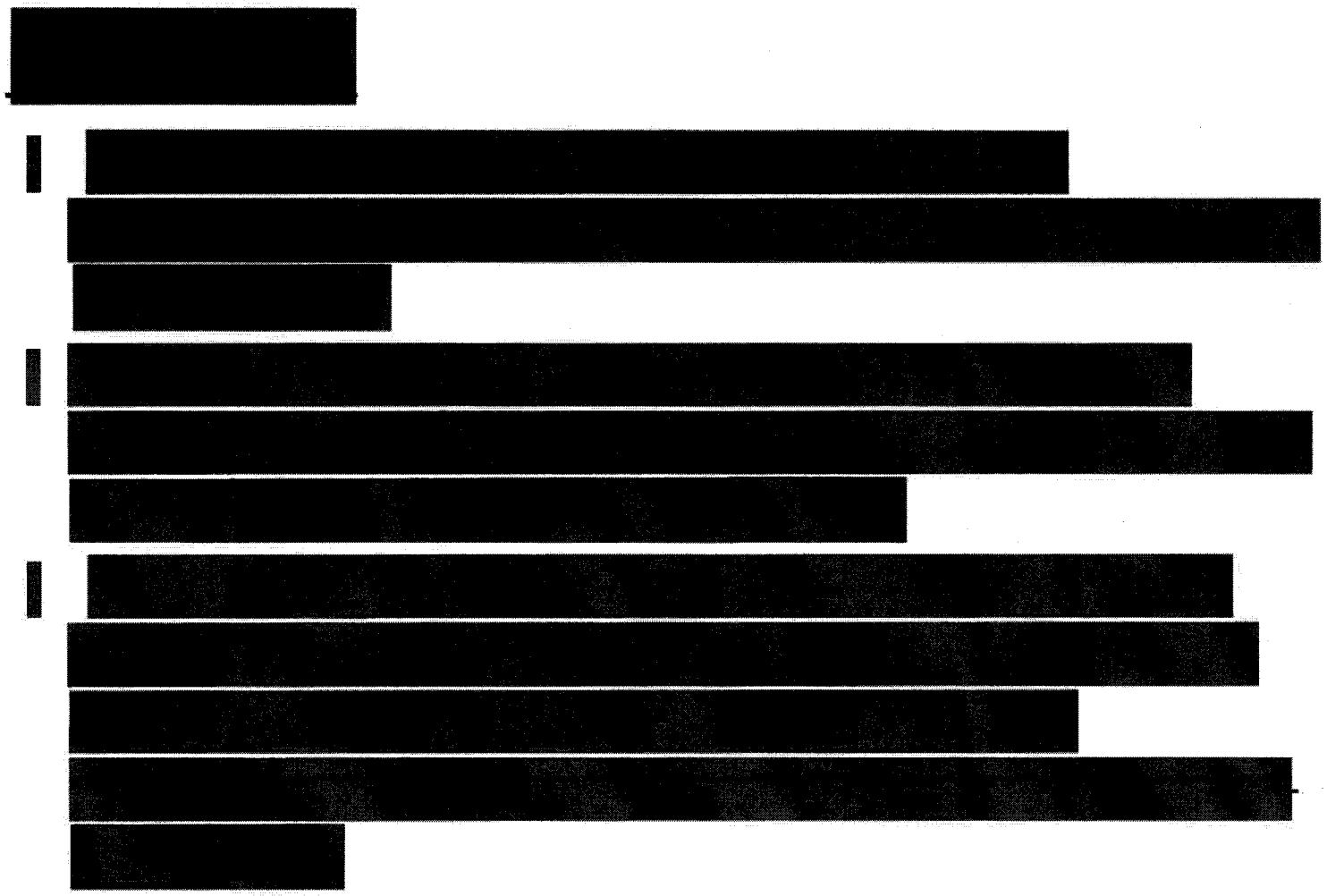
Confidential



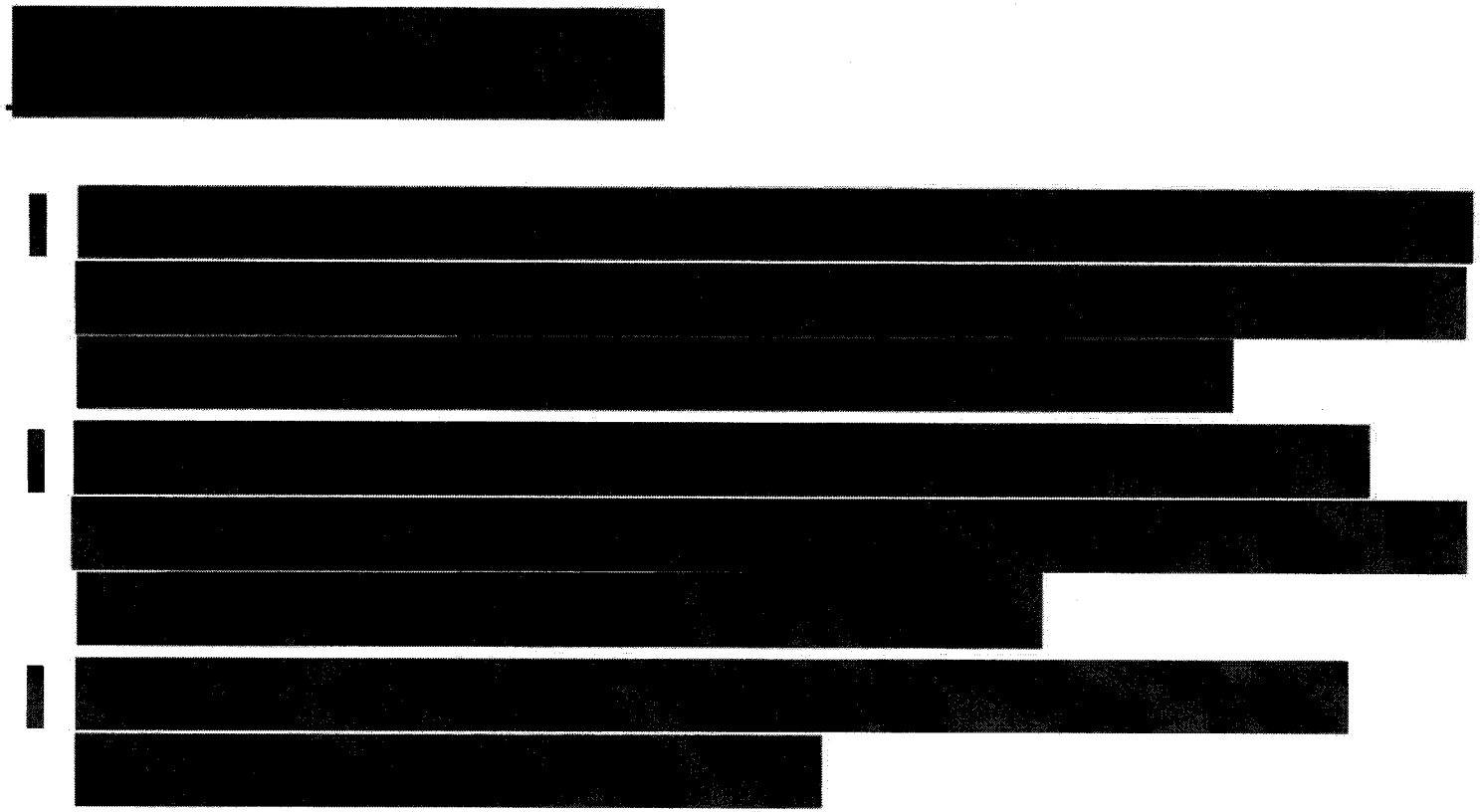


Confidential

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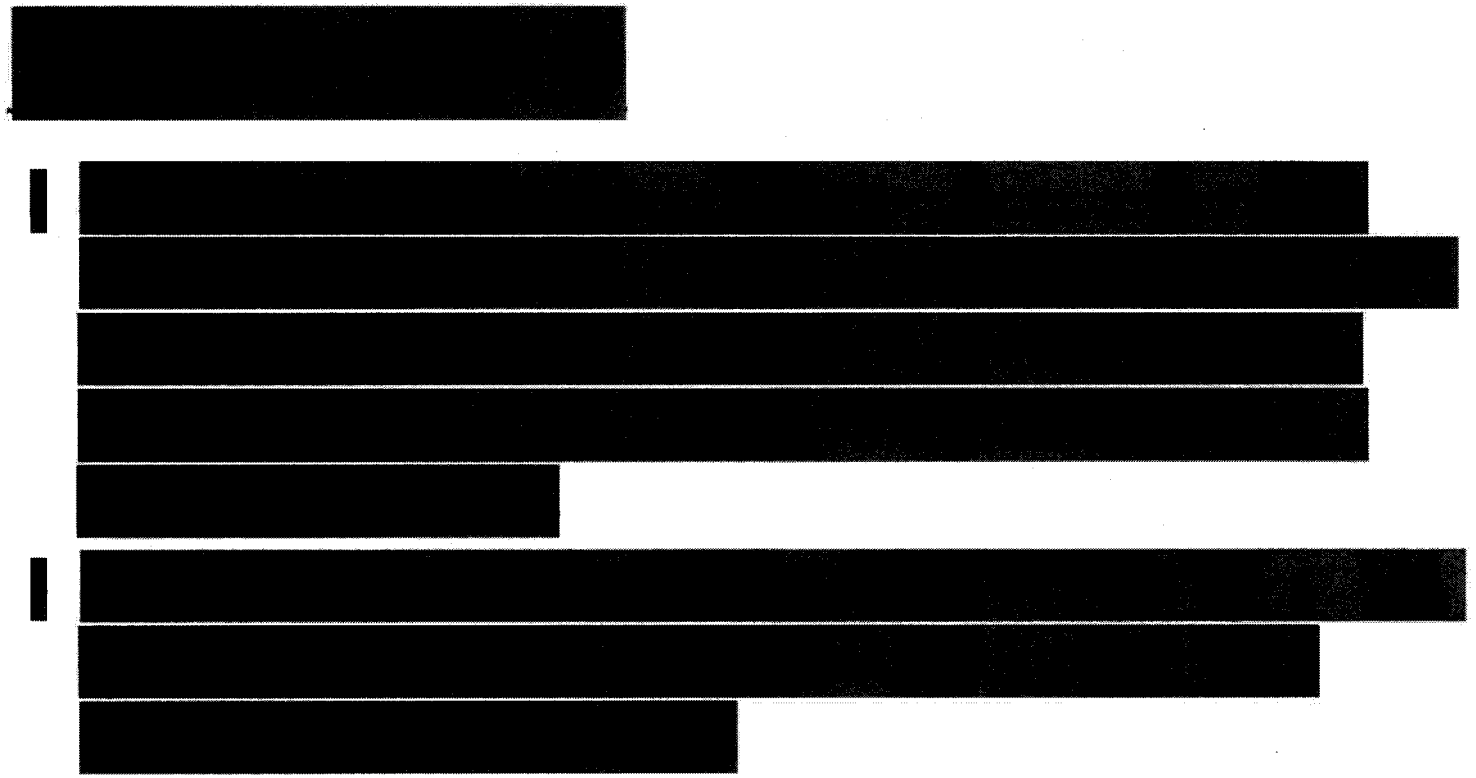


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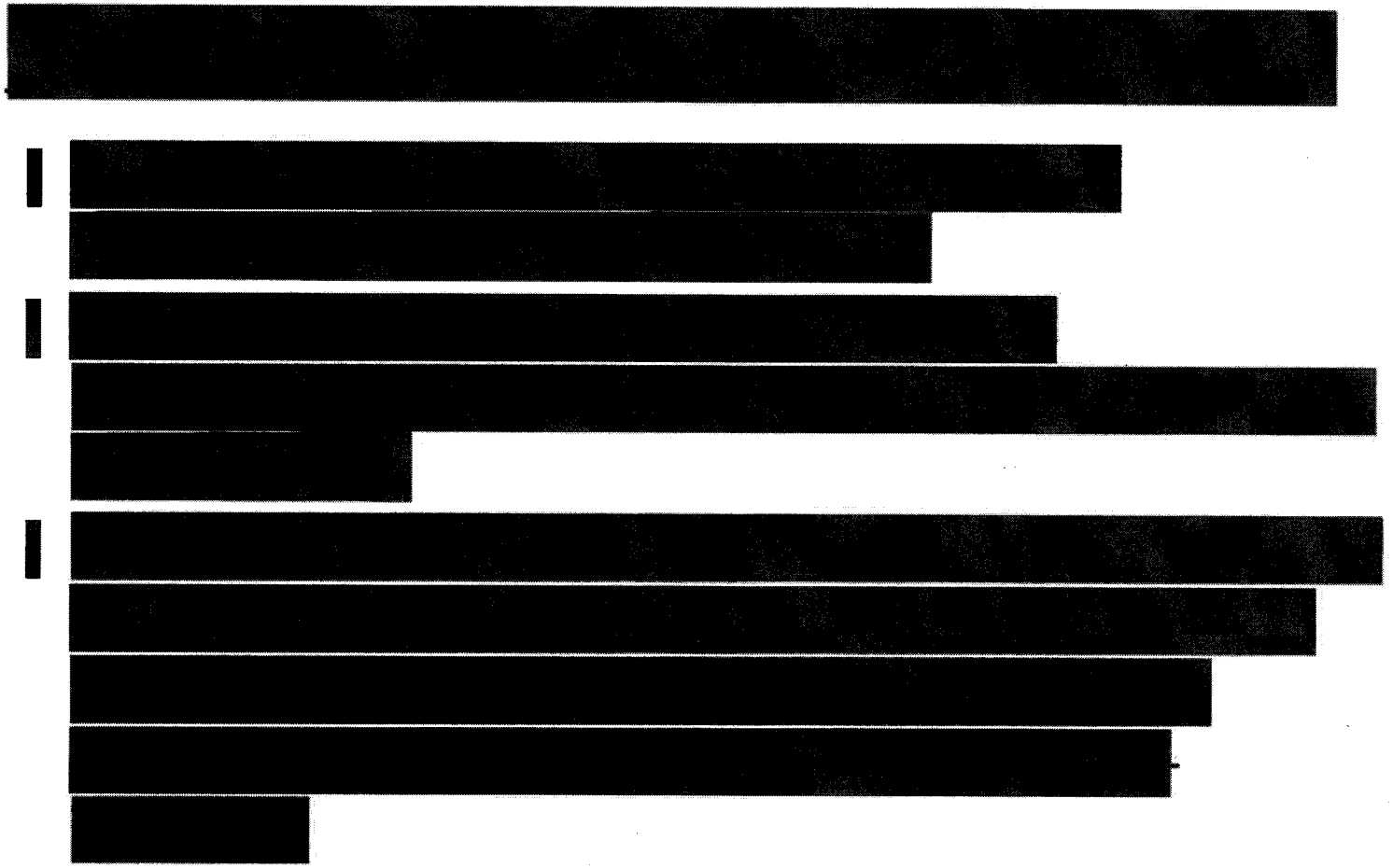


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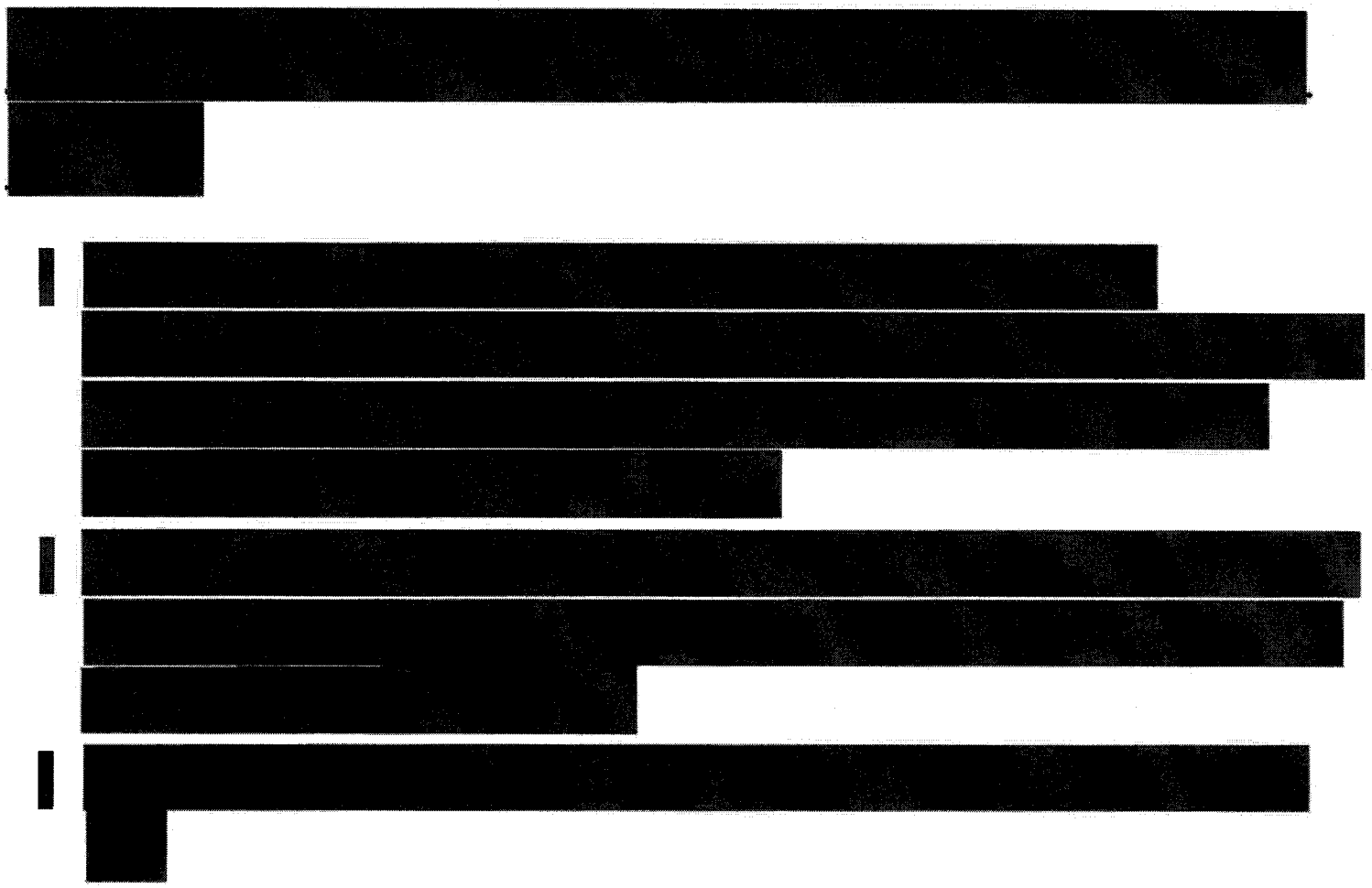


Confidential

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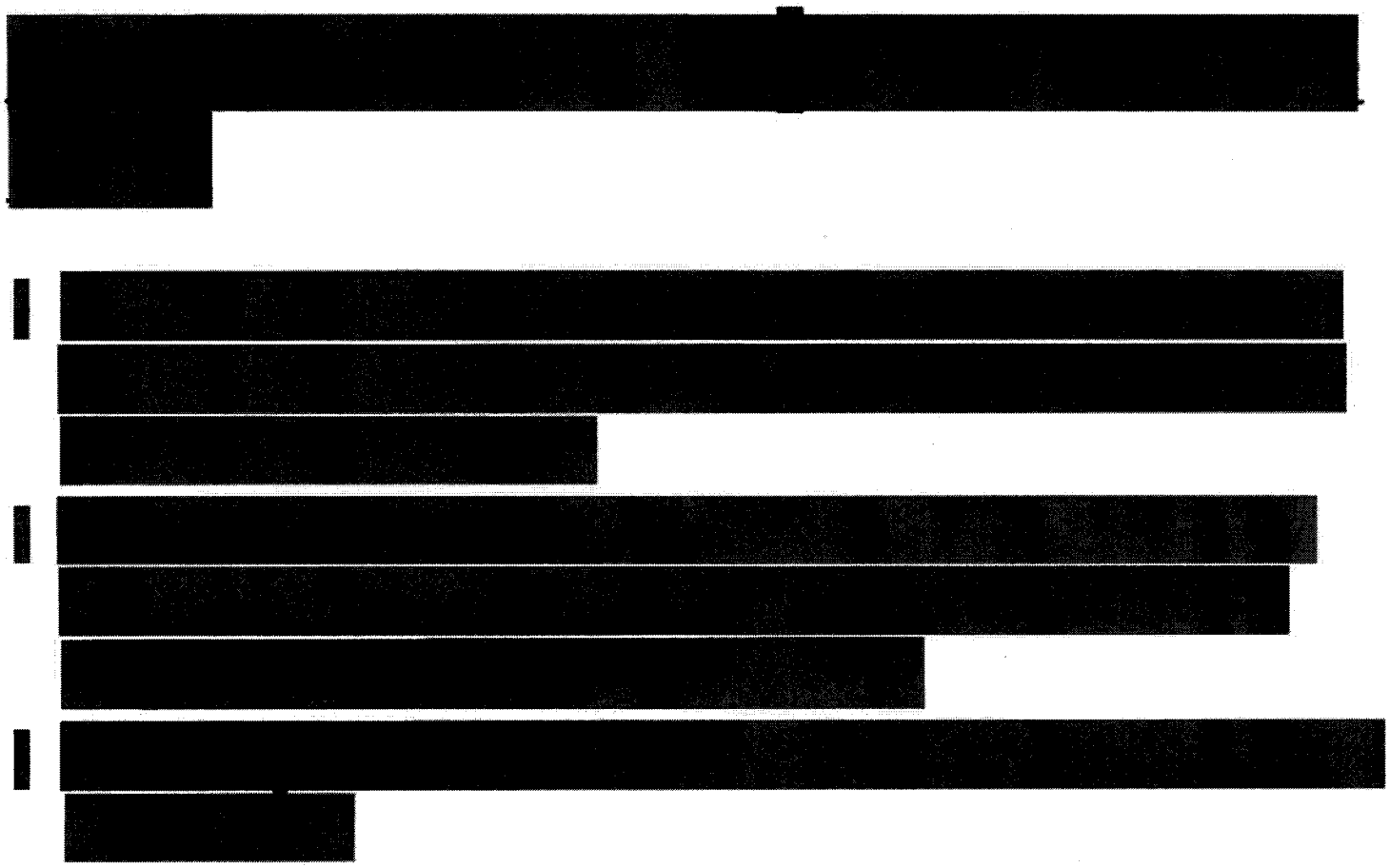


Confidential



Confidential

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Questions and Answers

Confidential

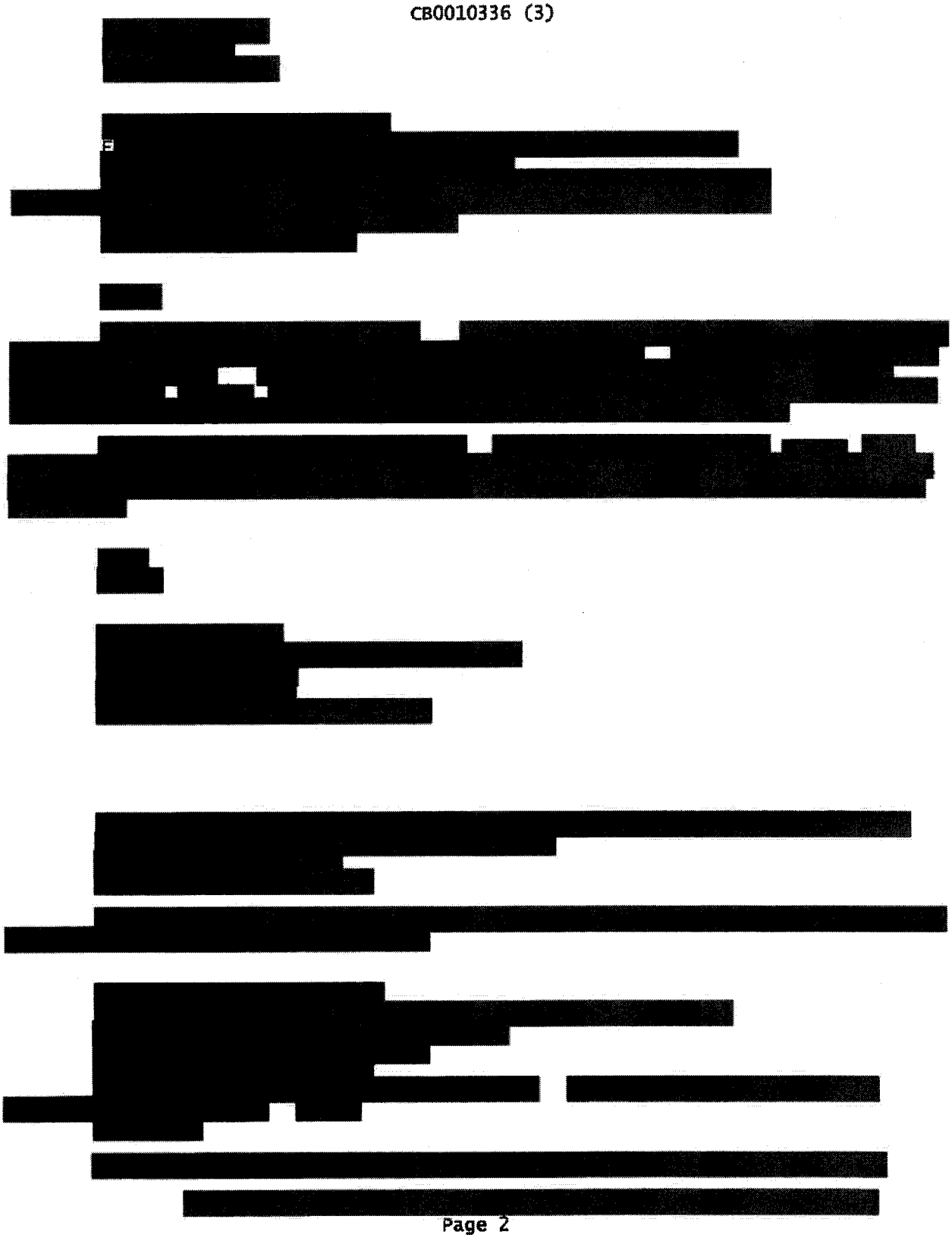
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CB0010336 (3)

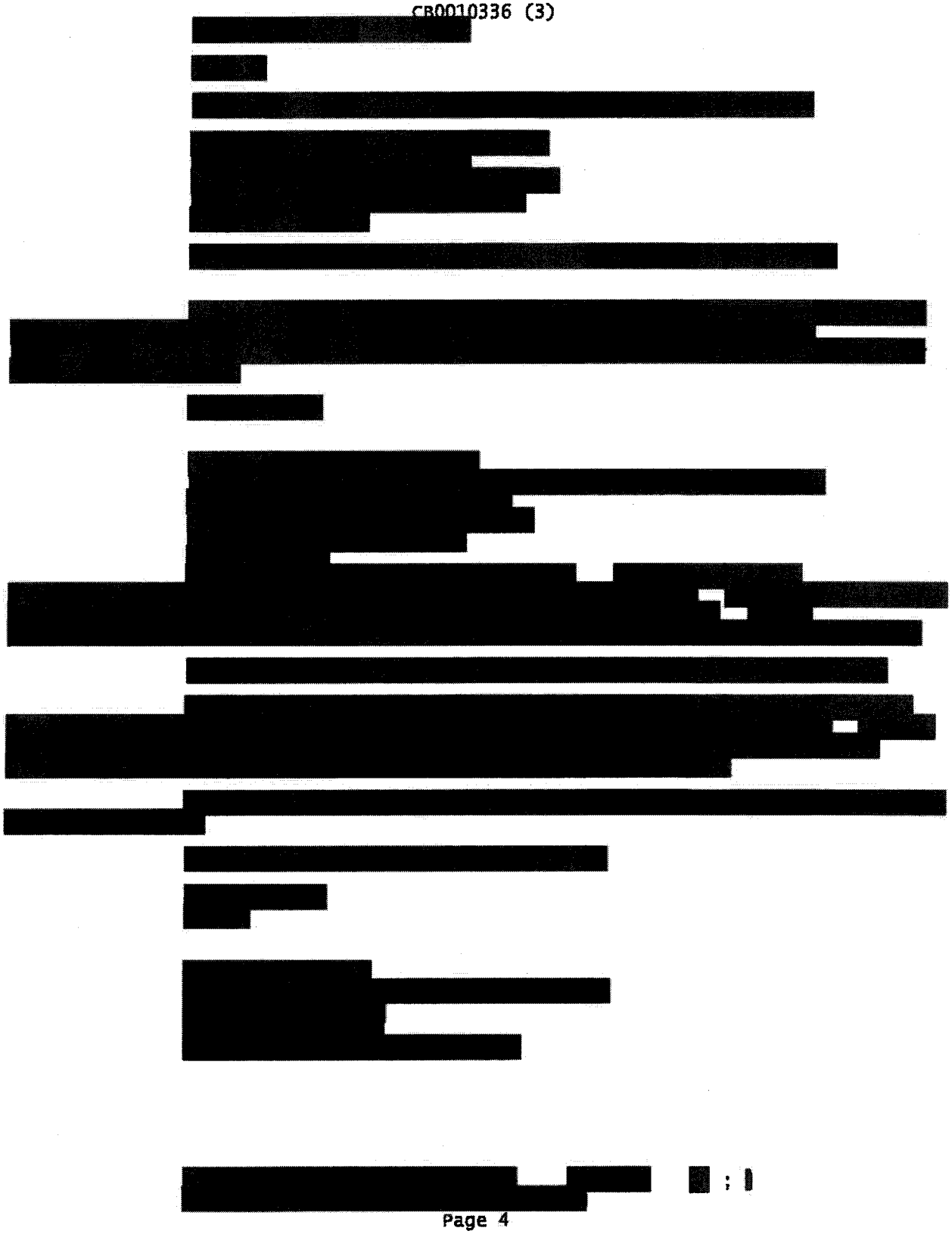
From: Franceschi, Collin
Sent: Thursday, August 14, 2014 02:57 PM
To: Chaffee, Mark
CC: Evans, Cliff; Gray, Richard
[redacted]

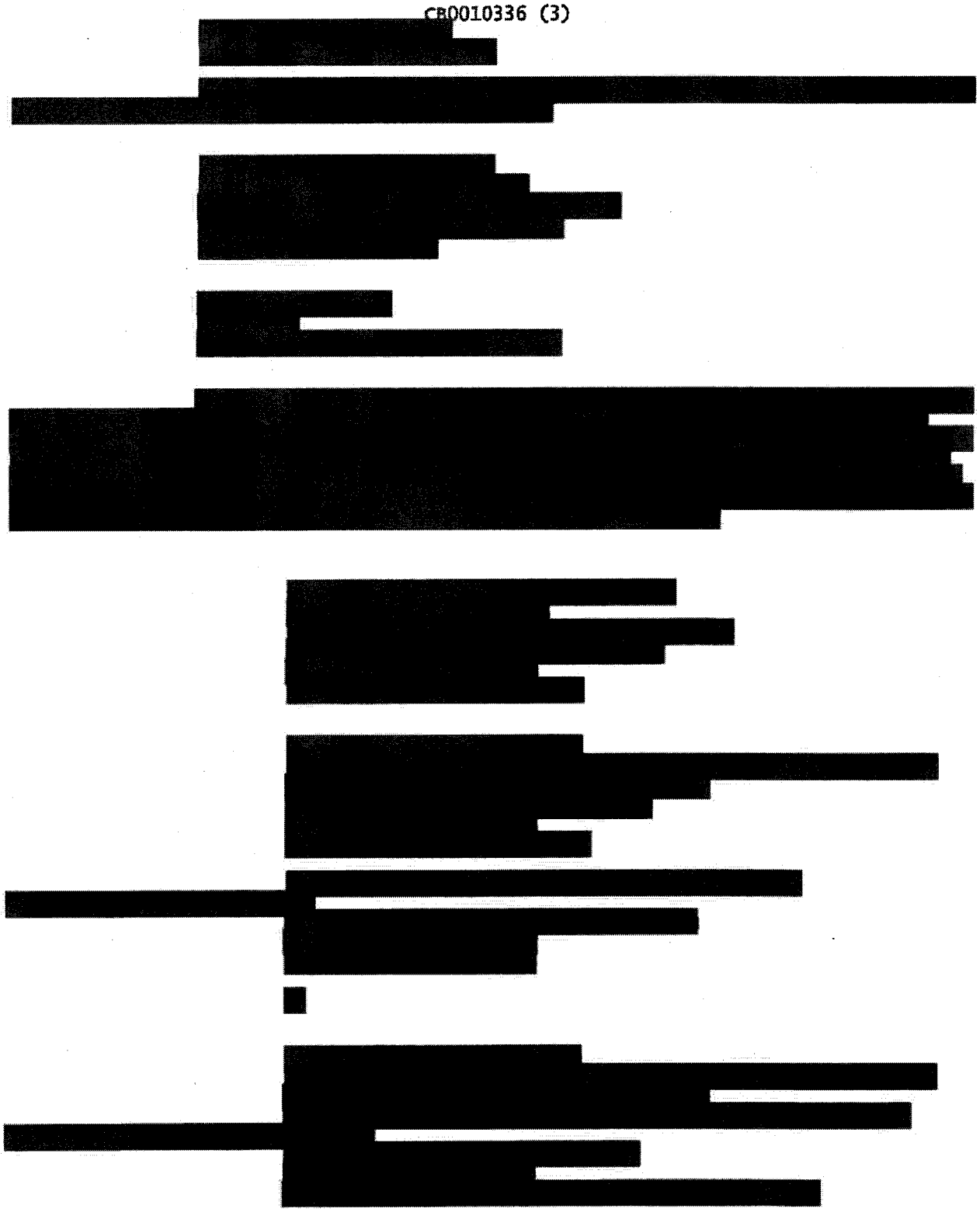
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[redacted]

Notification to Cedar Bay Employees

[redacted]

EXHIBIT 15
Witness Patterson
Date 5-14-15
Reporter: Sarah B. Gilroy

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

CB0013721

From: Antreas Ghazarossian | CCA
Sent: Tuesday, November 26, 2013 03:50 PM
To: 'Heichel, Gary'
CC: Kitty Guinsler | CCA
Subject: FW: Cedar Bay Generating
Importance: High

[redacted]

EXHIBIT 24
Witness Evans
Date 5-27-15
Reporter: Sarah B. Gilroy

CB0013721

To: Antreas Ghazarossian | CCA; Meaux, Ryan
Cc: Kitty Guinsler | CCA
Subject: RE: Cedar Bay Generating
Importance: High

[redacted]

[redacted]



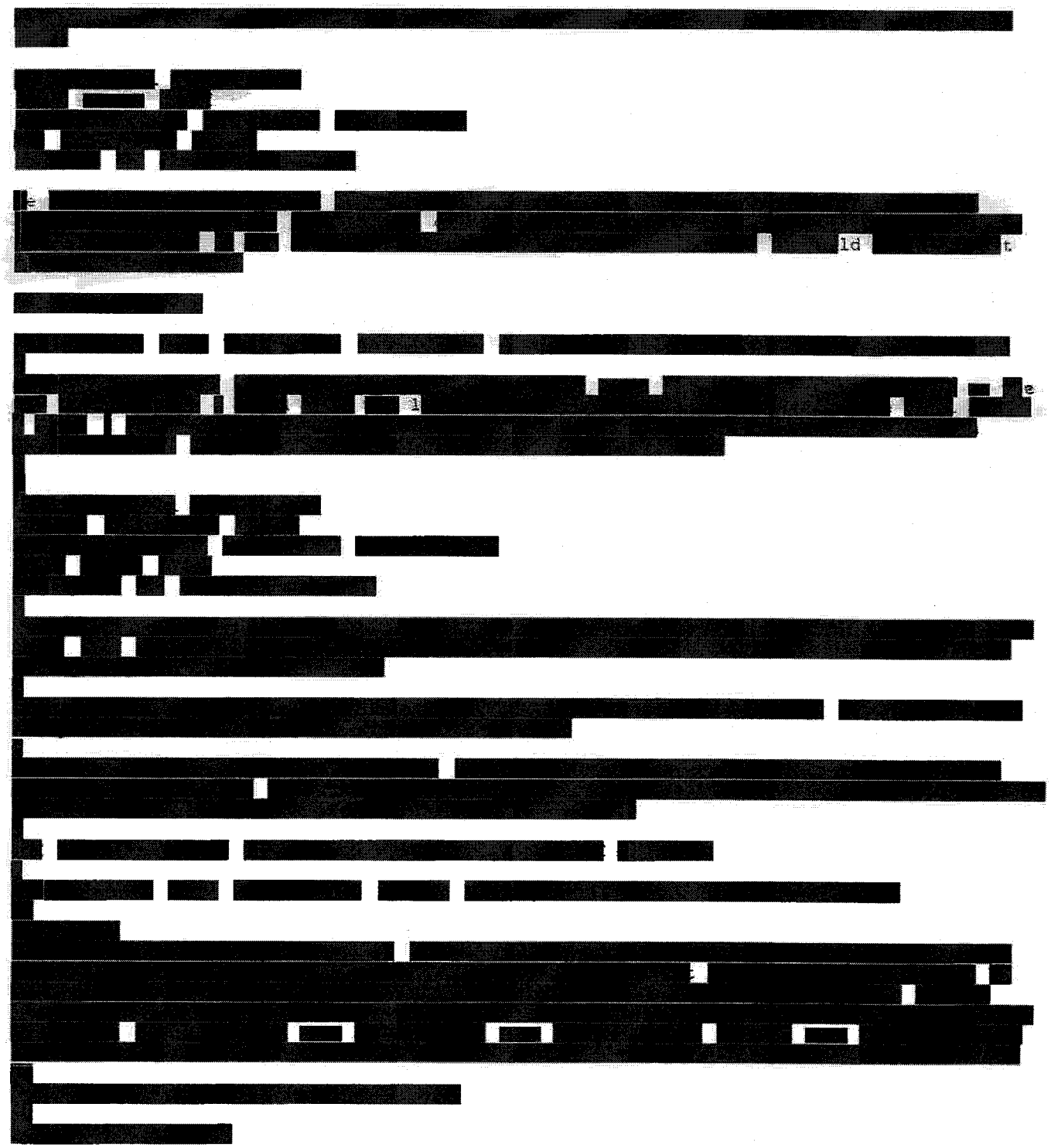
From: Franceschi, Collin
To: Evans, Cliff
Sent: 10/15/2014 4:56:29 PM
Subject: RE: Cedar Bay Dispatch

[redacted]

EXHIBIT 25
Witness Evans
Date 5-27-15
Reporter: Sarah B. Gilroy

[redacted]

From: Franceschi, Collin
To: Evans, Cliff
Sent: 10/15/2014 2:59:52 PM
Subject: RE: Cedar Bay Dispatch



From: Franceschi, Collin
To: Evans, Cliff
Sent: 5/30/2014 2:50:32 PM
Subject: RE: PO Sent to you for Further Review2057-0000012094by:TPATTERSON

[redacted]

EXHIBIT 26
Witness Evans
Date 5-27-15
Reporter: Sarah B. Gilroy

[redacted]

From: Fraites, John
To: Bendel, Michelle
Sent: 1/6/2015 4:36:39 PM
Subject: FW: Cedar Bay Budget Presentation
Attachments: [redacted]

FYI

From: Franceschi, Collin
Sent: Tuesday, January 06, 2015 4:32 PM
To: Larocque, Jim
Cc: Gasbarro, John; Fraites, John; Evans, Cliff
Subject: Cedar Bay Budget Presentation

Jim,

[redacted]

[redacted]

Happy New Year,

Collin

Collin Franceschi

Cogentrix Energy Power Management, LLC

Desk: 704-672-2760

Cell: 704-517-2295

collinfranceschi@cogentrix.com

EXHIBIT 29
Witness Evans
Date 5-27-15
Reporter: Sarah B. Gilroy

From:	Evans, Cliff
To:	Larocque, Jim
Sent:	10/20/2014 10:27:18 AM
Subject:	FPL/Cedar Bay Dispatch Savings

Jim,

[redacted]

Cogentrix Energy Power Management, LLC

9405 Arrowpoint Boulevard

Charlotte, NC 28273-8110

Tel: 704-672-2806 Fax: 704-529-1006

e-mail: CliffEvans@Cogentrix.com

Logo.gif

Cliff Evans

Sr. Vice President - Asset Management

EXHIBIT 30
Witness Evans
Date 5-27-15
Reporter: Sarah B. Gilroy

From:	Evans, Cliff
To:	Thomas Hartman (tom.hartman@fpl.com)
CC:	Larocque, Jim
Sent:	8/17/2014 9:24:25 PM
Subject:	Cedar Bay Action Items

Tom,

I hope your weekend has gone well. I will be travelling to the west coast in the morning, but will have access to email (if the server on the plane is working properly). Please feel free to reach out to me on my cell phone (704) 560-2322 as well.

[redacted]

[redacted]

Cogentrix Energy Power Management, LLC

9405 Arrowpoint Boulevard

Charlotte, NC 28273-8110

Tel: 704-672-2806 Fax: 704-529-1006

e-mail: CliffEvans@Cogentrix.com

Logo.gif

Cliff Evans

Sr. Vice President - Asset Management

EXHIBIT 31
Witness Evans
Date 5-27-15
Reporter: Sarah B. Gilroy

Cedar Bay Ownership Structure
CONFIDENTIAL

KEY
All ownership is 100% unless noted otherwise.

- HC — Holding Companies
- Partnerships
- CB — Cedar Bay Project
- C-Corps
- LLC treated as a corp
- Disregarded Entities
- Ownership
- Subordinated debt
- Borrower group

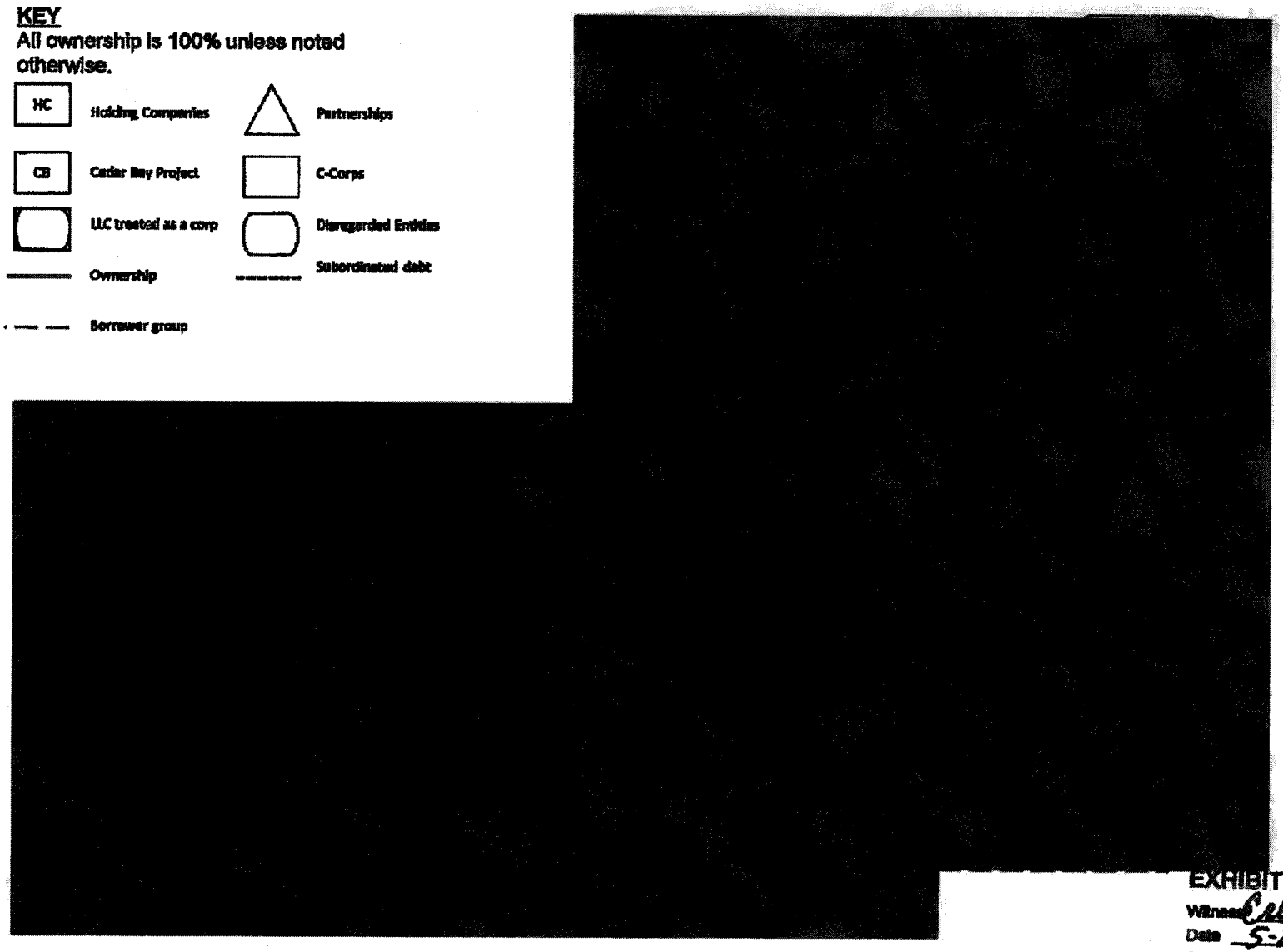


EXHIBIT 33
Witness Cuono
Date 5-22-15
Reporter: Sarah B. Gilroy

From:	Evans, Cliff
To:	Oldenburg, John; Robert Mancini (robert.mancini@carlyle.com); Matt O'Connor; Bonner, Tom; Larocque, Jim
CC:	Barbosa, Daniel
Sent:	3/24/2014 9:38:58 AM
Subject:	[redacted]
Attachments:	[redacted]

[redacted]

Cogentrix Energy Power Management, LLC

9405 Arrowpoint Boulevard

Charlotte, NC 28273-8110

Tel: 704-672-2806 Fax: 704-529-1006

e-mail: CliffEvans@Cogentrix.com

Logo.gif

Cliff Evans

Sr. Vice President - Asset Management

EXHIBIT 37
Witness Evans
Date 5-27-15
Reporter: Sarah B. Gilroy

THE CARLYLE GROUP

520 Madison Avenue • New York, New York 10022
Tel (212) 381-4900 • Fax (212) 381-4901

STRICTLY PRIVATE & CONFIDENTIAL

March 24, 2014

Mr. Thomas Hartman
Director, Business Management
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408

Re: [redacted]

Dear Mr. Hartman,

[redacted]

1. **PPA Background**

Cedar Bay is a 250 MW circulating fluidized bed coal facility operating under the PPA with FPL, which by its terms, runs through January 2025. Pursuant to Appendix A of the PPA, FPL makes certain capacity payments to the Project including: (1) Base Capacity Credits, (2) Operations & Maintenance ("O&M") Credits, and (3) ~~Bonus~~ bonus Capacity Credits. [redacted]

- [redacted]

EXHIBIT 38
Witness Evans
Date 5-27-15
Reporter: Sarah B. Gilroy

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 28
PARTY: FLORIDA INDUSTRIAL POWER USERS GROUP (FIPUG) (DIRECT)
DESCRIPTION: Stephen Mark Rudolph

Cogentrix

MEMORANDUM

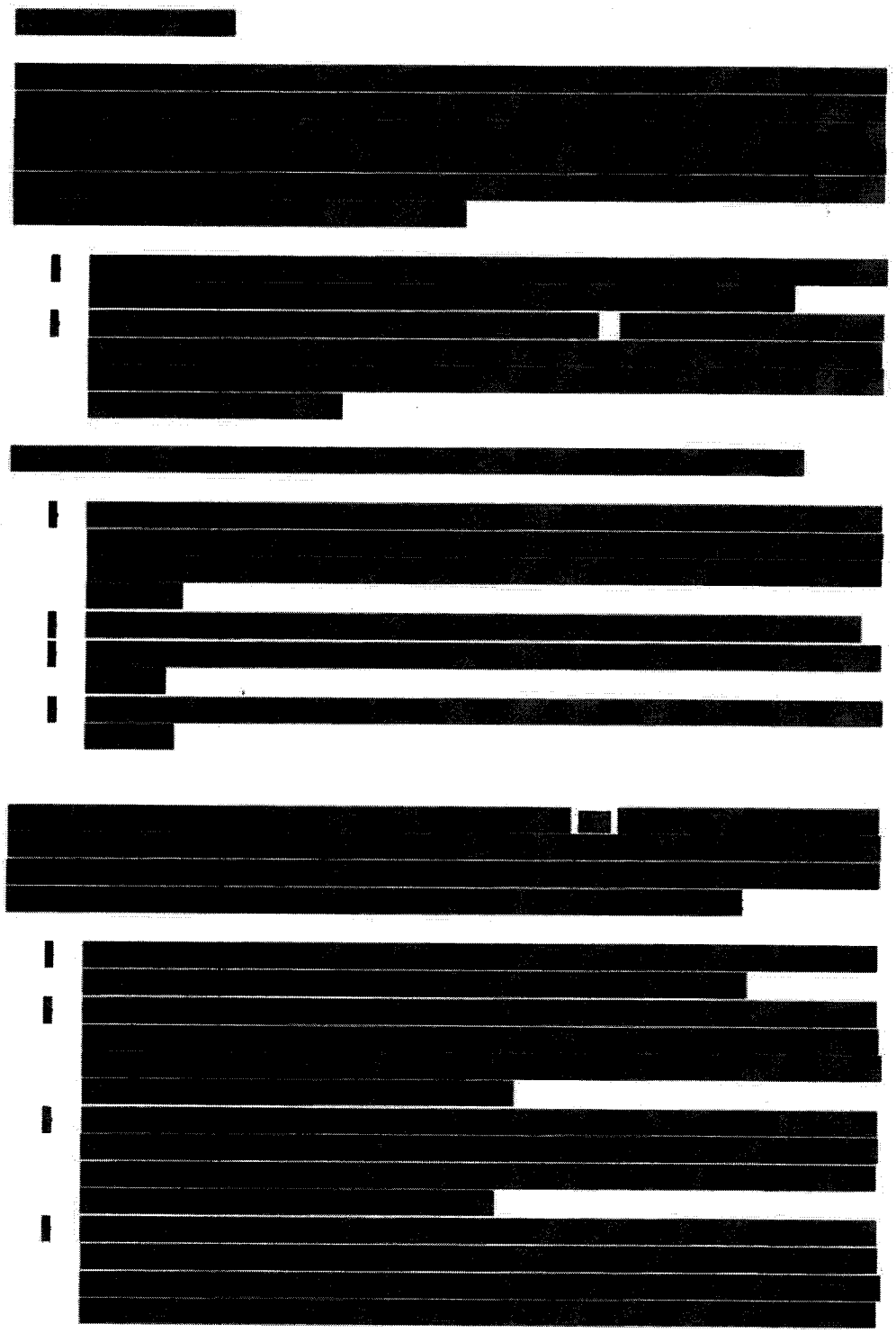
TO: [redacted] II LLC 2013 accounting files

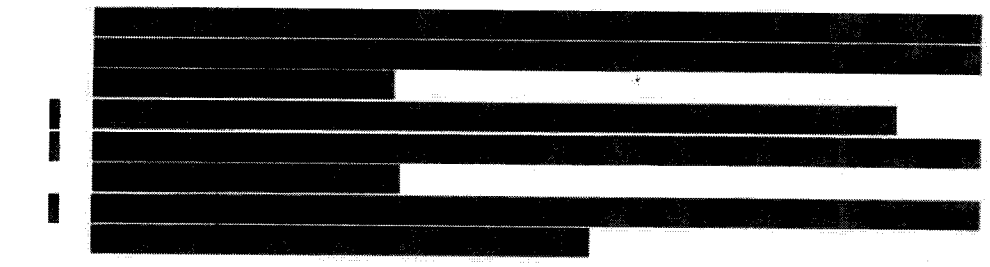
FROM: Phil Gregorich

DATE: 8/9/13

[redacted]

EXHIBIT 17
Witness Rudetzki
Date 5-15-15
Reporter: Sarah B. Gilroy







DUFF & PHELPS

Except for this title page, this document is REDACTED in its entirety.

CONFIDENTIAL

Valuation of Certain Tangible and Intangible Assets & Liabilities of Cogentrix Power Holdings LLC

April 5, 2013

Prepared for
Cogentrix Power Holdings LLC

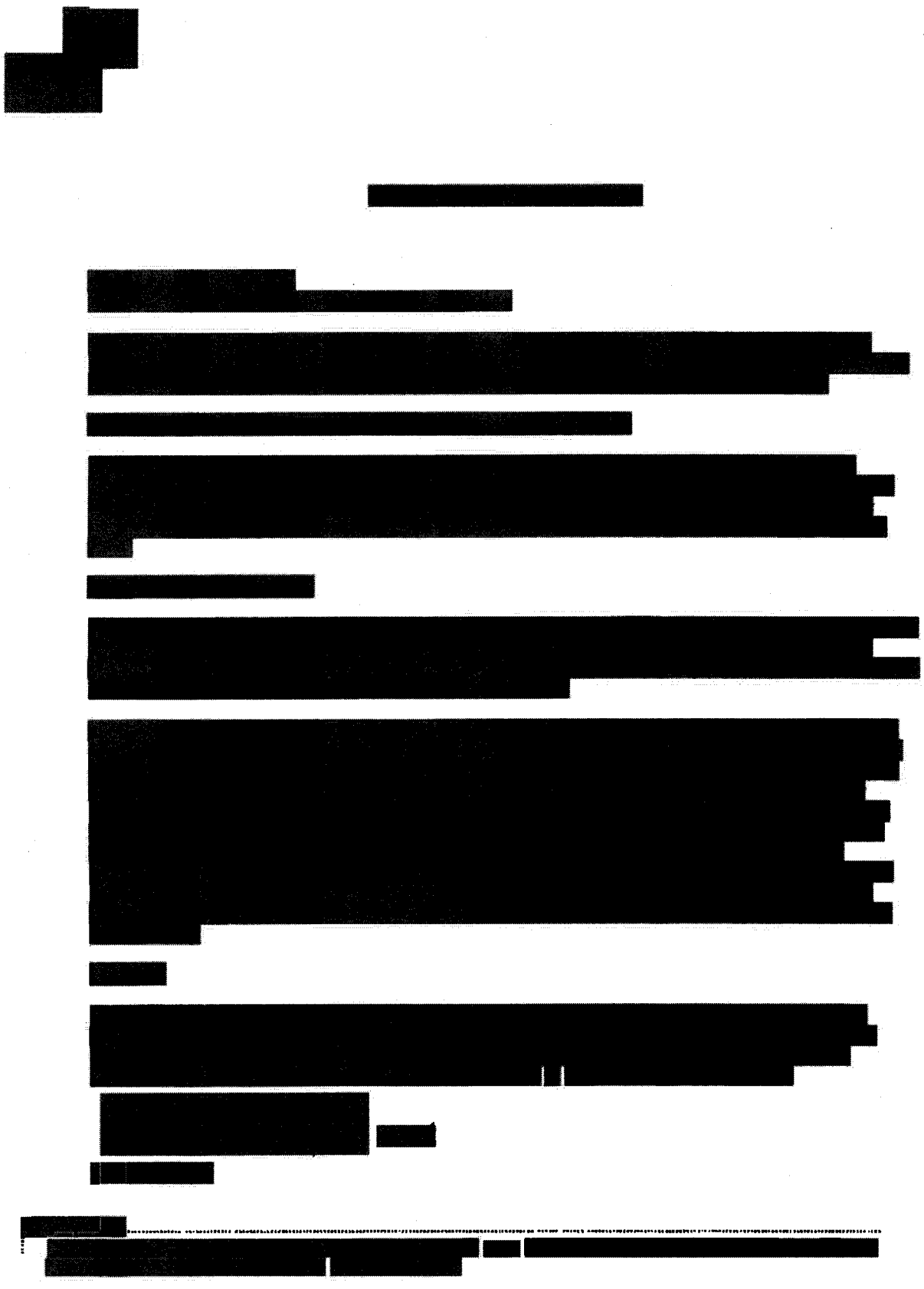
EXHIBIT 18
Witness Audited
Date 5-15-15
Reporter: Sarah B. Gilroy

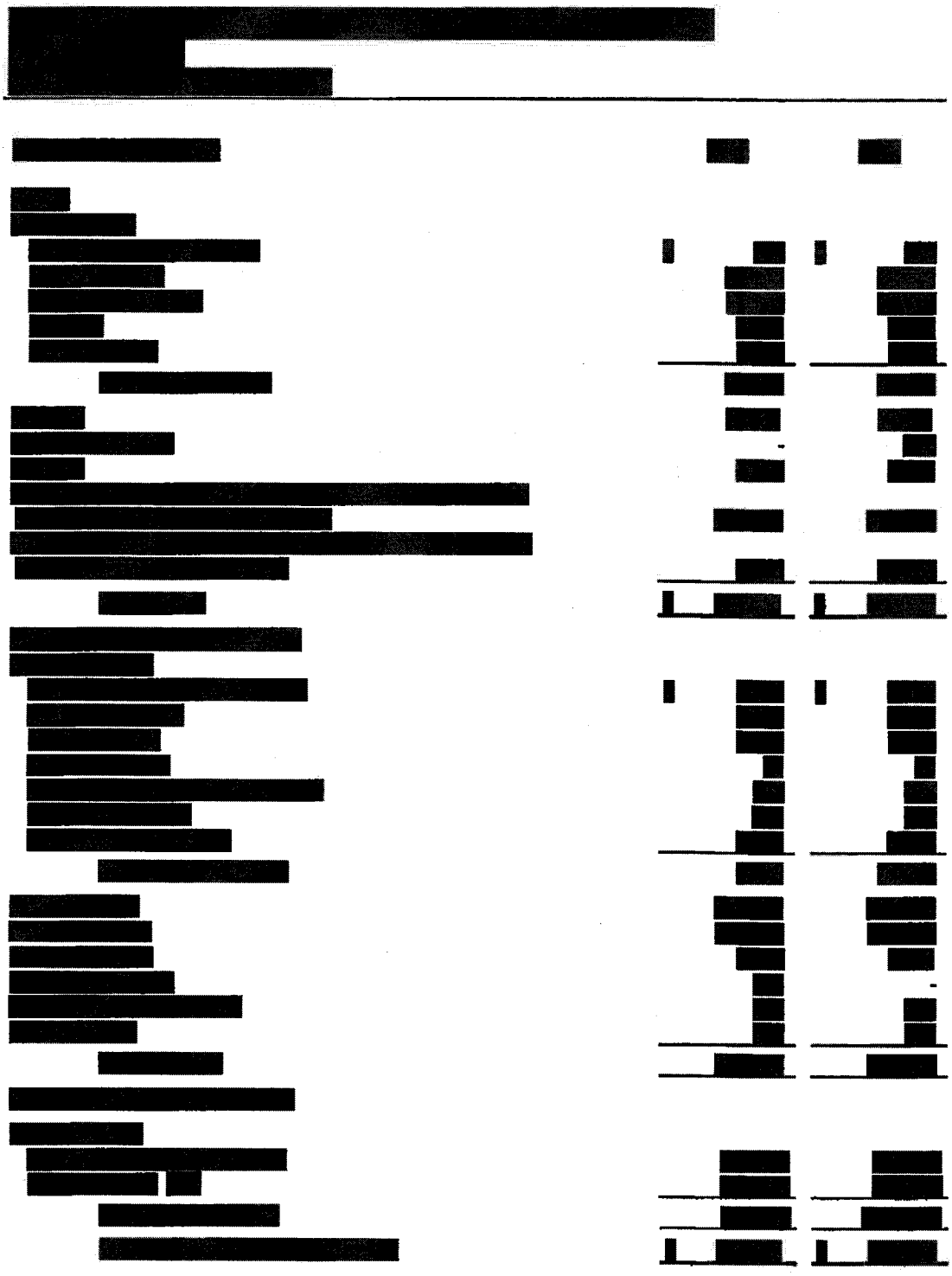
Cedar Bay Generating Company, Limited Partnership

Financial Statements
December 31, 2014 and 2013

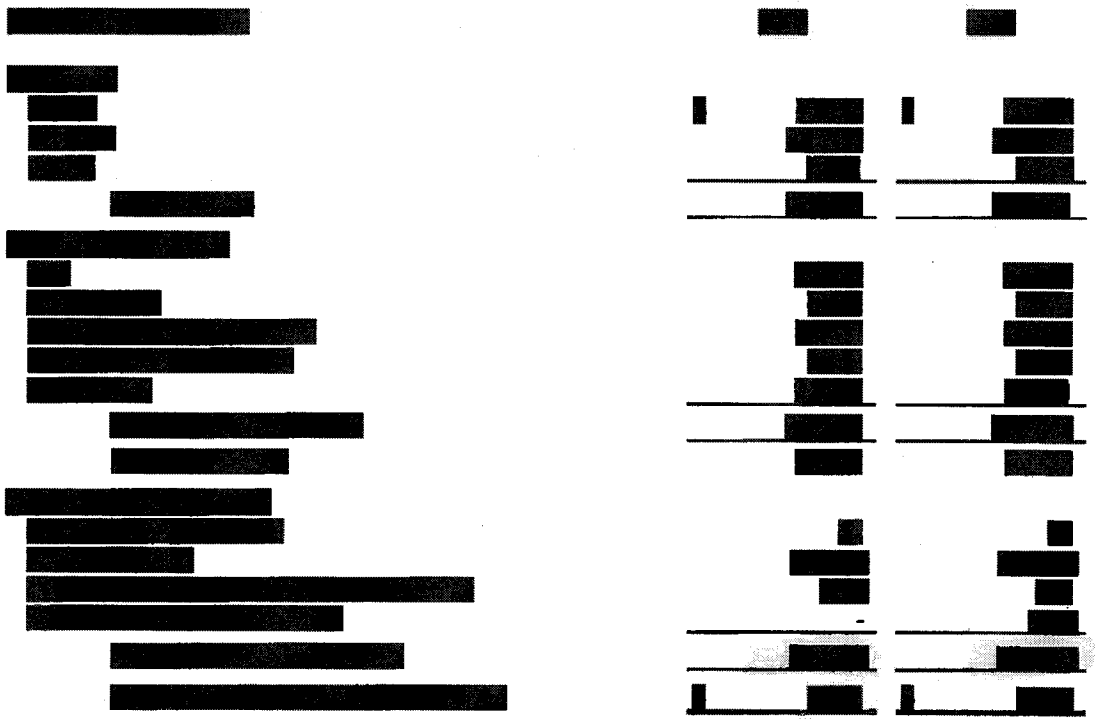
EXHIBIT 21
Witness Dudley
Date 5-15-15
Reporter: Sarah B. Gilroy

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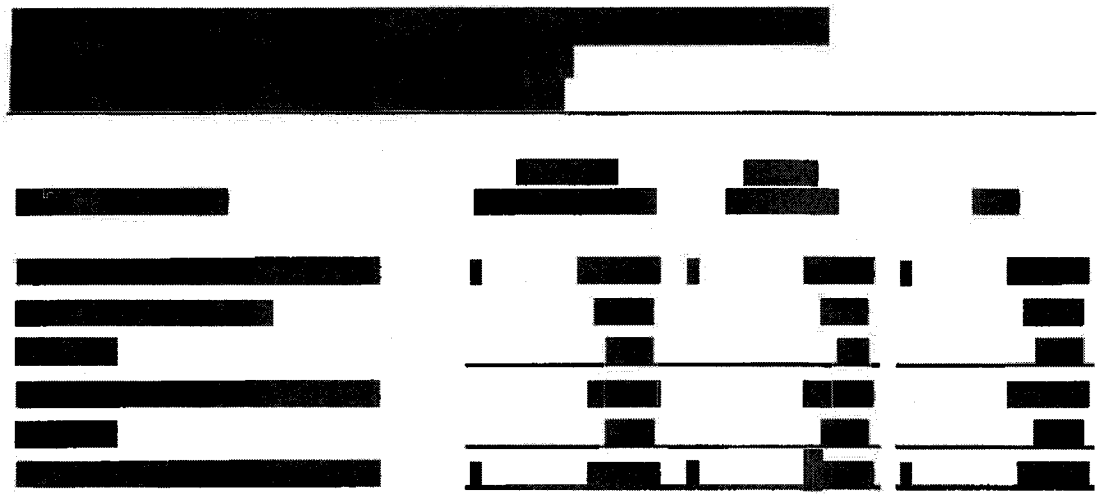




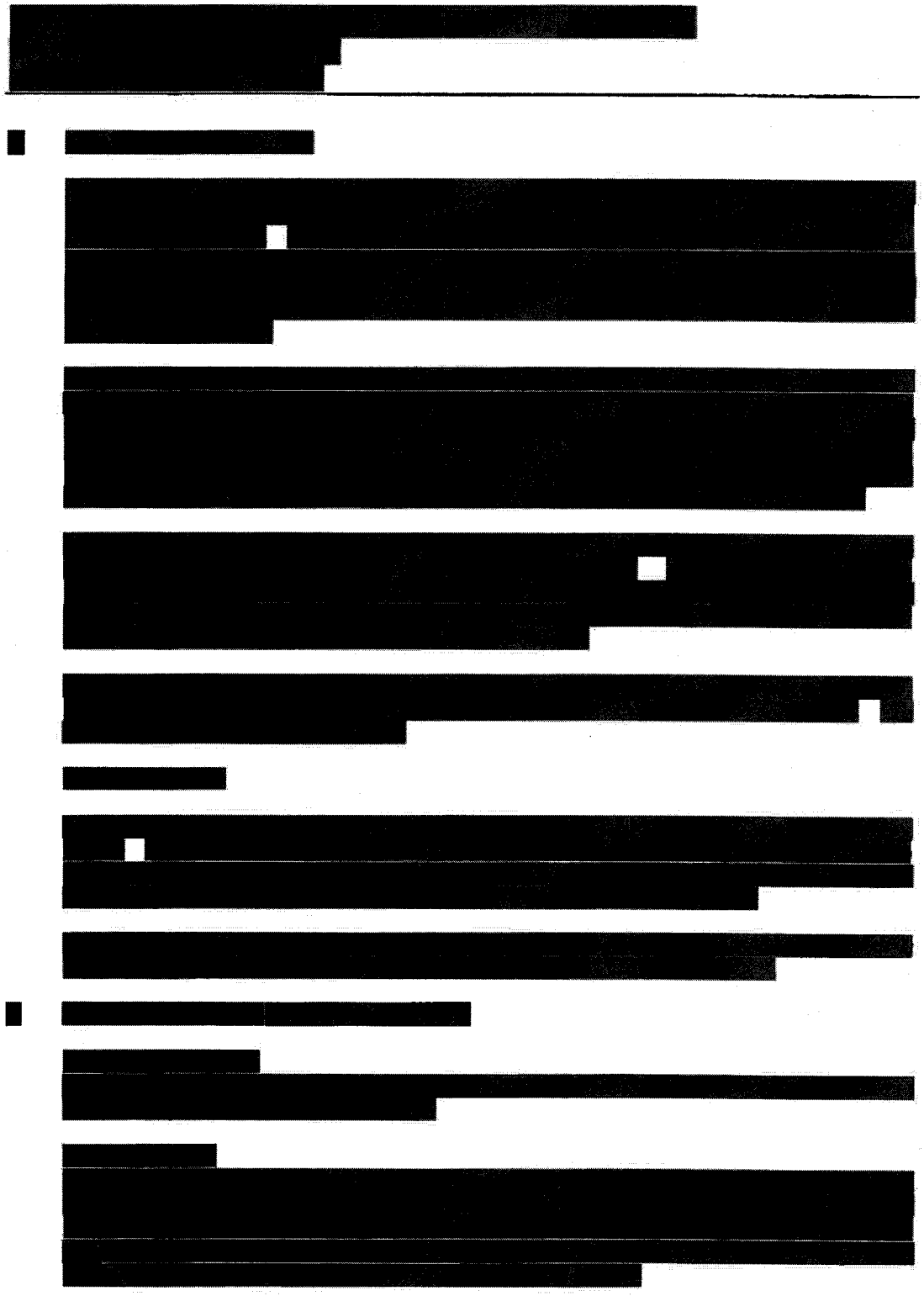
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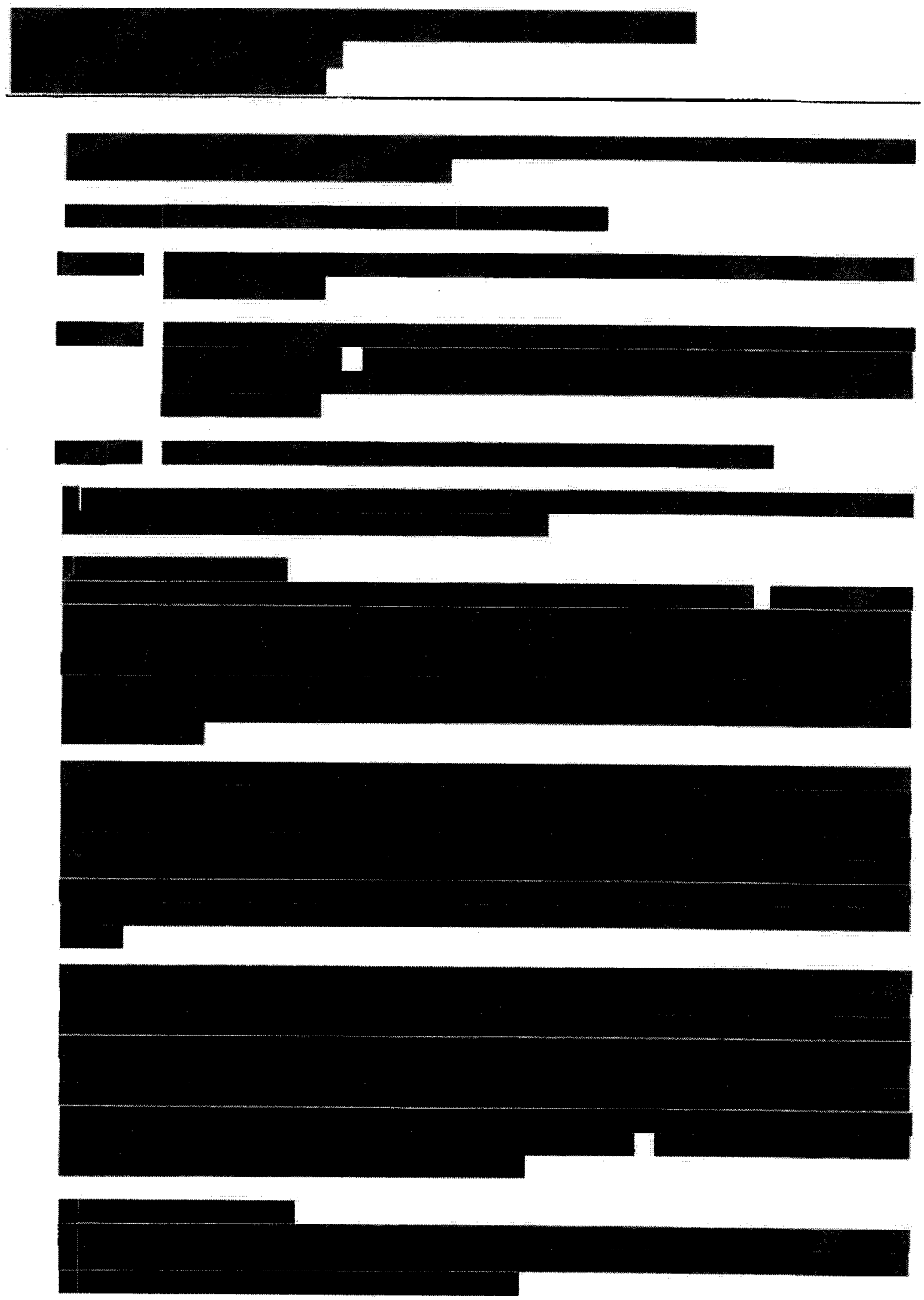
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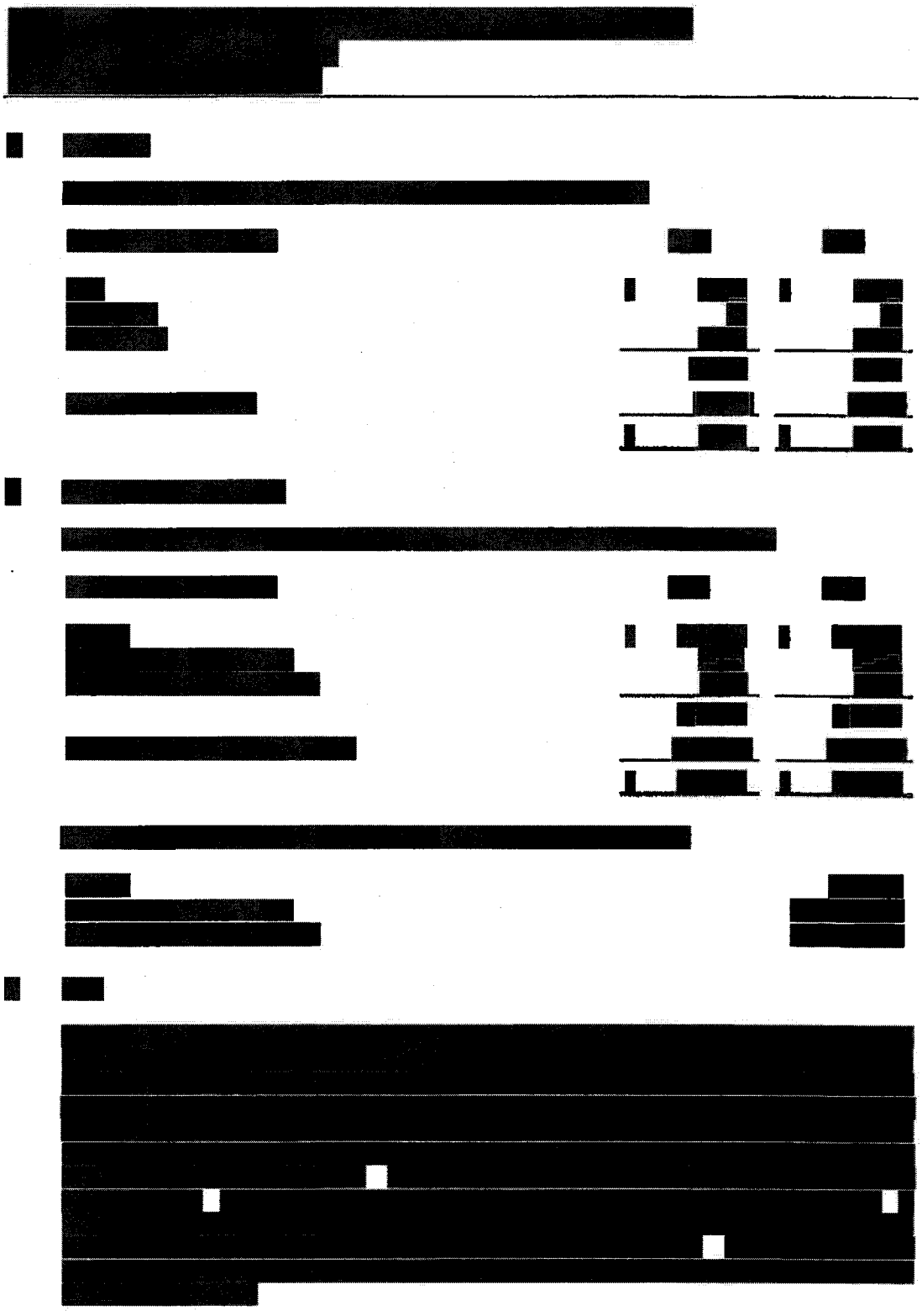


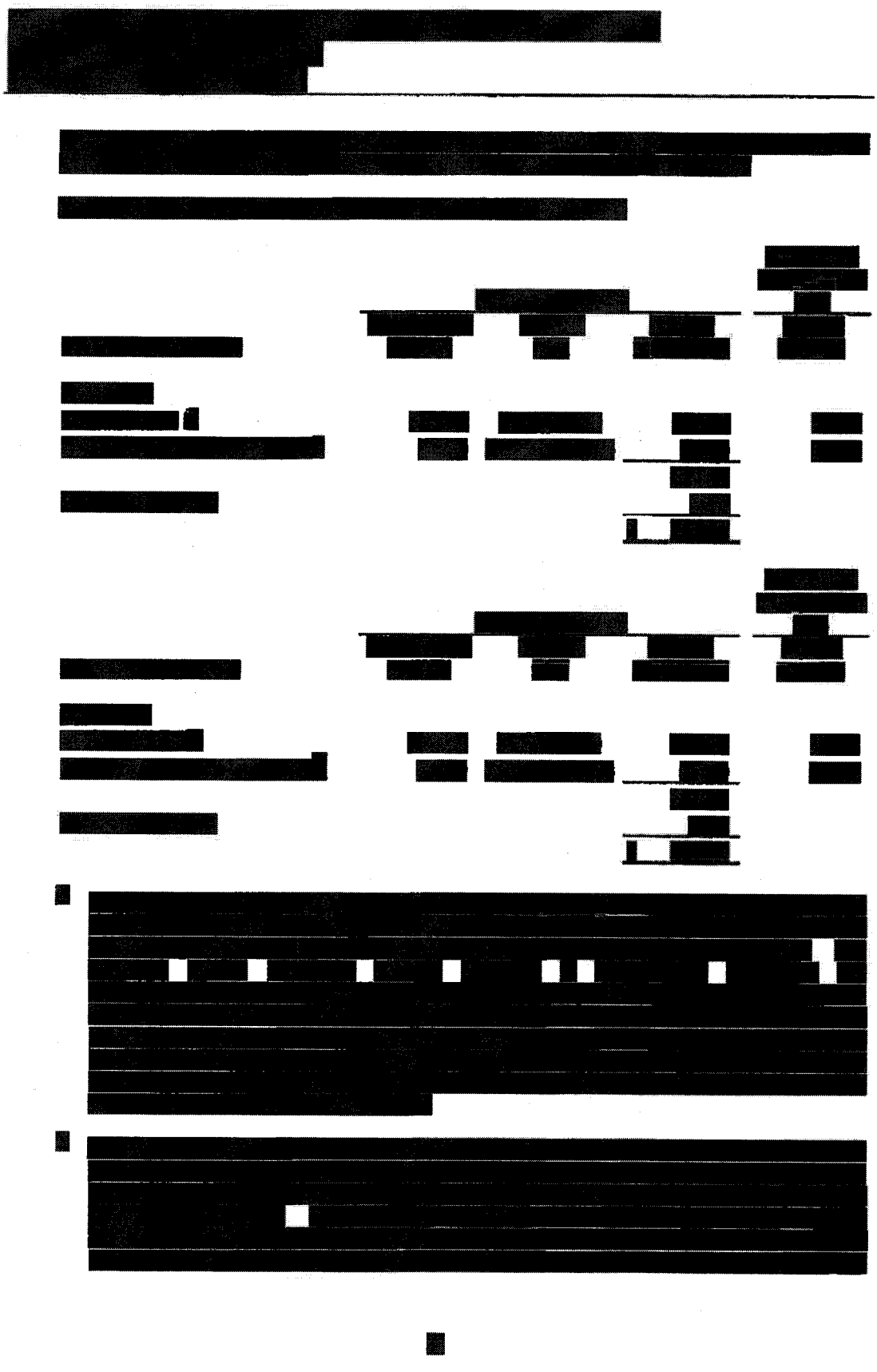


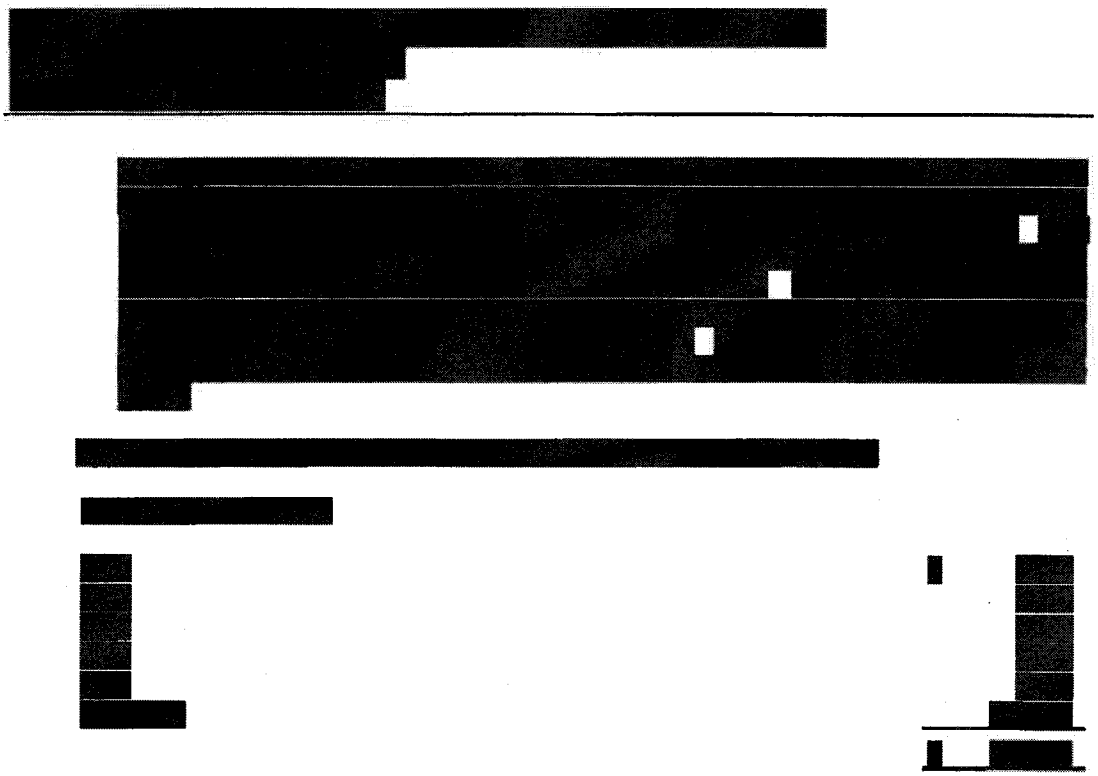


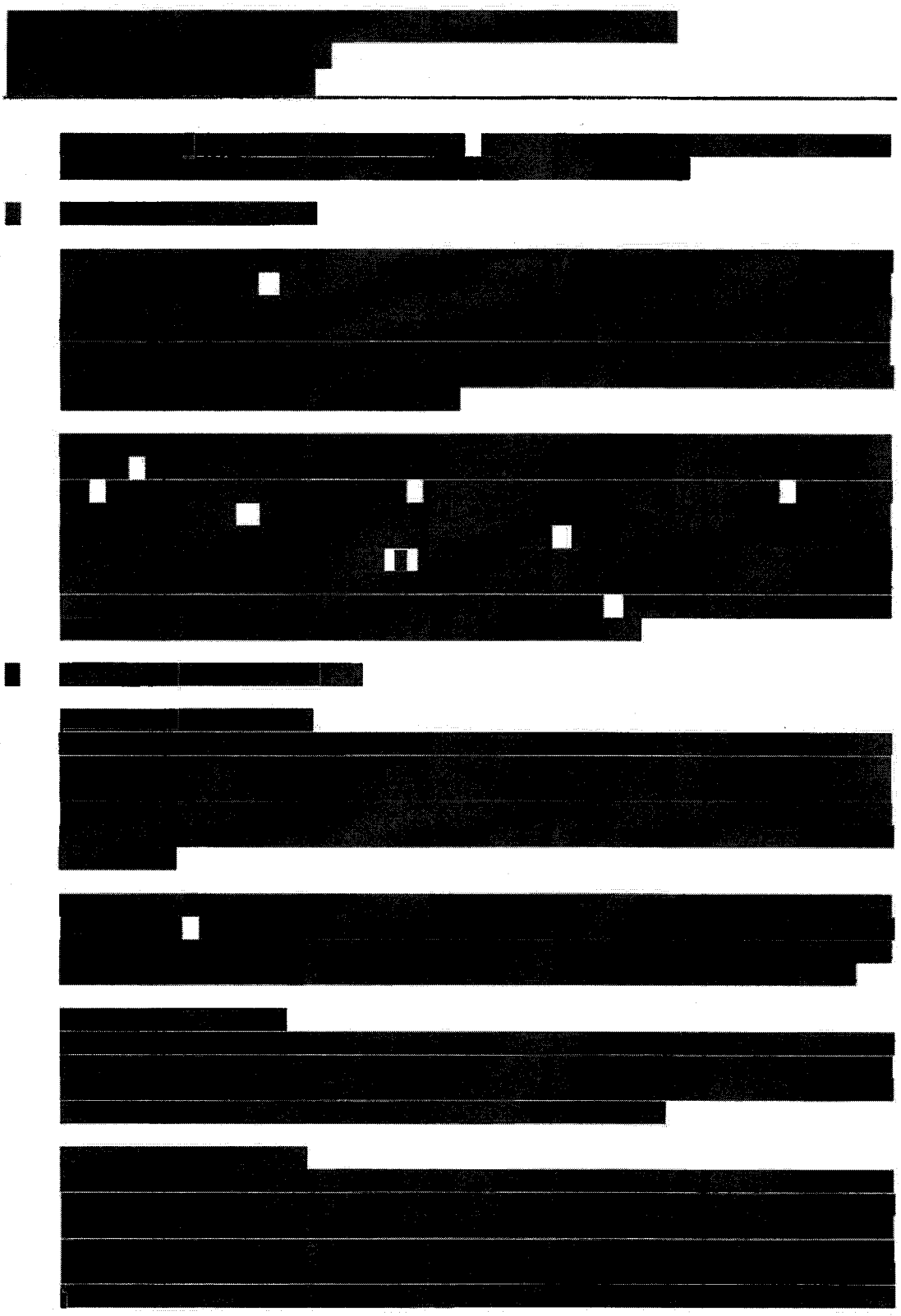


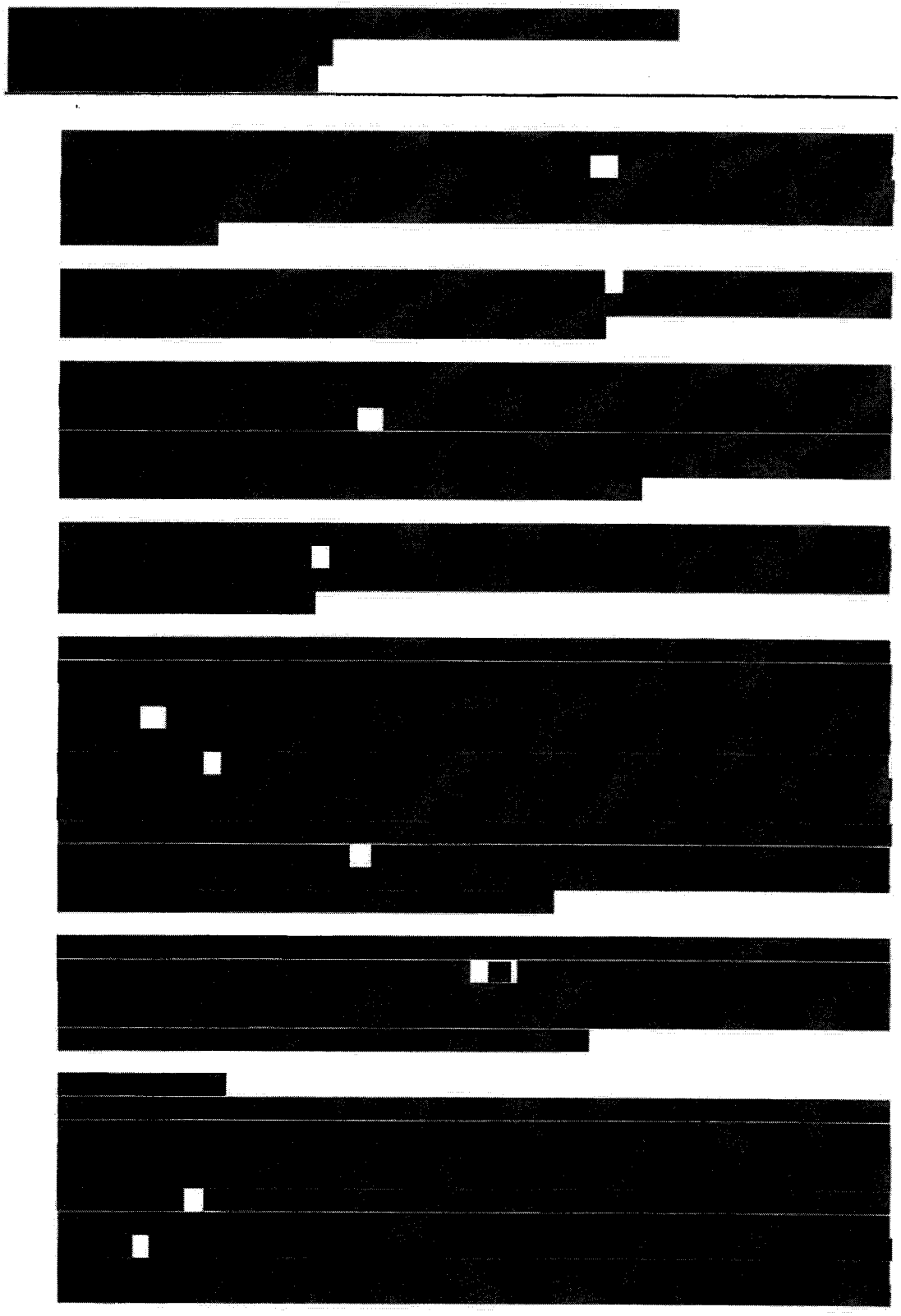
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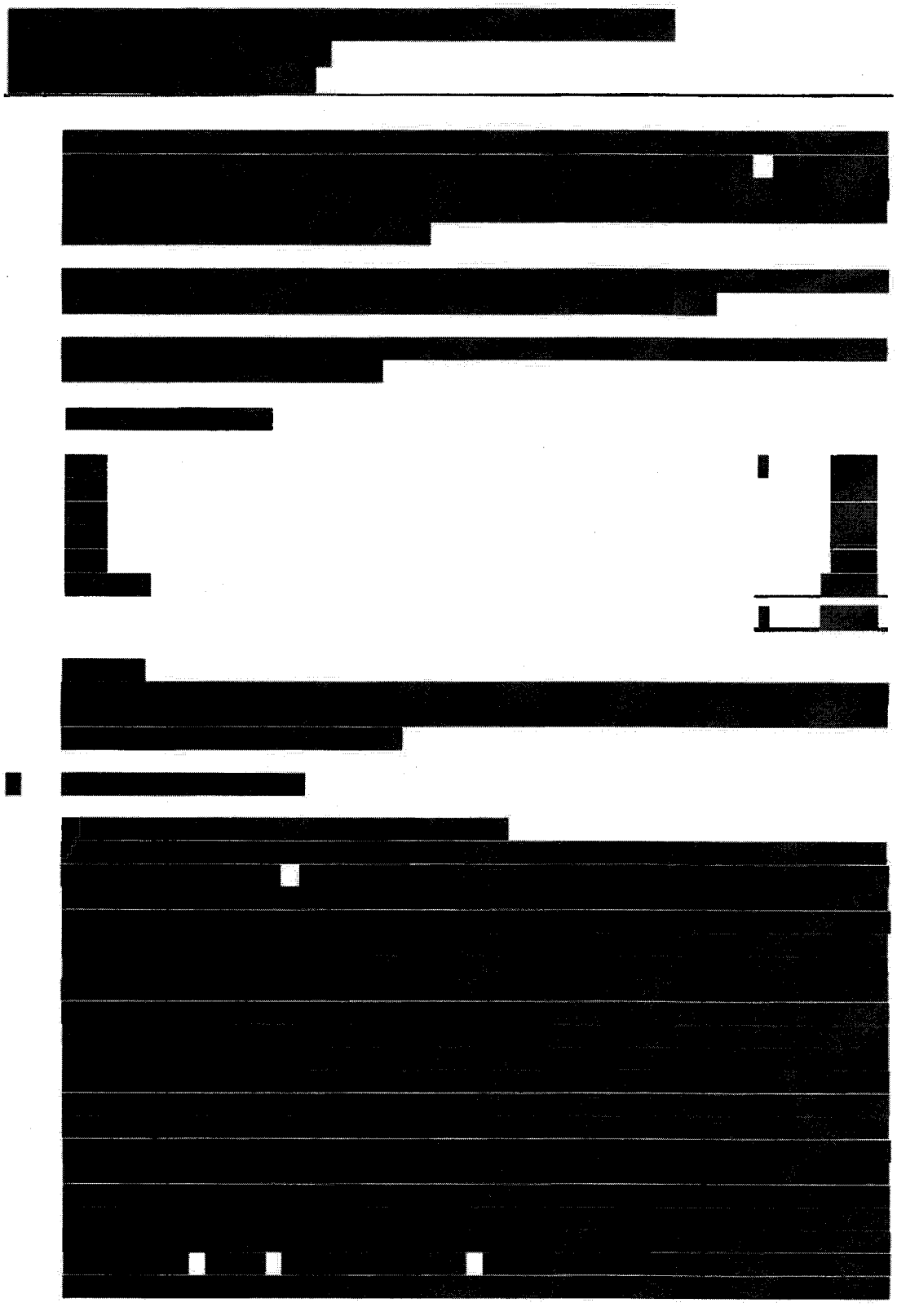


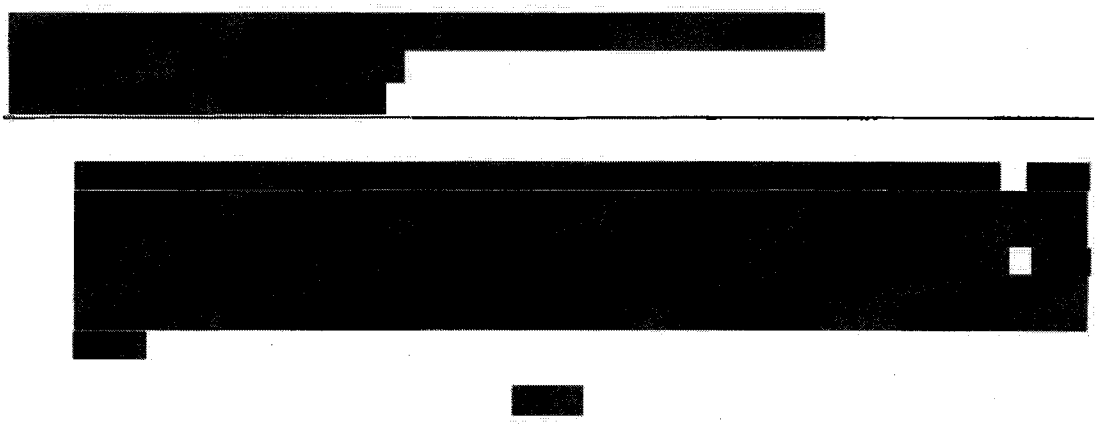














Cedar Bay Generating Company, L.P.

$250 Million Senior Secured Term Loan

March 20, 2013

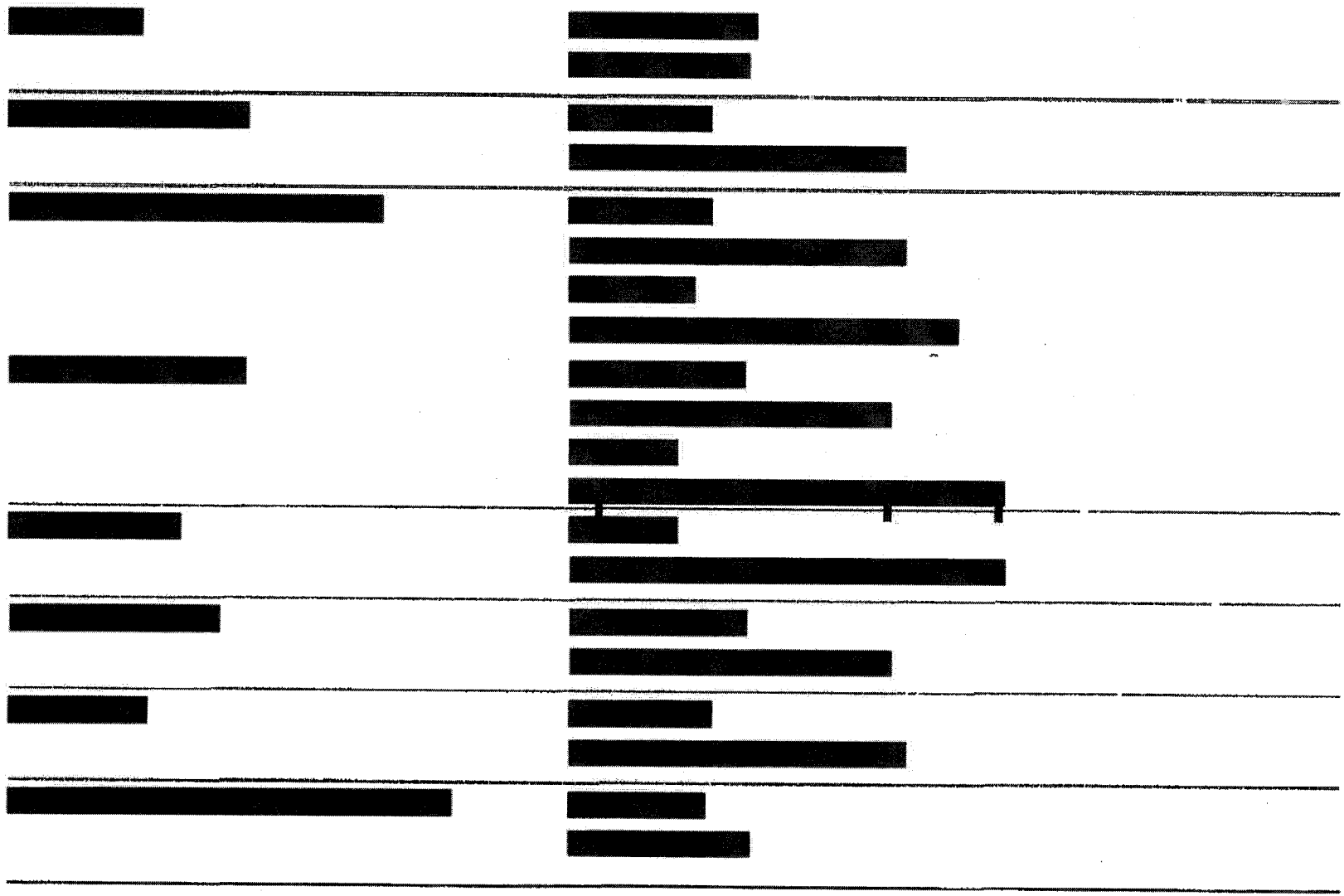
Confidential Presentation to Prospective Public-Side Lenders

EXHIBIT 22
Witness Ludwig
Date 5-15-15
Reporter: Sarah B. Gilroy

Disclaimer

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Cogentrix

[redacted]

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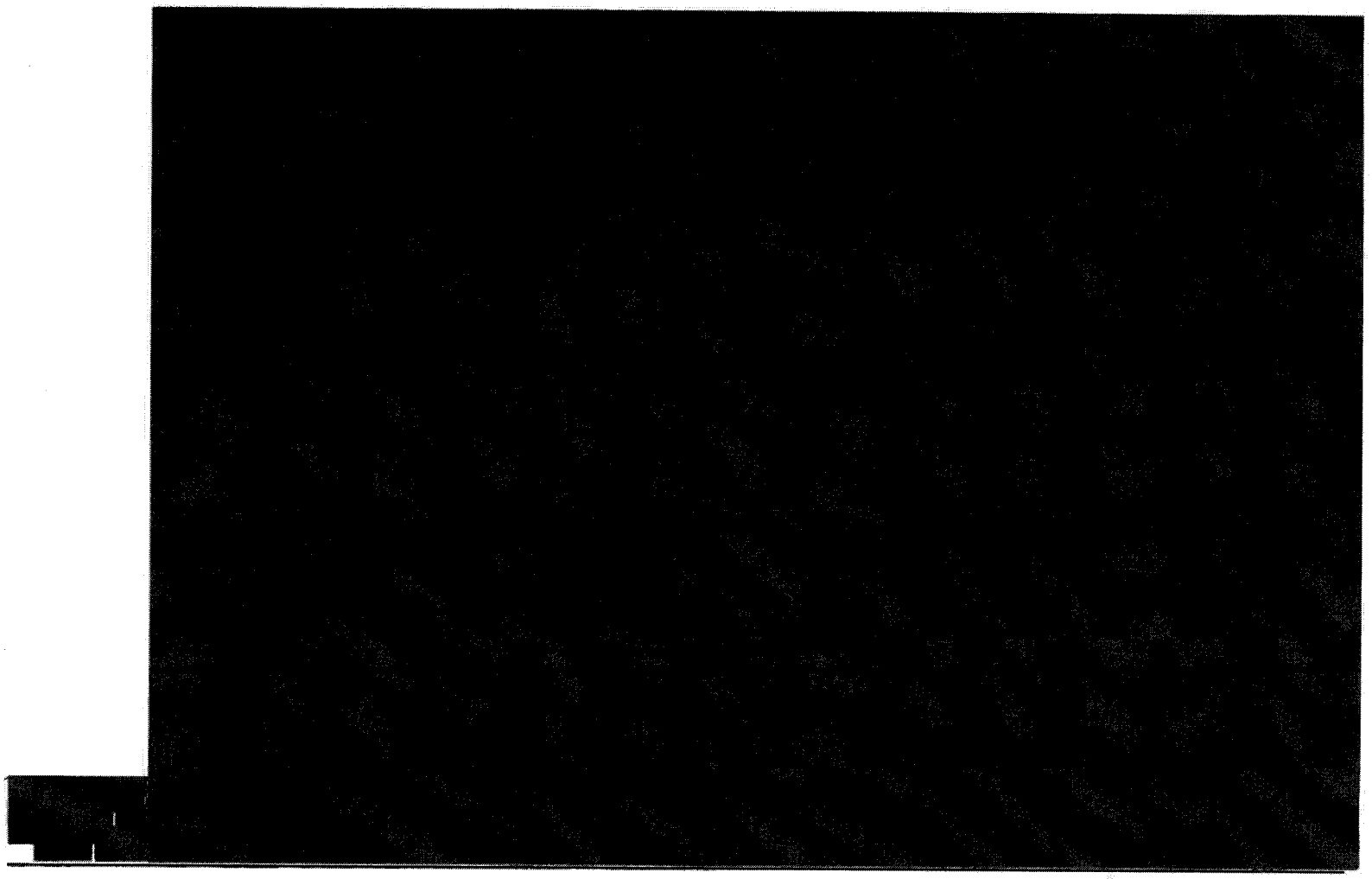


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Cogentrix

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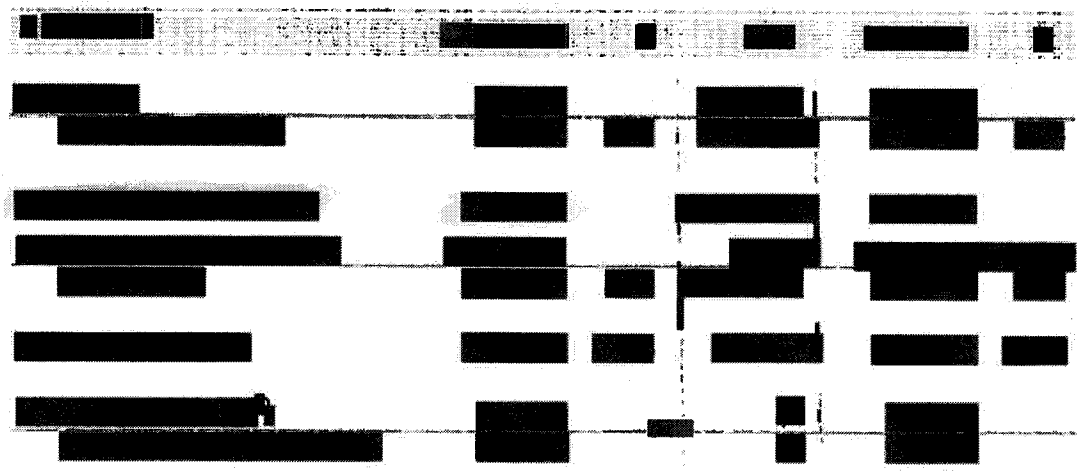
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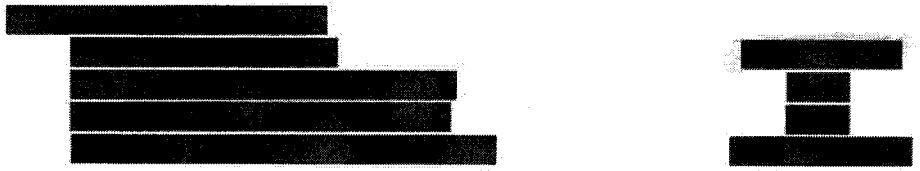
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Cogentrix

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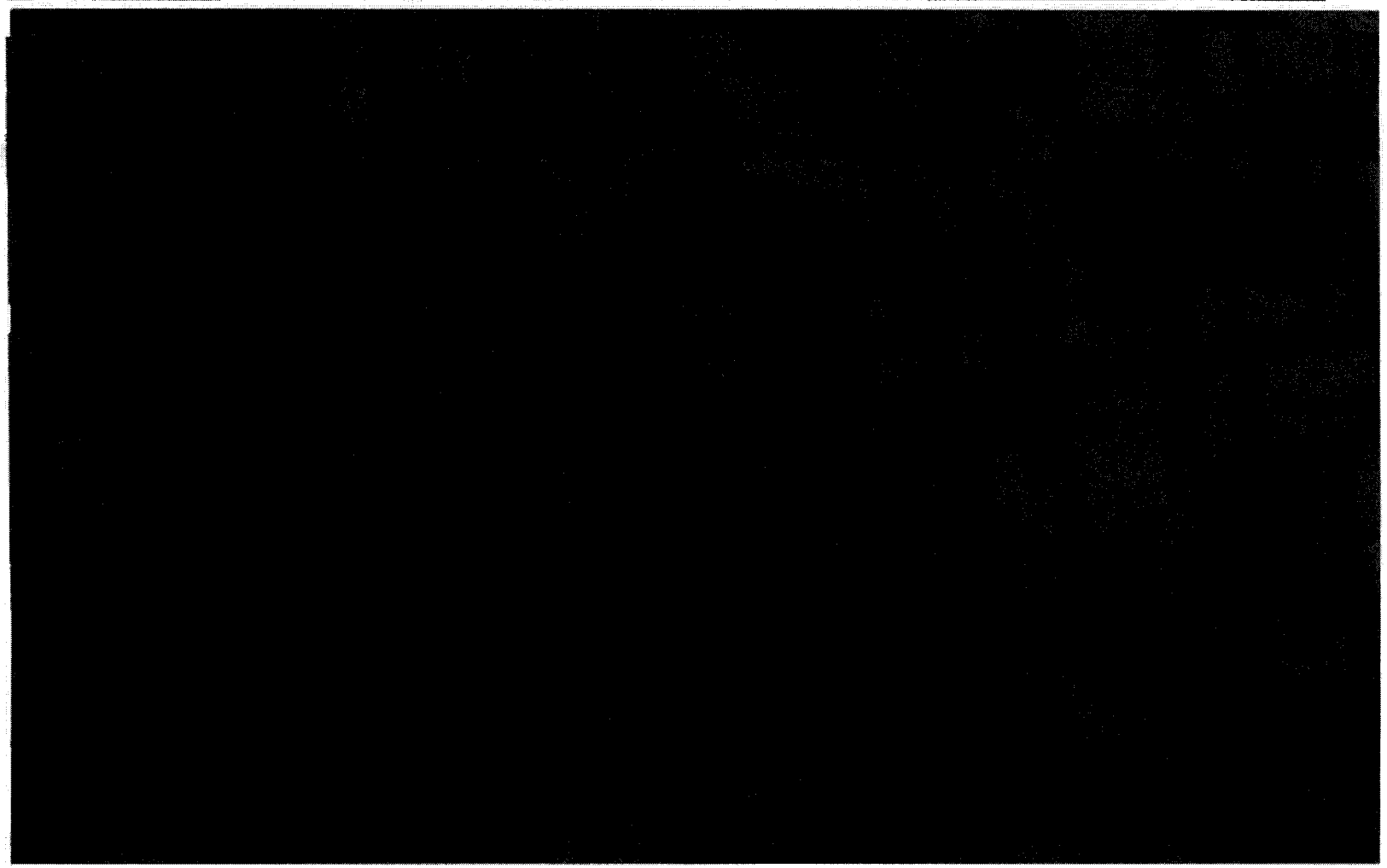


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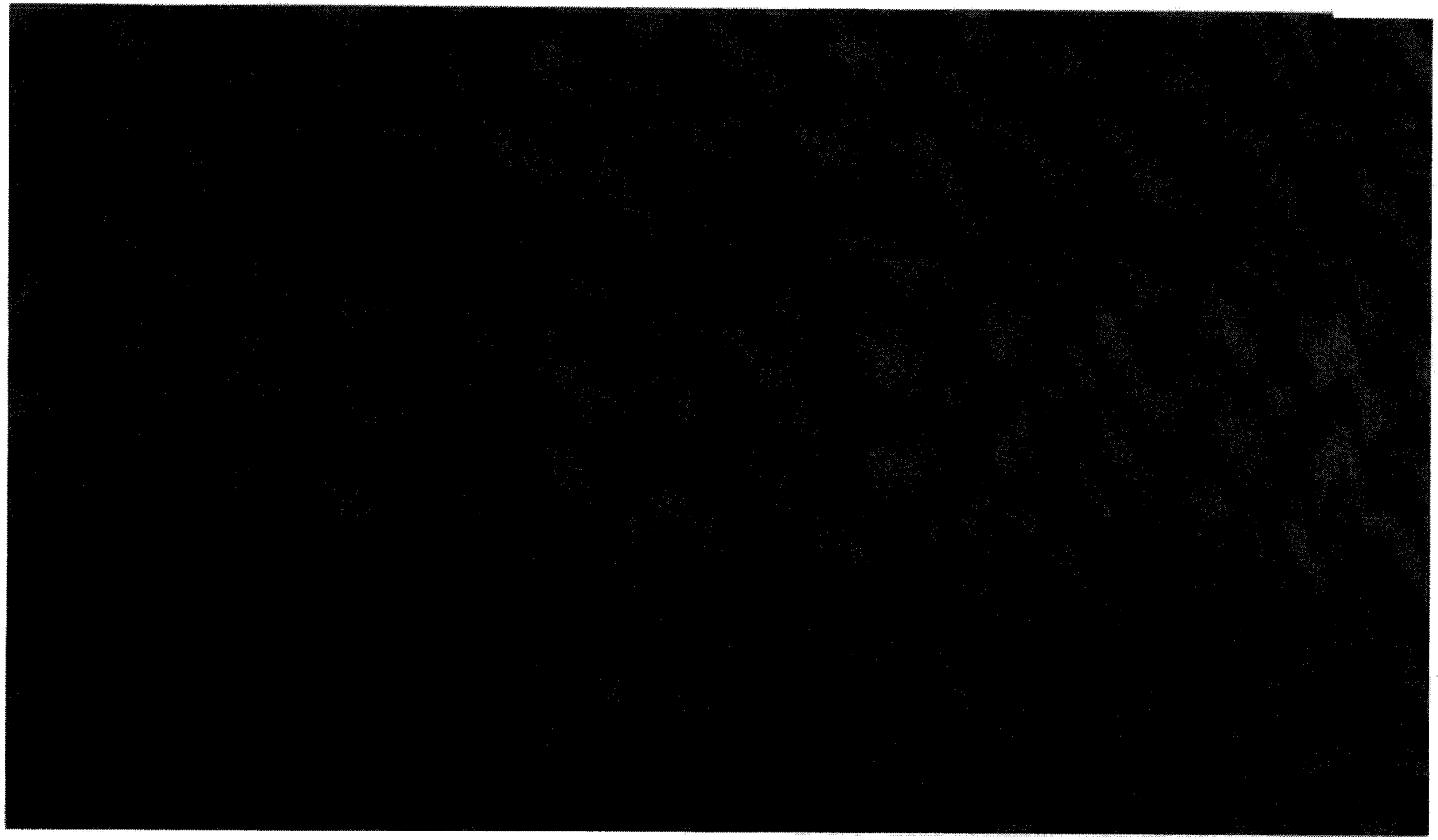
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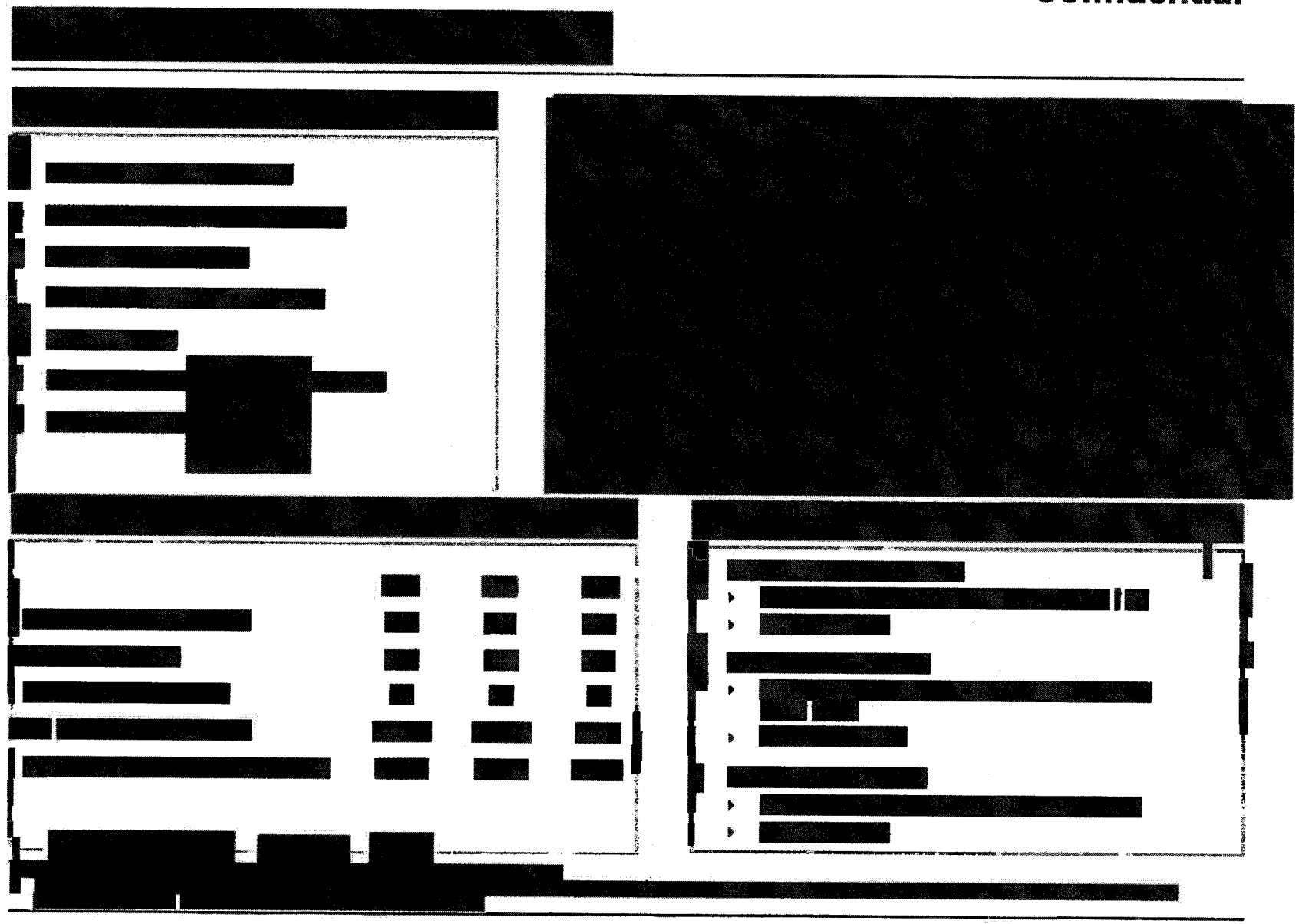
Cogentrix

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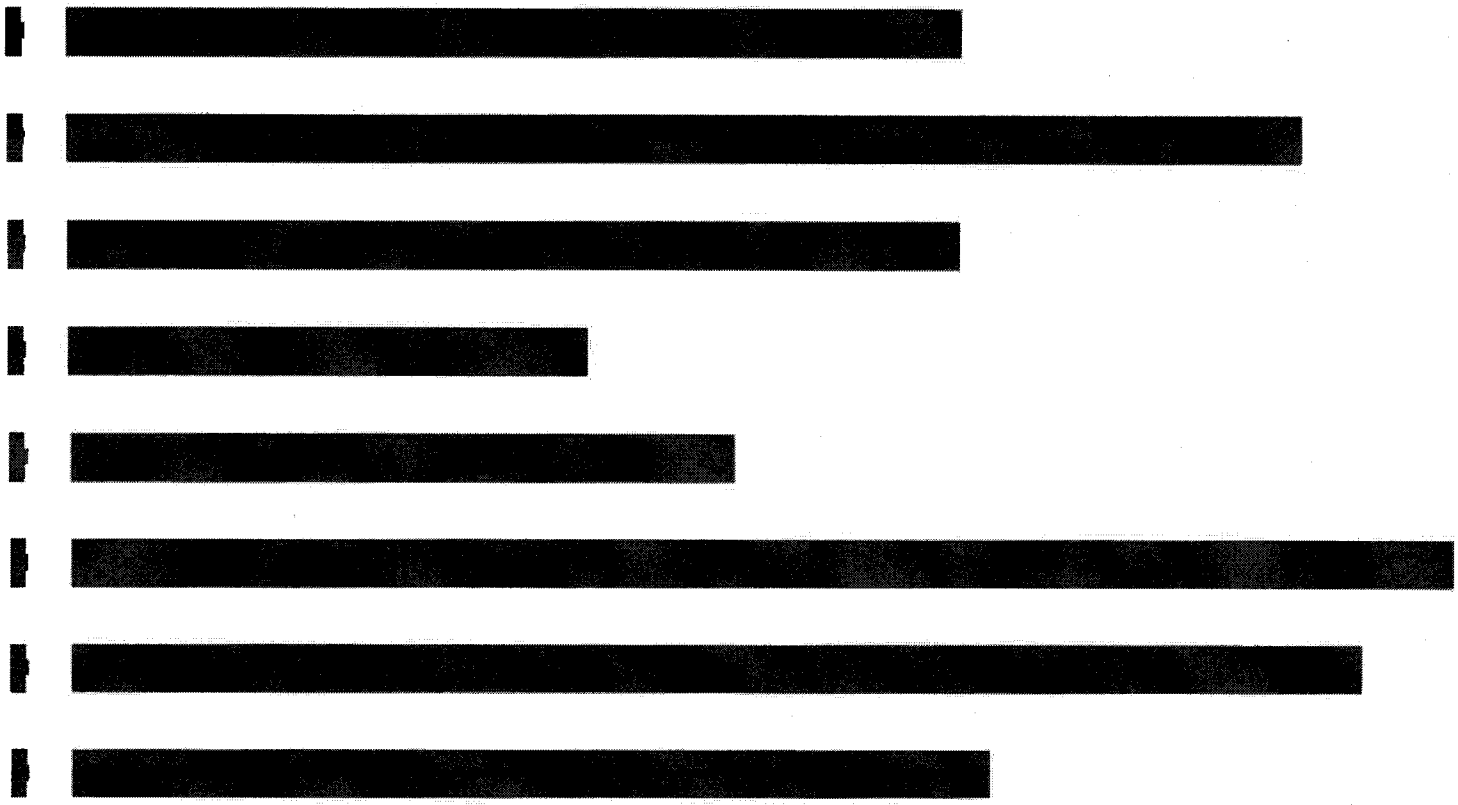
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Cogentrix

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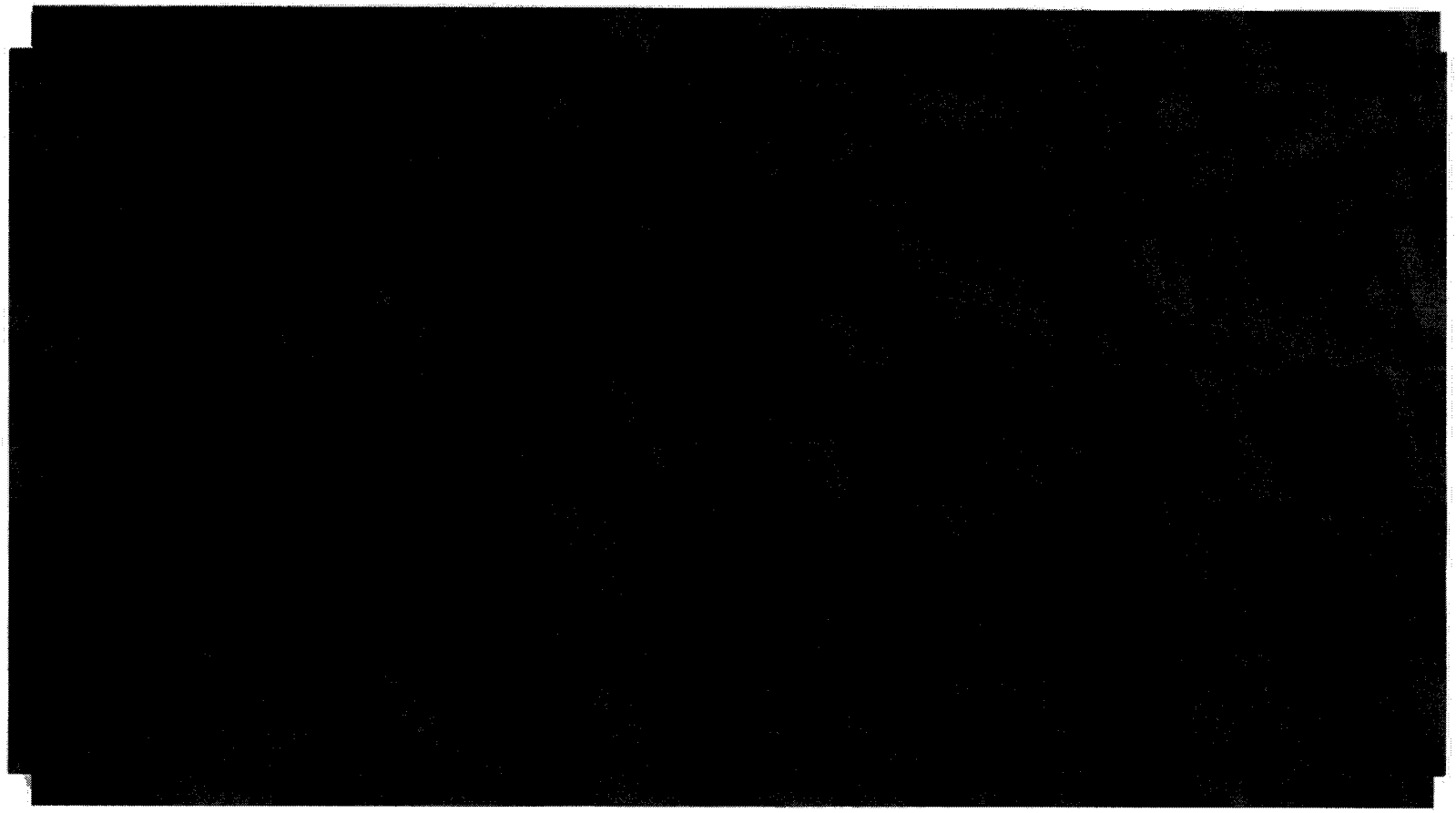


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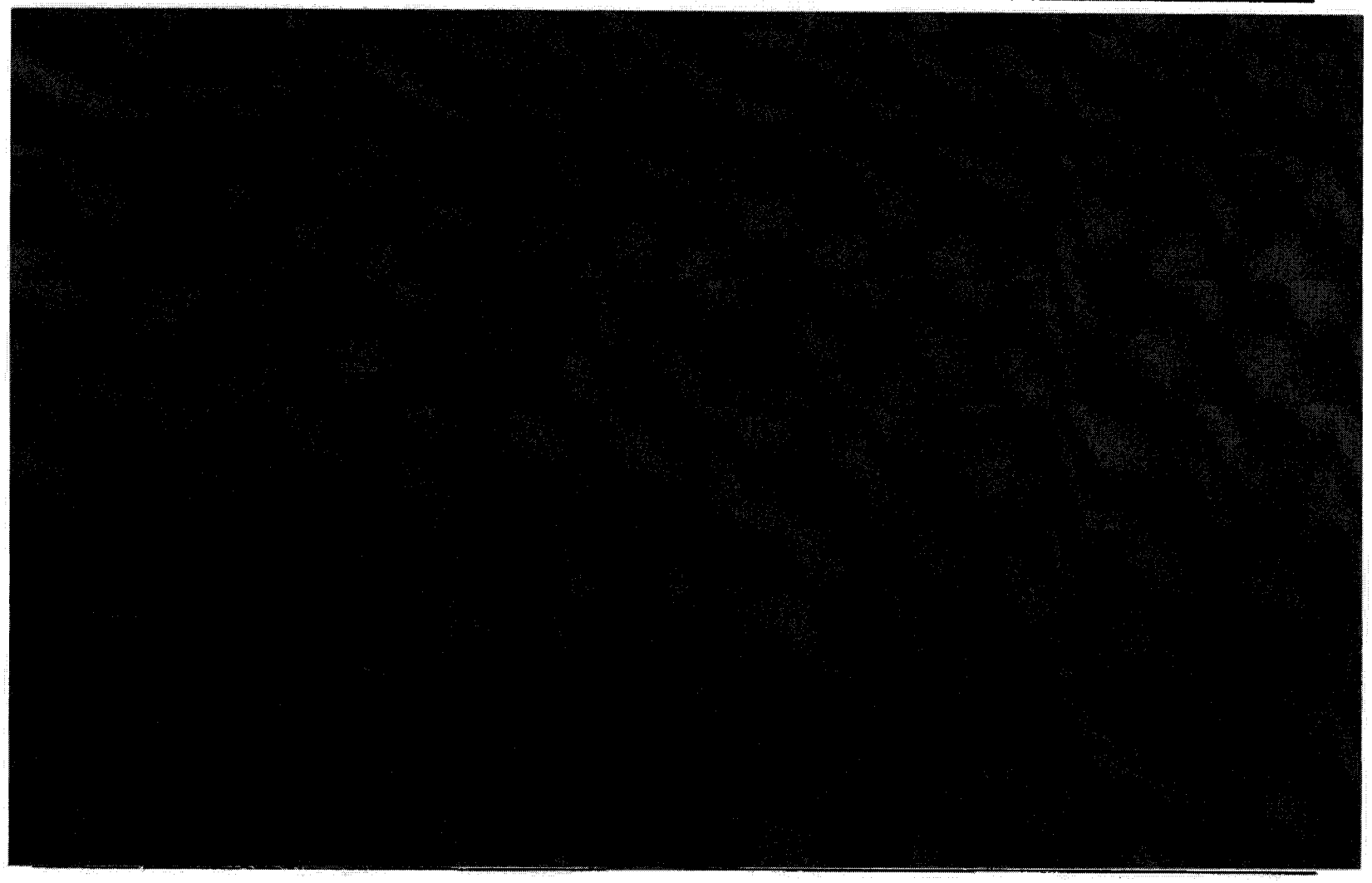
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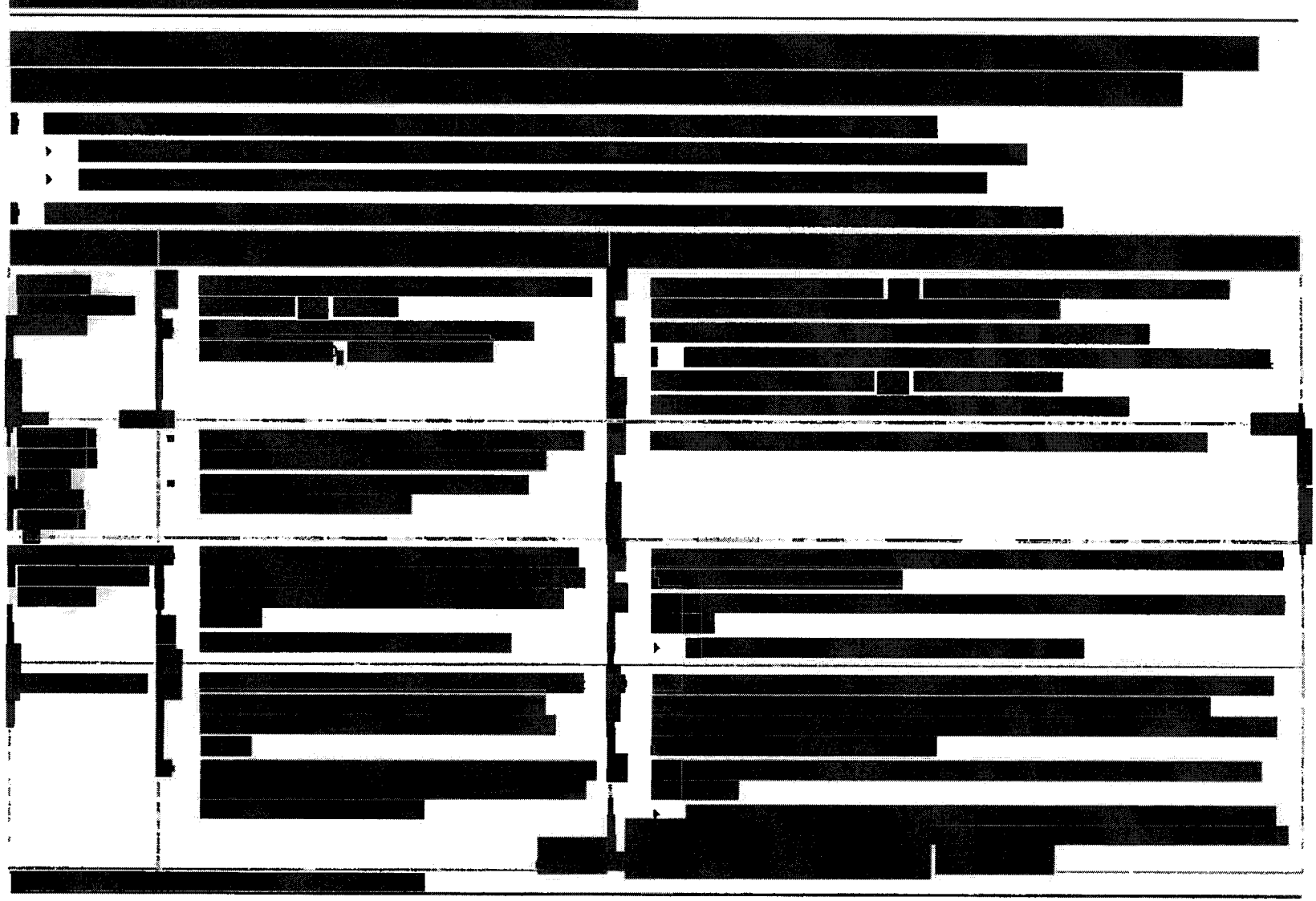


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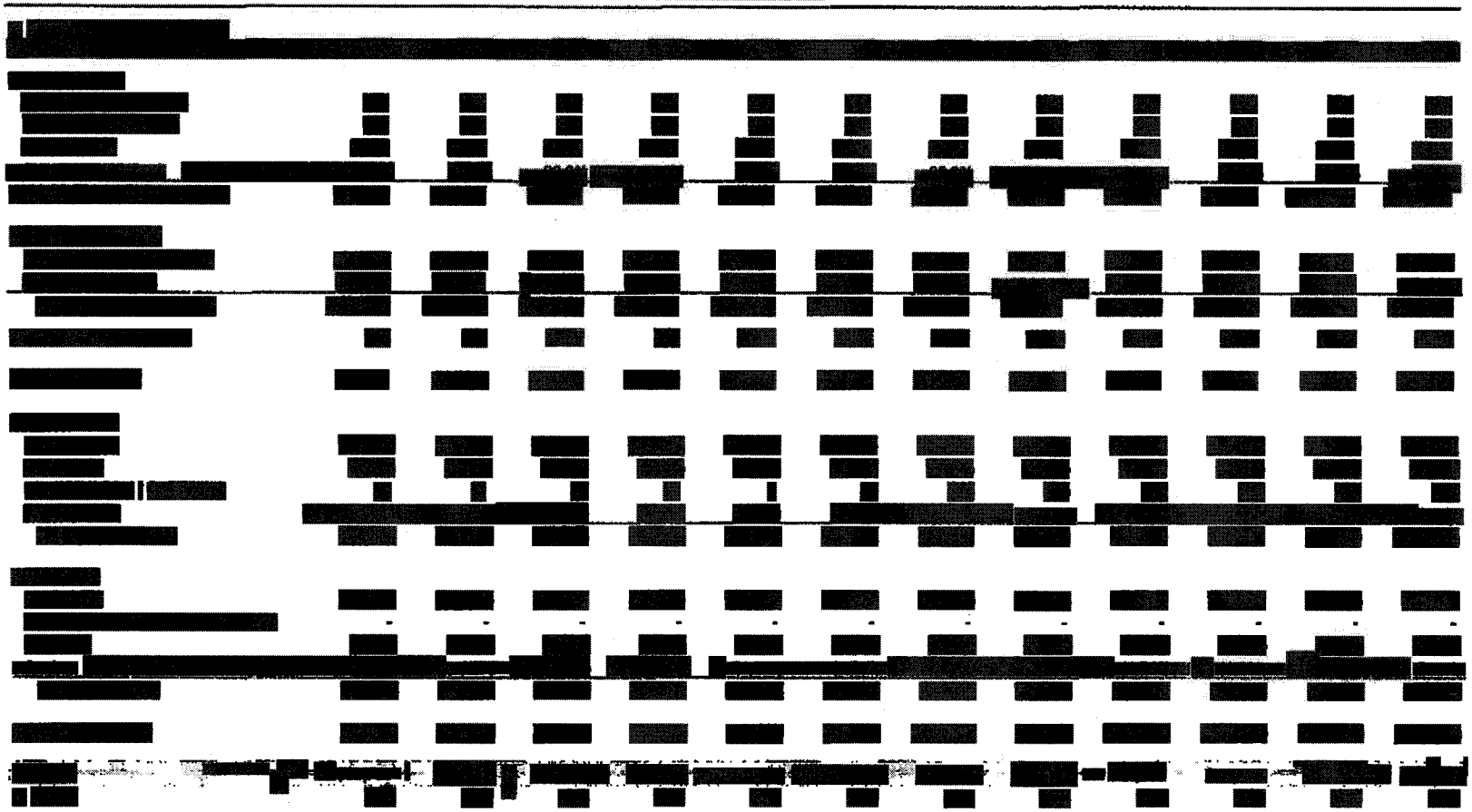
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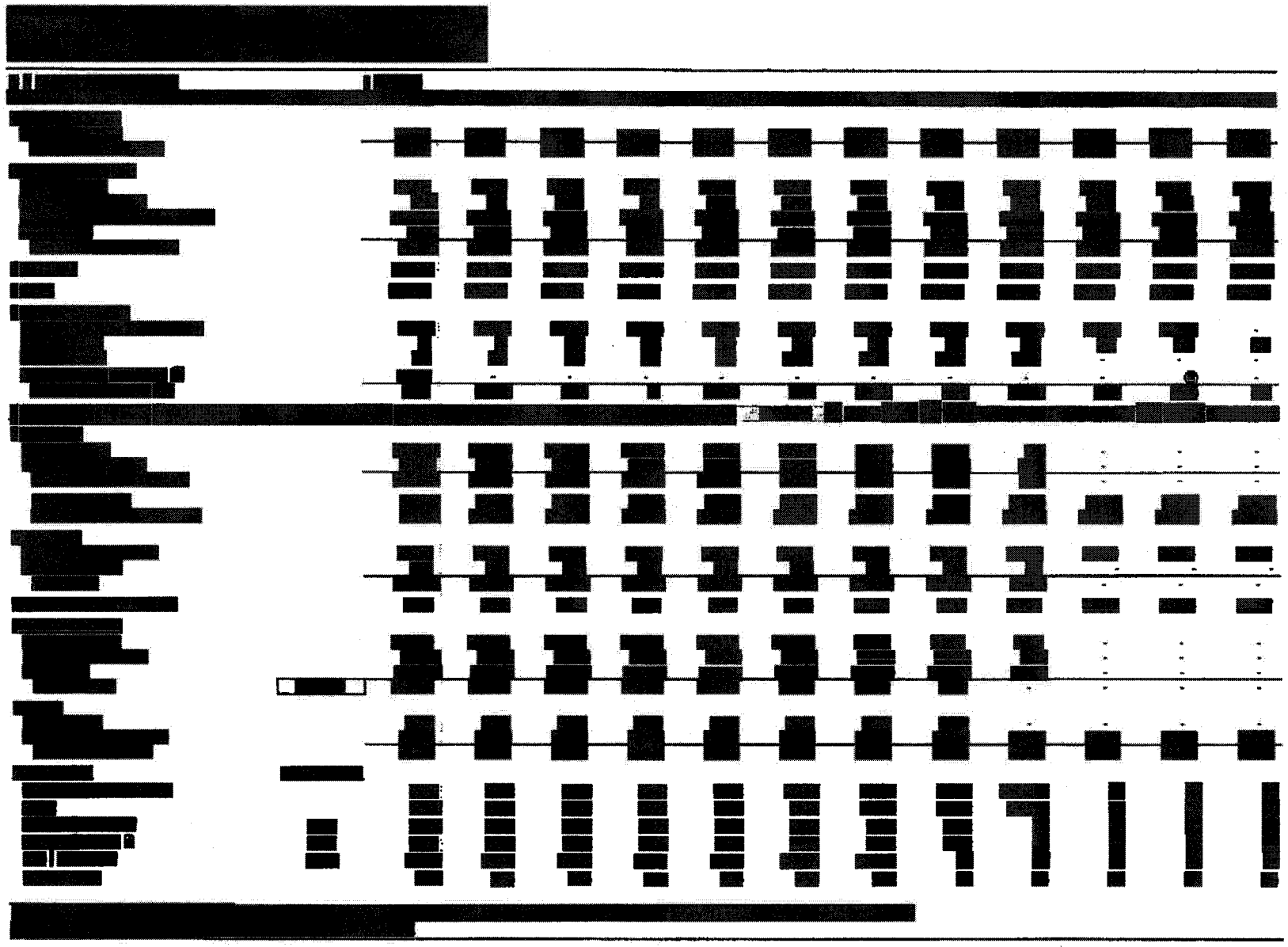
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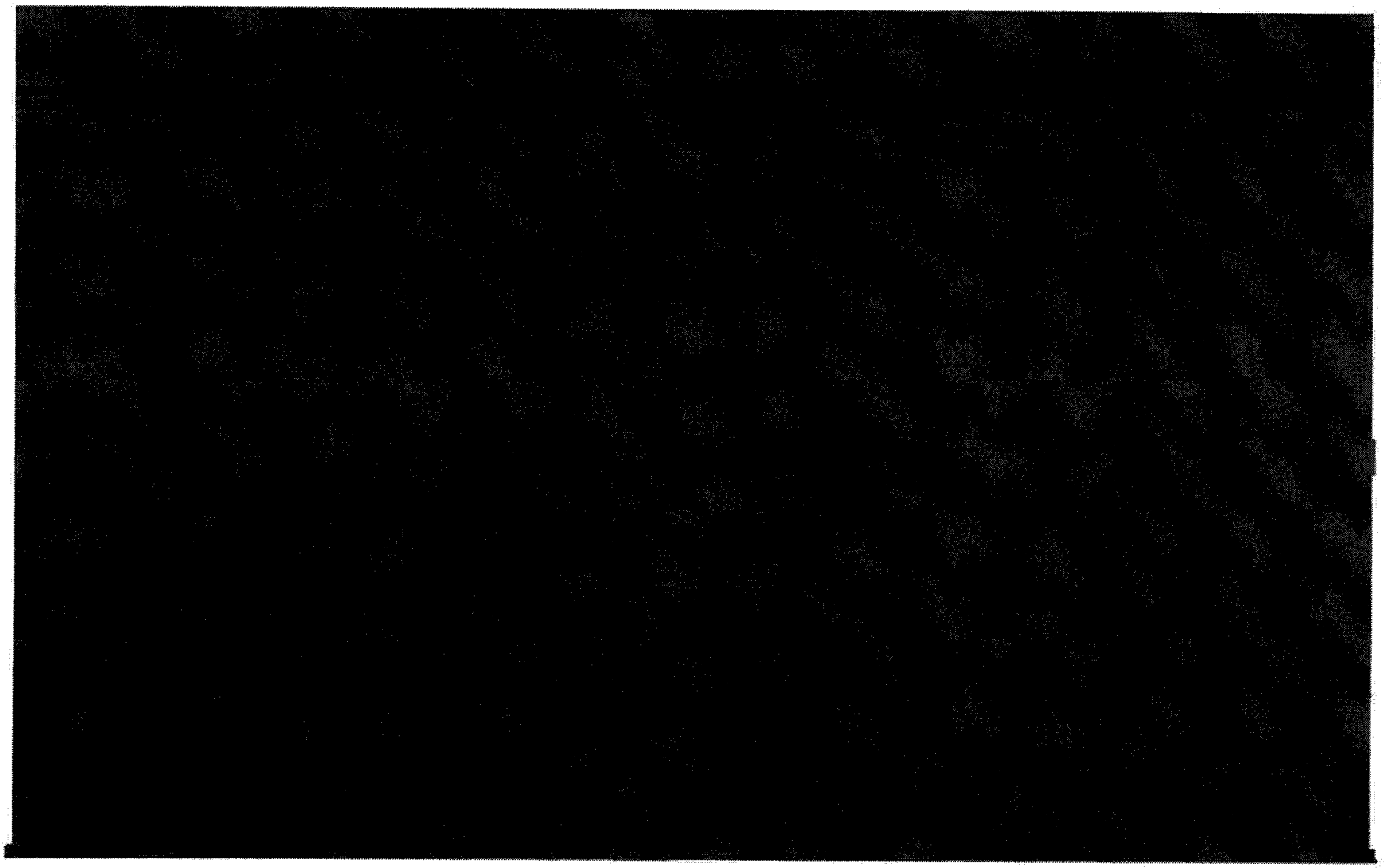
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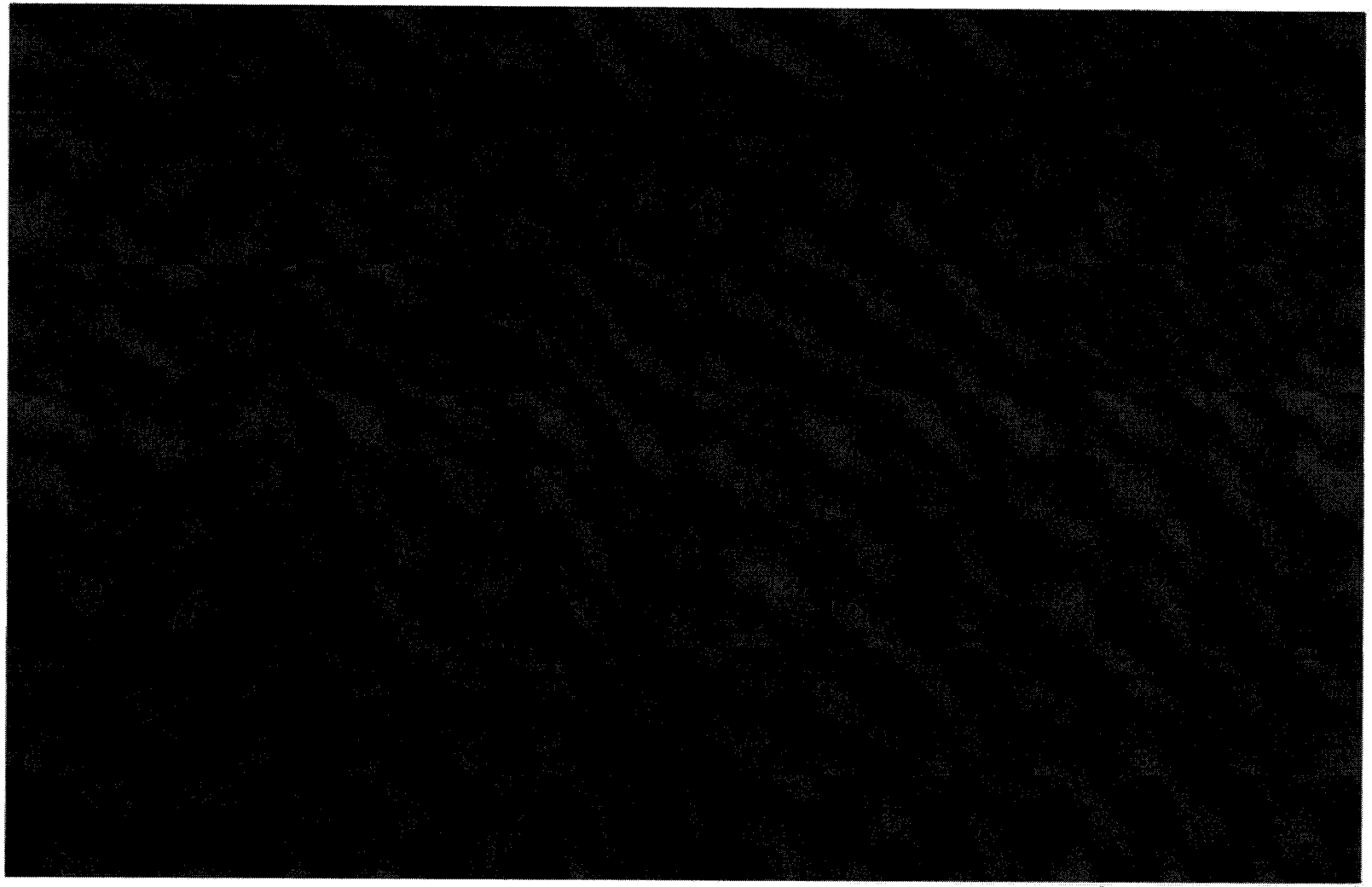
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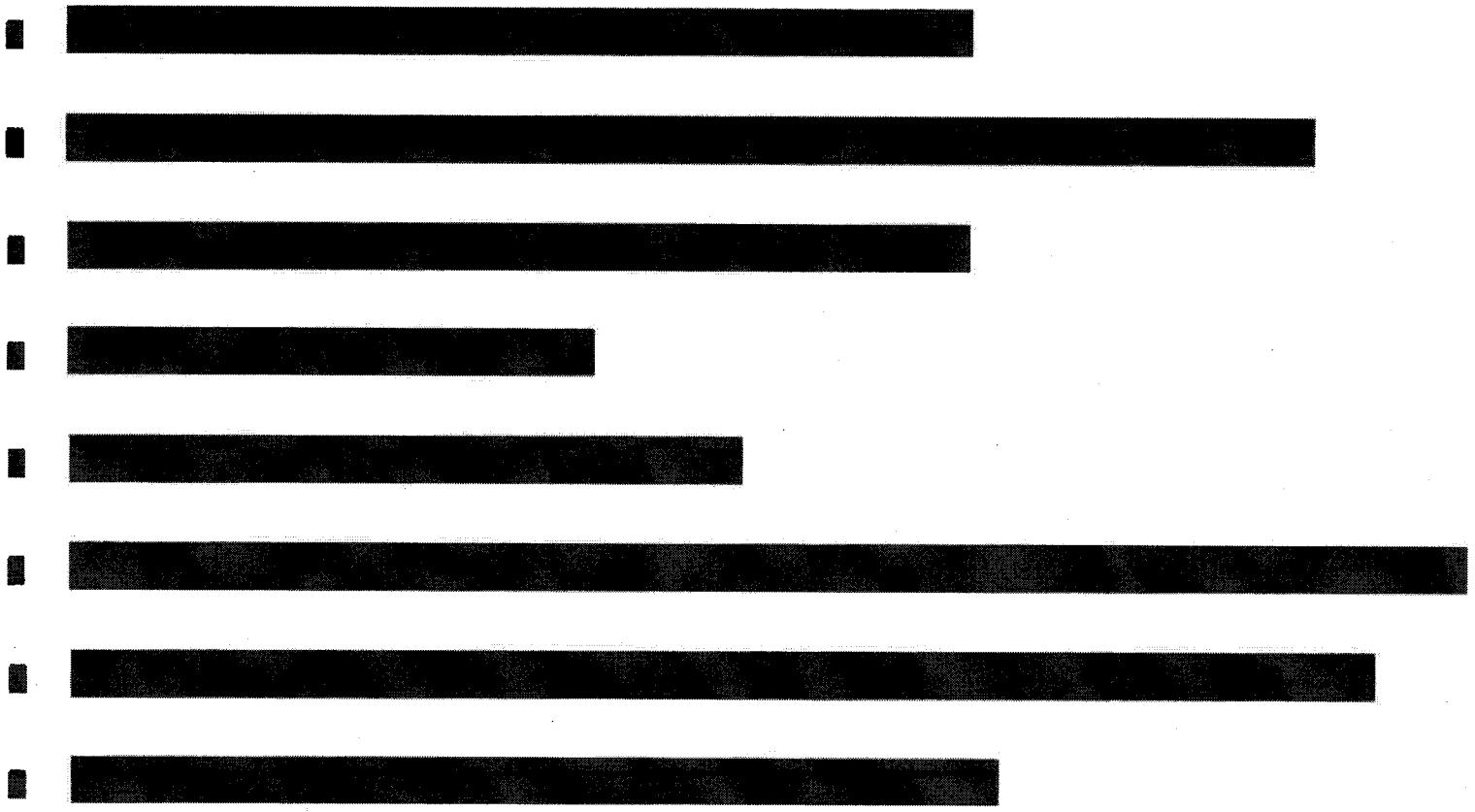
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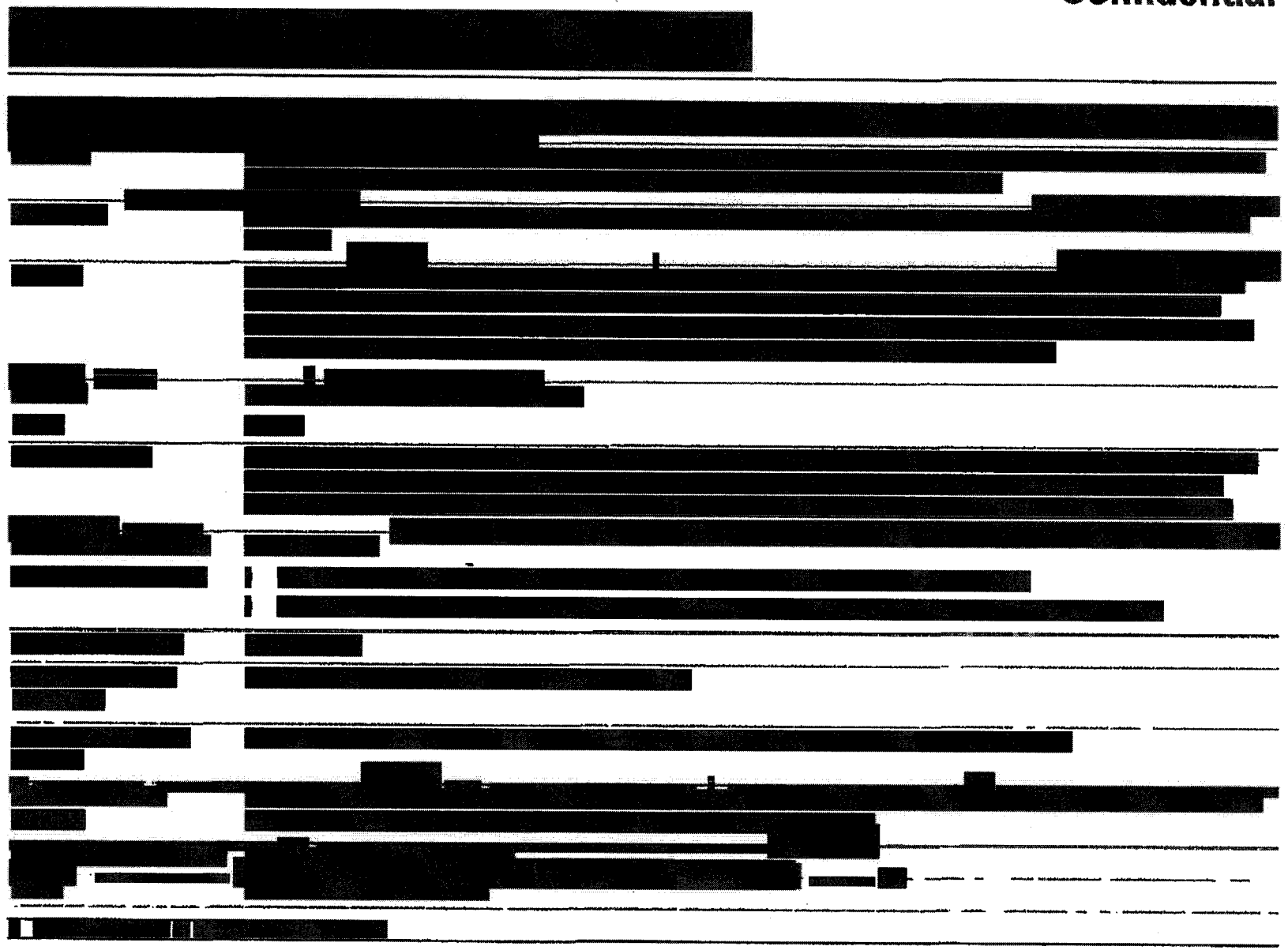
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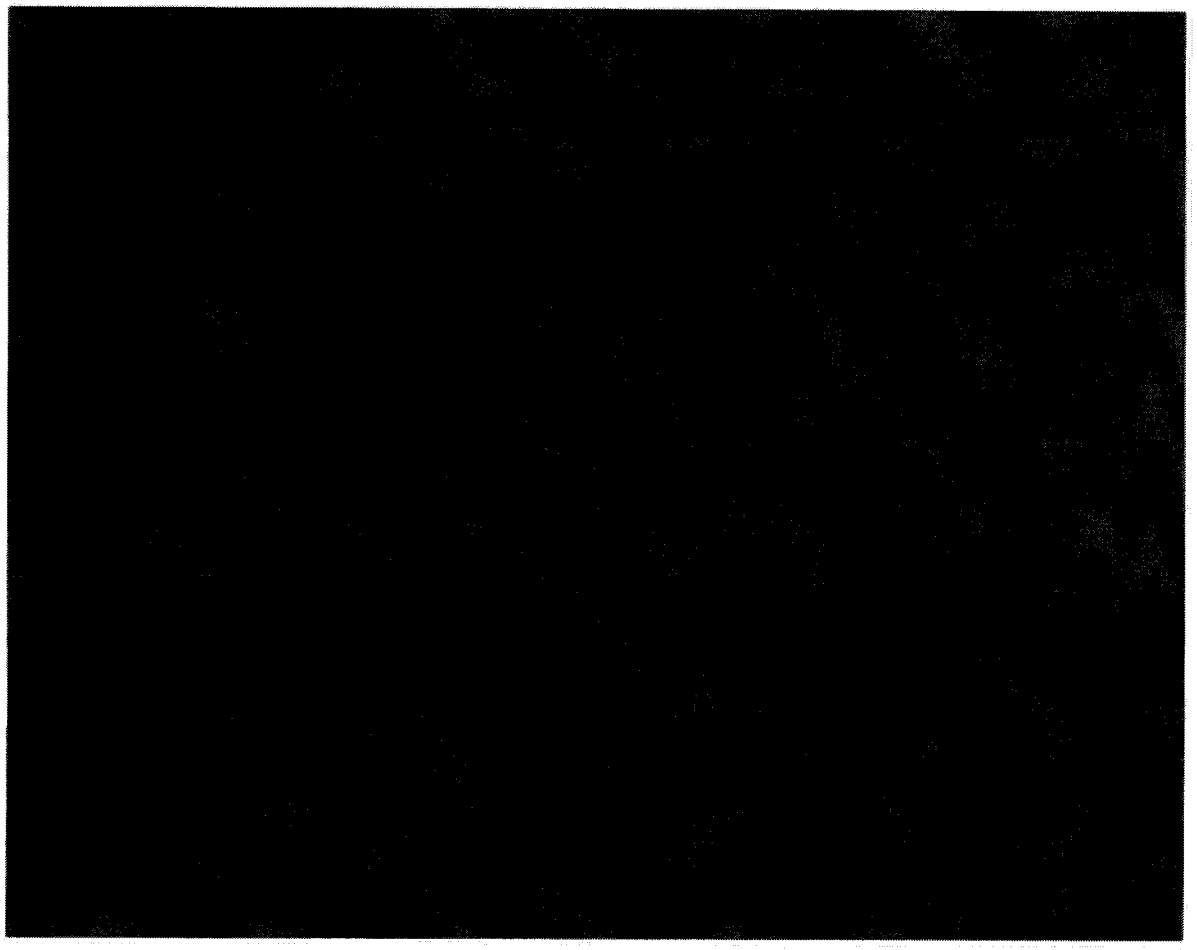
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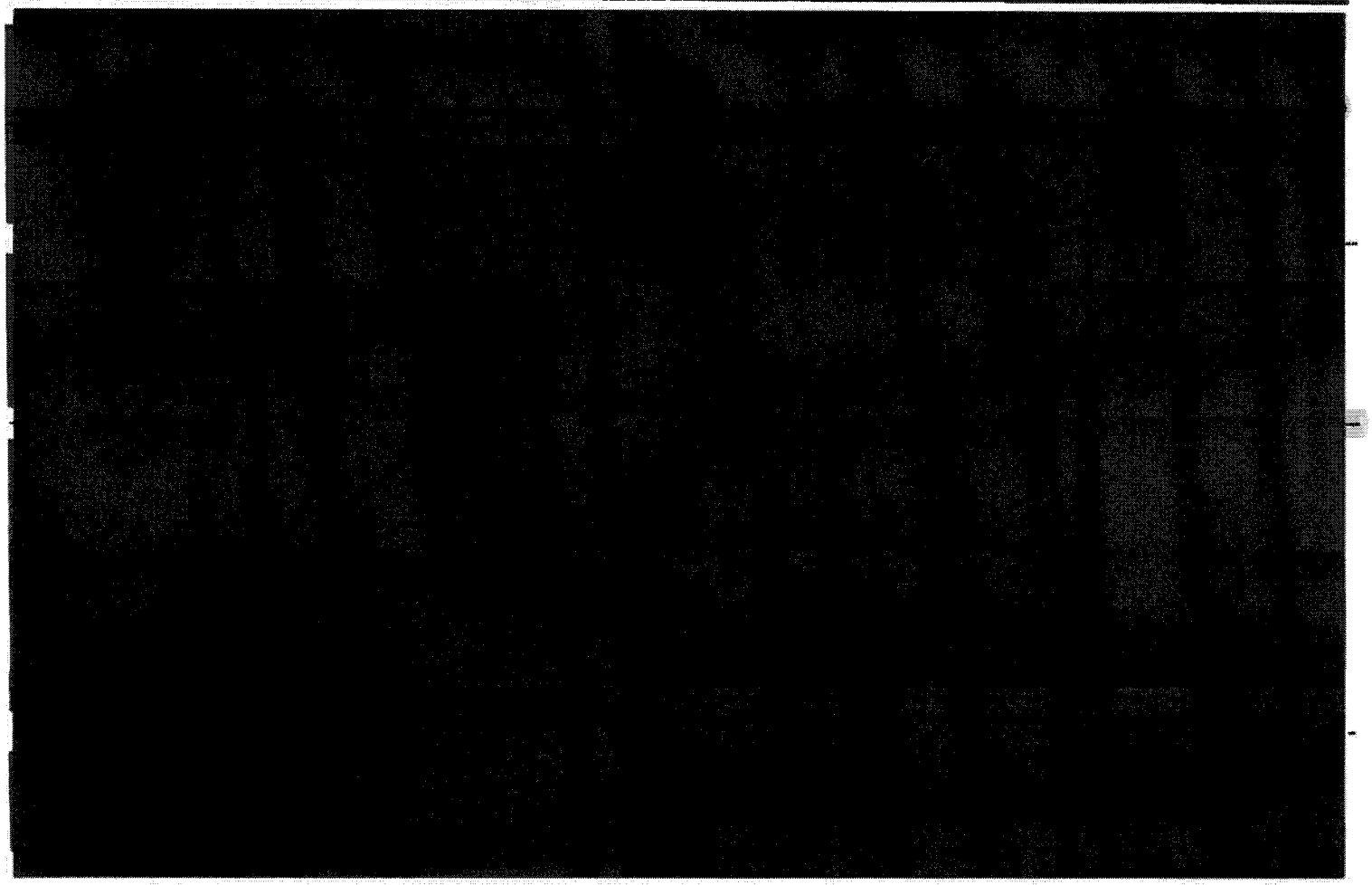
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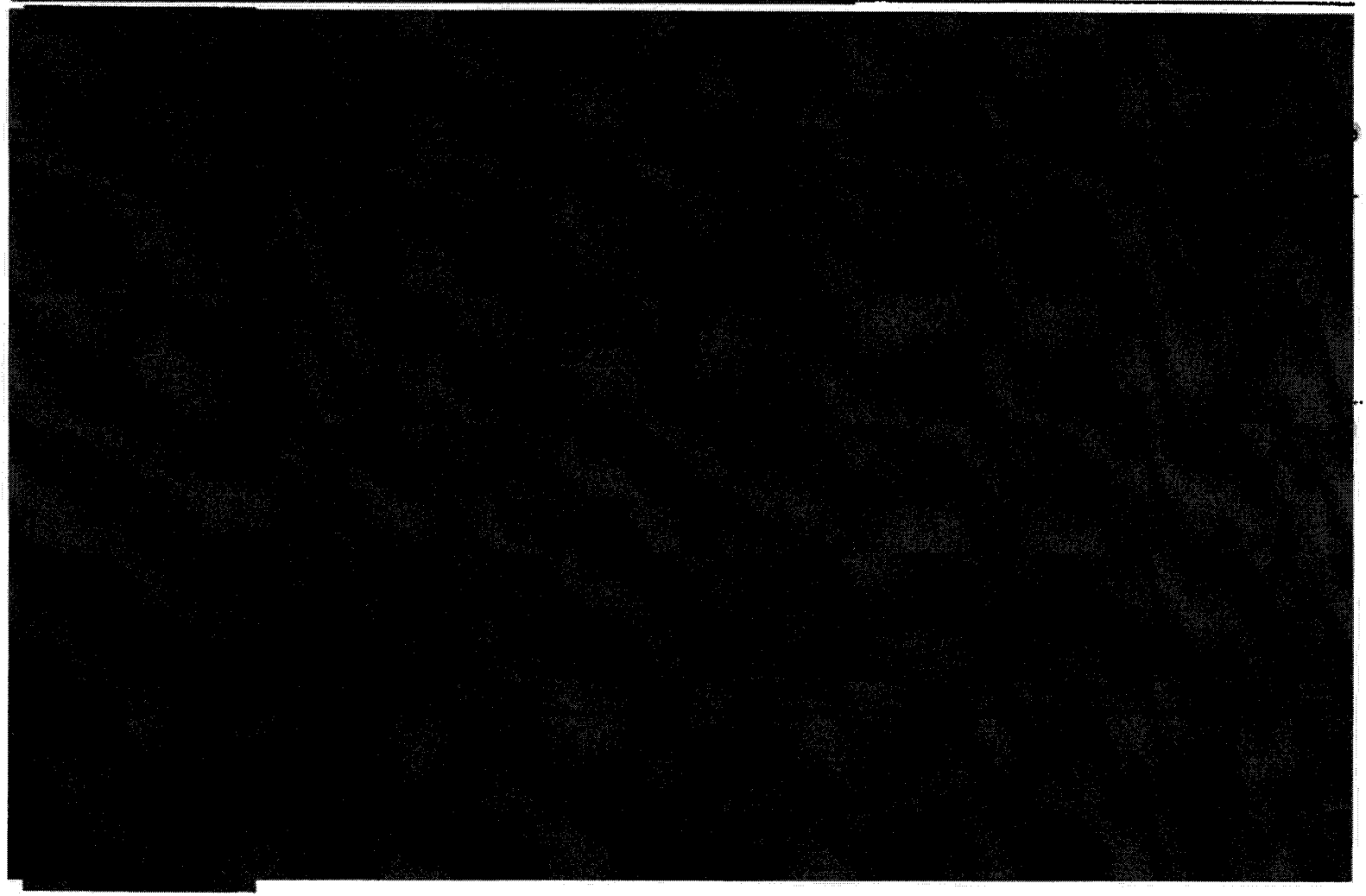
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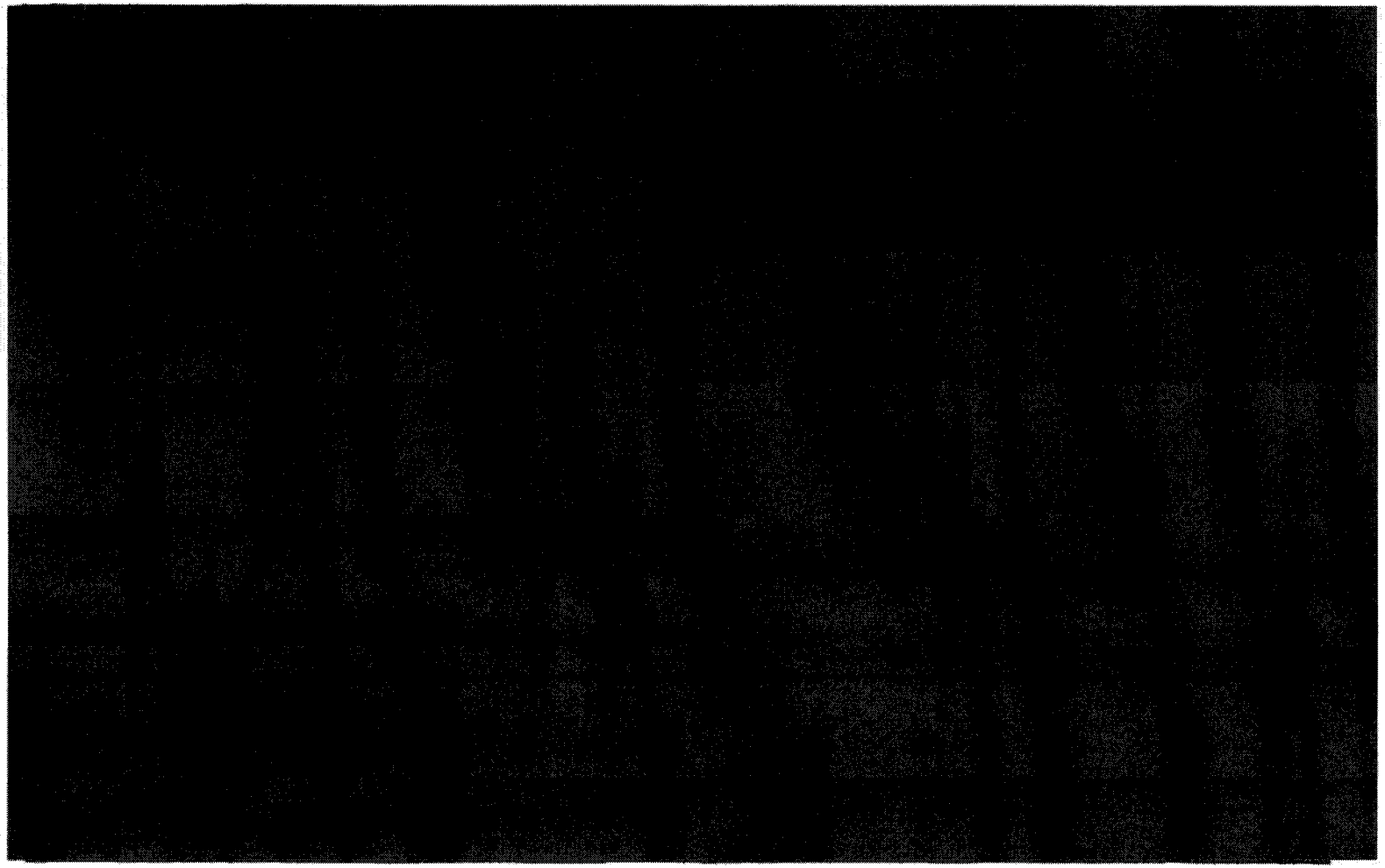


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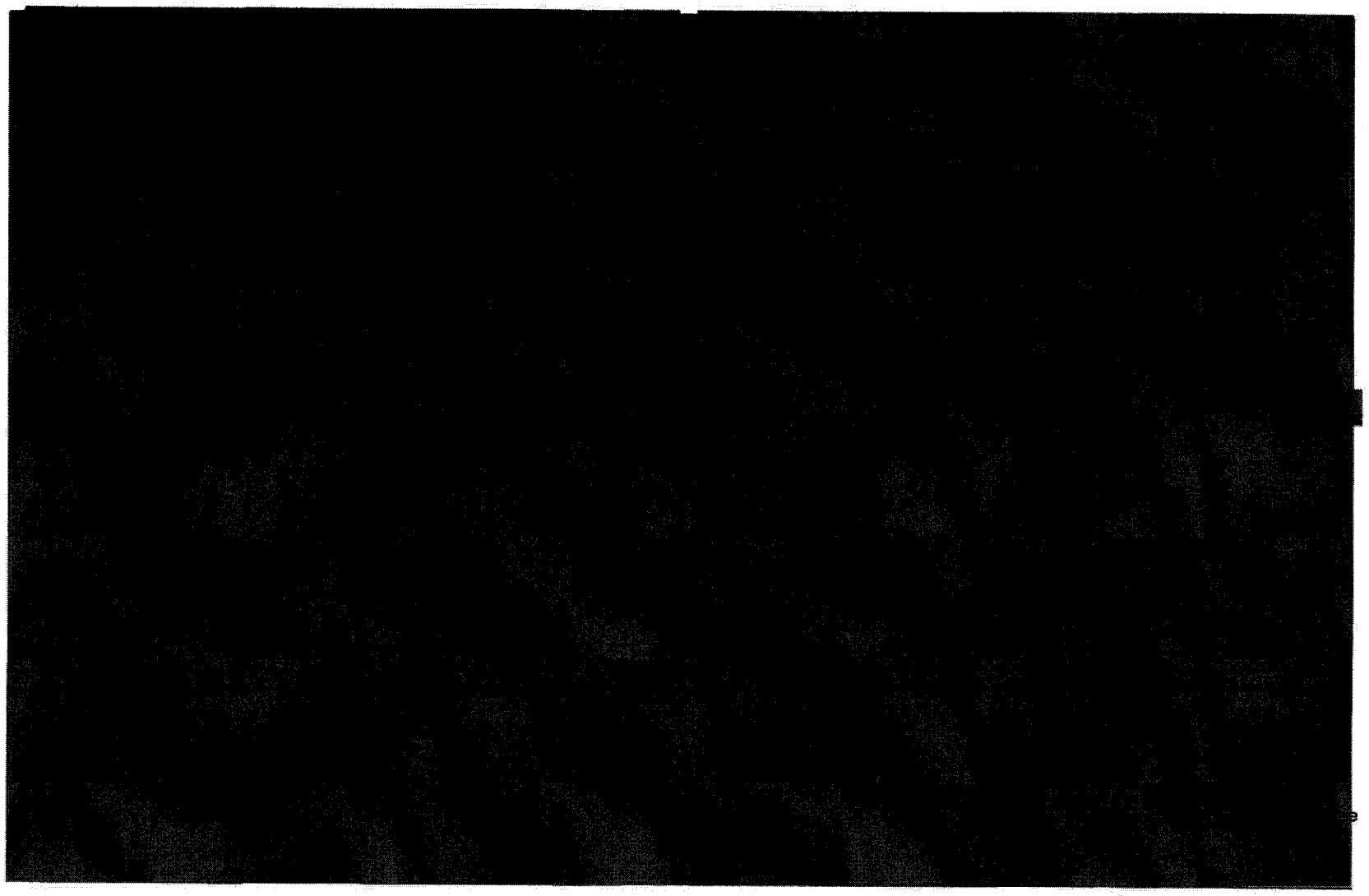
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29

FPL's Responses to Staff's First Set of Interrogatories (Nos. 1-2 (CONFIDENTIAL), 6-18, 19 (CONFIDENTIAL), and 20-25)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 29
PARTY: STAFF
DESCRIPTION: FPL's Responses to Staff's First Set of Interrogatories (Nos. 1-2

150075 Hearing Exhibits 000001

Q.

The following interrogatories refer to the Direct Testimony of Florida Power & Light (FPL) Witness Thomas L. Hartman.

a. Please provide FPL's commodity, transportation, and delivered fuel price forecasts (exclusive of hedging) for both coal and natural gas used in support of FPL's CBAS petition.

b. Please provide the following information related to FPL's fuel price forecast:

i. The Model Assumptions (rationale for variable selection and model specification).

ii. The Regression Equation(s).

iii. The Input Data Sets (if monthly – please specify ending month).

iv. The Input Data Sources.

v. The Model Output (variable coefficients, all statistical analyses).

vi. The Forecast Data Sets (monthly – specify starting month).

vii. Any Out of Model Adjustments and associated rationale for each such adjustment and source of adjustment. If the adjustment is calculated, please show the calculations.

viii. Please identify the sources and dates of the input data.

A.

a. Please see confidential Attachment I to this Interrogatory.

b. This question assumes that a statistical analysis is used to produce the fuel forecasts, which is incorrect. Please see FPL's response to Staff's First Set of Interrogatories No. 3 for a description of how the forecast is produced as well as the sources of the data.

Florida Power & Light Company
Docket No. 150075-EI
Staff's 1st Set of Interrogatories
Attachment I, Interrogatory No. 1
Pages 1 through 97

Documents responsive to Staff's First Set of Interrogatories No. 1 are confidential in their entirety.

Q.

Please provide the most recent five years of monthly commodity, transportation, and delivered prices for both coal and natural gas in terms (nominal or real) consistent with Interrogatory No. 1.

A.

Attachment I to this Interrogatory, which is partially confidential, provides the requested information in nominal terms, consistent with Staff's First Set of Interrogatories No 1. The prices for SJRPP vessel-delivered coal cannot be broken out into the same level of detail due to how the fuel contracts are structured and data maintained.

Commodity Cost - Gas ($/mmbtu)[1 2]												
Year	January	February	March	April	May	June	July	August	September	October	November	December
2010	$5.94	$5.35	$4.71	$3.88	$4.25	$4.40	$4.79	$4.83	$3.76	$3.76	$3.44	$4.47
2011	$4.31	$4.25	$3.89	$4.28	$4.39	$4.38	$4.41	$4.36	$3.90	$3.75	$3.45	$3.34
2012	$3.03	$2.66	$2.38	$2.19	$2.14	$2.49	$2.90	$3.07	$2.71	$3.11	$3.55	$3.66
2013	$3.36	$3.27	$3.58	$4.08	$4.18	$4.14	$3.74	$3.48	$3.60	$3.55	$3.55	$3.96
2014	$4.45	$5.70	$4.88	$4.63	$4.74	$4.60	$4.32	$3.84	$3.95	$3.93	$3.80	$4.07

Transportation Cost - Gas ($/mmbtu)[3]												
Year	January	February	March	April	May	June	July	August	September	October	November	December
2010	$0.157	$0.138	$0.124	$0.118	$0.131	$0.135	$0.149	$0.150	$0.117	$0.106	$0.098	$0.125
2011	$0.120	$0.117	$0.110	$0.125	$0.128	$0.132	$0.132	$0.149	$0.133	$0.101	$0.092	$0.088
2012	$0.080	$0.070	$0.064	$0.087	$0.086	$0.098	$0.115	$0.123	$0.107	$0.091	$0.100	$0.102
2013	$0.094	$0.093	$0.103	$0.141	$0.152	$0.153	$0.139	$0.132	$0.133	$0.097	$0.096	$0.106
2014	$0.120	$0.148	$0.131	$0.126	$0.131	$0.126	$0.118	$0.105	$0.105	$0.115	$0.105	$0.113

Delivered Cost - Gas ($/mmbtu)[4]												
Year	January	February	March	April	May	June	July	August	September	October	November	December
2010	$6.10	$5.49	$4.83	$4.00	$4.38	$4.54	$4.94	$4.98	$3.88	$3.86	$3.54	$4.59
2011	$4.43	$4.37	$4.00	$4.40	$4.51	$4.51	$4.55	$4.51	$4.03	$3.85	$3.54	$3.43
2012	$3.11	$2.73	$2.44	$2.28	$2.23	$2.59	$3.01	$3.19	$2.82	$3.20	$3.65	$3.76
2013	$3.46	$3.36	$3.68	$4.22	$4.33	$4.29	$3.88	$3.62	$3.73	$3.65	$3.65	$4.07
2014	$4.57	$5.84	$5.01	$4.75	$4.87	$4.73	$4.44	$3.94	$4.05	$4.04	$3.91	$4.18

Notes:
1 - Commodity Cost includes basis
2 - Commodity Cost is a function of the natural gas mmbtu purchased at various upstream locations from April 2010-March 2015
3 - Transportation includes a weighted average loss factor for FGT and Gulfstream
4- Calculation: Sum of Commodity and Transportation Costs

Commodity Cost - Scherer 4 ($/ton)												
Year	January	February	March	April	May	June	July	August	September	October	November	December
2010	$11.18	$11.66	$11.46	$11.86	$11.87	$11.76	$12.01	$11.95	$12.00	$12.13	$11.98	$12.30
2011	$11.95	$12.14	$11.85	$12.50	$12.57	$12.71	$12.22	$12.62	$12.09	$12.26	$12.61	$12.45
2012	$12.21	$12.92	$13.44	$13.88	$13.42	$13.50	$13.31	$12.96	$13.54	$12.58	$12.68	$12.45
2013												
2014												

Transportation Cost - Scherer 4 ($/ton)												
Year	January	February	March	April	May	June	July	August	September	October	November	December
2010	$25.20	$25.14	$25.17	$25.16	$25.34	$25.45	$25.10	$25.12	$25.20	$25.22	$25.20	$25.45
2011	$25.62	$26.34	$26.20	$26.18	$26.63	$27.03	$26.84	$26.62	$26.63	$26.26	$26.18	$26.28
2012	$26.71	$27.28	$27.37	$27.43	$27.64	$27.56	$27.21	$26.74	$26.91	$27.20	$27.26	$27.14
2013												
2014												

Delivered Cost - Scherer 4 ($/ton)												
Year	January	February	March	April	May	June	July	August	September	October	November	December
2010	$36.38	$36.80	$36.63	$37.02	$37.21	$37.21	$37.11	$37.07	$37.20	$37.35	$37.18	$37.75
2011	$37.57	$38.48	$38.05	$38.68	$39.20	$39.74	$39.06	$39.24	$38.72	$38.52	$38.79	$38.73
2012	$38.92	$40.20	$40.81	$41.31	$41.06	$41.06	$40.52	$39.70	$40.45	$39.78	$39.94	$39.59
2013												
2014												

Notes:
Source - FPSC Form 423

Commodity Cost - SJRPP - Rail ($/ton)												
Year	January	February	March	April	May	June	July	August	September	October	November	December
2010	$88.48	$103.09	$103.00	$102.60	$103.98	$102.74	$100.69	$98.95	$101.18	$98.95	$68.12	$80.15
2011	$46.16	$51.85	$42.18	$40.63	$41.05	$40.50	$41.96	$41.05	$40.69	$40.80	$40.23	$40.74
2012	$41.91	$42.33	$43.50	$43.50	$43.50	$42.33	$43.50	$43.50	$43.50	$43.50	$43.50	$43.50
2013												
2014												

Transportation Cost - SJRPP - Rail ($/ton)												
Year	January	February	March	April	May	June	July	August	September	October	November	December
2010	$37.43	$37.60	$37.56	$38.03	$39.01	$39.04	$38.16	$38.23	$38.23	$38.46	$39.19	$39.87
2011	$34.25	$33.59	$32.15	$32.15	$32.15	$32.15	$32.15	$32.15	$32.15	$32.15	$32.15	$32.15
2012	$33.14	$33.73	$33.73	$33.73	$33.95	$33.95	$33.75	$33.73	$33.73	$33.73	$33.87	$33.94
2013												
2014												

Delivered Cost - SJRPP - Rail ($/ton)												
Year	January	February	March	April	May	June	July	August	September	October	November	December
2010	$125.91	$140.69	$140.56	$140.63	$142.99	$141.78	$138.85	$137.18	$139.41	$137.41	$107.31	$120.02
2011	$80.41	$85.44	$74.33	$72.78	$73.20	$72.65	$74.11	$73.20	$72.84	$72.95	$72.38	$72.89
2012	$75.05	$76.06	$77.23	$77.23	$77.45	$76.28	$77.25	$77.23	$77.23	$77.23	$77.37	$77.44
2013												
2014												

Notes:
Source - FPSC Form 423

Delivered Cost - SJRPP - Vessel ($/ton)												
Year	January	February	March	April	May	June	July	August	September	October	November	December
2010	$57.58	$57.86	$58.21	$58.02	$57.43	$57.40	$57.42	$57.60	$57.52	$57.62	$62.64	$62.67
2011	$107.28	$104.08	$104.49	$108.31	$108.84	$104.90	$106.30	$104.98	$107.16	$102.64	$97.26	$95.90
2012	$91.02	$89.48	$89.66	$84.07	$84.17	$76.11	$75.52	$76.64	$81.91	$77.61	$74.23	$75.36
2013												
2014												

Notes:
Source - FPSC Form 423
FPL purchases Vessel Delivered coal at an all in delivered price

Q.

Please refer to page 11, lines 3 – 5, of witness T. Hartman's testimony. For each environmental scenario (low, base and high) of the CPVRR sensitivity analysis, please provide the following:

a. The forecast, for the period 2015 through 2024, of the total emission costs embedded in your sensitivity analysis.

b. The forecast (2015 through 2024) of emission costs for each type of the emission, respectively, if more than one type of air emission (e.g.: CO2, SOx, NOx, Hg, etc.) were considered in your analysis.

c. Please provide a detailed description of the methodology used to arrive at estimated future emissions costs discussed in questions a. and b. above.

A.

a.

System Emission Costs withCedar Bay operating through 2016

Year	SO2 (Millions)	NO2 (Millions)	CO2 (Millions)	Total Emissions (Millions)
2015	-5	3	0	-2
2016	-1	4	0	3
2017	-1	3	0	2
2018	-1	3	0	2
2019	-1	3	0	2
2020	-1	3	361	363
2021	-1	3	416	418
2022	-1	3	483	485
2023	-1	3	560	562
2024	-1	3	635	637

System Emission Costs with Cedar Bay through 2024

Year	SO2 (Millions)	NO2 (Millions)	CO2 (Millions)	Total Emissions (Millions)
2015	-5	3	0	-2
2016	-1	4	0	3
2017	-1	3	0	2
2018	-1	3	0	2
2019	-1	3	0	2
2020	-1	3	358	360
2021	-1	3	413	415
2022	-1	3	478	480
2023	-1	3	555	557
2024	-1	3	629	630

b.

CO_2 Emissions Price Forecast
$/ton

	Low	Mid (base)	High
2015	0.0	0.0	0.0
2016	0.0	0.0	0.0
2017	0.0	0.0	0.0
2018	0.0	0.0	0.0
2019	0.0	0.0	0.0
2020	6.8	8.5	10.2
2021	7.8	9.8	11.7
2022	9.0	11.2	13.4
2023	10.2	12.8	15.3
2024	11.6	14.5	17.4

SO_2 Emissions Price Forecast
$/ton

Low	Mid (base)	High
246.2	246.2	246.2
58.0	58.0	58.0
59.4	59.4	59.4
60.9	60.9	60.9
62.4	62.4	62.4
64.0	64.0	64.0
65.6	65.6	65.6
67.2	67.2	67.2
68.9	68.9	68.9
70.6	70.6	70.6

NOx Emissions Price Forecast
$/ton

Low	Mid (base)	High
509.1	509.1	509.1
521.9	521.9	521.9
534.9	534.9	534.9
548.3	548.3	548.3
562.0	562.0	562.0
576.0	576.0	576.0
590.4	590.4	590.4
605.2	605.2	605.2
620.3	620.3	620.3
635.8	635.8	635.8

c. Development of pricing:

The Mid (base) CO2 price projection is based on the National CO2 Forecast developed by ICF Consulting in January 2012. ICF's projection assumed that CO2 pricing would start in 2023, but FPL has moved the start year for CO2 emission prices to 2020 based on the proposed Clean Power Plant Regulations. This same approach to projecting CO2 prices is being used in all current FPL analyses.

For the Low CO2 emission price forecast, FPL reduced the Mid-band price values by 20%. For the High CO2 emission price forecast, FPL increased the Mid-band price values by 20%.

For SO2 pricing, FPL used ICF Consulting's forecast developed in January 2012. This forecast was developed for the Group 2 Region under the Cross-State Air Pollution Rule.

For NOx pricing, FPL used ICF Consulting's Annual Regional forecast for Cross-State Air Pollution Rule.

For NOx and SO2, FPL used the same emission price forecast for high, mid and low cases. This approach is consistent with, and used, in our other current analysis.

Q.

Referring to page 10, lines 20 –.22, of witness T. Hartman's testimony:

a. Please explain how the Base Case forecast of emissions costs was developed.

b. Please specify all the assumptions and data sources FPL used in developing its Base Case forecast of emissions costs.

c. Please explain how, and if any of, the potential impacts of the Environmental Protection Agency's proposed "Clean Power Plan" and Section 111(d) of the federal Clean Air Act were taken into consideration in FPL's development of its Base Case forecast of emissions costs.

d. Please identify all the consultants FPL relied upon in developing its Base Case forecast of emissions costs, and explain the role each consultant played in developing the forecast.

e. Please identify each of the filings (i.e. document number, description, date, docket number) FPL has submitted to the Commission which contain the identical, or similar (please specify), forecast of emissions costs?

A.

a. Amerex Brokers provides FPL with a projected $/ton amount for SO2 and NOx Allowances. At that point FPL converts those figures into pounds in order to equate measurement units with the Unit Emission Rates, which are provided in lbs/mmbtu. FPL then uses the converted $/lbs rate as a multiplier against the Unit Emission Rates and projects the emissions cost for the prescribed time frame.

b. Data Sources

SO2 and NOx Allowances: Amerex Brokers LLC
Unit Emissions Rates: EPA Clean Air Markets Division – Part 75 Monitor data

Assumptions

1 ton = 2000 lbs.

c. At the present time, only proposed rules exist for the EPA's Clean Power Plan (CPP). Final rules are due later this year and Florida's state implementation plan is not scheduled to be complete until 2016. Due to this uncertainty, FPL has decided to continue using its previous CO2 cost forecast with costs advanced to begin in 2020, which coincides with the start of the proposed CPP regulation.

d. As discussed in subsection "a" above, Amerex Brokers LLC develops and provides the emissions price forecasts.

e. FPL's Ten Year Site Plan 2015-2024, filed on April 1, 2015, uses the same emissions forecast.

Q.

Please identify all the air emission monitors and controls with which the Cedar Bay coal-fired facility is currently equipped.

A.

Each boiler is equipped with the following continuous emission monitors (CEM):

NOx – Thermo 42i
SO2 – Thermo 43i
CO2 – Thermo 410i
CO – Thermo 48i
Flow – ERMC DP60/75 Mark 2
Opacity – Durag 290
Data Acquisition System – CISCO CEDAR with Allen Bradley PLC
Note: The NOx, SO2, CO2, Flow and Data Acquisition System components are all installed, maintained and quality-assured in accordance with 40 CFR 75 – Acid Rain Program.

In addition to the installed CEM devices, Cedar Bay has one (1) portable mercury sorbent-trap monitoring system, meeting 40 CFR 60 Appendix A Method 30B specifications to be used for the annual compliance performance testing required to demonstrate Cedar Bay is a Low Emitting Electric Generating Unit (LEE) for mercury. The portable monitoring system will be used to continuously sample the exhaust of each boiler for 30 consecutive boiler operating days once each year as required by 40 CFR 60 Subpart HHHH.

Each boiler is equipped with the following air emission control systems:

SO2 – Sorbent injection (processed limestone) into the combustion zone of the Circulating Fluidized Boiler.
NOx – Aqueous Ammonia injection of 29% ammonia concentration into the gas stream at each combustor cyclone inlet (two per boiler) for selective non-catalytic reduction (SNCR) control of nitrogen oxides.
CFB Combustors – inherent design feature of low combustion temperature with primary and secondary air control to stage combustion limiting thermal NOx generation and minimizing CO emissions.
Particulate – fabric filter baghouse using acoustic horns for bag cleaning.
Mercury – combination of high efficiency fabric-filter baghouse and low mercury content in the Central Appalachian Coal supply.

Q.

Please identify the following which are required to ensure the Cedar Bay facility in compliance with all the existing environmental rules and regulations:

a. The air emission monitors and controls needed to be installed and the associated total capital costs.

b. The estimated annual O&M costs for operating the equipment discussed in question 4a. for the period of 2015 – 2024.

A.

a. No additional controls or monitors are presently required to meet existing compliance requirements of environmental rules and regulations, including 40 CFR 60 Subpart Da, 40 CFR 75 and 40 CFR 60 Subpart HHHH (MACT/MATS).

b. Since no additional equipment is needed, then there would be no additional costs for operating this equipment.

The cost of operating the currently installed equipment, as identified in FPL's response to Staff's First Set of Interrogatories No. 8 is as follows:

Continuous Emission Monitoring Systems - Annual O&M costs for operating and maintaining the CEMS are expected to be $55,000. This includes scheduled maintenance for required quarterly preventive maintenance and quality assurance specifications, and repair or replacement of components. In addition, the cost for regulatory required quality assurance of the CEMS by a third party for Relative Accuracy Tests is approximately $17,000 annually.

Emission Control Systems – Average annual costs for the operation and maintenance of the pollution control systems depends upon dispatch level. Using the three year historical average operating capacity of 36% (2012-2014) and as reported to the Energy Information Agency, annual O&M costs are:

SO2 Controls - $2,635,000 inclusive of materials (limestone), processing (fuel oil for drying), maintenance parts and labor.

NOx Controls - $1,076,000 inclusive of reagent (aqueous ammonia), maintenance parts and labor.

Particulate - $3,658,000 inclusive of ash removal (transportation and processing), maintenance parts and labor.

Since FPL anticipates a 5% dispatch level, the forecast costs would be 14% of these historic values.

Q.

Please provide the following for the emissions of SO2, NOx, Hg, and CO2:
a. Cedar Bay facility's emission profile in 2014.
b. FPL's system-wide emission profile with and without the Cedar Bay facility for the period 2015 – 2024.

A.

a. Cedar Bay's 2014 Emissions as reported were:

SO2 = 730.5 tons
NOx = 1118.90 tons
CO2 = 1396045.1 tons
Hg = 0.0011 tons

b.

Cedar Bay through 2016

Year	Sum of Emission SOX (1000 lbs)	Sum of Emission NOX (1000 lbs)	Sum of Emission CO2 (1000 lbs)	Sum of Emission Hg (lbs)
2015	5,666	31,462	80,008,584	46
2016	7,118	31,075	80,412,880	39
2017	3,818	28,189	81,400,652	41
2018	4,132	27,768	82,214,231	40
2019	4,754	28,181	83,909,914	44
2020	4,025	26,626	84,891,421	38
2021	4,302	27,048	85,155,545	40
2022	4,906	27,217	86,219,621	40
2023	5,034	27,025	87,741,337	40
2024	4,318	25,611	87,609,608	37

Cedar Bay through 2024

Year	Sum of Emission SOX (1000 lbs)	Sum of Emission NOX (1000 lbs)	Sum of Emission CO2 (1000 lbs)	Sum of Emission Hg (lbs)
2015	5,514	31,312	79,718,721	47
2016	6,550	30,420	79,366,471	39
2017	3,616	27,808	80,693,740	41
2018	4,138	27,627	81,500,091	41
2019	4,471	27,858	83,100,072	44
2020	3,839	26,315	84,241,937	38
2021	4,112	26,732	84,392,535	40
2022	4,764	26,908	85,430,842	39
2023	4,799	26,737	86,953,300	40
2024	4,123	25,280	86,693,066	37

Q.

Referring to page 8 of witness T. Hartman's testimony:
a. Please discuss the witness' statement (lines 9 – 11) in detail and explain how his conclusion (line 12) was reached.
b. Please complete the table below pertaining to the Cedar Bay facility.

A.

a. The Commission for Environmental Cooperation in 2011 published data on air emissions of North American coal fired power plants. The data for Cedar Bay indicated an emission rate of 1,907 lbs of CO2 per MWh delivered to the grid. At a 50% capacity factor, Cedar Bay would produce 1,095,000 MWh per year and therefore 1,044,036 tons of CO2. At a 5% capacity factor, the production would be 109,500 MWh and therefore 104,404 tons of CO2. The change in expected CO2 emission is then 939,632 tons per year. According to EPA publication EPA-420-F-040, May 2014, average annual automobile CO2 emissions are 4.7 metric tonnes per automobile per year. A metric tonne is 1,000 kg. The change in emissions corresponds to taking 181,747 automobiles off the road.

b.

Annual Dispatch Rate	Curent (2014)	50%	5%
Energy Produce (MWh)	882,045	1,095,000	109,500
Tons of CO2 emitted	840,992	1,044,036	104,404
Tons of CO2 avoided			939,632
Equivalent number of vehichles removed from the road			181,747

Q.

Please discuss the reliability impact to FPL's system of acquiring and retiring the Cedar Bay Facility at the end of 2016, specifically with regard to FPL's reserve margin and whether it accelerates the company's need for additional generating capacity.

A.

Acquisition in 2015 and the retirement at the end of 2016 of Cedar Bay makes only a minor change to FPL's need for additional generating capacity. The transaction will require a one year PPA in 2018 to maintain FPL's 20% reserve margin. FPL's proposed 2019 Okeechobee unit is needed with or without the Cedar Bay transaction. FPL will be retaining and operating the unit at least until the end of 2016 to enhance system reliability. The addition of the third gas pipeline into Florida in 2016 as well as the addition of FPL's new generating unit in Port Everglades reduces that reliability need, likely will make retirement of the unit in 2016 appropriate.

Q.

Please provide the percent of FPL's system net energy for load that the Cedar Bay would be anticipated to generate for the period 2015 through 2024 at a 50% capacity factor and at a 5% capacity factor, assuming the unit is not retired at the end of 2016.

A.

	Cedar Bay Contribution to Net Energy to Load	
	50% Capacity Factor	5% Capacity Factor
2015	0.91%	0.09%
2016	0.89%	0.09%
2017	0.88%	0.09%
2018	0.87%	0.09%
2019	0.86%	0.09%
2020	0.85%	0.08%
2021	0.85%	0.08%
2022	0.84%	0.08%
2023	0.83%	0.08%
2024	0.82%	0.08%

Q.

Please provide a history of the annual dispatch and availability for the Cedar Bay Facility for the years 2005 through 2014, and the partial year dispatch and availability for 2015.

A.

Please see Attachment I to this Interrogatory.

CEDAR BAY
Operating Performance

Month	Billing Cap. Fac.	Energy (MW)	Generating Cap. Fac.
Jan-10	96.633%	170,045	91.422%
Feb-10	98.016%	153,520	91.381%
Mar-10	98.754%	38,516	20.707%
Apr-10	98.652%	74,237	41.243%
May-10	99.765%	144,537	77.708%
Jun-10	98.946%	153,322	85.179%
Jul-10	96.821%	148,669	79.930%
Aug-10	99.363%	171,814	92.373%
Sep-10	96.392%	143,907	79.948%
Oct-10	99.082%	119,402	64.195%
Nov-10	96.377%	65,082	36.157%
Dec-10	95.539%	125,656	67.557%
Jan-11	95.334%	131,954	70.943%
Feb-11	97.440%	104,116	61.974%
Mar-11	95.051%	13,719	7.376%
Apr-11	95.839%	130,351	72.417%
May-11	95.672%	131,113	70.491%
Jun-11	96.014%	119,375	66.319%
Jul-11	96.014%	119,375	64.180%
Aug-11	97.783%	103,643	55.722%
Sep-11	96.826%	107,556	59.753%
Oct-11	97.154%	88,189	47.414%
Nov-11	97.229%	52,188	28.994%
Dec-11	98.189%	83,167	44.714%
Jan-12	98.594%	48,887	26.283%
Feb-12	98.154%	0	0.000%
Mar-12	98.897%	58,717	31.568%
Apr-12	94.963%	10,330	5.739%
May-12	100.291%	88,116	47.374%
Jun-12	100.444%	83,748	46.527%
Jul-12	99.123%	105,019	56.462%
Aug-12	97.989%	98,347	52.875%
Sep-12	98.821%	91,662	50.923%
Oct-12	97.987%	88,869	47.779%
Nov-12	98.026%	6,805	3.781%
Dec-12	98.038%	0	0.000%
Jan-13	98.091%	0	0.000%
Feb-13	98.114%	0	0.000%
Mar-13	97.455%	82,595	44.406%
Apr-13	97.904%	6,419	3.566%
May-13	97.921%	97,654	52.502%

Month	Billing Cap. Fac.	Energy (MW)	Generating Cap. Fac.
Jun-13	98.355%	94,839	52.688%
Jul-13	100.148%	88,950	47.823%
Aug-13	100.882%	108,141	58.141%
Sep-13	101.163%	89,907	49.948%
Oct-13	101.712%	100,034	53.782%
Nov-13	101.823%	57,540	31.967%
Dec-13	101.806%	57,712	31.028%
Jan-14	101.805%	0	0.000%
Feb-14	101.817%	14,019	8.344%
Mar-14	101.817%	114,922	61.786%
Apr-14	102.094%	14,320	7.956%
May-14	101.795%	119,616	64.310%
Jun-14	101.106%	112,608	62.560%
Jul-14	101.124%	111,236	59.804%
Aug-14	101.139%	110,489	59.402%
Sep-14	101.135%	99,431	55.240%
Oct-14	101.534%	101,848	54.757%
Nov-14	101.099%	56,566	31.425%
Dec-14	101.111%	26,990	9.996%
Jan-15	101.112%	0	0.000%
Feb-15	101.112%	0	0.000%

Q.

Please provide a history of the payments to the Cedar Bay Facility under the PPA, broken down by category (fixed capacity, bonus capacity, O&M, energy), for the years 2005 through 2014.

A.

FPL does not record the actual payments made to the Cedar Bay Facility by fixed capacity, bonus capacity, O&M, and energy. However, FPL does track the payments by total capacity, energy, and adjustments related to the energy payments, which are provided below for the requested years. Note, the amounts reported for adjustments include such items as charges for cold start or fuel true-up calculations from a prior period.

YEAR	CAPACITY	ENERGY	ADJ
2005	$ 121,275,061	$ 68,618,034	$ 608,857
2006	$ 129,350,004	$ 72,622,844	
2007	$ 119,916,495	$ 98,070,481	$ 1,836,368
2008	$ 132,165,508	$ 92,011,692	$ 1,606,550
2009	$ 122,790,550	$ 81,577,143	$ (3,047,457)
2010	$ 134,432,563	$ 71,099,150	$ 1,035,807
2011	$ 124,759,728	$ 71,064,793	$ (3,190,491)
2012	$ 137,904,920	$ 49,326,338	$ (5,179)
2013	$ 138,303,327	$ 44,093,613	$ (1,724,593)
2014	$ 138,647,429	$ 44,037,846	$ (1,616,669)

Q.

Please refer to Witness Hartman's Direct Testimony, Page 10, Lines 5 through 12. Please discuss the costs associated with the steam sales agreements.

A.

The steam sales agreement obligates Cedar Bay Generating Company ("Cedar Bay Genco") to offer steam to the Smurfit mill as well as demineralized water. The steam offered has three different pricing levels: the first level is for the quantity of steam needed for the Cedar Bay Facility to maintain its QF status, this steam is provided at a low price based upon current natural gas prices and the revenues do not cover the cost of production. The second level of pricing is for additional extraction steam and is priced based upon the cost of coal to Cedar Bay Genco, however at current natural gas prices this steam is more expensive than Smurfit's own cost of production and therefore Smurfit does not purchase this steam. The third pricing level is optional, and is at a very high price for a large volume of steam, and therefore has not been taken to date. Cedar Bay Genco is under no obligation to provide steam to Smurfit if the power plant is not operating. The incremental cost of the QF steam and demineralized water is approximately $10,000 per year at a 5% dispatch factor.

Q.

Regarding the sale of steam from the Cedar Bay Facility:

a. Please provide the annual revenue and cost associated with meeting the steam sales agreements under FPL's scenario of retiring the Facility at the end of 2016.

b. Please provide the annual revenue and cost associated with meeting the steam sales agreements if FPL does not retire the Facility, but continues to operate it through the 2024 timeframe.

c. Does FPL face any penalties or other liabilities if it retires the Cedar Bay Facility at the end of 2016 under the steam sales agreement?

d. If FPL were to operate the unit past the 2024 expiration of the PPA, would FPL still be required to deliver steam under the agreement?

A.

a. At a 5% dispatch factor, FPL estimates the steam sales revenue at $101,925 and costs at $110,290 per annum.

b. FPL has not performed this calculation, although the revenues and costs would escalate with cost of natural gas.

c. No, because Cedar Bay is currently only obligated to deliver steam when and if it is dispatched by FPL.

d. No, because the steam sales agreement would also have expired.

Q.

Please refer to Witness Hartman's Direct Testimony, Page 8, Lines 8 through 14. Please discuss the EPA's Clean Power Plan and its potential impacts to coal-fired generation. As part of this discussion, please address whether coal-fired units in Florida, such as the Cedar Bay Facility, would be required to retire during the 2015 through 2024 timeframe.

A.

At the present time the EPA Clean Power Plan (CPP) is a proposed rule, not a final rule. EPA has announced that it plans to issue the final rule mid-summer of this year. The states then will produce implementation plans, subject to EPA approval. The preliminary state plan is due for submission in mid-summer 2016, and the state is eligible for a one year extension until 2017. If Florida submits as part of a multi-state plan, then the final plan is not due until 2018. The plans are also subject to litigation which could significantly delay implementation. That said, we can comment on EPA's current proposed CPP.

The proposed CPP provides a single target for state emissions of CO2. How that target is met is up to the individual states. Nothing in the proposed CPP requires retirement of any particular coal fired generator, although retirement of coal fired generators is one of the means of achieving compliance.

The proposed CPP outlines four basic methods of achieving the target: 1) increased efficiency of coal-fired generating units; 2) re-dispatch of existing natural gas fired generating units to 70% capacity factor; 3) increasing the amount of renewables and nuclear generation on the grid, and 4) increasing energy efficiency.

The last three methods of meeting the emissions target likely would have the effect of decreasing the dispatch of coal fired generators on the grid. For utility owned or merchant generators this has the impact of decreasing the revenues associated with those units, potentially leading to retirement just on pure economic grounds.

Cedar Bay, however, is different. As dispatch is reduced the profitability of the unit for its owners increases. Under the PPA, the less Cedar Bay operates the more money it makes, due to the PPA's very high capacity payments but negative energy margin.

Any Florida rule resulting in the retirement of Cedar Bay prior to the end of the existing PPA is pure conjecture at present. The available evidence is that Cedar Bay will be economically viable to the end of the PPA. The impact of the CPP would likely result in increased profits for the owner due to continued capacity payments for the facility and increased effective cost per unit energy produced for FPL's customers.

Q.

Please refer to Exhibit TLH-4. Please provide an annual breakdown of the line FPL System Impact, including annual values for incremental system fuel costs, start-up costs, variable O&M, environmental compliance costs, and short-term purchases.

A.

Please see confidential Attachment I to this Interrogatory.

Florida Power & Light Company
Docket No. 150075-EI
Staff's 1st Set of Interrogatories
Attachment I, Interrogatory No. 19
Pages 1 through 3

Documents responsive to Staff's First Set of Interrogatories No. 19 are confidential in their entirety.

Q.

Please refer to Exhibit TLH-4. Please provide a version of this Exhibit for each of the cost-effectiveness results, using the base case for fuel and environmental costs, of the following delay of approval scenarios:

a. One month closing delay (September 30, 2015)
b. Two month closing delay (October 30, 2015)
c. Three month closing delay (November 31, 2015)
d. Four month closing delay (December 31, 2015)

A.

Please see Attachment I of this response containing alternative versions of Exhibit TLH-4 that assume one, two, three, and four month delays in the closing date. Please note that the base case assumes the transaction closing on September 1, 2015. Therefore, each of these delay sensitivities assumes closing on the first of the respective subsequent month. The customer savings generally decline with each subsequent month delay due primarily to lower cost avoidance from the remaining PPA capacity payments.

Results of FPL's Economic Evaluation[1]
Sensitivity: 1 Month Delay (October 1, 2015 Closing)

	(dollars in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Nominal Total	Present Value[9]
A	Discount Factor[2]	0.99	0.94	0.88	0.81	0.76	0.70	0.66	0.61	0.57	0.53		
B	Amortization[3]	$ 23	$ 91	$ 91	$ 91	$ 91	$ 91	$ 91	$ 91	$ 91	$ 91	$ 842	$ 610
C	Operating Expenses[4]	6	17	1	1	1	1	1	1	1	1	28	26
D	Asset Retirement Obligation[5]	1	4	-	-	-	-	-	-	-	-	4	4
E	Interest Expense[6]	2	10	9	7	6	5	4	3	2	1	49	39
F	Return on Equity[7]	7	30	26	23	19	16	12	9	5	2	149	120
G	Income Tax	5	19	16	14	12	10	8	5	3	1	94	75
H	Total Cost of Acquiring CBAS	44	170	143	136	129	123	116	109	102	95	1,167	875
I	FPL System Impact[8]	1	9	3	15	11	9	15	18	22	22	125	84
J	Capacity Payment	(31)	(129)	(134)	(139)	(144)	(149)	(155)	(161)	(167)	(173)	(1,382)	(983)
K	Capacity Bonus	(1)	(6)	(6)	(6)	(6)	(7)	(7)	(7)	(7)	(8)	(62)	(44)
L	Total Avoided Costs of PPA	(33)	(135)	(140)	(145)	(151)	(156)	(162)	(168)	(174)	(181)	(1,444)	(1,027)
M	Net Customer Costs/(Savings)	$ 12	$ 44	$ 6	$ 6	$ (10)	$ (24)	$ (31)	$ (41)	$ (50)	$ (64)	$ (152)	$ (68)

1) Totals may not sum due to rounding
2) Discount Factor is based on weighted average cost of capital of 7.51% discounted to September 1, 2015
3) Reflects amortization of regulatory asset associated with $520.5 MM PPA and respective $326.9 MM tax gross up, less the $4.9 MM regulatory liability associated with the plant book/tax difference
4) Operating Expenses include operations and maintenance, land lease, rail lease, and change in net working capital
5) Reflects amortization of ARO Asset and accretion of ARO Liability
6) Interest expense assumes cost of debt of 5.05%
7) Assumes after-tax return on equity of 10.5%
8) Includes incremental system fuel costs, start-up costs, variable O&M, environmental compliance costs, and short-term purchases
9) Present value is calculated as the sum the annual values multiplied by the respective discount factor

Results of FPL's Economic Evaluation[1]
Sensitivity: 2 Month Delay (November 1, 2015 Closing)

	(dollars in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Nominal Total	Present Value[9]
A	Discount Factor[2]	0.98	0.94	0.88	0.81	0.76	0.70	0.66	0.61	0.57	0.53		
B	Amortization[3]	$ 15	$ 92	$ 92	$ 92	$ 92	$ 92	$ 92	$ 92	$ 92	$ 92	$ 843	$ 608
C	Operating Expenses[4]	4	17	1	1	1	1	1	1	1	1	26	24
D	Asset Retirement Obligation[5]	1	4	-	-	-	-	-	-	-	-	4	4
E	Interest Expense[6]	2	10	9	7	6	5	4	3	2	1	48	39
F	Return on Equity[7]	5	30	26	23	19	16	12	9	5	2	148	119
G	Income Tax	3	19	17	14	12	10	8	6	3	1	93	74
H	Total Cost of Acquiring CBAS	30	172	144	137	131	124	117	110	103	96	1,163	868
I	FPL System Impact[8]	0	9	3	15	11	9	15	18	22	22	125	84
J	Capacity Payment	(21)	(129)	(134)	(139)	(144)	(149)	(155)	(161)	(167)	(173)	(1,372)	(973)
K	Capacity Bonus	(1)	(6)	(6)	(6)	(6)	(7)	(7)	(7)	(7)	(8)	(61)	(43)
L	Total Avoided Costs of PPA	(22)	(135)	(140)	(145)	(151)	(156)	(162)	(168)	(174)	(181)	(1,433)	(1,016)
M	Net Customer Costs/(Savings)	$ 8	$ 46	$ 8	$ 7	$ (9)	$ (23)	$ (30)	$ (40)	$ (50)	$ (63)	$ (145)	$ (64)

1) Totals may not sum due to rounding
2) Discount Factor is based on weighted average cost of capital of 7.51% discounted to September 1, 2015
3) Reflects amortization of regulatory asset associated with $520.5 MM PPA and respective $326.9 MM tax gross up, less the $4.9 MM regulatory liability associated with the plant book/tax difference
4) Operating Expenses include operations and maintenance, land lease, rail lease, and change in net working capital
5) Reflects amortization of ARO Asset and accretion of ARO Liability
6) Interest expense assumes cost of debt of 5.05%
7) Assumes after-tax return on equity of 10.5%
8) Includes incremental system fuel costs, start-up costs, variable O&M, environmental compliance costs, and short-term purchases
9) Present value is calculated as the sum the annual values multiplied by the respective discount factor

Results of FPL's Economic Evaluation[1]
Sensitivity: 3 Month Delay (December 1, 2015 Closing)

	(dollars in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Nominal Total	Present Value[9]
A	Discount Factor[2]	0.98	0.94	0.88	0.81	0.76	0.70	0.66	0.61	0.57	0.53		
B	Amortization[3]	$ 8	$ 93	$ 93	$ 93	$ 93	$ 93	$ 93	$ 93	$ 93	$ 93	$ 843	$ 606
C	Operating Expenses[4]	2	17	1	1	1	1	1	1	1	1	24	22
D	Asset Retirement Obligation[5]	0	4	-	-	-	-	-	-	-	-	4	4
E	Interest Expense[6]	1	10	9	8	6	5	4	3	2	1	48	38
F	Return on Equity[7]	2	30	27	23	20	16	12	9	5	2	147	117
G	Income Tax	2	19	17	15	12	10	8	6	3	1	92	74
H	Total Cost of Acquiring CBAS	15	173	146	139	132	125	118	111	104	97	1,159	861
I	FPL System Impact[8]	0	9	3	15	11	9	15	18	22	22	125	84
J	Capacity Payment	(10)	(129)	(134)	(139)	(144)	(149)	(155)	(161)	(167)	(173)	(1,362)	(962)
K	Capacity Bonus	(0)	(6)	(6)	(6)	(6)	(7)	(7)	(7)	(7)	(8)	(61)	(43)
L	Total Avoided Costs of PPA	(11)	(135)	(140)	(145)	(151)	(156)	(162)	(168)	(174)	(181)	(1,422)	(1,005)
M	Net Customer Costs/(Savings)	$ 4	$ 48	$ 9	$ 8	$ (7)	$ (22)	$ (29)	$ (39)	$ (49)	$ (62)	$ (139)	$ (60)

1) Totals may not sum due to rounding
2) Discount Factor is based on weighted average cost of capital of 7.51% discounted to September 1, 2015
3) Reflects amortization of regulatory asset associated with $520.5 MM PPA and respective $326.9 MM tax gross up, less the $4.9 MM regulatory liability associated with the plant book/tax difference
4) Operating Expenses include operations and maintenance, land lease, rail lease, and change in net working capital
5) Reflects amortization of ARO Asset and accretion of ARO Liability
6) Interest expense assumes cost of debt of 5.05%
7) Assumes after-tax return on equity of 10.5%
8) Includes incremental system fuel costs, start-up costs, variable O&M, environmental compliance costs, and short-term purchases
9) Present value is calculated as the sum the annual values multiplied by the respective discount factor

Results of FPL's Economic Evaluation[1]
Sensitivity: 4 Month Delay (January 1, 2016 Closing)

	(dollars in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Nominal Total	Present Value[9]
A	Discount Factor[2]	0.98	0.94	0.88	0.81	0.76	0.70	0.66	0.61	0.57	0.53		
B	Amortization[3]	$ -	$ 94	$ 94	$ 94	$ 94	$ 94	$ 94	$ 94	$ 94	$ 94	$ 843	$ 604
C	Operating Expenses[4]	-	17	1	1	1	1	1	1	1	1	23	20
D	Asset Retirement Obligation[5]	-	4	-	-	-	-	-	-	-	-	4	4
E	Interest Expense[6]	-	9	9	8	6	5	4	3	2	1	47	37
F	Return on Equity[7]	-	28	27	23	20	16	13	9	5	2	143	113
G	Income Tax	-	18	17	15	12	10	8	6	3	1	90	71
H	Total Cost of Acquiring CBAS	-	170	147	140	133	126	119	112	105	98	1,150	850
I	FPL System Impact[8]	-	9	3	15	11	9	15	18	22	22	125	84
J	Capacity Payment	-	(129)	(134)	(139)	(144)	(149)	(155)	(161)	(167)	(173)	(1,351)	(952)
K	Capacity Bonus	-	(6)	(6)	(6)	(6)	(7)	(7)	(7)	(7)	(8)	(60)	(42)
L	Total Avoided Costs of PPA	-	(135)	(140)	(145)	(151)	(156)	(162)	(168)	(174)	(181)	(1,412)	(995)
M	Net Customer Costs/(Savings)	$ -	$ 45	$ 10	$ 10	$ (6)	$ (21)	$ (28)	$ (38)	$ (48)	$ (61)	$ (137)	$ (61)

1) Totals may not sum due to rounding
2) Discount Factor is based on weighted average cost of capital of 7.51% discounted to September 1, 2015
3) Reflects amortization of regulatory asset associated with $520.5 MM PPA and respective $326.9 MM tax gross up, less the $4.9 MM regulatory liability associated with the plant book/tax difference
4) Operating Expenses include operations and maintenance, land lease, rail lease, and change in net working capital
5) Reflects amortization of ARO Asset and accretion of ARO Liability
6) Interest expense assumes cost of debt of 5.05%
7) Assumes after-tax return on equity of 10.5%
8) Includes incremental system fuel costs, start-up costs, variable O&M, environmental compliance costs, and short-term purchases
9) Present value is calculated as the sum the annual values multiplied by the respective discount factor

Q.

Please provide the estimated annual nominal bill impact for a residential customer (for both 1,000 kWh/month and 1200 kWh/month usage) for the period 2015 through 2024.

A.

The estimated annual bill impact for a residential customer for both 1,000 kWh/month and 1,200 kWh/month usage for the period 2015 through 2024 is shown on the chart below.

RESIDENTIAL BILL IMPACT

YEAR	1000 KWH	1200 KWH
2016 (1)	$0.28	$0.34
2017	$0.04	$0.04
2018	$0.03	$0.03
2019	($0.11)	($0.14)
2020	($0.24)	($0.29)
2021	($0.31)	($0.37)
2022	($0.38)	($0.46)
2023	($0.46)	($0.56)
2024	($0.58)	($0.69)

(1) includes 2015 jurisdictional revenue requirements

Q.

Please discuss whether FERC or another federal agency's approval is necessary to complete the proposed purchase of the Cedar Bay Facility. Please detail the timeline for these approvals and any potential barriers to approval.

A.

Federal Energy Regulation Commission ("FERC") approval under section 203 of the Federal Power Act ("FPA") is required to consummate the proposed transaction. Accordingly, on March 23, 2015, FPL filed a FPA section 203 application seeking FERC authorization to acquire from CBAS Power Holdings, LLC all of the outstanding ownership interests in CBAS Power, Inc. FPL requested that FERC act on the application no later than June 30, 2015 but FERC is not bound by FPL's request. On March 24, 2015, FERC issued a notice of FPL's application establishing an April 13, 2015 deadline to file comments/interventions. Supportive comments were filed in advance of the April 13, 2015 deadline by the Florida Keys Electric Cooperative Association, Inc. and Lee County Electric Cooperative, Inc., FPL's two long-term wholesale requirements customers with rates on file at FERC. No comments were filed in opposition to the application. FPL is not aware of any barriers to approval.

Pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (U.S.C. § 18a), FPL is required to file a premerger notification at the Federal Trade Commission ("FTC"). Accordingly, on March 19, 2015, FPL filed the required notification and early termination of the waiting period was granted by the FTC on March 27, 2015.

Q.

Please discuss how the Cedar Bay Facility handles coal ash disposal. Please detail facilities, if any, used for long term storage of coal ash, and whether FPL would be subject to any penalties or liabilities relating to coal ash in long-term storage facilities.

A.

Cedar Bay pneumatically conveys all ash to silos. Dry bed ash and fly ash for disposal rather than reuse is received by Republic Services of Georgia for disposal in its permitted Broadhurst Environmental Landfill site. Fly ash for reuse in sludge/slurry solidification is delivered to Headwaters where it is used for stabilization of Orlando Utilities scrubber sludge and to Florida Environmental where it is mixed with biosolids and sold. Transfer of title to the ash occurs upon delivery to the contractor/transporter at the plant site. All ash is transported in closed tanker trucks. No long term storage of ash takes place on the Cedar Bay Facility site.

Q.

Please discuss any pending state or federal environmental rules that may influence the continued operation of the Cedar Bay Facility through the 2024 end of the PPA. Please discuss whether these pending rules could require a curtailment or early retirement of the unit.

A.

The only proposed or pending environmental rule which may influence the continued operation of Cedar Bay through the end of the PPA is the EPA's Clean Power Plan. This rule and its potential impact are discussed in FPL's response to Staff's Interrogatory No. 18.

Q.

Please refer to Witness Ousdahl's Direct Testimony on Page 6, Lines 1 through 8. Please provide detail into how the estimate of the dismantlement cost was determined.

A.

The estimated cost of dismantlement, net of salvage, of $4.2 million ($4.5 million on a nominal basis) was based on an independent demolition estimate prepared by NorthStar Demolition and Remediation LP, which is included in Attachment I to this Interrogatory.

February 12, 2015

Florida Power & Light
PGD Technical Services
700 Universe Blvd.
Juno Beach, FL 33408

Mr. Randal Voyles
Technical Services Manager

Re: Budget Estimate for Cedar Bay Plant
NorthStar Proposal No. 15-02-09

Dear Mr. Voyles,

NorthStar Demolition and Remediation LP is pleased to provide this budget estimate for the demolition of the Cedar Bay facility. The budget estimate was developed based on information gathered during a site inspection and drawings provided by the facility. This budget estimate includes the removal of the coal powered steam generator structure with 3 individual boiler units, one chimney stack, turbine generator building and condensers, all above ground structures listed on the Overall Site Plan (15637-1STU-S1000), such as transformers, cooling tower, fly and bed ash silos, cured pellet storage, coal storage, crushing and conveyance, limestone storage, pulverizing and conveyance, circulating water structure, misc. tanks and systems for water, fuel, acid and caustics, water treatment building, coal unloading structure, storage area runoff and yard area runoff ponds, misc. outbuildings, etc. All work will be to top of foundation or slab at or near grade.

Additionally, as this plant has only recently shut down and the equipment had been maintained to the highest level of quality, there are many items that potentially have a much greater value as a reusable asset rather than being sold as scrap. Because of the state of these materials, NorthStar feels that it would be of benefit to both FPL and NorthStar if we could partner in the marketing and sales of as much of this equipment as possible as this could increase our asset recovery well above $5.5 million.

In order to maximize FPL's return on its capital investment, we feel that additional marketing time is required to explore the international market on a piece by piece basis. NorthStar has relationships with many end user buyers and brokers that could be used for the liquidation of miscellaneous pieces and parts for this plant. They specialize in this type of equipment and have a vast client basis worldwide. Based on the extremely clean condition of the plant, we feel that this relationship would best serve FPL if we could spend time immediately marketing the equipment while it is still in place. This would allow us time to bring in our out-of-country clients to view and make "firm" offers on this equipment.

The assumptions made in the development of this estimate include the following;

- Work will be performed 5 days per week 10 hours per day
- The work can be completed within 12-14 months.
- FP&L will make all utility disconnects and relocations.
- All line break and hazardous material removal including universal wastes will be performed by FPL.
- Assumed no lead abatement besides employee protection during torch activities.
- Excludes any damage to existing concrete slabs and foundations to remain.
- Excludes any ash, coal, limestone and process waste cleanup and disposal.
- Asbestos is excluded from the pricing

Budget Estimate of Cost

Project Overhead	$650,000
Stack and Concrete Silos	$590,000
Boiler and ancillary structures	$3,250,000
Misc Buildings, cooling tower	$870,000
Water Treatment/Condensers	$650,000
Turbine	$350,000
Total Cost	**$6,360,000**
Scrap Recovery Credit	**($2,237,750)**
Net Cost to FPL	**$4,122,250**

Budget Estimate for Salvage Recovery

Steel Scrap	11000	Gross Tons	$140/ton	$1,540,000
Sales	Pumps/valves/motors			$300,000
Copper	140,000	Pounds	$1.95/lb.	$273,000
Stainless Tubes	115,000	Pounds	$0.65/lb.	$74,750
Misc.				$50,000
			Total Scrap	**$2,237,750**

Thank you for the opportunity to provide you with this budget estimate. Please feel free to call with any questions. Chris Schillesci 985-705-2641
Regards,

Chris Schillesci
Sr. Project Manager
NorthStar Demolition and Remediation LP

ALTA/ACSM LAND TITLE SURVEY

A PORTION OF WEBB PLACE, SUBDIVISION OF THE JOHN BROWARD GRANT, SECTION 46, TOWNSHIP 1 SOUTH, RANGE 27 EAST, DUVAL COUNTY, FLORIDA, AS DEPICTED IN PLAT BOOK 1, PAGES 7 AND 8, OF THE FORMER PUBLIC RECORDS OF SAID COUNTY, ALSO BEING A PORTION OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 6222, PAGE 504, TOGETHER WITH A PORTION OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 7101, PAGE 1756, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY.



VICINITY MAP
(NOT TO SCALE)

PARCEL DESCRIPTIONS (per Title Commitment):

SURVEYOR'S DESCRIPTION (FACILITY SITE):

PARCEL A:
A portion of Webb Place, subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Duval County, Florida, as depicted in Plat Book 1, pages 7 and 8, of the former Public Records of said county, also being a portion of those lands described and recorded in Official Records Book 7101, page 1756, of the current Public Records of said county, being more particularly described as follows:

For a Point of Reference, commence at the corner common to the Easterly line of said Webb Place and Subsections 19 and 22, of said Section 46, said corner bearing South 89°56'16" West, 1,325.63 feet from the Northeasterly corner of said Subsection 22; thence South 89°56'26" West, along the Westerly prolongation of the Northerly line of said Subsection 22, a distance of 578.30 feet to its intersection with the Westerly right of way line of Eastport Road, a 66 foot right of way as presently established; thence North 10°23'24" West, along said Westerly right of way line, a distance of 880.02 feet; thence South 79°36'04" West, departing said Westerly right of way line, 508.51 feet to a point lying on the Northerly line of those lands described and recorded in Official Records Book 6652, pages 2217 of said current Public Records; thence Westerly and Northerly along the Northerly and Westerly line of said lands, the following 3 courses: Course 1, thence South 67°50'04" West, 316.23 feet; Course 2, thence South 49°14'16" West, 270.00 feet; Course 3, thence South 40°45'44" East, 644.88 feet to an intersection with said Westerly prolongation of the Northerly line of Subsection 22; thence South 89°56'26" West, departing said Westerly line and along said Westerly prolongation, 618.79 feet; thence North 00°48'07" West, 126.34 feet; thence South 49°11'36" West, 100.00 feet; thence North 40°48'07" West, 275.00 feet; thence South 49°10'53" West, 100.00 feet; thence South 40°48'07" East, 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Subsection 22; thence South 89°56'28" West, along said Westerly prolongation, 134.73 feet to the Northeasterly corner of those lands described in Exhibit "A", Parcel "A", as recorded in said Official Records Book 7101, page 1756 and the Point of Beginning.

From said Point of Beginning, thence Southerly along the Easterly line of said Parcel "A" the following 10 courses: Course 1, thence South 40°48'07" East, 427.65 feet; Course 2, thence South 03°45'19" West, 74.96 feet; Course 3, thence South 41°14'41" East, 54.38 feet; Course 4, thence South 49°10'10" West, 42.00 feet; Course 5, thence South 41°14'06" East, 10.00 feet; Course 6, thence South 49°10'10" West, 269.67 feet; Course 7, thence South 40°48'30" East, 485.00 feet; Course 8, thence South 49°10'10" West, 155.00 feet; Course 9, thence South 40°48'30" East, 220.00 feet; Course 10, thence South 49°10'10" West, 15.00 feet to the Northerly most corner of those lands described in Exhibit "A", Parcel "B", as recorded in said Official Records Book 7101, page 1756; thence South 40°48'30" East, departing said Easterly line and along the Northeasterly line of said Parcel "B", 191.10 feet to the Easterly most corner thereof, said corner lying on a curve concave Southeasterly having a radius of 118.15 feet; thence Southwesterly, along the Southeasterly line of said Parcel "B", and along the arc of said curve, through a central angle of 50°59'22", an arc length of 105.15 feet to a point on said curve, said arc being subtended by a chord bearing and distance of South 50°31'58" West, 101.71 feet; thence South 49°10'10" West, continuing along said Southeasterly line and along the Southerly line of said Parcel "A", 154.71 feet to a point hereinafter referred to as Reference Point "A"; thence continue South 49°10'10" West, along said Southerly line, 44 feet, more or less, to its intersection with the Easterly Mean High Water Line of the Broward River; thence along the meanderings of said Easterly Mean High Water Line the following 4 courses: Course 1, thence Westerly, departing said Southerly line, 480 feet, more or less; Course 2, thence Northwesterly, 1065 feet, more or less; Course 3, thence Northeasterly, 617 feet, more or less; Course 4, thence Northerly, 277 feet, more or less, to the Northeast corner of said Parcel "A"; thence South 89°56'28" East, departing said Easterly Mean High Water Line and along the Northerly line of said Parcel "A", said the also being the Westerly prolongation of the Northerly line of Subsection 22, a distance of 47 feet, more or less, to a point on said line, said point bearing North 21°01'01" West, 1748.17 feet from said Reference Point "A"; thence continue North 89°56'28" East, along last said line, 314.13 feet to the Point of Beginning.

Containing 30.4 acres, more or less.

TOGETHER WITH:

LEASE PARCEL 1:
A portion of Webb Place, subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Duval County, Florida, as depicted in Plat Book 1, pages 7 and 8, of the former Public Records of said county, also being a portion of those lands described and recorded in Official Records Book 6222, page 504, of the current Public Records of said county, being more particularly described as follows:

For a Point of Reference, commence at the corner common to the Easterly line of said Webb Place and Subsections 19 and 22, of said Section 46, said corner bearing South 89°56'16" West, 1,325.63 feet from the Northeasterly corner of said Subsection 22; thence South 89°56'26" West, along the Westerly prolongation of the Northerly line of said Subsection 22, a distance of 578.30 feet to its intersection with the Westerly right of way line of Eastport Road, a 66 foot right of way as presently established; thence North 10°23'24" West, along said Westerly right of way line, a distance of 880.02 feet; thence South 79°36'04" West, departing said Westerly right of way line, 508.51 feet to a point lying on the Northerly line of those lands described and recorded in Official Records Book 6652, pages 2217 of said current Public Records; thence Westerly and Northerly along the Northerly and Westerly line of said lands, the following 3 courses: Course 1, thence South 67°50'04" West, 316.23 feet; Course 2, thence South 49°14'16" West, 270.00 feet; Course 3, thence South 40°45'44" East, 644.88 feet to an intersection with said Westerly prolongation of the Northerly line of Subsection 22; thence South 89°56'26" West, departing said Westerly line and along said Westerly prolongation, 618.79 feet; thence North 00°48'07" West, 126.34 feet; thence South 49°11'36" West, 100.00 feet; thence North 40°48'07" West, 275.00 feet; thence South 49°10'53" West, 100.00 feet; thence South 40°48'07" East, 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Subsection 22; thence South 89°56'28" West, along said Westerly prolongation, 134.73 feet to the Northeasterly corner of those lands described in Exhibit "A", Parcel "A", as recorded in said Official Records Book 7101, page 1756 and the Point of Beginning.

From said Point of Beginning, thence Southerly along the Easterly line of said Parcel "A" the following 10 courses: Course 1, thence South 40°48'07" East, 427.65 feet; Course 2, thence South 03°45'19" West, 74.96 feet; Course 3, thence South 41°14'06" East, 54.38 feet; Course 4, thence South 49°10'10" West, 42.00 feet; Course 5, thence South 41°14'06" East, 10.00 feet; Course 6, thence South 49°10'10" West, 269.67 feet; Course 7, thence South 40°48'30" East, 485.00 feet; Course 8, thence South 49°10'10" West, 155.00 feet; Course 9, thence South 40°48'30" East, 220.00 feet; Course 10, thence South 49°10'10" West, 15.00 feet to the Northerly most corner of those lands described in Exhibit "A", Parcel "B", as recorded in said Official Records Book 7101, page 1756; thence South 40°48'30" East, departing said Easterly line and along the Northeasterly line of said Parcel "B", 191.10 feet to the Easterly most corner thereof, said corner lying on a curve concave Southeasterly having a radius of 118.15 feet; thence Southwesterly, along the Southeasterly line of said Parcel "B", and along the arc of said curve, through a central angle of 50°59'22", an arc length of 105.15 feet to a point on said curve, said arc being subtended by a chord bearing and distance of South 50°31'58" West, 101.71 feet; thence South 49°10'10" West, continuing along said Southeasterly line and along the Southerly line of said Parcel "A", 154.71 feet to a point hereinafter referred to as Reference Point "A"; thence continue South 49°10'10" West, along said Southerly line, 44 feet, more or less, to its intersection with the Easterly Mean High Water Line of the Broward River; thence along the meanderings of said Easterly Mean High Water Line the following 4 courses: Course 1, thence Westerly, departing said Southerly line, 480 feet, more or less; Course 2, thence Northwesterly, 1065 feet, more or less; Course 3, thence Northeasterly, 617 feet, more or less; Course 4, thence Northerly, 277 feet, more or less, to the Northeast corner of said Parcel "A"; thence South 89°56'28" East, departing said Easterly Mean High Water Line and along the Northerly line of said Parcel "A", said the also being the Westerly prolongation of the Northerly line of Subsection 22, a distance of 47 feet, more or less, to a point on said line, said point bearing North 21°01'01" West, 1748.17 feet from said Reference Point "A"; thence continue North 89°56'28" East, along last said line, 314.13 feet to the Point of Beginning.

Containing 30.4 acres, more or less.

LESS PARCEL 2:
A portion of Webb Place, subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Duval County, Florida, as depicted in Plat Book 1, pages 7 and 8, of the former Public Records of said county, also being a portion of those lands described and recorded in Official Records Book 6222, page 504, of the current Public Records of said county, being more particularly described as follows:

For a Point of Reference, commence at the corner common to the Easterly line of said Webb Place and Subsections 19 and 22, of said Section 46, said corner bearing South 89°56'16" West, 1,325.63 feet from the Northeasterly corner of said Subsection 22; thence South 89°56'26" West, along the Westerly prolongation of the Northerly line of said Subsection 22, a distance of 578.30 feet to its intersection with the Westerly right of way line of Eastport Road, a 66 foot right of way as presently established; thence North 10°23'24" West, along said Westerly right of way line, a distance of 880.02 feet; thence South 79°36'04" West, departing said Westerly right of way line, 508.51 feet to a point lying on the Northerly line of those lands described and recorded in Official Records Book 6652, pages 2217 of said current Public Records; thence Westerly and Northerly along the Northerly and Westerly line of said lands, the following 3 courses: Course 1, thence South 67°50'04" West, 316.23 feet; Course 2, thence South 49°14'16" West, 270.00 feet; Course 3, thence South 40°45'44" East, 644.88 feet to an intersection with said Westerly prolongation of the Northerly line of Subsection 22; thence South 89°56'26" West, departing said Westerly line and along said Westerly prolongation, 618.79 feet; thence North 00°48'07" West, 126.34 feet; thence South 49°11'36" West, 100.00 feet; thence North 40°48'07" West, 275.00 feet; thence South 49°10'53" West, 100.00 feet; thence South 40°48'07" East, 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Subsection 22; thence South 89°56'28" West, along said Westerly prolongation, 134.73 feet to the Northeasterly corner of those lands described in Exhibit "A", Parcel "A", as recorded in said Official Records Book 7101, page 1756 and the Point of Beginning.

From said Point of Beginning, thence Southerly along the Easterly line of said Parcel "A" the following 10 courses: Course 1, thence South 40°48'07" East, 427.65 feet; Course 2, thence South 03°45'19" West, 74.96 feet; Course 3, thence South 41°14'06" East, 54.38 feet; Course 4, thence South 49°10'10" West, 42.00 feet; Course 5, thence South 41°14'06" East, 10.00 feet; Course 6, thence South 49°10'10" West, 269.67 feet; Course 7, thence South 40°48'30" East, 485.00 feet; Course 8, thence South 49°10'10" West, 155.00 feet; Course 9, thence South 40°48'30" East, 220.00 feet; Course 10, thence South 49°10'10" West, 15.00 feet to the Northerly most corner of those lands described in Exhibit "A", Parcel "B", as recorded in said Official Records Book 7101, page 1756; thence South 40°48'30" East, departing said Easterly line and along the Northeasterly line of said Parcel "B", 191.10 feet to the Easterly most corner thereof, said corner lying on a curve concave Southeasterly having a radius of 118.15 feet; thence Southwesterly, along the Southeasterly line of said Parcel "B", and along the arc of said curve, through a central angle of 50°59'22", an arc length of 105.15 feet to a point on said curve, said arc being subtended by a chord bearing and distance of South 50°31'58" West, 101.71 feet; thence South 49°10'10" West, continuing along said Southeasterly line and along the Southerly line of said Parcel "A", 154.71 feet to a point hereinafter referred to as Reference Point "A"; thence continue South 49°10'10" West, along said Southerly line, 44 feet, more or less, to its intersection with the Easterly Mean High Water Line of the Broward River; thence along the meanderings of said Easterly Mean High Water Line the following 4 courses: Course 1, thence Westerly, departing said Southerly line, 480 feet, more or less; Course 2, thence Northwesterly, 1065 feet, more or less; Course 3, thence Northeasterly, 617 feet, more or less; Course 4, thence Northerly, 277 feet, more or less, to the Northeast corner of said Parcel "A"; thence South 89°56'28" East, departing said Easterly Mean High Water Line and along the Northerly line of said Parcel "A", said the also being the Westerly prolongation of the Northerly line of Subsection 22, a distance of 47 feet, more or less, to a point on said line, said point bearing North 21°01'01" West, 1748.17 feet from said Reference Point "A"; thence continue North 89°56'28" East, along last said line, 314.13 feet to the Point of Beginning.

Containing 30.4 acres, more or less.

TOGETHER WITH:

EXHIBIT A (FACILITY SITE) (Official Records Book 7101, Page 1756):

PARCEL A:
A portion of Webb Place, of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 and said subdivision (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'56" West, a distance of 1,325.63 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot Public Right of Way as now established); run thence North 10° 23' 36" West, along said Westerly right of way line, a distance of 880.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217-2228 of the Current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217-2228, the following three courses and distances: First Course; South 67°48'32" West, a distance of 316.23 feet to a point; Second Course; South 49° 13' 44" West, a distance of 270.00 feet to a point; Third Course; South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'56" West, along last said line a distance of 618.79 feet to a point; run thence North 40°48'38" West, a distance of 128.34 feet to a point; run thence South 49°11' 04" West, a distance of 100.00 feet to a point; run thence North 40°48'38" West, a distance of 275.00 feet to a point; run thence South 49°10'21" West, a distance of 100.00 feet to a point; run thence North 40°48'38" West, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'56" West, along said line, a distance of 134.73 feet to the Point of Beginning.

From the Point of Beginning thus described, run South 40°48'38" East, a distance of 427.65 feet to a point; run thence South 03°45'19" West, a distance of 74.96 feet to a point; run thence South 41°14'41" East, a distance of 54.38 feet to a point; run thence South 49°09'38" West, a distance of 42.00 feet to a point; run thence South 41°14'41" East, a distance of 10.00 feet to a point; run thence South 49°09'38" West, a distance of 269.67 feet to a point; run thence South 40°50'22" East, a distance of 485.00 feet to a point; run thence South 49°09'38" West, a distance of 155.00 feet to a point; run thence South 40°50'22" East, a distance of 220.00 feet to a point; run thence South 49°09'38" West, a distance of 210.00 feet to a point; run thence South 40°50'22" East, a distance of 188.98 feet to a point; run thence South 49°09'38" West, a distance of 179.14 feet, more or less, to the Mean High Water Line of the Broward River; run thence in a general Northwesterly and Northeasterly direction, along said Mean High Water Line, a distance of 2,350 feet, more or less, to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision, said point lying South 89°57'56" West, a distance of 380 feet, more or less, from the Point of Beginning; run thence North 89°57'38" East, along aforementioned line, a distance of 395 feet, more or less to the Point of Beginning.

TOGETHER WITH:

PARCEL B:
A portion of Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For a Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument located at the Northeasterly corner of said Section 22; run thence South 89°57'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot Public Right of Way, as now established); run thence North 10°23'36" West, along said Westerly right of way line, a distance of 880.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217-2228 of the Current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217-2228, the following three courses and distances: First Course, South 67°48'32" West, a distance of 316.23 feet to a point; Second Course, South 49°13'44" West, a distance of 270.00 feet to a point; Third Course, South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'56" West, along last said line, a distance of 618.79 feet to a point; run thence North 40°48'38" West, a distance of 128.34 feet to a point; run thence South 49°11'04" West, a distance of 100.00 feet to a point; run thence North 40°48'38" West, a distance of 275.00 feet to a point; run thence South 49°10'21" West, a distance of 100.00 feet to a point; run thence North 40°48'38" West, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'56" West, along last said line, a distance of 134.73 feet to a point; run thence South 40°48'38" East, a distance of 427.65 feet to a point; run thence South 03°45'19" West, a distance of 74.96 feet to a point; run thence South 41°14'41" East, a distance of 54.38 feet to a point; run thence South 49°09'38" West, a distance of 42.00 feet to a point; run thence South 41°14'41" East, a distance of 10.00 feet to a point; run thence South 49°09'38" West, a distance of 269.67 feet to a point; run thence South 40°50'22" East, a distance of 485.00 feet to a point; run thence South 49°09'38" West, a distance of 155.00 feet to a point; run thence South 40°50'22" East, a distance of 220.00 feet to a point; run thence South 49°09'38" West, a distance of 210.00 feet to a point; run thence South 40°50'22" East, a distance of 188.98 feet to a point; run thence South 49°09'38" West, a distance of 179.14 feet, more or less, to the Mean High Water Line of the Broward River; run thence in a General Northwesterly and Northeasterly direction, along said Mean High Water Line, a distance of 2,350 feet, more or less, to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision, said point lying South 89°57'56" West, a distance of 380 feet, more or less, from the Point of Beginning; run thence North 89°57'38" East, along aforementioned line, a distance of 395 feet, more or less to the Point of Beginning.

EXHIBIT B (MILL SITE) (Official Records Book 7101, Page 1756):

PARCEL A:
Portions of Sections 19, 22, 24, and Webb Place, subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, according to Plat recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of Jacksonville, Duval County, Florida, being more particularly described as follows:

For point of reference, commence at a concrete monument located at the point of intersection of the North line of said Section 22 of said subdivision, with the East line of Webb Place of said subdivision, said monument lying South 89°57'56" West, a distance of 1,325.63 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'56" West, along the Northerly prolongation of said Northerly line of Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot right of way, as now established); run thence North 10°23'36" West, along said Westerly right of way line, a distance of 2,231.36 feet to a point; run thence South 89°21'22" West, a distance of 1,638.56 feet to a point on said Westerly right of way of Kraft Road (a 60 foot right of way, as now established), a distance of 1,638.56 feet to a point; run thence South 2°51'08" East, a distance of 1,645.0 feet to a point for the Point of Beginning.

From the Point of Beginning thus described, run North 2°51'08" West, a distance of 1,645.0 feet to a point; run thence North 89°21'22" East, coincident with said Westerly right of way line of Kraft Road, a distance of 1,638.56 feet to a point on said Westerly right of way line of Eastport Road; run thence South 10°23'36" East, along said Westerly right of way line, a distance of 1,231.36 feet to a concrete monument of the point of said Northerly line of said Southeasterly direction, along the arc of a curve in the Southeasterly right of way line of said Eastport Road, said curve being concave to the Northeast and having a radius of 582.88 feet, an arc distance of 317.83 feet to a concrete monument at the point of tangency, the aforementioned arc having a chord bearing and distance of South 23°47'21" East, 314.04 feet; run thence South 41°08'46" East, along said Southeasterly right of way line, a distance of 808.21 feet to a concrete monument; run thence in a Southwesterly direction, along the arc of a curve in said Westerly right of way line, not tangent to last described line, said curve being concave to the Northwest and having a radius of 113.24 feet, an arc distance of 201.17 feet to a concrete monument at the point of tangency, the aforementioned arc having a chord bearing and distance of South 22°59'46" West, 175.74 ft.; run thence South 73°53'14" West, along the Northerly right of way line of said Eastport Road, a distance of 186.73 feet to a concrete monument at the intersection of said Northerly line, with the Northerly right of way line of Hectacher Drive, as now established; run thence in a Westerly direction, along the arc of a curve in last mentioned Northerly right of way line, said curve not being tangent to last described line, said curve being concave to the South and having a radius of 766.78 feet, an arc distance of 387.82 feet to a concrete monument at a point on a second non-tangent curve, the aforementioned arc having a chord bearing and distance of South 72°37'12" West, 383.79 feet; run thence in a Southwesterly direction, along the arc of said Northerly Hectacher Drive right of way line of said Hectacher Drive, said curve being concave to the Southeast and having a radius of 463.06 feet, an arc distance of 275.98 feet to the point of tangency, the aforementioned arc having a chord bearing and distance of South 89°21'27" West, 271.93 feet; run thence South 43°08'20" West, along said Northwesterly right of way line, a distance of 129.62 feet to a point on the Southwesterly line of lands described in deed recorded in Official Records Volume 1344, Page 281, Public Records of said County; run thence North 56°55'00" West, along said Southwesterly line, a distance of 2,485.90 feet to the point of curvature; run thence in a Northwesterly direction, along the arc of a curve in said Southwesterly said line, said curve being concave to the Northeast and having a radius of 1000.00 feet, an arc distance of 122.00 feet to the Westerly corner of said deed, the aforementioned arc having a chord bearing and distance of North 53°25'16" West, 121.92 feet; run thence in a Northerly direction, along the waters of the Broward River, following the meanderings of same, a distance of 3,150 feet, more or less, to a point which bears South 87°08'54" West from the Point of Beginning; run thence North 87°08'54" East, a distance of 40 feet, more or less, to the Point of Beginning.

TOGETHER WITH:

PARCEL B:
Portions of Sections 19, 22, 23, and Webb Place, subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, according to plat recorded in Plat Book 1, Page 7 and 8, former Public Records of Jacksonville, Duval County, Florida, being more particularly described as follows:

For a Point of Reference, commence at a concrete monument located at the point of intersection of the North line of said Section 22 of said subdivision, with the East line of Webb Place of said subdivision, said monument lying South 89°57'56" West, a distance of 1,325.63 feet from a concrete monument located at the Northeast corner of said Section 22; run thence South 89°57'56" West, along said North line, a distance of 578.30 feet to a point; run thence North 10°23'36" East, a distance of 880.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217-2228 of the Current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217-2228, the following three courses and distances: First Course, South 67°48'32" West, a distance of 316.23 feet to a point; Second Course, South 49°13'44" West, a distance of 270.00 feet to a point; Third Course, South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'56" West, along last said line, a distance of 618.79 feet to a point; run thence North 40°48'38" West, a distance of 128.34 feet to a point; run thence South 49°11'04" West, a distance of 100.00 feet to a point; run thence North 40°48'38" West, a distance of 275.00 feet to a point; run thence South 49°10'21" West, a distance of 100.00 feet to a point; run thence North 40°48'38" West, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'56" West, along last said line, a distance of 134.73 feet to a point; run thence South 40°48'38" East, a distance of 427.65 feet to a point; run thence South 03°45'19" West, a distance of 74.96 feet to a point; run thence South 41°14'41" East, a distance of 54.38 feet to a point; run thence South 49°09'38" West, a distance of 42.00 feet to a point; run thence South 41°14'41" East, a distance of 10.00 feet to a point; run thence South 49°09'38" West, a distance of 269.67 feet to a point; run thence South 40°50'22" East, a distance of 485.00 feet to a point; run thence South 49°09'38" West, a distance of 155.00 feet to a point; run thence South 40°50'22" East, a distance of 220.00 feet to a point; run thence South 49°09'38" West, a distance of 210.00 feet to a point; run thence South 40°50'22" East, a distance of 188.98 feet to a point; run thence South 49°09'38" West, a distance of 179.14 feet, more or less, to the Mean High Water Line of the Broward River; run thence in a General Northwesterly and Northeasterly direction, along said Mean High Water Line, a distance of 2,350 feet, more or less, to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision, said point lying South 89°57'56" West, a distance of 380 feet, more or less, from the Point of Beginning; run thence North 89°57'38" East, along aforementioned line, a distance of 395 feet, more or less to the Point of Beginning.

LESS AND EXCEPT:

A portion of Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 and said subdivision (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'56" West, a distance of 1,325.63 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot Public Right of Way as now established); run thence North 10°23'36" West, along said Westerly right of way line, a distance of 880.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217-2228 of the Current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217-2228, the following three courses and distances: First Course, South 67°48'32" West, a distance of 316.23 feet to a point; Second Course, South 49°13'44" West, a distance of 270.00 feet to a point; Third Course, South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'56" West, along last said line, a distance of 618.79 feet to a point; run thence North 40°48'38" West, a distance of 128.34 feet to a point; run thence South 49°11'04" West, a distance of 100.00 feet to a point; run thence North 40°48'38" West, a distance of 275.00 feet to a point; run thence South 49°10'21" West, a distance of 100.00 feet to a point; run thence North 40°48'38" West, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'56" West, along last said line, a distance of 134.73 feet to a point; run thence South 40°48'38" East, a distance of 427.65 feet to a point; run thence South 03°45'19" West, a distance of 74.96 feet to a point; run thence South 41°14'41" East, a distance of 54.38 feet to a point; run thence South 49°09'38" West, a distance of 42.00 feet to a point; run thence South 41°14'41" East, a distance of 10.00 feet to a point; run thence South 49°09'38" West, a distance of 269.67 feet to a point; run thence South 40°50'22" East, a distance of 485.00 feet to a point; run thence South 49°09'38" West, a distance of 155.00 feet to a point; run thence South 40°50'22" East, a distance of 220.00 feet to a point; run thence South 49°09'38" West, a distance of 210.00 feet to a point; run thence South 40°50'22" East, a distance of 188.98 feet to a point; run thence South 49°09'38" West, a distance of 179.14 feet, more or less, to the Mean High Water Line of the Broward River; run thence in a General Northwesterly and Northeasterly direction, along said Mean High Water Line, a distance of 2,350 feet, more or less, to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision, said point lying South 89°57'56" West, a distance of 380 feet, more or less, from the Point of Beginning; run thence North 89°57'38" East, along aforementioned line, a distance of 395 feet, more or less to the Point of Beginning.

From the Point of Beginning thus described, run South 40°48'38" East, a distance of 185.00 feet to a point; run thence South 03°45'19" West, a distance of 74.96 feet to a point; run thence North 48°09'38" East, a distance of 83.32 feet to a point on a curve, concave Southeasterly; run thence Northeasterly, along and around the arc of a curve, concave Southeasterly, having a radius of 118.15 feet, an arc distance of 105.15 feet, said arc being subtended by a chord bearing of North 30°21'38" East, a distance of 101.71 feet; run thence North 40°50'22" East, a distance of 191.10 feet to the Point of Beginning.

These lands of Parcel "A" and Parcel "B" as described above and in the Title Commitment are the same lands described in Surveyor's Description Parcel A without gap, gore or overlap.

REVISED MARCH 17, 2013 TO REFLECT ALL LANDS DESCRIBED IN REVISED TITLE COMMITMENT, (TKO No. 12-1480)

SHEET 1 OF 9
SEE SHEET 3 FOR GENERAL NOTES.

CERTIFIED TO:
Barclays Bank PLC, a Public Limited Company as Administrative and Collateral Agent;
Cedar Bay Generating Company LP, a Delaware Limited Partnership; and
Fidelity National Title Insurance Company, a California Corporation.

THIS IS TO CERTIFY THAT THIS MAP AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH 2011 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/ACSM LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 1, 2, 3, 4, 8(b), 8, 9, 11(b), 13, 14, 15, 16, 17, 18, 20(a) AND 21 OF TABLE A THEREOF. THE FIELDWORK WAS COMPLETED ON JANUARY 24, 2013.

NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER.

RMA
ROBERT M. ARGAS ASSOCIATES, INC.
SURVEYORS • PLANNERS • CIVIL ENGINEERS
14775 Old St. Augustine Road, Jacksonville, FL 32258
Tel: (904) 642-8550 Fax: (904) 642-4165
Certificate of Authorization No.: LB 3624

DATE: JANUARY 24, 2013

DAMON J. KEITH
PROFESSIONAL SURVEYOR AND MAPPER
STATE OF FLORIDA LS No. 6284
dkeith@rmainc.com

CAD FILE: I:\Survey\Margins\11Legends Cedar Bay\Bay\Generating Site Top 2013.dwg FIELD BOOK: ETB 750H DRAWN BY: DMS CHECKED BY: DJK

COUNTY: DUVAL ORDER NO.: 12-1480 FILE NO.: 1220-36.00A

ALTA/ACSM LAND TITLE SURVEY

A PORTION OF WEBB PLACE, SUBDIVISION OF THE JOHN BROWARD GRANT, SECTION 46, TOWNSHIP 1 SOUTH, RANGE 27 EAST, DUVAL COUNTY, FLORIDA, AS DEPICTED IN PLAT BOOK 1, PAGES 7 AND 8, OF THE FORMER PUBLIC RECORDS OF SAID COUNTY, ALSO BEING A PORTION OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 6222, PAGE 504, TOGETHER WITH A PORTION OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 7101, PAGE 1756, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY.

EASEMENT DESCRIPTIONS (per Title Commitment):

SOUTH RAILROAD EASEMENT (Official Records Book 7101, Page 1756):
A portion of Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'36" West, a distance of 1,325.63 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'36" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot public right of way, as now established); run thence North 10°23'36" West, along said Westerly right of way line, a distance of 880.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Record Volume 6652, Pages 2217-2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217-2228, the following three courses and distances; First Course; South 67°49'32" West, a distance of 316.23 feet to a point; Second Course, South 49°13'44" West, a distance of 270.00 feet to a point, Third Course; South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'36" West, along last said line, a distance of 618.79 feet to a point; run thence North 40°46'28" West, a distance of 128.34 feet to a point; run thence South 49°11'04" West, a distance of 100.00 feet to a point; run thence North 40°46'28" West, a distance of 275.00 feet to a point; run thence South 49°10'21" West, a distance of 100.00 feet to a point; run thence South 40°46'28" East, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'36" West, along last said line, a distance of 134.73 feet; run South 40°46'28" East, a distance of 427.65 feet to a point; run thence South 03°45'19" West, a distance of 74.98 feet to a point; run thence South 41°14'41" East, a distance of 54.38 feet to a point; run thence South 48°09'38" West, a distance of 42.00 feet to a point; run thence South 41°14'41" East, a distance of 10.00 feet to a point; run thence South 48°09'38" West, a distance of 269.67 feet to a point; run thence South 40°50'22" East, a distance of 485.00 feet to a point; run thence South 48°09'38" West, a distance of 155.00 feet to a point; run thence South 40°50'22" East, a distance of 220.00 feet to a point; run thence South 48°09'38" West, a distance of 210.00 feet to a point; run thence South 40°50'22" East, a distance of 1185.96 feet to a point for Point of Beginning.

From the Point of Beginning thus described, run South 54°16'48" East, a distance of 103.22 feet to a point on a curve leading Southeasterly; run thence Southeasterly, along and around the arc of a curve, concave Easterly and having a radius of 118.15 feet, an arc distance of 70.04 feet, said arc being subtended by a chord bearing and distance of South 54°16'48" East, 69.02 feet; run thence South 54°16'48" East, a distance of 584.62 feet to a point; run thence South 33°14'16" West, a distance of 125 feet, more or less, to the Mean High Waterline of the Broward River; run thence along last said line in a general Northwesterly, Westerly and Easterly direction, a distance of 1,530 feet, more or less, to a point which lies South 48°09'38" West, a distance of 175 feet, more or less, from the Point of Beginning; run thence North 48°09'38" East, a distance of 175 feet, more or less, to the Point of Beginning.

TRANSMISSION RIGHT OF WAY EASEMENT (Official Records Book 7101, Page 1756):
A portion of Section 19 and Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'36" West, a distance of 1,325.63 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'36" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot public right of way, as now established); run thence North 10°23'36" West, along said Westerly right of way line, a distance of 880.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Record Volume 6652, Pages 2217-2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217-2228, the following three courses and distances; First Course; South 67°49'32" West, a distance of 316.23 feet to a point; Second Course, South 49°13'44" West, a distance of 270.00 feet to a point, Third Course; South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'36" West, along last said line, a distance of 618.79 feet to a point; run thence North 40°46'28" West, a distance of 128.34 feet to a point; run thence South 49°11'04" West, a distance of 100.00 feet to a point; run thence North 40°46'28" West, a distance of 275.00 feet to a point; run thence South 49°10'21" West, a distance of 100.00 feet to a point; run thence South 40°46'28" East, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'36" West, along last said line, a distance of 134.73 feet; run South 40°46'28" East, a distance of 427.65 feet to a point; run thence South 03°45'19" West, a distance of 74.98 feet to a point; run thence South 41°14'41" East, a distance of 54.38 feet to a point; run thence South 48°09'38" West, a distance of 42.00 feet to a point; run thence South 41°14'41" East, a distance of 10.00 feet to a point; run thence South 48°09'38" West, a distance of 269.67 feet to a point; run thence South 40°50'22" East, a distance of 485.00 feet to a point; run thence South 48°09'38" West, a distance of 155.00 feet to a point; run thence South 40°50'22" East, a distance of 220.00 feet to a point; run thence South 48°09'38" West, a distance of 210.00 feet to a point; run thence South 40°50'22" East, a distance of 1185.96 feet to a point for Point of Beginning.

From the Point of Beginning thus described continue South 33°14'16" West, a distance of 40.05 feet to a point; run thence South 53°57'47" East, a distance of 67.85 feet to a point; run thence North 85°18'30" East, a distance of 219.08 feet to a point at curvature of a curve, leading Southeasterly; run thence Southeasterly, along and around the arc of a curve, concave Southwesterly and having a radius of 368.94 feet, an arc distance of 471.19 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 71°09'27" East, 457.84 feet; run thence South 47°19'24" East, along said tangency, a distance of 208.72 feet to the Mean High Waterline of the Broward River, leading Southerly, along and around the arc of a curve concave Westerly and having a radius of 1150.00 feet, an arc distance of 117.81 feet to the point of reverse curvature of a curve, leading Southerly, said arc being subtended by a chord bearing and distance of South 24°46'24" East, 114.82 feet; run thence Southerly, along and around the arc of said curve, an arc distance of 1258.63 feet, said arc being subtended by a chord bearing and distance of South 18°24'04" East, 306.89 feet; run thence North 53°31'17" East, 178.60 feet to a point; run thence North 34°28'43" West, a distance of 12.50 feet to a point; run thence North 55°31'17" East, a distance of 8.26 feet to a point; run thence North 47°19'24" West, a distance of 780.54 feet to a point; run thence South 85° 18' 30" West, a distance of 471.75 feet to a point; run thence North 53°57'14" West, a distance of 74.96 feet to the Point of Beginning.

LIME MUD STORAGE PARCEL (Official Records Book 7101, Page 1756):
A portion of Section 19 of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follow:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'36" West, a distance of 1,325.63 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'36" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot public right of way, as now established); run thence North 10°23'36" West, along said Westerly right of way line, a distance of 880.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217-2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217-2228, the following three courses and distances; First Course, South 67°49'32" West, a distance of 316.23 feet to a point; Second Course, South 49°13'44" West, a distance of 270.00 feet to a point; Third Course, South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'36" West, along last said line, a distance of 618.79 feet to a point; run thence North 40°46'28" West, a distance of 128.34 feet to a point; run thence South 49°11'04" West, a distance of 100.00 feet to a point; run thence North 40°46'28" West, a distance of 275.00 feet to a point; run thence South 49°10'21" West, a distance of 100.00 feet to a point; run thence South 40°46'28" East, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'36" West, along last said line, a distance of 134.73 feet; run South 40°46'28" East, a distance of 427.65 feet to a point; run thence South 03°45'19" West, a distance of 74.98 feet to a point; run thence South 41°14'41" East, a distance of 54.38 feet to a point; run thence South 48°09'38" West, a distance of 42.00 feet to a point; run thence South 41°14'41" East, a distance of 10.00 feet to a point; run thence South 48°09'38" West, a distance of 269.67 feet to a point; run thence South 40°50'22" East, a distance of 485.00 feet to a point; run thence South 48°09'38" West, a distance of 155.00 feet to a point; run thence South 40°50'22" East, a distance of 220.00 feet to a point; run thence South 48°09'38" West, a distance of 210.00 feet to a point; run thence South 40°50'22" East, a distance of 1185.96 feet to a point; run thence South 54°16'48" East, a distance of 103.22 feet to a point on the arc of a curve, leading Southeasterly; run thence Southeasterly, along and around the arc of a curve, concave Easterly and having a radius of 118.15 feet, an arc distance of 70.04 feet, said arc being subtended by a chord bearing and distance of South 54°16'48" East, 69.02 feet; run thence South 54°16'48" East, a distance of 584.62 feet to a point; run thence South 33°14'16" West, a distance of 125 feet, more or less, to the Mean High Waterline of the Broward River; run thence along last said line in a general Northwesterly, Westerly and Easterly direction, a distance of 1,530 feet, more or less, to a point which lies South 48°09'38" West, a distance of 175 feet, more or less, from the Point of Beginning; run thence North 48°09'38" East, a distance of 175 feet, more or less, to the Point of Beginning.

PIPELINE EASEMENT (Official Records Book 7101, Page 1756):
A portion of Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at the concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'36" West, a distance of 1,325.63 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'36" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot public right of way, as now established); run thence North 10°23'36" West, along said Westerly right of way line, a distance of 880.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217-2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217-2228, the following three courses and distances; First Course, South 67°49'32" West, a distance of 316.23 feet to a point; Second Course, South 49°13'44" West, a distance of 270.00 feet to a point; Third Course, South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'36" West, along last said line, a distance of 618.79 feet to a point; run thence North 40°46'28" West, a distance of 128.34 feet to a point; run thence South 49°11'04" West, a distance of 100.00 feet to a point; run thence North 40°46'28" West, a distance of 275.00 feet to a point; run thence South 49°10'21" West, a distance of 100.00 feet to a point; run thence South 40°46'28" East, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'36" West, along last said line, a distance of 134.73 feet; run South 40°46'28" East, a distance of 427.65 feet to a point; run thence South 03°45'19" West, a distance of 74.98 feet to a point; run thence South 41°14'41" East, a distance of 54.38 feet to a point; run thence South 48°09'38" West, a distance of 42.00 feet to a point; run thence South 41°14'41" East, a distance of 10.00 feet to a point; run thence South 48°09'38" West, a distance of 269.67 feet to a point; run thence South 40°50'22" East, a distance of 485.00 feet to a point; run thence South 48°09'38" West, a distance of 155.00 feet to a point for the Point of Beginning.

From the Point of Beginning thus described, run South 48°09'38" West, a distance of 20.00 feet to a point; run thence North 40°50'22" East, a distance of 322.59 feet to a point; run thence South 49°23'03" West, a distance of 26.97 feet to a point; run thence South 40°34'57" East, a distance of 70.00 feet to a point; run thence North 49°25'07" East, a distance of 65.00 feet to a point; run thence South 40°34'57" East, a distance of 463.42 feet to a point; run thence South 21°27'12" East, a distance of 233.68 feet to a point; run thence North 46°03'56" East, a distance of 37.90 feet to a point; run thence South 43°56'04" East, a distance of 91.28 feet to a point; run thence North 21°27'12" West, a distance of 254.46 feet to a point; run thence North 40°34'57" West, a distance of 802.70 feet to a point; run thence South 49°25'03" West, a distance of 86.03 feet to a point; run thence North 40°50'22" West, a distance of 322.68 feet to the Point of Beginning.

PUMP STATION EASEMENT (Official Records Book 7101, Page 1756):
A portion of Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'36" West, a distance of 1,325.63 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'36" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot public right of way, as now established); run thence North 10°23'36" West, along said Westerly right of way line, a distance of 880.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217-2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217-2228, the following three courses and distances; First Course, South 67°49'32" West, a distance of 316.23 feet to a point; Second Course, South 49°13'44" West, a distance of 270.00 feet to a point; Third Course, South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'36" West, along last said line, a distance of 618.79 feet to a point; run thence North 40°46'28" West, a distance of 128.34 feet to a point; run thence South 49°11'04" West, a distance of 100.00 feet to a point; run thence North 40°46'28" West, a distance of 275.00 feet to a point; run thence South 49°10'21" West, a distance of 100.00 feet to a point; run thence South 40°46'28" East, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'36" West, along last said line, a distance of 134.73 feet; run South 40°46'28" East, a distance of 427.65 feet to a point; run thence South 03°45'19" West, a distance of 74.98 feet to a point; run thence South 41°14'41" East, a distance of 54.38 feet to a point; run thence South 48°09'38" West, a distance of 42.00 feet to a point; run thence South 41°14'41" East, a distance of 10.00 feet to a point; run thence South 48°09'38" West, a distance of 269.67 feet to a point; run thence South 40°50'22" East, a distance of 485.00 feet to a point; run thence South 48°09'38" West, a distance of 155.00 feet to a point; run thence South 40°50'22" East, a distance of 220.00 feet to a point; run thence South 48°09'38" West, a distance of 210.00 feet to a point; run thence South 40°50'22" East, a distance of 1185.96 feet to a point; run thence South 54°16'48" East, a distance of 103.22 feet to a point on the arc of a curve, leading Southeasterly; run thence Southeasterly, along and around the arc of a curve, concave Easterly and having a radius of 118.15 feet, an arc distance of 70.04 feet, said arc being subtended by a chord bearing and distance of South 54°16'48" East, 69.02 feet; run thence South 54°16'48" East, a distance of 316.34 feet to a point; run thence North 46°03'56" East, a distance of 75.72 feet to a point; run thence South 43°56'04" East, a distance of 105.22 feet to a point; run thence South 33°14'16" West, a distance of 5.08 feet to a point for the Point of Beginning.

From the Point of Beginning thus described, run South 53°57'14" East, a distance of 63.20 feet to a point; run thence South 34°28'43" East, a distance of 340.00 feet to a point; run thence South 55°31'17" West, a distance of 99.55 feet to a point on a curve and the Northeasterly right of way line of Headwater Drive, Shuts Road No. 105 (as said right of way is now established); run thence along said right of way line, the following two courses; First Course, along the arc of said curve, concave Southeasterly and having a radius of 786.78 feet, an arc distance of 104.85 feet to a point on a non-tangent curve, said arc being subtended by a chord bearing and distance of South 62°02'26" West, 104.57 feet; Second Course, along the arc of said curve, concave Southeasterly and having a radius of 483.08 feet, an arc distance of 17.53 feet to a point, said arc being subtended by a chord bearing and distance of South 74°40'02" West, 17.52 feet; thence departing from said right of way line, run North 34°28'43" West, a distance of 323.38 feet to a point; run thence North 55°31'17" East, a distance of 156.80 feet to the Point of Beginning.

EASEMENT FOR ROAD (Official Records Book 7101, Page 1756):
A portion of Section 19 and Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'36" West, a distance of 1,325.63 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'36" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot public right of way, as now established); run thence North 10°23'36" West, along said Westerly right of way line, a distance of 880.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217-2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217-2228, the following three courses and distances; First Course, South 67°49'32" West, a distance of 316.23 feet to a point; Second Course, South 49°13'44" West, a distance of 270.00 feet to a point; Third Course, South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'36" West, along last said line, a distance of 618.79 feet to a point; run thence North 40°46'28" West, a distance of 128.34 feet to a point; run thence South 49°11'04" West, a distance of 100.00 feet to a point; run thence North 40°46'28" West, a distance of 275.00 feet to a point; run thence South 49°10'21" West, a distance of 100.00 feet to a point; run thence South 40°46'28" East, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'36" West, along last said line, a distance of 134.73 feet; run South 40°46'28" East, a distance of 427.65 feet to a point; run thence South 03°45'19" West, a distance of 74.98 feet to a point; run thence South 41°14'41" East, a distance of 54.38 feet to a point; run thence South 48°09'38" West, a distance of 42.00 feet to a point; run thence South 41°14'41" East, a distance of 10.00 feet to a point; run thence South 48°09'38" West, a distance of 269.67 feet to a point; run thence South 40°50'22" East, a distance of 485.00 feet to a point; run thence South 48°09'38" West, a distance of 155.00 feet to a point; run thence South 40°50'22" East, a distance of 220.00 feet to a point; run thence South 48°09'38" West, a distance of 210.00 feet to a point; run thence South 40°50'22" East, a distance of 1185.96 feet to a point; run thence South 54°16'48" East, a distance of 103.22 feet to a point on the arc of a curve, leading Southeasterly; run thence Southeasterly, along and around the arc of a curve, concave Easterly and having a radius of 118.15 feet, an arc distance of 70.04 feet, said arc being subtended by a chord bearing and distance of South 54°16'48" East, 69.02 feet; run thence South 54°16'48" East, a distance of 316.34 feet to a point; run thence North 46°03'56" East, a distance of 75.72 feet to a point; run thence South 43°56'04" East, a distance of 105.22 feet to a point; run thence South 33°14'16" West, a distance of 5.08 feet to a point for the Point of Beginning.

From the Point of Beginning thus described, run North 53°57'14" East, a distance of 63.20 feet to a point; run thence South 34°28'43" East, a distance of 340.00 feet to a point; run thence South 55°31'17" West, a distance of 99.55 feet to a point on a curve and the Northeasterly right of way line of Headwater Drive, Shuts Road No. 105 (as said right of way is now established); run thence along said right of way line, the following two courses; First Course, along the arc of said curve, concave Southeasterly and having a radius of 786.78 feet, an arc distance of 104.85 feet to a point on a non-tangent curve, said arc being subtended by a chord bearing and distance of South 62°02'26" West, 104.57 feet; Second Course, along the arc of said curve, concave Southeasterly and having a radius of 483.08 feet, an arc distance of 17.53 feet to a point, said arc being subtended by a chord bearing and distance of South 74°40'02" West, 17.52 feet; thence departing from said right of way line, run North 34°28'43" West, a distance of 323.38 feet to a point; run thence North 55°31'17" East, a distance of 156.80 feet to the Point of Beginning.

LIFT STATION EASEMENT (Official Records Book 7101, Page 1756):
A portion of Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'36" West, a distance of 1,325.63 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'36" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot public right of way, as now established); run thence North 10°23'36" West, along said Westerly right of way line, a distance of 880.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217-2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217-2228, the following three courses and distances; First Course, South 67°49'32" West, a distance of 316.23 feet to a point; Second Course, South 49°13'44" West, a distance of 270.00 feet to a point; Third Course, South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'36" West, along last said line, a distance of 618.79 feet to a point; run thence North 40°46'28" West, a distance of 128.34 feet to a point; run thence South 49°11'04" West, a distance of 100.00 feet to a point; run thence North 40°46'28" West, a distance of 275.00 feet to a point; run thence South 49°10'21" West, a distance of 100.00 feet to a point; run thence South 40°46'28" East, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'36" West, along last said line, a distance of 134.73 feet; run South 40°46'28" East, a distance of 427.65 feet to a point; run thence South 03°45'19" West, a distance of 74.98 feet to a point; run thence South 41°14'41" East, a distance of 54.38 feet to a point; run thence South 48°09'38" West, a distance of 42.00 feet to a point; run thence South 41°14'41" East, a distance of 10.00 feet to a point; run thence South 48°09'38" West, a distance of 269.67 feet to a point; run thence South 40°50'22" East, a distance of 485.00 feet to a point; run thence South 48°09'38" West, a distance of 155.00 feet to a point; run thence South 40°50'22" East, a distance of 220.00 feet to a point; run thence South 48°09'38" West, a distance of 210.00 feet to a point; run thence South 40°50'22" East, a distance of 1185.96 feet to a point; run thence South 54°16'48" East, a distance of 103.22 feet to a point on the arc of a curve, leading Southeasterly; run thence Southeasterly, along and around the arc of a curve, concave Easterly and having a radius of 118.15 feet, an arc distance of 70.04 feet, said arc being subtended by a chord bearing and distance of South 54°16'48" East, 69.02 feet; run thence South 54°16'48" East, a distance of 316.34 feet to a point; run thence North 46°03'56" East, a distance of 75.72 feet to a point; run thence South 43°56'04" East, a distance of 105.22 feet to a point; run thence South 33°14'16" West, a distance of 5.08 feet to a point; run thence South 53°57'14" East, a distance of 67.85 feet to a point; run thence North 85°18'30" East, a distance of 219.08 feet to a point at curvature of a curve, leading Southeasterly; run thence Southeasterly, along and around the arc of a curve, concave Southwesterly and having a radius of 368.94 feet, an arc distance of 471.19 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 71°09'27" East, 457.84 feet; run thence South 47°19'24" East, along said tangency, a distance of 208.72 feet to the Mean High Waterline of the Broward River, leading Southerly, along and around the arc of a curve concave Westerly and having a radius of 1150.00 feet, an arc distance of 117.81 feet to the point of reverse curvature of a curve, leading Southerly, said arc being subtended by a chord bearing and distance of South 24°46'24" East, 114.82 feet; run thence Southerly, along and around the arc of said curve, an arc distance of 1258.63 feet, said arc being subtended by a chord bearing and distance of South 18°24'04" East, 306.89 feet; run thence North 53°31'17" East, 178.60 feet to a point; run thence North 34°28'43" West, a distance of 12.50 feet to a point; run thence North 55°31'17" East, a distance of 8.26 feet to a point; run thence North 47°19'24" West, a distance of 780.54 feet to a point; run thence South 85° 18' 30" West, a distance of 471.75 feet to a point; run thence North 53°57'14" West, a distance of 74.96 feet to the Point of Beginning.

PIPELINE EASEMENT No. 2 (Official Records Book 7101, Page 1756):
A portion of Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'36" West, a distance of 1,325.63 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'36" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot public right of way, as now established); run thence North 10°23'36" West, along said Westerly right of way line, a distance of 880.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217-2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217-2228, the following three courses and distances; First Course, South 67°49'32" West, a distance of 316.23 feet to a point; Second Course, South 49°13'44" West, a distance of 270.00 feet to a point; Third Course, South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'36" West, along last said line, a distance of 618.79 feet to a point; run thence North 40°46'28" West, a distance of 128.34 feet to a point; run thence South 49°11'04" West, a distance of 100.00 feet to a point; run thence North 40°46'28" West, a distance of 275.00 feet to a point; run thence South 49°10'21" West, a distance of 100.00 feet to a point; run thence South 40°46'28" East, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'36" West, along last said line, a distance of 134.73 feet; run South 40°46'28" East, a distance of 427.65 feet to a point; run thence South 03°45'19" West, a distance of 74.98 feet to a point; run thence South 41°14'41" East, a distance of 54.38 feet to a point; run thence South 48°09'38" West, a distance of 42.00 feet to a point; run thence South 41°14'41" East, a distance of 10.00 feet to a point; run thence South 48°09'38" West, a distance of 269.67 feet to a point; run thence South 40°50'22" East, a distance of 485.00 feet to a point; run thence South 48°09'38" West, a distance of 135.00 feet to a point for the Point of Beginning.

From the Point of Beginning thus described, run South 48°09'38" West, a distance of 20.00 feet to a point; run thence North 40°50'22" East, a distance of 322.59 feet to a point; run thence South 49°23'03" West, a distance of 26.97 feet to a point; run thence South 40°34'57" East, a distance of 70.00 feet to a point; run thence North 49°25'07" East, a distance of 65.00 feet to a point; run thence South 40°34'57" East, a distance of 463.42 feet to a point; run thence South 21°27'12" East, a distance of 233.68 feet to a point; run thence North 46°03'56" East, a distance of 37.90 feet to a point; run thence South 43°56'04" East, a distance of 91.28 feet to a point; run thence North 21°27'12" West, a distance of 254.46 feet to a point; run thence North 40°34'57" West, a distance of 802.70 feet to a point; run thence South 49°25'03" West, a distance of 86.03 feet to a point; run thence North 40°50'22" West, a distance of 322.68 feet to the Point of Beginning.

PREPARED BY:
ROBERT M. ANGAS ASSOCIATES, INC.
14775 OLD ST. AUGUSTINE ROAD
JACKSONVILLE, FL 32258 (904) 642-8550
CERTIFICATE OF AUTHORIZATION NO. LB 3624

SHEET 2 OF 9
SEE SHEET 5 FOR GENERAL NOTES.

CAD FILE: H:\Survey\Webb\Legal\Ft Caroline Golf Boy\Shuts\Converting Site Sur 2012 Afts.dwg FIELD BOOK ____ ETB ZOOK ____ DRAWN BY: ____ DWG ____ CHECKED BY: ____ DJR ____
COUNTY: DUVAL ORDER NO.: 12-146.00 FILE NO.: 12FC-36.00A

ALTA/ACSM LAND TITLE SURVEY

A PORTION OF WEBB PLACE, SUBDIVISION OF THE JOHN BROWARD GRANT, SECTION 46, TOWNSHIP 1 SOUTH, RANGE 27 EAST, DUVAL COUNTY, FLORIDA, AS DEPICTED IN PLAT BOOK 1, PAGES 7 AND 8, OF THE FORMER PUBLIC RECORDS OF SAID COUNTY, ALSO BEING A PORTION OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 6222, PAGE 504, TOGETHER WITH A PORTION OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 7101, PAGE 1756, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY.

EASEMENT DESCRIPTIONS (per Title Commitment) (continued):

CAUSEWAY EASEMENT (Official Records Book 7101, Page 1756):
A portion of Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°37'56" West, a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°37'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot public right of way, as now established); run thence North 10°23'38" West, along said Westerly right of way line, a distance of 890.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point of the Northeasterly corner of those lands described and recorded in Official Records Volume 6452, Pages 2217 thru 2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6452, Pages 2217 thru 2228, the following three courses and distances: First Course: South 67°46'22" West, a distance of 316.23 feet to a point; Second Course: South 48°13'44" West, a distance of 270.00 feet to a point, Third Course: South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°37'56" West, along said said line, a distance of 818.79 feet to a point; run thence North 40°46'39" West, a distance of 128.34 feet to a point; run thence South 49°13'04" West, a distance of 100.00 feet to a point; run thence North 40°46'39" West, a distance of 275.00 feet to a point; run thence North 49°13'21" East, a distance of 100.00 feet to a point; run thence South 40°46'39" East, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°37'56" West, along said said line, a distance of 332.50 feet to the Point of Beginning.

From the Point of Beginning thus described, run North 02°51'08" West, a distance of 2,025.47 feet, run thence South 88°58'53" West, a distance of 112.86 feet to an intersection with the Westerly line of Parcel A, of those lands described and recorded in Official Records Volume 6222, Pages 511 thru 535, of the current Public Records of said county; run thence along last said line the following three courses and distances: first course, South 02°51'08" East, a distance of 696.63 feet to a point; second course, South 87°08'54" West, a distance of 40 feet, more or less, to the Mean High Water Line of the Broward River; third course, thence in a general Southerly direction, along said Mean High Water Line of the Broward River, a distance of 1,330 feet, more or less, to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said Subdivision, and lying South 87°37'56" West, a distance of 188 feet, more or less, from the Point of Beginning; run thence North 89°37'56" East, along said Westerly prolongation, a distance of 195 feet, more or less, to the Point of Beginning.

Less and Except those easements, right-of ways, and rights of easements recorded in the following instruments, in the current Public Records of said County:

A.) Deed Book 1789, Page 253 et seq
B.) Deed Book 180, Page 156 et seq
C.) Official Records Volume 452, Page 337 et seq
D.) Official Records Volume 2517, Page 291 et seq

CAUSEWAY EASEMENT No. 2 (Official Records Book 7101, Page 1756):
A portion of Section 19 and Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°37'56" West, a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°37'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot public right of way, as now established); run thence North 10°23'38" West, along said Westerly right of way line, a distance of 890.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point of the Northeasterly corner of those lands described and recorded in Official Records Volume 6452, Pages 2217 thru 2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6452, Pages 2217 thru 2228, the following three courses and distances: First Course: South 67°46'22" West, a distance of 316.23 feet to a point; Second Course: South 48°13'44" West, a distance of 270.00 feet to a point, Third Course: South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°37'56" West, along last said line, a distance of 818.79 feet to a point; run thence North 40°46'39" West, a distance of 128.34 feet to a point; run thence South 49°13'04" West, a distance of 100.00 feet to a point; run thence North 40°46'39" West, a distance of 275.00 feet to a point; run thence South 49°13'21" West, a distance of 100.00 feet to a point; run thence South 40°46'39" East, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°37'56" West, along last said line, a distance of 1029.79 feet to the Point of Beginning.

From the Point of Beginning thus described, continue North 02°31'08" West, a distance of 800.00 feet to a point; run thence North 87°08'54" East, a distance of 150.00 feet to a point; run thence South 02°31'08" East, a distance of 680.00 feet to a point; run thence South 87°08'54" West, a distance of 150.00 feet to the Point of Beginning.

PERMANENT ACCESS ROAD EASEMENT (Official Records Book 7101, Page 1756):
A portion of Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°37'56" West, a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°37'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot public right of way, as now established); run thence North 10°23'38" West, along said Westerly right of way line, a distance of 144.61 feet to the Point of Beginning.

From the Point of Beginning thus described, continue South 10°23'38" East, along said Westerly right of way line of Eastport Road, a distance of 40.04 feet; thence South 77°08'14" West, 158.21 feet; thence South 81°04'42" West, 418.47 feet to the point of curvature, of a curve leading Southwesterly, thence Southwesterly, along and around the arc of a curve, concave Northwesterly and having a radius of 488.46 feet, an arc distance of 162.33 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 70°59'02" West, 161.53 feet; thence South 80°53'23" West, along said tangency, a distance of 31.76 feet, to the point of curvature, of a curve leading Southwesterly, thence Southwesterly, along and around the arc of a curve, concave Southeasterly and having a radius of 248.08 feet, an arc distance of 128.48 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 66°20'43" West, 125.10; thence South 51°48'04" West, along said tangency, a distance of 42.83 feet, to the point of curvature, of a curve leading Northwesterly, thence Northwesterly, along and around the arc of a curve, concave Northerly, and having a radius of 100.00 feet, an arc distance of 152.46 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of North 84°31'18" West, 138.13 feet; thence North 40°50'41" West, along said tangency, a distance of 141.15 feet, to the point of curvature, of a curve leading Westerly, thence Westerly, along and around the arc of a curve, concave Southerly and having a radius of 20.11 feet, an arc distance of 29.96 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of North 82°56'42" West, 26.97 feet; thence South 54°57'16" West, along said tangency, a distance of 131.41 feet, to the point of curvature of a curve leading Northwesterly; thence Northwesterly, along and around the arc of a curve, concave Northeasterly and having a radius of 60 feet an arc distance of 88.19 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of North 82°56'11" West, 80.49 feet; thence North 40°46'39" West, along said tangency a distance of 653.03 feet, to an intersection with said Westerly prolongation of the Northerly line of said Section 22, of the subdivision of the John Broward Grant; thence North 89°57'56" East, along last said line, a distance of 52.83 feet, to a point; thence South 40°46'39" East, 618.51 feet to the point of curvature of a curve leading Southeasterly; thence Southeasterly along and around the arc of a curve, concave Northeasterly, and having a radius of 20.00 feet, an arc distance of 29.40 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 82°56'11" East, 26.82 feet; thence North 54°57'16" East, along said tangency, a distance of 131.41 feet, to the point of curvature of a curve, leading Southeasterly; thence Southeasterly, along and around the arc of a curve, concave Southerly, and having a radius of 100.00 feet, an arc distance of 84.34 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 82°56'42" East, 80.60 feet; thence South 40°50'41" East, along said tangency, a distance of 141.15 feet, to the point of curvature of a curve leading Easterly; thence Southeasterly, along and around the arc of a curve, concave Northeasterly, having a radius of 60.00 feet, and arc distance of 91.48 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 84°31'14" East, 83.87 feet; thence North 51°48'04" East, along said tangency, a distance of 42.83 feet, to the point curvature of a curve leading Northeasterly; thence Northeasterly, along and around the arc of a curve, concave Southeasterly, and having a radius of 288.08 feet, an arc distance of 148.76 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of North 86°20'43" East, 145.18 feet; thence North 80°53'23" East, along said tangency, a distance of 31.76 feet, to the point of curvature, of a curve leading Northeasterly, thence Northeasterly, along and around the arc of a curve, being concave Northwesterly, and having a radius of 428.46 feet, an arc distance of 148.50 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of North 70°59'02" East, 147.78 feet; thence North 81°04'42" East, along said tangency, a distance of 422.10 feet, to a point; thence North 77°08'14" East, a distance of 165.58 feet, to an intersection with said Westerly right of way line of Eastport Road, and the Point of Beginning.

CONSTRUCTION WAREHOUSE AND OFFICE AREA (Official Records Book 7101, Page 1756):
A portion of Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°37'56" West, a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°37'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot public right of way, as now established); run thence North 10°23'38" West, along said Westerly right of way line, a distance of 890.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point of the Northeasterly corner of those lands described and recorded in Official Records Volume 6452, Pages 2217 thru 2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6452, Pages 2217 thru 2228, the following three courses and distances: First Course: South 67°46'22" West, a distance of 316.23 feet to a point; Second Course: South 48°13'44" West, a distance of 270.00 feet to a point, Third Course: South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°37'56" West, along last said line, a distance of 818.79 feet to a point; run thence North 40°46'39" West, a distance of 128.34 feet to a point; run thence South 49°13'04" West, a distance of 100.00 feet to a point; run thence North 40°46'39" West, a distance of 275.00 feet to a point; run thence South 49°13'21" West, a distance of 100.00 feet to a point; run thence South 40°46'39" East, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°37'56" West, along last said line, a distance of 1029.79 feet to the Point of Beginning.

From the Point of Beginning thus described, run North 40°46'39" West, a distance of 128.34 feet to a point; run thence South 49°13'04" West, a distance of 100.00 feet to a point; run thence South 40°46'39" West, a distance of 275.00 feet to a point; run thence South 49°13'21" East, a distance of 100.00 feet to a point; run thence South 40°46'39" East, a distance of 688.13 feet to a point; run thence North 49°09'38" East, a distance of 200.00 feet to a point; run thence North 40°46'39" West, a distance of 884.73 feet to the Point of Beginning.

CONSTRUCTION LAYDOWN AREA 1 (Official Records Book 7101, Page 1756):
A portion of Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°37'56" West, a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°37'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot public right of way, as now established); run thence North 10°23'38" West, along said Westerly right of way line, a distance of 890.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point of the Northeasterly corner of those lands described and recorded in Official Records Volume 6452, Pages 2217 thru 2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6452, Pages 2217 thru 2228, the following three courses and distances: First Course: South 67°46'22" West, a distance of 316.23 feet to a point; Second Course: South 48°13'44" West, a distance of 270.00 feet to a point, Third Course: South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°37'56" West, along last said line, a distance of 818.79 feet to a point; run thence North 40°46'39" West, a distance of 128.34 feet to a point; run thence South 49°13'04" West, a distance of 100.00 feet to a point; run thence North 40°46'39" West, a distance of 275.00 feet to a point; run thence South 49°13'21" West, a distance of 100.00 feet to a point; run thence South 40°46'39" East, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°37'56" West, along last said line, a distance of 1029.79 feet to the Point of Beginning.

From the Point of Beginning thus described, run North 02°51'08" West, a distance of 2,025.47 feet, run thence South 88°58'53" West, a distance of 112.86 feet to an intersection with the Westerly line of Parcel A, of those lands described and recorded in Official Records Volume 6222, Pages 511 thru 535, of the current Public Records of said county; run thence along last said line the following three courses and distances: first course, South 02°51'08" East, a distance of 696.63 feet to a point; second course, South 87°08'54" West, a distance of 40 feet, more or less, to the Mean High Water Line of the Broward River; third course, thence in a general Southerly direction, along said Mean High Water Line of the Broward River, a distance of 1,330 feet, more or less, to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said Subdivision, and lying South 87°37'56" West, a distance of 188 feet, more or less, from the Point of Beginning; run thence North 89°37'56" East, along said Westerly prolongation, a distance of 195 feet, more or less, to the Point of Beginning.

Less and Except those easements, right-of ways, and rights of easements recorded in the following instruments, in the current Public Records of said County:

A.) Deed Book 1789, Page 253 et seq
B.) Deed Book 180, Page 156 et seq
C.) Official Records Volume 452, Page 337 et seq
D.) Official Records Volume 2517, Page 291 et seq

CONSTRUCTION LAYDOWN AREA 2 (Official Records Book 7101, Page 1756):
A portion of Section 19 and Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°37'56" West, a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°37'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot public right of way, as now established); run thence North 10°23'38" West, along said Westerly right of way line, a distance of 890.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point of the Northeasterly corner of those lands described and recorded in Official Records Volume 6452, Pages 2217 thru 2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6452, Pages 2217 thru 2228, the following three courses and distances: First Course: South 67°46'22" West, a distance of 316.23 feet to a point; Second Course: South 48°13'44" West, a distance of 270.00 feet to a point, Third Course: South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°37'56" West, along last said line, a distance of 818.79 feet to a point; run thence North 40°46'39" West, a distance of 128.34 feet to a point; run thence South 49°13'04" West, a distance of 100.00 feet to a point; run thence North 40°46'39" West, a distance of 275.00 feet to a point; run thence South 49°13'21" West, a distance of 100.00 feet to a point; run thence South 40°46'39" East, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°37'56" West, along last said line, a distance of 1029.79 feet to the Point of Beginning.

From the Point of Beginning thus described, run North 02°51'08" West, a distance of 2,025.47 feet, run thence South 88°58'53" West, a distance of 112.86 feet to an intersection with the Westerly line of Parcel A, of those lands described and recorded in Official Records Volume 6222, Pages 511 thru 535, of the current Public Records of said county; run thence along last said line the following three courses and distances: first course, South 02°51'08" East, a distance of 696.63 feet to a point; second course, South 87°08'54" West, a distance of 40 feet, more or less, to the Mean High Water Line of the Broward River; third course, thence in a general Southerly direction, along said Mean High Water Line of the Broward River, a distance of 1,330 feet, more or less, to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said Subdivision, and lying South 87°37'56" West, a distance of 188 feet, more or less, from the Point of Beginning; run thence North 89°37'56" East, along said Westerly prolongation, a distance of 195 feet, more or less, to the Point of Beginning.

Less and Except those easements, right-of ways, and rights of easements recorded in the following instruments, in the current Public Records of said County:

A.) Deed Book 1789, Page 253 et seq
B.) Deed Book 180, Page 156 et seq
C.) Official Records Volume 452, Page 337 et seq
D.) Official Records Volume 2517, Page 291 et seq

CONSTRUCTION LAYDOWN AREA 3 (Official Records Book 7101, Page 1756):
A portion of Section 19 and Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°37'56" West, a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°37'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot public right of way, as now established); run thence North 10°23'38" West, along said Westerly right of way line, a distance of 890.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point of the Northeasterly corner of those lands described and recorded in Official Records Volume 6452, Pages 2217 thru 2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6452, Pages 2217 thru 2228, the following three courses and distances: First Course: South 67°46'22" West, a distance of 316.23 feet to a point; Second Course: South 48°13'44" West, a distance of 270.00 feet to a point, Third Course: South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°37'56" West, along last said line, a distance of 818.79 feet to a point; run thence North 40°46'39" West, a distance of 128.34 feet to a point; run thence South 49°13'04" West, a distance of 100.00 feet to a point; run thence North 40°46'39" West, a distance of 275.00 feet to a point; run thence South 49°13'21" West, a distance of 100.00 feet to a point; run thence South 40°46'39" East, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°37'56" West, along last said line, a distance of 1029.79 feet to the Point of Beginning.

From the Point of Beginning thus described, run North 02°51'08" West, a distance of 2,025.47 feet, run thence South 88°58'53" West, a distance of 112.86 feet to an intersection with the Westerly line of Parcel A, of those lands described and recorded in Official Records Volume 6222, Pages 511 thru 535, of the current Public Records of said county; run thence along last said line the following three courses and distances: first course, South 02°51'08" East, a distance of 696.63 feet to a point; second course, South 87°08'54" West, a distance of 40 feet, more or less, to the Mean High Water Line of the Broward River; third course, thence in a general Southerly direction, along said Mean High Water Line of the Broward River, a distance of 1,330 feet, more or less, to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said Subdivision, and lying South 87°37'56" West, a distance of 188 feet, more or less, from the Point of Beginning; run thence North 89°37'56" East, along said Westerly prolongation, a distance of 195 feet, more or less, to the Point of Beginning.

Less and Except those easements, right-of ways, and rights of easements recorded in the following instruments, in the current Public Records of said County:

A.) Deed Book 1789, Page 253 et seq
B.) Deed Book 180, Page 156 et seq
C.) Official Records Volume 452, Page 337 et seq
D.) Official Records Volume 2517, Page 291 et seq

CONSTRUCTION LAYDOWN AREA 4 (Official Records Book 7101, Page 1756):
A portion of Section 19 and Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°37'56" West, a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°37'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot public right of way, as now established); run thence North 10°23'38" West, along said Westerly right of way line, a distance of 890.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point of the Northeasterly corner of those lands described and recorded in Official Records Volume 6452, Pages 2217 thru 2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6452, Pages 2217 thru 2228, the following three courses and distances: First Course: South 67°46'22" West, a distance of 316.23 feet to a point; Second Course: South 48°13'44" West, a distance of 270.00 feet to a point, Third Course: South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°37'56" West, along last said line, a distance of 818.79 feet to a point; run thence North 40°46'39" West, a distance of 128.34 feet to a point; run thence South 49°13'04" West, a distance of 100.00 feet to a point; run thence North 40°46'39" West, a distance of 275.00 feet to a point; run thence South 49°13'21" West, a distance of 100.00 feet to a point; run thence South 40°46'39" East, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°37'56" West, along last said line, a distance of 1029.79 feet to the Point of Beginning.

From the Point of Beginning thus described, run North 02°51'08" West, a distance of 2,025.47 feet, run thence South 88°58'53" West, a distance of 112.86 feet to an intersection with the Westerly line of Parcel A, of those lands described and recorded in Official Records Volume 6222, Pages 511 thru 535, of the current Public Records of said county; run thence along last said line the following three courses and distances: first course, South 02°51'08" East, a distance of 696.63 feet to a point; second course, South 87°08'54" West, a distance of 40 feet, more or less, to the Mean High Water Line of the Broward River; third course, thence in a general Southerly direction, along said Mean High Water Line of the Broward River, a distance of 1,330 feet, more or less, to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said Subdivision, and lying South 87°37'56" West, a distance of 188 feet, more or less, from the Point of Beginning; run thence North 89°37'56" East, along said Westerly prolongation, a distance of 195 feet, more or less, to the Point of Beginning.

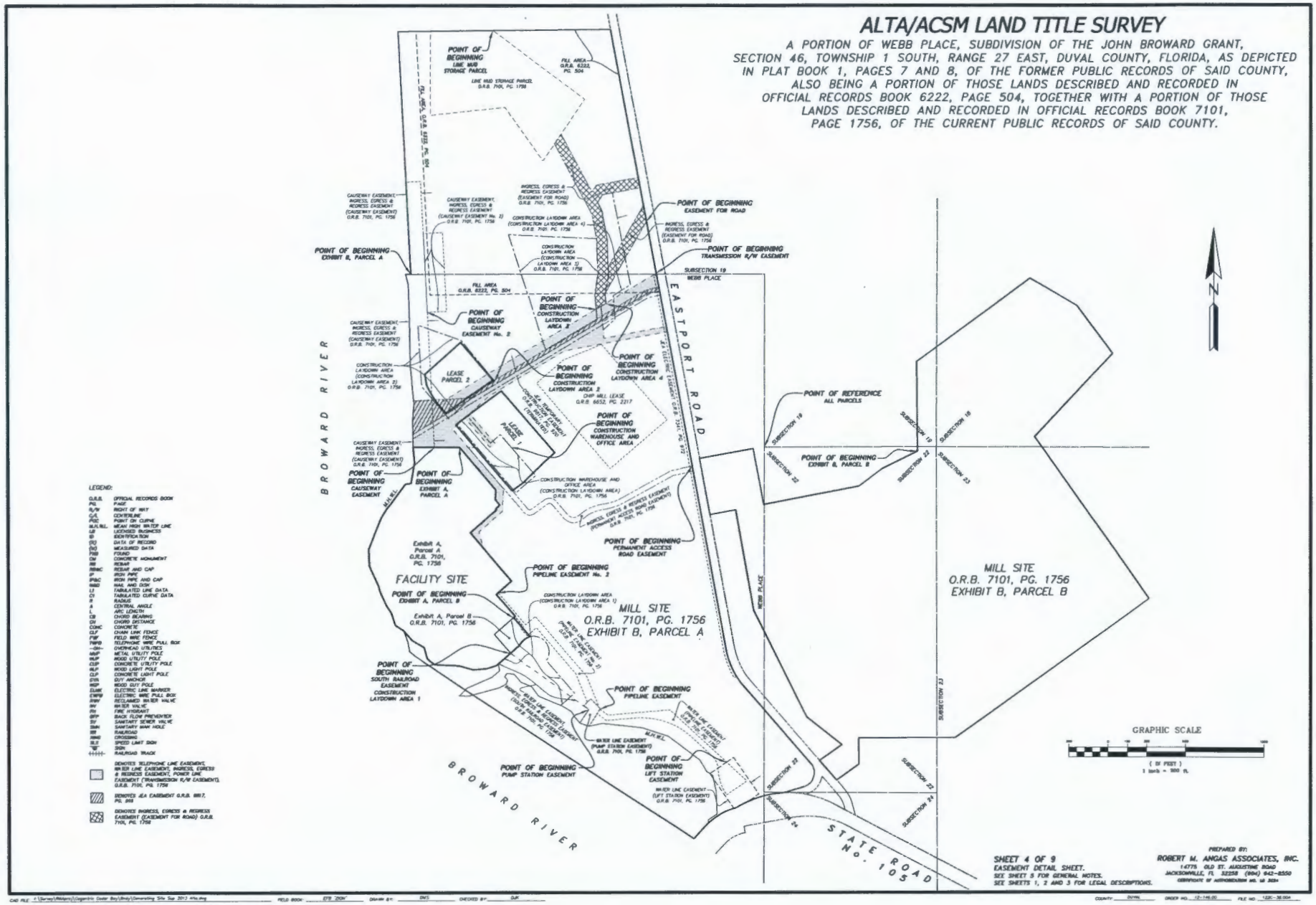
Less and Except those easements, right-of ways, and rights of easements recorded in the following instruments, in the current Public Records of said County:

A.) Deed Book 1789, Page 253 et seq
B.) Deed Book 180, Page 156 et seq
C.) Official Records Volume 452, Page 337 et seq
D.) Official Records Volume 2517, Page 291 et seq

PREPARED BY:
ROBERT M. ANGAS ASSOCIATES, INC.
14775 OLD ST. AUGUSTINE ROAD
JACKSONVILLE, FL 32258 (904) 642-8550
CERTIFICATE OF AUTHORIZATION NO. LB 3624

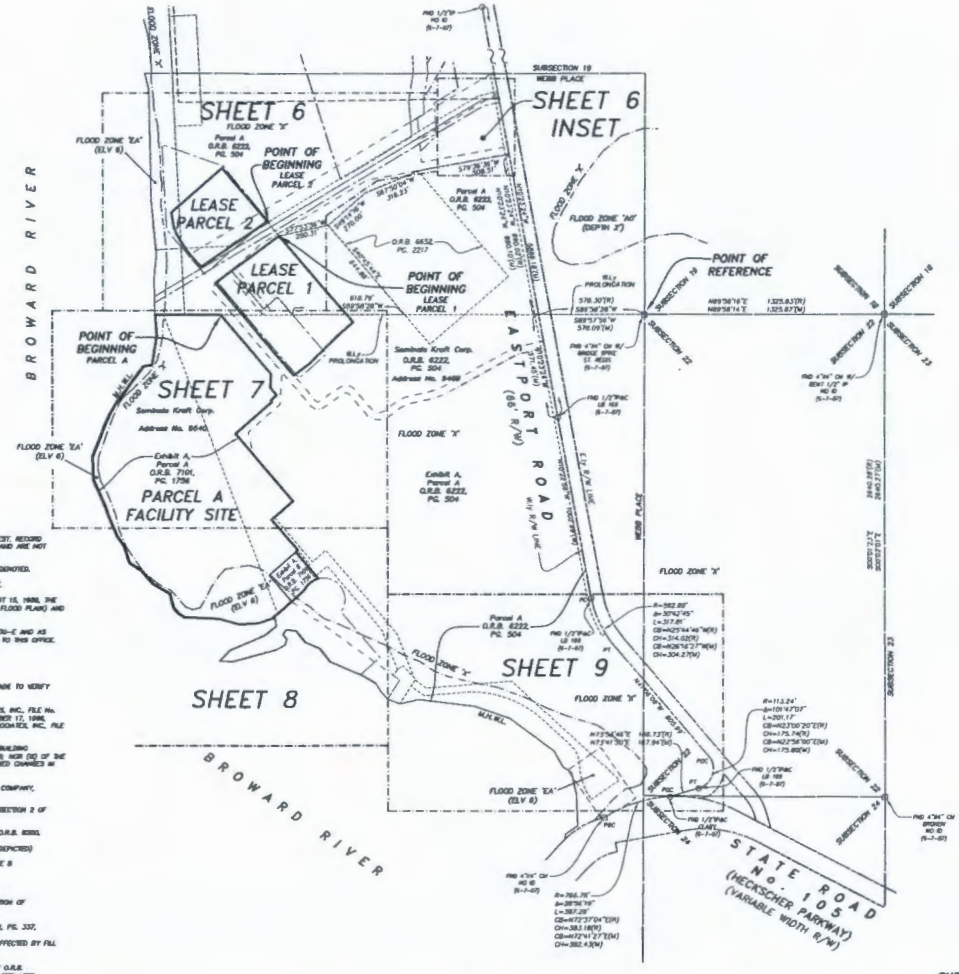
SHEET 3 OF 9
SEE SHEET 5 FOR GENERAL NOTES.

CAD FILE: I:\Survey\Workproj\Cogeneric Cedar Bay\Bndy\Cemetery Site Sur 2013 Atts.dwg FIELD BOOK: ____ DRAWN BY: DWS CHECKED BY: DJK
COUNTY: DUVAL ORDER NO.: 12-146.00 FILE NO.: 12SC-36.004


ALTA/ACSM LAND TITLE SURVEY
A PORTION OF WEBB PLACE, SUBDIVISION OF THE JOHN BROWARD GRANT, SECTION 46, TOWNSHIP 1 SOUTH, RANGE 27 EAST, DUVAL COUNTY, FLORIDA, AS DEPICTED IN PLAT BOOK 1, PAGES 7 AND 8, OF THE FORMER PUBLIC RECORDS OF SAID COUNTY, ALSO BEING A PORTION OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 6222, PAGE 504, TOGETHER WITH A PORTION OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 7101, PAGE 1756, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY.
BROWARD RIVER
EASTPORT ROAD
FACILITY SITE
MILL SITE O.R.B. 7101, PG. 1756 EXHIBIT B, PARCEL A
MILL SITE O.R.B. 7101, PG. 1756 EXHIBIT B, PARCEL B
POINT OF BEGINNING EXHIBIT B, PARCEL A
POINT OF BEGINNING EXHIBIT A, PARCEL A
POINT OF BEGINNING EXHIBIT A, PARCEL B
POINT OF BEGINNING EASEMENT FOR ROAD
POINT OF BEGINNING TRANSMISSION R/W EASEMENT
POINT OF BEGINNING CAUSEWAY EASEMENT No. 2
POINT OF BEGINNING CONSTRUCTION LAYDOWN AREA 2
POINT OF BEGINNING CONSTRUCTION LAYDOWN AREA 3
POINT OF BEGINNING CONSTRUCTION LAYDOWN AREA 4
POINT OF BEGINNING CONSTRUCTION WAREHOUSE AND OFFICE AREA
POINT OF BEGINNING PERMANENT ACCESS ROAD EASEMENT
POINT OF BEGINNING PIPELINE EASEMENT No. 2
POINT OF BEGINNING PIPELINE EASEMENT
POINT OF BEGINNING SOUTH RAILROAD EASEMENT CONSTRUCTION LAYDOWN AREA 1
POINT OF BEGINNING PUMP STATION EASEMENT
POINT OF BEGINNING LIFT STATION EASEMENT
POINT OF REFERENCE ALL PARCELS
LEASE PARCEL 1
LEASE PARCEL 2
CHP MILL LEASE O.R.B. 6652, PG. 2217
FILL AREA O.R.B. 6222, PG. 504
LINE HAUL STORAGE PARCEL O.R.B. 7101, PG. 1758
SUBSECTION 19
SUBSECTION 18
SUBSECTION 22
SUBSECTION 23
WEBB PLACE
STATE ROAD No. 105
GRAPHIC SCALE
LEGEND:
SHEET 4 OF 9
EASEMENT DETAIL SHEET.
SEE SHEET 5 FOR GENERAL NOTES.
SEE SHEETS 1, 2 AND 3 FOR LEGAL DESCRIPTIONS.
PREPARED BY:
ROBERT M. ANGAS ASSOCIATES, INC.
14775 OLD ST. AUGUSTINE ROAD
JACKSONVILLE, FL 32258 (904) 642-8550

ALTA/ACSM LAND TITLE SURVEY

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ACREAGE SUMMARY TABLE	
PARCEL A	30.4 ACRES±
LEASE PARCEL 1	6.51 ACRES±
LEASE PARCEL 2	3.49 ACRES±
TOTAL	40.40 ACRES±

LEGEND:

O.R.B.	OFFICIAL RECORDS BOOK
PG.	PAGE
R/W	RIGHT OF WAY
C/L	CENTERLINE
POC	POINT ON CURVE
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LB	LICENSED BUSINESS
ID	IDENTIFICATION
(R)	DATA OF RECORD
(M)	MEASURED DATA
(NM)	FOUND
CM	CONCRETE MONUMENT
RB	REBAR
RB&C	REBAR AND CAP
IP	IRON PIPE
IP&C	IRON PIPE AND CAP
N&D	NAIL AND DISK
L1	TABULATED LINE DATA
C1	TABULATED CURVE DATA
R	RADIUS
Δ	CENTRAL ANGLE
L	ARC LENGTH
CB	CHORD BEARING
CH	CHORD DISTANCE
CONC	CONCRETE
CLF	CHAIN LINK FENCE
FW	FIELD WIRE FENCE
TMPB	TELEPHONE WIRE PULL BOX
-OH-	OVERHEAD UTILITIES
MUP	METAL UTILITY POLE
WUP	WOOD UTILITY POLE
CUP	CONCRETE UTILITY POLE
WLP	WOOD LIGHT POLE
CLP	CONCRETE LIGHT POLE
GYA	GUY ANCHOR
WGP	WOOD GUY POLE
ELMK	ELECTRIC LINE MARKER
EWPB	ELECTRIC WIRE PULL BOX
RWV	RECLAIMED WATER VALVE
WV	WATER VALVE
FH	FIRE HYDRANT
BFP	BACK FLOW PREVENTER
SV	SANITARY SEWER VALVE
SMH	SANITARY MAN HOLE
RR	RAILROAD
XING	CROSSING
SLS	SPEED LIMIT SIGN
SI	SIGN
++++	RAILROAD TRACK

GENERAL NOTES:

1) THIS IS A BOUNDARY SURVEY.

2) BEARINGS BASED ON THE WESTERLY RIGHT OF WAY LINE OF EASTPORT ROAD AS BEING NORTH 10°23'54" WEST, RECORD BEARINGS DEPICTED HEREON ARE, REFLECTIVE OF ADJUSTMENT FROM DEED TO STATE PLANE COORDINATES AND ARE NOT TRANSCRIBED HEREON FROM DEEDS OF RECORD.

3) SECTION LINES AND LOT LINES DEPICTED HEREON ARE GRAPHIC REPRESENTATION ONLY UNLESS OTHERWISE DEPICTED.

4) UNDERGROUND IMPROVEMENTS NOT LOCATED, EXCEPT AS EVIDENCED BY ABOVE GROUND FEATURES THEREOF.

5) EXAMINATION OF DUVAL COUNTY FLOOD INSURANCE RATE MAP, MAP NUMBER 12031 0159 E, DATED AUGUST 15, 1990, THE PROPERTY DESCRIBED HEREON LIES WITHIN FLOOD ZONE "X" (AREA DETERMINED TO BE OUTSIDE 500 YEAR FLOOD PLAIN) AND "AE" (BASE FLOOD ELEVATION 6 FEET), NO ATTEMPT WAS MADE TO FIELD VERIFY.

6) ZONING FOR THE DESCRIBED PROPERTY IS PLANNED UNIT DEVELOPMENT (PUD) BY ORDINANCE No. 1997-0630-E AND AS AMENDED, PER DUVAL COUNTY PROPERTY APPRAISER'S DATABASE, NO OTHER INFORMATION WAS PROVIDED TO THIS OFFICE.

7) NO ATTEMPT WAS MADE TO LOCATE OR VERIFY BUILDING FOUNDATIONS OR FOOTERS, IF ANY.

8) INTERIOR SITE IMPROVEMENTS ARE FROM AERIAL PHOTOGRAMMETRY AS PROVIDED BY CLIENT.

9) OUTSIDE PARCEL OF "A", THERE ARE NOT ANY PAVED AND STRIPED PARKING SPACES. NO ATTEMPT WAS MADE TO VERIFY PARKING SPACES WITHIN PARCEL "A".

10) SOME BOUNDARY INFORMATION DEPICTED HEREON PER PREVIOUS SURVEY BY ROBERT M. ANGAS ASSOCIATES, INC., FILE No. 1160-06(REV2), DATED JUNE 7, 2007 AND FILE No. 660-4C, DATED MAY-JULY 1983, LAST REVISED DECEMBER 17, 1998, MEAN HIGH WATER LINE INFORMATION DEPICTED HEREON PER PREVIOUS SURVEY BY ROBERT M. ANGAS ASSOCIATES, INC., FILE No. 1220-38.008, DATED JANUARY 2, 2013, LAST REVISED JANUARY 24, 2013.

11) FOR THE DEPICTED PROPERTY THERE WAS NO OBSERVED EVIDENCE (1) OF CURRENT EARTH MOVING WORK, BUILDING CONSTRUCTION OR BUILDING ADDITIONS, (2) OF RECENT STREET OR SIDEWALK CONSTRUCTIONS OR REPAIRS, NOR (3) OF THE SITE USED AS A SOLID WASTE DUMP, SUMP OR SANITARY LANDFILL, AT THIS TIME THERE ARE NO PROPOSED CHANGES IN THE STREET RIGHT OF WAY LINES.

12) SURVEY PERFORMED WITH THE BENEFIT OF A COMMITMENT FOR TITLE, FIDELITY NATIONAL TITLE INSURANCE COMPANY, COMMITMENT No. NTI2-3446, FILE No. COQ6139C, EFFECTIVE DATE FEBRUARY 27, 2013.

THE PROPERTY IS SUBJECT TO, EXEMPTED OR AFFECTED BY THE FOLLOWING ITEMS LISTED IN SCHEDULE B SECTION 2 OF SAID TITLE COMMITMENT:

ITEM 7) TERMS, CONDITIONS AND PROVISIONS RECORDED IN O.R.B. 7101, PG. 1758, AS MODIFIED BY O.R.B. 8350, PAGE 944, (AS TO PARCEL A AND LEASE PARCELS 1 AND 2) (AS DEPICTED)
ITEM 10) GRANT OF EASEMENT RECORDED IN O.R.B. 5977, PAGE 916, (AS TO LEASE PARCEL 2) (AS DEPICTED)

THE PROPERTY IS NOT SUBJECT TO, REMOVED OR AFFECTED BY THE FOLLOWING ITEMS LISTED IN SCHEDULE B SECTION 2 OF SAID TITLE COMMITMENT:

ITEM 8) JEA SPECIAL EASEMENT RECORDED IN O.R.B. 7341, PG. 572,
ITEM 9) REVOCABLE PERMIT AND INDEMNIFICATION AGREEMENT RECORDED IN O.R.B. 7374, PG. 1854,
ITEM 11) TEMPORARY EASEMENT RECORDED IN O.R.B. 9817, PG. 930, (TERMINATED DUE TO INSTALLATION OF IMPROVEMENTS)
ITEM 12) FLORIDA SPECIAL WARRANTY DEED RECORDED IN O.R.B. 14321, PG. 384,
ITEM 13) EASEMENTS RECORDED IN DEED BOOK 1180, PG. 136, DEED BOOK 1786, PG. 253, O.R.B. 458, PG. 337, AND O.R.B. 2317, PG. 396, (RELEASED AND TERMINATED IN O.R.B. 8350, PG. 944)
ITEM 16) TERMS, CONDITIONS AND RIGHTS OF REMOVITER RECORDED IN O.R.B. 6222, PG. 504, (NOT AFFECTED BY FEE LEASE OF GROUND LEASE)
ITEM 17) RESERVATIONS RECORDED IN O.R.B. 1344, PG. 391,
ITEM 18) SKIDTRACK AND LICENSE AGREEMENT RECORDED IN O.R.B. 7101, PG. 1707, AS AMENDED BY O.R.B. 7101, PG. 1748, AND SECOND AMENDMENT IN O.R.B. 8353, PG. 725, (SECOND AMENDMENT REPLACES EASEMENTS WHICH ARE SUBSEQUENTLY RELEASED AND TERMINATED BY O.R.B. 8350, PG. 944)

ALL THE ABOVE ITEMS RECORDED IN THE CURRENT PUBLIC RECORDS OF DUVAL COUNTY, FLORIDA.

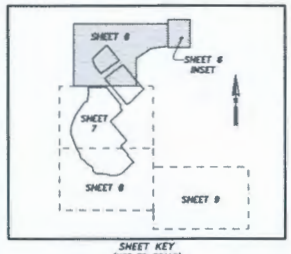
SHEET 5 OF 9
SURVEY DETAIL SHEET.
SEE SHEETS 1, 2 AND 3 FOR LEGAL DESCRIPTIONS.

PREPARED BY:
ROBERT M. ANGAS ASSOCIATES, INC.
14279 OLD ST. AUGUSTINE ROAD
JACKSONVILLE, FL. 32258 (904) 645-8330
CERTIFICATE OF AUTHORIZATION NO. LB 3884

CAD FILE: I:\Survey\Projects\Cogentrix Cedar Bay\Proj\Generating Site Sup 2012 Alta.dwg FIELD BOOK: ETE 2014 DRAWN BY: DWS CHECKED BY: DJK
COUNTY: DUVAL ORDER NO.: 12-146.00 FILE NO.: 1220-38.004

ALTA/ACSM LAND TITLE SURVEY

A PORTION OF WEBB PLACE, SUBDIVISION OF THE JOHN BROWARD GRANT, SECTION 46, TOWNSHIP 1 SOUTH, RANGE 27 EAST, DUVAL COUNTY, FLORIDA, AS DEPICTED IN PLAT BOOK 1, PAGES 7 AND 8, OF THE FORMER PUBLIC RECORDS OF SAID COUNTY, ALSO BEING A PORTION OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 6222, PAGE 504, TOGETHER WITH A PORTION OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 7101, PAGE 1756, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY.



SHEET KEY
(NOT TO SCALE)

LEGEND:

O.R.B.	OFFICIAL RECORDS BOOK
PG.	PAGE
R/W	RIGHT OF WAY
C/L	CENTERLINE
POC	POINT ON CURVE
M.H.W.L.	MEAN HIGH WATER LINE
LB	LICENSED BUSINESS
ID	IDENTIFICATION
(R)	DATA OF RECORD
(M)	MEASURED DATA
FND	FOUND
CM	CONCRETE MONUMENT
RB	REBAR
RBAC	REBAR AND CAP
IP	IRON PIPE
IPAC	IRON PIPE AND CAP
NAD	NAIL AND DISK
LT	TABULATED LINE DATA
CT	TABULATED CURVE DATA
R	RADIUS
Δ	CENTRAL ANGLE
L	ARC LENGTH
CB	CHORD BEARING
CH	CHORD DISTANCE
CONC	CONCRETE
CLF	CHAIN LINK FENCE
FWF	FIELD WIRE FENCE
TWFB	TELEPHONE WIRE PULL BOX
-OH-	OVERHEAD UTILITIES
MUP	METAL UTILITY POLE
WUP	WOOD UTILITY POLE
CUP	CONCRETE UTILITY POLE
WLP	WOOD LIGHT POLE
CLP	CONCRETE LIGHT POLE
GTA	GUY ANCHOR
WGP	WOOD GUY POLE
ELMK	ELECTRIC LINE MARKER
ETPB	ELECTRIC WIRE PULL BOX
RWV	RECLAIMED WATER VALVE
WV	WATER VALVE
FH	FIRE HYDRANT
BFP	BACK FLOW PREVENTER
SV	SANITARY SEWER VALVE
SMH	SANITARY MAN HOLE
RR	RAILROAD
RRXC	CROSSING
SLS	SPEED LIMIT SIGN
"S"	SIGN
++++	RAILROAD TRACK

FACILITIES LEGEND

BLDG. ID.	DESCRIPTION
1	STEAM GENERATOR STRUCTURE
2	TURBINE GENERATOR BUILDING
3	TRANSFORMER AREA
4	FABRIC FILTER
5	ID FAN
6	CHIMNEY
7	COOLING TOWER
8	CIRCULATING WATER PUMP STRUCTURE
9	FLY ASH SILO
10	BED ASH SILO
11	PIPE RACK
12	BED ASH STORAGE HOPPER
13	ASH PALLETIZING BUILDING (Foundation Only)
14	SCREEN STRUCTURE
15	CURED PELLET STORAGE
16	ASH PELLET LOADOUT HOPPER
17	COAL UNLOADING STRUCTURE
18	COAL LOWERING WELL
19	COAL STORAGE
20	COAL CRUSHER BUILDING
21	LIMESTONE STORAGE
22	LIMESTONE PULVERIZER BUILDING
23	FIRE PROTECTION EQUIPMENT ROOM
24	PELLET CURING SILOS
25	CIRCULATING WATER CHEMICAL FEED STRUCTURE
26	CIRCULATING WATER ACID AND INHIBITOR STORAGE TANKS
27	GAS STORAGE
28	FIREWATER STORAGE TANK
29	FIREWATER PUMP STRUCTURE
30	WASTEWATER SUMP
31	CONDENSATE STORAGE TANK
32	DEMINERALIZED WATER STORAGE TANK
33	NEUTRALIZATION BASIN
34	ACID STORAGE TANK
35	CAUSTIC STORAGE TANK
36	WATER TREATMENT BUILDING
37	SERVICES BUILDING
38	FUEL OIL STORAGE TANK
39	STORAGE AREA RUNOFF POND
40	YARD AREA RUNOFF POND
41	PARKING
42	TRANSMISSION LINE
43	SITE ACCESS ROAD
44	NON-DIRECTIONAL BEACON
45	FUEL UNLOADING STATION
46	LIME SLURRY RECIRCULATION BASIN
47	COOLING TOWER FIRE PROT. VALVE HOUSE
48	COAL YARD AREA SUMP
49	POND DISCHARGE STRUCTURE
50	EMERGENCY OVERFLOW
51	COAL CONVEYOR 2
52	COAL CONVEYOR 3
53	COAL TRIPPER 2
54	COAL CONVEYOR 4
55	COAL RECLAIM HOPPER 1
56	WASTE PRE/POST TREATMENT AREA
57	WASTE FIBER LOADING HOPPER
58	WASTE FIBER CONVEYOR
59	DEMOB FACILITY
60	STORMWATER STORAGE TANK

GRAPHIC SCALE
(IN FEET)
1 inch = 80 ft.

FLOOD ZONE "X"

BROWARD RIVER

APPROXIMATE M.H.W.L.

MEAN HIGH WATER LINE PER PREVIOUS SURVEY BY ROBERT M. ANGAS ASSOCIATES, INC. FOR FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION FILE No. 5180

CAUSEWAY EASEMENT, INGRESS, EGRESS & REGRESS EASEMENT (CAUSEWAY EASEMENT) No. 1 O.R.B. 7101, PG. 1756

CAUSEWAY EASEMENT, INGRESS, EGRESS & REGRESS EASEMENT (CAUSEWAY EASEMENT) O.R.B. 7101, PG. 1756

INGRESS, EGRESS & REGRESS EASEMENT (ROAD EASEMENT) O.R.B. 7101, PG. 1756

CONSTRUCTION LAYDOWN AREA (CONSTRUCTION LAYDOWN AREA 3) O.R.B. 7101, PG. 1756

CONSTRUCTION LAYDOWN AREA (CONSTRUCTION LAYDOWN AREA 4) O.R.B. 7101, PG. 1756

Parcel A O.R.B. 6222, PG. 504

E.P. TEMPORARY CONSTRUCTION EASEMENT O.R.B. 6222, PG. 504 (TEMPORARY)

TELEPHONE LINE EASEMENT, WATER LINE EASEMENT, INGRESS, EGRESS & REGRESS EASEMENT, POWER LINE EASEMENT (TRANSMISSION R/W EASEMENT) O.R.B. 7101, PG. 1756

E.P. EASEMENT O.R.B. 6222, PG. 504

E.P. EASEMENT O.R.B. 5817, PG. 918

ASPHALT PAVEMENT

MATCHLINE SEE INSET BELOW

N/F LINE OF O.R.B. 6552, PG. 2217

S50°49'52"E 382.13'

N49°11'08"E 270.75'

R=665.76'
Δ=22°29'35"
L=261.36'
CB=N35°23'40"W
CH=259.69'

S55°49'01"W 441.86'

N52°39'04"E 90.52'

N53°50'15"E 178.06'

N53°53'30"E 1710.2'

S41°06'30"E 624.12'

N40°53'13"W 663.30'

LEASE PARCEL 2

LEASE PARCEL 1

ONE STORY METAL BUILDING

CONC. PAD W/ TRANSFORMER

PUMP BOX

FILL

MATCHLINE SEE SHEET 7

MATCHLINE SEE SHEET 5

S57°53'36"W 380.31'

S50°49'52"E 382.13'

S40°06'24"W 316.22'

S79°38'36"W 308.51'

N/F LINE OF O.R.B. 6552, PG. 2217

FILL AREA O.R.B. 6222, PG. 504

E.P. TEMPORARY CONSTRUCTION EASEMENT O.R.B. 6222, PG. 504 (TEMPORARY)

E.P. EASEMENT O.R.B. 5817, PG. 918

E.P. R/W LINE

EASTPORT ROAD (66' R/W)

MATCHLINE SEE ABOVE

MATCHLINE SEE SHEET 5

SHEET 6 INSET
(1"=60')

SHEET 6 OF 9
SURVEY DETAIL SHEET.
SEE SHEET 5 FOR GENERAL NOTES.
SEE SHEETS 1, 2 AND 3 FOR LEGAL DESCRIPTIONS.

PREPARED BY:
ROBERT M. ANGAS ASSOCIATES, INC.
14775 OLD ST. AUGUSTINE ROAD
JACKSONVILLE, FL. 32258 (904) 642-8550
CERTIFICATE OF AUTHORIZATION NO. LB 3624

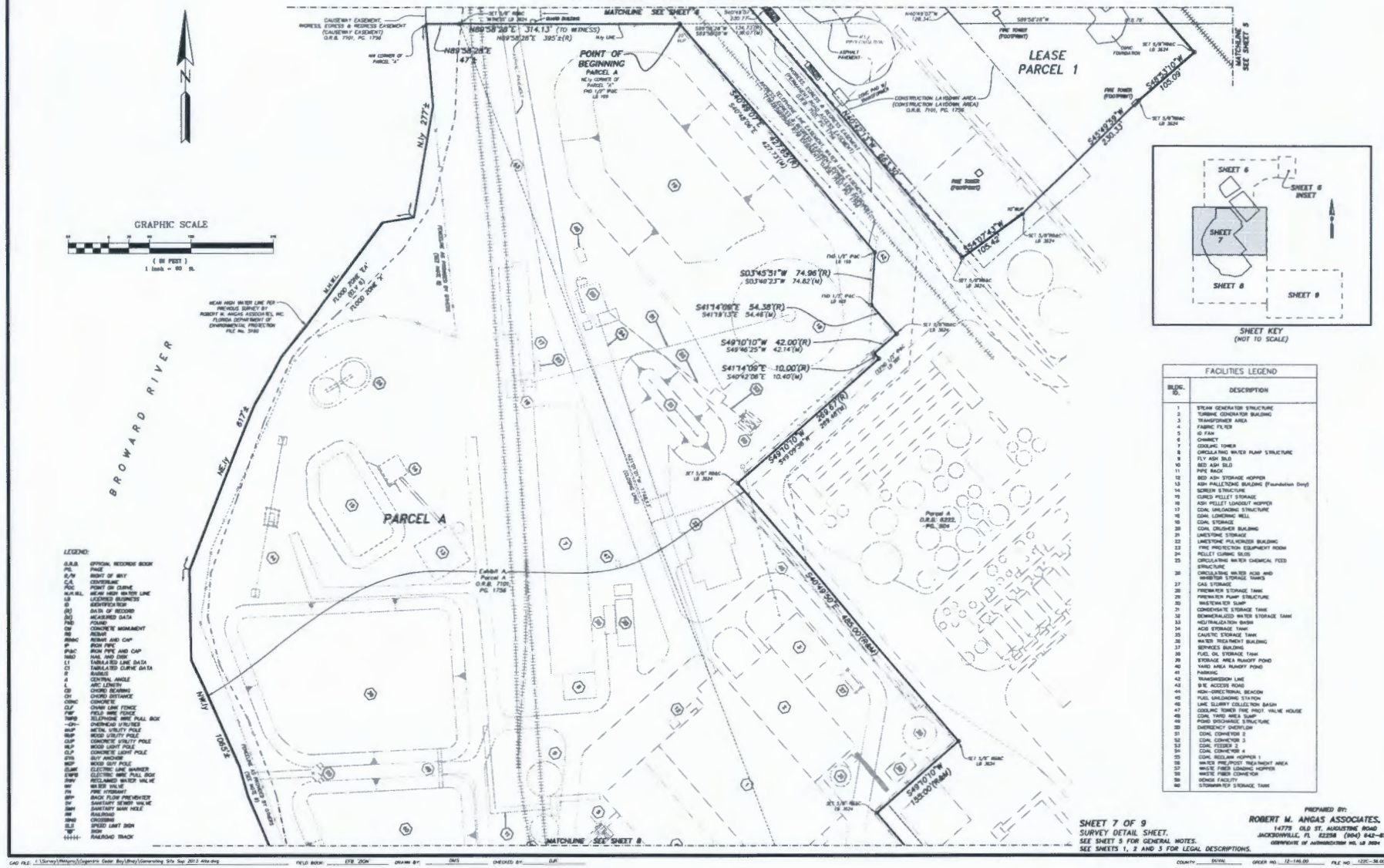
CAD FILE: I:\Survey\Mellano\Cogentrix Cedar Bay\Bndy\Generating Site Sup 2013 Alta.dwg FIELD BOOK: 678, 209' DRAWN BY: DWS CHECKED BY: DJR

COUNTY: DUVAL ORDER NO.: 12-148.00 FILE NO.: 1220-38.00A

150075 Hearing Exhibits 000045

ALTA/ACSM LAND TITLE SURVEY

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GYA	GUY ANCHOR
WGP	WOOD GUY POLE
CLMK	ELECTRIC LINE MARKER
EWPB	ELECTRIC WIRE PULL BOX
RWV	RECLAIMED WATER VALVE
WV	WATER VALVE
FH	FIRE HYDRANT
BFP	BACK FLOW PREVENTER
SV	SANITARY SEWER VALVE
SMH	SANITARY MAN HOLE
RR	RAILROAD
XING	CROSSING
SLS	SPEED LIMIT SIGN
"B"	SIGN
++++	RAILROAD TRACK

FACILITIES LEGEND

BLDG. ID.	DESCRIPTION
1	STEAM GENERATOR STRUCTURE
2	TURBINE GENERATOR BUILDING
3	TRANSFORMER AREA
4	FABRIC FILTER
5	ID FAN
6	CHIMNEY
7	COOLING TOWER
8	CIRCULATING WATER PUMP STRUCTURE
9	FLY ASH SILO
10	BED ASH SILO
11	PIPE RACK
12	BED ASH STORAGE HOPPER
13	ASH PALLETIZING BUILDING (Foundation Only)
14	SCREEN STRUCTURE
15	CURED PELLET STORAGE
16	ASH PELLET LOADOUT HOPPER
17	COAL UNLOADING STRUCTURE
18	COAL LOWERING WELL
19	COAL STORAGE
20	COAL CRUSHER BUILDING
21	LIMESTONE STORAGE
22	LIMESTONE PULVERIZER BUILDING
23	FIRE PROTECTION EQUIPMENT ROOM
24	PELLET CURING SILOS
25	CIRCULATING WATER CHEMICAL FEED STRUCTURE
26	CIRCULATING WATER ACID AND INHIBITOR STORAGE TANKS
27	GAS STORAGE
28	FIREWATER STORAGE TANK
29	FIREWATER PUMP STRUCTURE
30	WASTEWATER SUMP
31	CONDENSATE STORAGE TANK
32	DEMINERALIZED WATER STORAGE TANK
33	NEUTRALIZATION BASIN
34	ACID STORAGE TANK
35	CAUSTIC STORAGE TANK
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37	SERVICES BUILDING
38	FUEL OIL STORAGE TANK
39	STORAGE AREA RUNOFF POND
40	YARD AREA RUNOFF POND
41	PARKING
42	TRANSMISSION LINE
43	SITE ACCESS ROAD
44	NON-DIRECTIONAL BEACON
45	FUEL UNLOADING STATION
46	LIME SLURRY COLLECTION BASIN
47	COOLING TOWER FIRE PROT. VALVE HOUSE
48	COAL YARD AREA SUMP
49	POND DISCHARGE STRUCTURE
50	EMERGENCY OVERFLOW
51	COAL CONVEYOR 2
52	COAL CONVEYOR 3
53	COAL FEEDER 2
54	COAL CONVEYOR 4
55	COAL RECLAIM HOPPER 1
56	WATER PRE/POST TREATMENT AREA
57	WASTE FIBER LOADING HOPPER
58	WASTE FIBER CONVEYOR
59	DEMOLE FACILITY
60	STORMWATER STORAGE TANK

SHEET 7 OF 9
SURVEY DETAIL SHEET.
SEE SHEET 5 FOR GENERAL NOTES.
SEE SHEETS 1, 2 AND 3 FOR LEGAL DESCRIPTIONS.

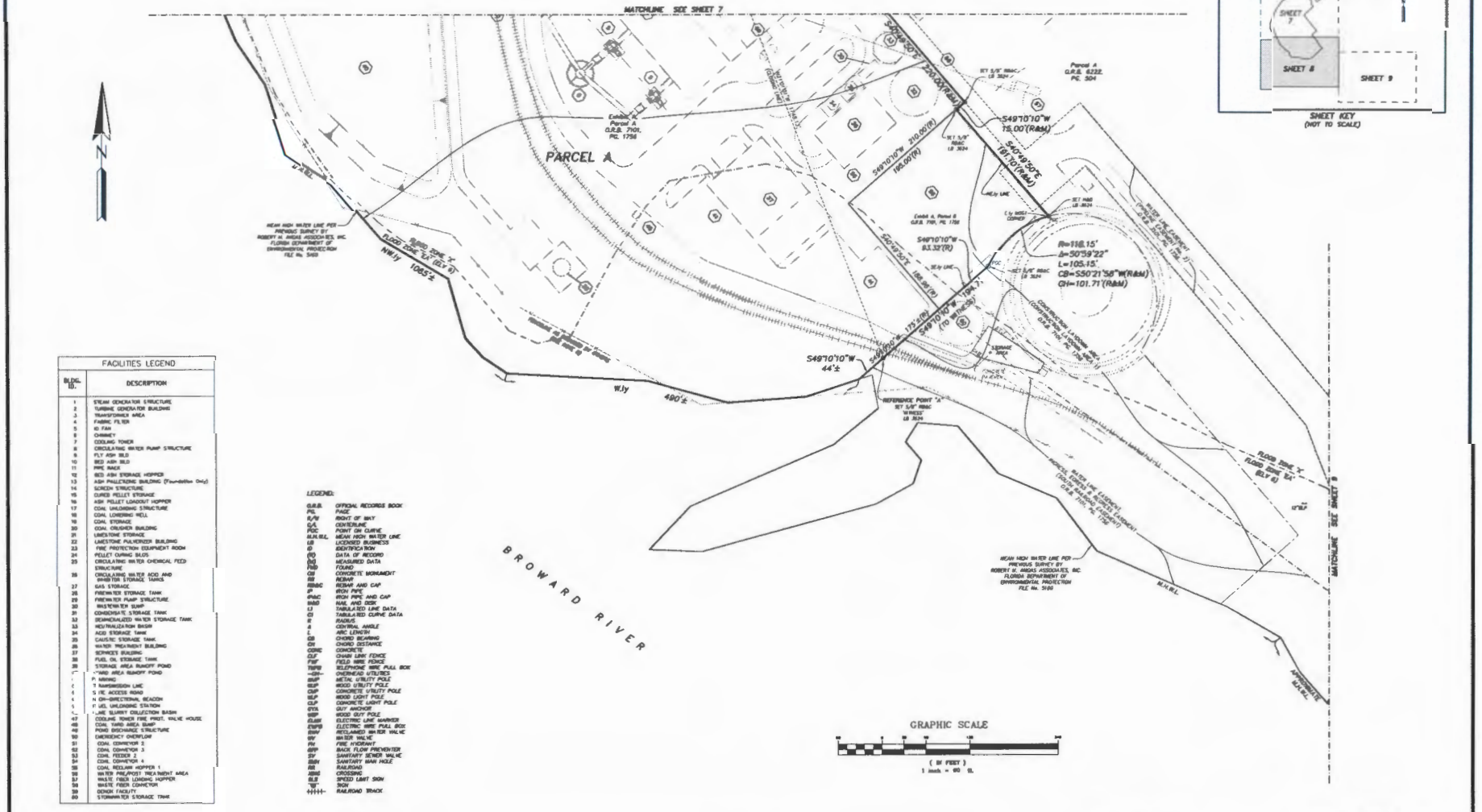
PREPARED BY:
ROBERT M. ANGAS ASSOCIATES, INC.
14775 OLD ST. AUGUSTINE ROAD
JACKSONVILLE, FL 32258 (904) 642-8550
CERTIFICATE OF AUTHORIZATION NO. LB 3624

CAD FILE: I:\Survey\Mitigation\Cogentrix Cedar Bay\Bay\Generating Site Sup 2013 Alta.dwg FIELD BOOK: ETB ZION DRAWN BY: DWS CHECKED BY: DJR
COUNTY: DUVAL ORDER NO.: 12-146.00 FILE NO.: 122C-36.004

150075 Hearing Exhibits 000046

ALTA/ACSM LAND TITLE SURVEY

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35	CAUSTIC STORAGE TANK
36	WASTE TREATMENT BUILDING
37	SERVICES BUILDING
38	FUEL OIL STORAGE Tank
39	STORAGE AREA RUNOFF POND
[illegible]	YARD AREA RUNOFF POND
[illegible]	P- WIRING
[illegible]	T- TRANSMISSION LINE
[illegible]	S- FPL ACCESS ROAD
[illegible]	N- OIL-DIRECTIONAL BEACON
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58	WASTE FIBER CONVEYOR
59	DEINOX FACILITY
60	STORMWATER STORAGE TANK

LEGEND:

O.R.B.	OFFICIAL RECORDS BOOK
PG.	PAGE
R/W	RIGHT OF WAY
C/L	CENTERLINE
POC	POINT ON CURVE
M.H.W.L.	MEAN HIGH WATER LINE
LB	LICENSED BUSINESS
ID	IDENTIFICATION
(R)	DATA OF RECORD
(M)	MEASURED DATA
FND	FOUND
CM	CONCRETE MONUMENT
RB	REBAR
RB&C	REBAR AND CAP
IP	IRON PIPE
IP&C	IRON PIPE AND CAP
N&D	NAIL AND DISK
L.T.	TABULATED LINE DATA
C.T.	TABULATED CURVE DATA
R	RADIUS
Δ	CENTRAL ANGLE
L	ARC LENGTH
CB	CHORD BEARING
CH	CHORD DISTANCE
CONC	CONCRETE
C.L.F.	CHAIN LINK FENCE
F.W.F.	FIELD WIRE FENCE
T.B.P.B.	TELEPHONE WIRE PULL BOX
-OH-	OVERHEAD UTILITIES
M.U.P.	METAL UTILITY POLE
W.U.P.	WOOD UTILITY POLE
C.U.P.	CONCRETE UTILITY POLE
W.L.P.	WOOD LIGHT POLE
C.L.P.	CONCRETE LIGHT POLE
G.T.A.	GUY ANCHOR
W.G.P.	WOOD GUY POLE
E.L.B.R.	ELECTRIC LINE BARRIER
E.T.B.P.B.	ELECTRIC WIRE PULL BOX
R.W.V.	RECLAIMED WATER VALVE
W.V.	WATER VALVE
F.H.	FIRE HYDRANT
B.F.P.	BACK FLOW PREVENTER
S.V.	SANITARY SEWER VALVE
S.M.H.	SANITARY MAN HOLE
R.R.	RAILROAD
X.R.R.	CROSSING
S.L.S.	SPEED LIMIT SIGN
"S"	SIGN
+++++	RAILROAD TRACK

GRAPHIC SCALE
(IN FEET)
1 inch = 60 ft.

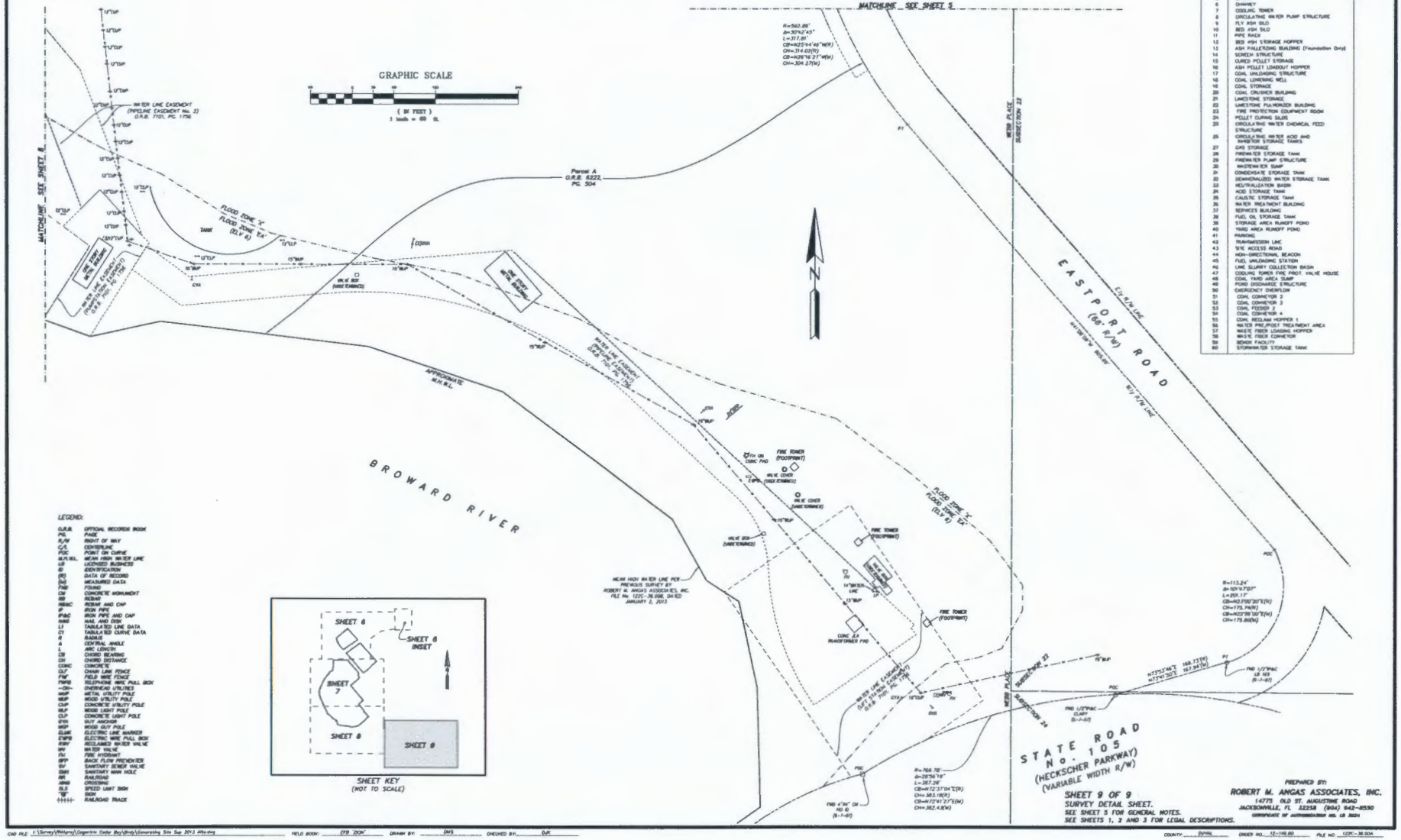
SHEET 8 OF 9
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CERTIFICATE OF AUTHORIZATION NO. LB 3634

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COUNTY: DUVAL ORDER NO.: 12-148.00 FILE NO.: 122C-38.004

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SMH	SANITARY MAN HOLE
RR	RAILROAD
XING	CROSSING
SLS	SPEED LIMIT SIGN
SI	SIGN
	RAILROAD TRACK

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CERTIFICATE OF AUTHORIZATION NO. LB 3624

SHEET 9 OF 9
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CAD FILE: I:\Survey\WMarry\Dagenhs Cedar Bay\dwg\Generating Site Sup 2013 Atts.dwg FIELD BOOK: 878 '2014' DRAWN BY: DWS CHECKED BY: DJR
COUNTY: DUVAL ORDER NO.: 12-146.00 FILE NO.: 122C-36.004

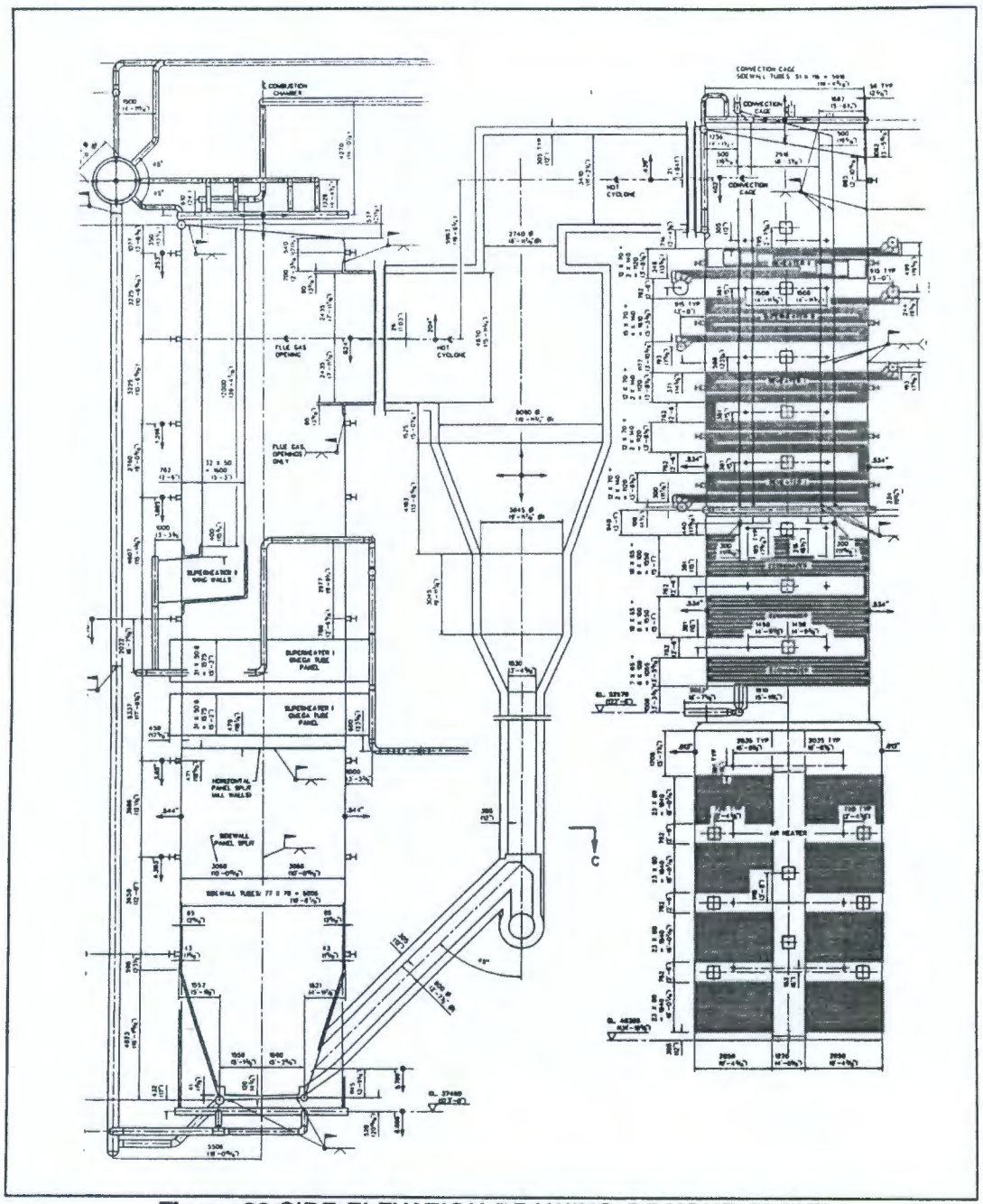


Figure 32 SIDE ELEVATION DRAWING OF YOUR PLANT

TOSHIBA

E- KC00478

INSTRUCTION MANUAL

DESIGN DATA AND CONSTRUCTION

FOR 343,000 kVA GENERATOR

TOSHIBA CORPORATION

KF2011

	Page
1.1 GENERAL DESCRIPTION	2
1.1.1 General	2
1.1.2 Design Data	3
1.2 DESCRIPTION OF EQUIPMENT	5
1.2.1 Generator Structure	5
1.2.2 Attachment Drawings	32

1.1 GENERAL DESCRIPTION

1.1.1 General

This instruction manual gives overall design data and descriptions of 343,000kVA generator and its auxiliary units installed at AES CEDAR BAY COGEN.PLANT

The electrical power output capability of a single generator is 291,550kW at a power factor of 0.85 lagging. The generator which is located in the power house at EL 132'-0", is mechanically driven by its associated steam turbine, electrically excited by the static thyristor rectifier excitation system and internally cooled by hydrogen gas and stator cooling water.

1.1.2 Design Data

a. Type

Three phase synchronous generator totally enclosed, direct coupled to steam turbine.

b. Cooling System

Stator winding : Direct water cooled

Stator core : Hydrogen cooled

Rotor winding : Direct hydrogen cooled

c. Rating

Rating	Continuous
Nominal rated capacity at 45Psi g hydrogen pressure	343 MVA
Power factor	0.85 (lagging)
Rated hydrogen pressure	45Psi g
Number of phases	3
Number of poles	2
Frequency	60 Hz
Rates speed	360 rpm
Terminal voltage	20 kV
Short circuit ratio at rated MVA	Not less than 0.58 (343 MVA base)
Insulation Class-Stator	Class F
-Rotor	Class F
Excitation	Static excitation system with thyristor

d. Cooling Gas

Cooling gas flow rate through generator : 1059 ^{Cf}/s(at 45psi g)

Cooling gas inlet temperature : 115 ° F

Cooling gas outlet temperature : 151 ° F

e. Water flow through stator winding : 174 g/min

f. Hydrogen Gas cooler

Quantity : 4 units/one generator

Cooling water flow rate per unit : 343 g/min

Total cooling water flow : 1372 g/min

Cooling water inlet temperature : 97 °F

Cooling water outlet temperature : 1106 °F

Head loss : Approx. 10.8 ft Aq

Cooling water quality : Fresh water

TOSHIBA

E-KS100195
-a

INSTRUCTION MANUAL

GENERAL DESCRIPTION

TOSHIBA CORPORATION

KF201

92.5.11

92.5.12

E-KS100195-a

General Description

This turbine is a tandem-compound reheat unit with double-flow, low pressure stages. The design incorporates features which have proved their reliability and efficiency in a large number of units operting at comparable conditions.

This turbine has an opposed-flow, high-pressure reheat section and double-flow, low-pressure section. The high-pressure steam initially enters the turbine near the middle of the high pressure span and flows through the high-pressure stages toward the turbine end of the unit. The steam leaves the high-pressure section and returns to the reheat section of the boiler. The reheated steam returns to the turbine through the combined reheat valves, and again enters the turbine near the middle of the high-pressure span. The steam then flows toward the generator through the reheat stages. After passing through the reheat stages, the steam enters the single crossover pipe from which steam enters the double-flow section. After passing through the low-pressure stages, the steam is exhaused downward into the condenser.

The exhaust hood is keyed to the foundation plates around its side of the hood to prevent axial movement. The turbine expands axially from this point. The front standard is free to slide axially on its foundation plate, but the standard and hood are guided to prevent transverse movement.

All of the shells and hood are provided with bolted, horizontal joints for access to the steam path parts for inspection and maintenance. The joints of the shells and hood are accurately machined to give full metal-to metal contact and to assure a steam-tight joint.

92. 5. 11

TOSHIBA

E-KS200243a

INSTRUCTION MANUAL

RATING AND DESIGN DATA

TOSHIBA CORPORATION

K F 2011

TOSHIBA

E-KS200243a
PAGE 1

Rating and Design Data

1. Type of Turbine	Tandem Compound 2 Cylinders 2 Flow Exhaust Reheat Turbine
2. Rated Output	285,000 kW
3. Rated Speed	3,600 rpm
4. Direction of Rotation	Counter-clock-wise (seeing from turbine end)

5. Steam Conditions

Main Steam Pressure at MSV inlet	1,890 psig
Main Steam Temperature at MSV inlet	1000 F
Reheat Steam Temperature at CRV inlet	1000 F

6. Exhaust Vacuum	3" Hg abs.
7. Number of Extractions	6

8. Number of Stages

HP Turbine	7 Stages
IP Turbine	4 Stages
LP Turbine	6 Stages x 2 Flows
Number of Wheels	23

KF2006

Sec. 2

DWG.NO.4KA39752

SHIPPING DIMENSION AND WEIGHT

FOR

MAJOR ITEMS

FOR

AES CEDAR BAY INC.

CEDAR BAY COGENERATION

JUN 1992

TOSHIBA CORPORATION

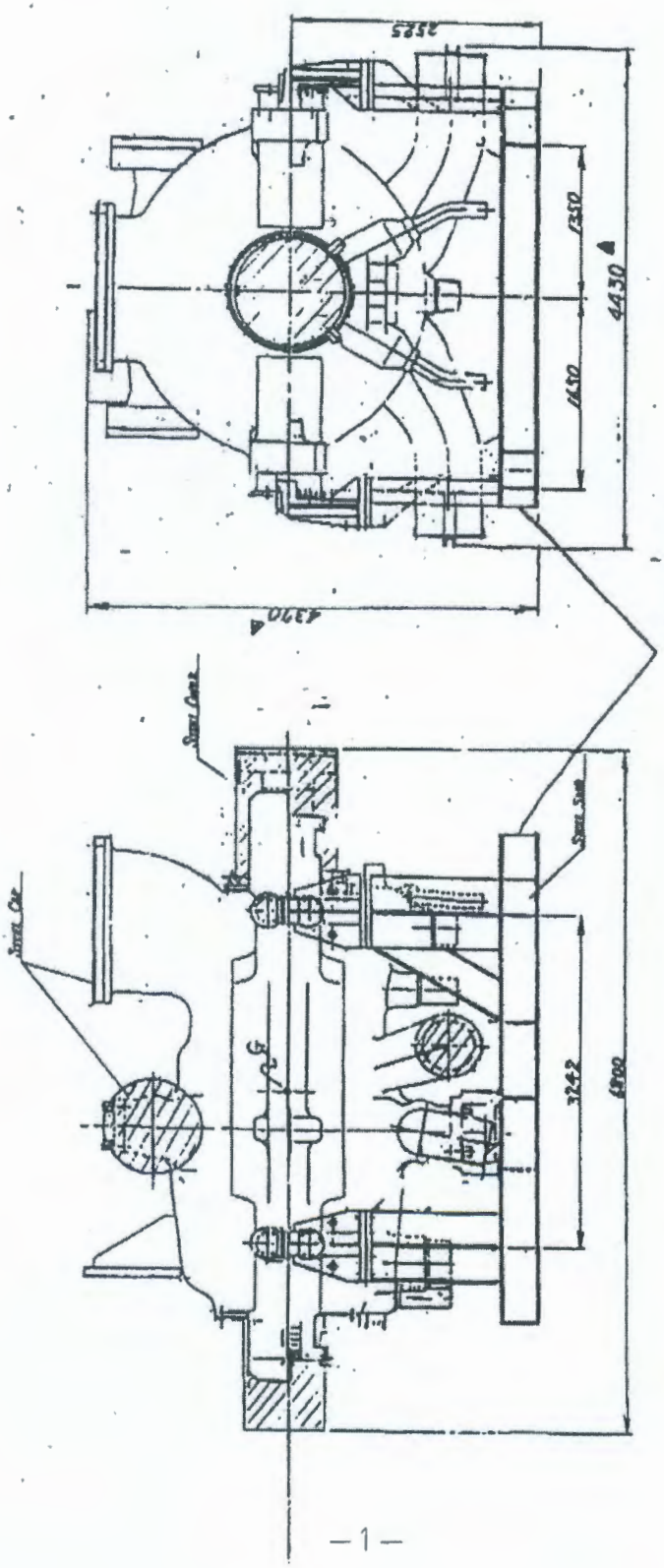
APPROVED BY	CHECKED BY	DRAFTED BY
15/Jun/92	15/Jun/92	12-JUN-'92
		R. Ishizaki

- I N D E X -

ITEM	DRG. No.	PAGE
1. SHIPPING DIMENSION AND WEIGHT OF HIP TURBINE ASSEMBLY --	PRELIMINALY	P 1
2. SHIPPING DIMENSION AND WEIGHT OF LP OUT CASING UPPER----	LATER	
3. SHIPPING DIMENSION AND WEIGHT OF LP OUT CASING LOWER----	LATER	
4. SHIPPING DIMENSION AND WEIGHT OF LP INNER CASING UPPER--	LATER	
5. SHIPPING DIMENSION AND WEIGHT OF LP INNER CASING LOWER--	LATER	
6. SHIPPING DIMENSION AND WEIGHT OF HIP TURBINE ROTOR------	LATER	
7. SHIPPING DIMENSION GENERATOR ----------	3KC000781REV.A	P 7

PRELIMINARY

SHIPPING DIMENSION AND
WEIGHT OF HIP TURBINE
ASSEMBLY



AES CEDAR BAY, INC.
CEDAR BAY COGENERATION PLANT
1×285MW TURBINE AND GENERATOR
SPECIFICATION 15637.62.1001
CONTRACT 15637.62.1001

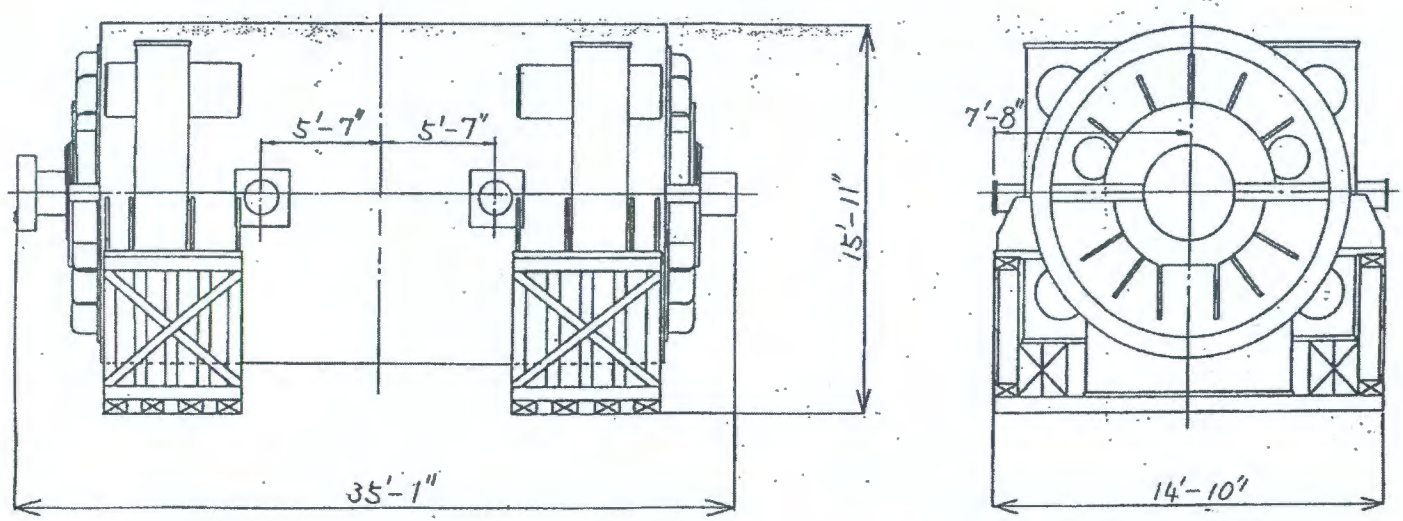
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MODEL CODE ETA32A05 0040,343M,36R,L,XUCB1

3KC000781 REV. MARK A

CERTIFIED

FOR APPROVAL

APPROX WEIGHT 555500 LBS



承認 APPROVED BY	M. Fuzaki May 15'91	調査 REVIEWED BY	T. Yanadori May 15'91
調査 REVIEWED BY		担当 PREPARED BY	N. Higashizumi May 15'91

SCALE
UNITS

株式会社 東芝
TOSHIBA CORPORATION
TOKYO JAPAN

保管 REGISTERED

名称 TITLE: SHIPPING DIMENSION OF GENERATOR USA AES CEDAR BAY

図面番号 DRAWING NO. 3KC000781 REV. MARK A

記名先 PRESENT TO

- 7 -

Florida Power & Light Company
Docket No. 150075-EI
Staff's 1st Set of Interrogatories
Attachment I, Interrogatory No. 25
Page 25 of 29

TOSHIBA

E-KS200244 a
PAGE 1

Weight List of Main Parts of Steam Turbine(lbs)

1. HIP Turbine		
Outer Casing Upper		60,000
Outer Casing Lower		63,000
HP Inner Casing Upper		10,800
HP Inner Casing Lower		11,000
Rotor(with Blades)		33,800
2. LP Turbine		
Outer Casing Upper		33,000
Outer Casing Lower		93,000
Inner Casing Upper		39,000
Inner Casing Lower		39,000
Rotor(with Blades)		78,100
3. Cross-over Pipe		16,600
4. Front Standard		42,000
5. Main Steam Valves		
Main Stop Valve		22,000
Control Valves No.1 No.6		19,000
Combined Reheat Valve(per one set)		33,000
6. Oil Tank with AOP,TOP and EOP Motors		
	excluding lube oil	34,000
	including lube oil	67,700
7. Oil Conditioner	excluding lube oil	4,321
	including lube oil	8,179

KF2006

TOSHIBA

E-KS200244 2
PAGE 1

Weight List of Main Parts of Steam Turbine(lbs)

1. HIP Turbine		
Outer Casing Upper		60,000
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Inner Casing Upper		39,000
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Rotor(with Blades)		78,100
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7. Oil Conditioner	excluding lube oil	4,321
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KF2006

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 24 day of April, 2015, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Lystra Loutan, who is personally known to me, and she acknowledged before me that she provided the answers to interrogatory numbers 1 through 5 and co-sponsored the answer to interrogatory number 7 from **STAFFS FIRST SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 1-25)** in Docket No. 150075-EI, and that the responses are true and correct based on her personal knowledge.

Lystra Loutan

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 24 day of April, 2015.

Notary Public
State of Florida, at Large

My Commission Expires:

MARITZA MIRANDA-WISE
MY COMMISSION # FF 002868
EXPIRES: May 30, 2017
Bonded Thru Notary Public Underwriters

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF MIAMI DADE)

I hereby certify that on this 27th day of April 2015 before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Juan E. Enjamio, who is personally known to me, and he acknowledged before me that he co-sponsored the answers to interrogatory numbers 6, 10, 12 and 19 from **STAFFS FIRST SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 1-25)** in Docket No. 150075-EI, and that the responses are true and correct based on his personal knowledge.

Juan E. Enjamio

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 27th day of April, 2015.

Notary Public
State of Florida, at Large

My Commission Expires:

Notary Public State of Florida
Lily A Rodriguez
My Commission EE 875512
Expires 02/17/2017

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 23 day of April 2015 before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Thomas L. Hartman, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory number(s) 6 through 14, 16 through 19, 22 through 24 and co-sponsored the answer to interrogatory number(s) 1 through 5 from **STAFF'S FIRST SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 1-25)** in Docket No. 150075-EI, and that the responses are true and correct based on his personal knowledge.

Thomas L. Hartman

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 23 day of April, 2015.

Notary Public
State of Florida, at Large

My Commission Expires:

MARITZA MIRANDA-WISE
MY COMMISSION # FF 002868
EXPIRES: May 30, 2017
Bonded Thru Notary Public Underwriters

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 17th day of April, 2015, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Kim Ousdahl, who is personally known to me, and she acknowledged before me that she provided the answers to interrogatory numbers 15 and 25 from **STAFFS FIRST SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 1-25)** in Docket No. 150075-EI, and that the responses are true and correct based on her personal knowledge.

Kim Ousdahl

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 17th day of April, 2015.

Notary Public
State of Florida, at Large

My Commission Expires: 11-24-2017

JANET KELLY
NOTARY PUBLIC
STATE OF FLORIDA
Comm# FF072856
Expires 11/24/2017

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 17th day of April, 2015, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Kim Ousdahl, who is personally known to me, and she acknowledged before me that she provided the answers to interrogatory numbers 15 and 25 from **STAFFS FIRST SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 1-25)** in Docket No. 150075-EI, and that the responses are true and correct based on her personal knowledge.

Kim Ousdahl

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 17th day of April, 2015.

Notary Public
State of Florida, at Large

My Commission Expires: 11-24-2017

JANET KELLY
NOTARY PUBLIC
STATE OF FLORIDA
Comm# FF072856
Expires 11/24/2017

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 22 day of April, 2015, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Melissa Linton, who is personally known to me, and she acknowledged before me that she provided the answer to interrogatory number 20 from **STAFFS FIRST SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 1-25)** in Docket No. 150075-EI, and that the responses are true and correct based on her personal knowledge.

Melissa Linton

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 22nd day of April, 2015.

Janet Kelly
Notary Public
State of Florida, at Large

My Commission Expires: 11/24/2017

JANET KELLY
NOTARY PUBLIC
STATE OF FLORIDA
Comm# FF072656
Expires 11/24/2017

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF MIAMI DADE)

I hereby certify that on this 23rd day of April 2015 before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Terry J. Keith, who is personally known to me, and he acknowledged before me that he co-sponsored the answer to interrogatory number 21 from **STAFFS FIRST SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 1-25)** in Docket No. 150075-EI, and that the responses are true and correct based on his personal knowledge.

Terry J. Keith

Terry J. Keith

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 23rd day of April, 2015.

Carolyn J Smith

Notary Public
State of Florida, at Large

My Commission Expires:

CAROLYN J SMITH
Notary Public - State of Florida
My Comm. Expires Sep 11, 2018
Commission # FF 122975

30

FPL's Responses to Staff's Second Set of Interrogatories (No. 26)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 30
PARTY: STAFF
DESCRIPTION: FPL's Responses to Staff's Second Set of Interrogatories (No. 26) [Bates

Q.

Please refer to Witness Ousdahl's Direct Testimony, Page 11, and Witness Hartman's Exhibit TLH-4. For 2015 – 2024, please identify, and provide the annual amounts of, the costs that FPL will "absorb" in base rates until the next base rate proceeding.

A.

As stated by FPL witness Hartman in his direct testimony, FPL anticipates operating the Cedar Bay Facility through the end of 2016. Based on that projected retirement date and using the projected closing date in FPL's petition, FPL would absorb costs in base rates for the time period between August 31, 2015 and December 2016. The costs for this period are shown below. In addition, FPL will also include working capital amounts, including inventory, in rate base.

	2015	2016
O&M	$ 7,205,402.58	$ 12,610,805.17
Land Lease	66,666.67	200,000.00
ARO	1,109,888.21	3,390,111.79
Total	$ 8,381,957.46	$ 16,200,916.96

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 7th day of May, 2015, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Kim Ousdahl, who is personally known to me, and she acknowledged before me that she provided the answer to interrogatory number 26 from **STAFFS SECOND SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NO. 26)** in Docket No. 150075-EI, and that the responses are true and correct based on her personal knowledge.

Kim Ousdahl

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 7th day of May, 2015.

Notary Public
State of Florida, at Large

My Commission Expires: 11/24/2017

JANET KELLY
NOTARY PUBLIC
STATE OF FLORIDA
Comm# FF072656
Expires 11/24/2017

31

FPL's Responses to Staff's Third Set of Interrogatories (Nos. 27-33)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 31
PARTY: STAFF
DESCRIPTION: FPL's Responses to Staff's Third Set of Interrogatories (Nos. 27-33)

Q.

Referring to your response to Interrogatory No. 6.a., please explain why system-wide SO2 emission costs are negative but system-wide NOx emission costs are positive for each year over the forecasting horizon.

A.

The computation of costs for SO2 and NOx has three components: the amount of emissions, the forecasted cost of the emissions, and an assumption of the number of emission allowances that FPL holds in its allowance bank. For SO2 the number of the allowances in the SO2 allowance bank exceeds the projected SO2 emission so the overall computation results in a negative annual cost for system SO2 allowances. In the case of NOx the number of allowances in the NOx allowance bank is smaller than the actual amount of NOx emissions. Therefore the amount of annual system NOx costs results in a positive value.

Q.

Please explain why system-wide SO2 emission costs, presented in your response to Interrogatory No. 6.a., does not change (-$1 million) from 2016 to 2024, given that your response to No. 10.b. shows system-wide SO2 emissions decreasing during that period, in both scenarios presented ("With Cedar Bay through 2016" and "With Cedar Bay through 2024").

A.

There is change in the system wide SO2 emission costs forecast from year to year and between scenarios, but this change is relatively small and cannot be seen when the results are rounded to the nearest million, as they were in Table 6a. The table below shows the same results for SO2 as shown in table 6a, but expressed in dollars instead of millions of dollars. In addition, while system SO2 emissions are generally declining as shown in 10b, the assumed cost of allowances is increasing over time, so that the net result is that annual system SO2 emission costs stay at approximately $1 million per year between 2016 and 2024.

	System Emission Costs SO2	
	Cedar Bay to 2016	Cedar Bay to 2024
2015	(5,414,862)	(5,433,573)
2016	(934,481)	(950,949)
2017	(1,055,910)	(1,061,912)
2018	(1,072,743)	(1,072,560)
2019	(1,080,142)	(1,088,977)
2020	(1,130,475)	(1,136,427)
2021	(1,149,650)	(1,155,883)
2022	(1,158,084)	(1,162,858)
2023	(1,182,625)	(1,190,723)
2024	(1,237,482)	(1,244,371)

Q.

Please explain why system-wide NOx emission costs, presented in your response to Interrogatory No. 6.a., does not change ($3 million) from 2017 to 2024, given that your response to Interrogatory No. 10.b. shows system-wide NOx emissions decreasing during that period, in both scenarios presented ("With Cedar Bay through 2016" and "With Cedar Bay through 2024").

A.

There is change in the NOx emission cost forecast from year to year and between scenarios, but this change is relatively small and cannot be seen when the results are rounded to the nearest million, as they were in Table 6a. The table below shows the same results for NOx as shown in table 6a, but expressed in dollars instead of millions of dollars. In addition, while system NOx emissions are generally declining as shown in 10b, the assumed cost of allowances is increasing over time, so that the net result is that annual system NOx emission costs stay at approximately $3 million per year between 2016 and 2024.

System Emission Costs NOx

	Cedar Bay to 2016	Cedar Bay to 2024
2015	3,250,310	3,212,124
2016	3,851,603	3,680,693
2017	3,176,020	3,074,120
2018	3,140,007	3,101,353
2019	3,334,558	3,243,797
2020	2,970,052	2,880,478
2021	3,168,886	3,075,597
2022	3,299,248	3,205,744
2023	3,322,177	3,232,850
2024	2,955,694	2,850,463

Q.

Referring to your response to Interrogatory No. 6.a., please explain why CO2 emission costs are lower in 2020 through 2024 with Cedar Bay (scenario "With Cedar Bay through 2024") than without Cedar Bay ("With Cedar Bay through 2016" scenario) during that period.

A.

The emissions from Cedar Bay are higher than the emissions of the generation that replaces it. But FPL is not responsible for emissions costs from Cedar Bay under the PPA. Therefore, the costs of Cedar Bay emissions, while the unit is under contract, are not included in the economic analysis while the cost of emissions for the replacement generation is included in the economic analysis.

Q.

Referring to your response to Interrogatory No. 10.b., why does "Cedar Bay through 2024" generate less SO2, NOx, and CO2 emissions than "Cedar Bay through 2016" given that Cedar Bay is a coal fired unit?

A.

The response to 10.b. reflects the emissions profile that FPL is responsible for managing and associated costs for its customers. Under the PPA, emissions from Cedar Bay are not passed through to FPL, and therefore not accounted for in FPL's system emissions. The emissions from Cedar Bay are higher than the emissions of the generation that replaces it. But FPL is not responsible for emissions costs from Cedar Bay while under contract. Therefore, neither the costs nor the quantities of Cedar Bay emissions, while the unit is under contract, are included in the economic analysis.

Q.

Please identify which units would replace Cedar Bay in FPL's dispatch each year under FPL's proposal and explain why are they expected to produce more emissions.

A.

The table provided in FPL's response to Staff's Third Set of Interrogatories No. 33 shows the difference in capacity factors between the two cases (with Cedar Bay through 2016, and Cedar Bay through 2024). In general the Cedar Bay coal generation is displaced with generation primarily from FPL's natural gas units. The emissions from Cedar Bay are higher than the emissions of the generation that would replace it. FPL is not responsible for emissions costs from Cedar Bay while under contract. Therefore, the costs of Cedar Bay emissions, while the unit is under contract, are not included in the economic analysis, whereas the cost of emissions for the replacement generation is included in the economic analysis.

Q.

Please provide for each of the scenarios, "Cedar Bay through 2024," and "Cedar Bay through 2016," the annual capacity factors for each unit on FPL's system, and the percentage change between the scenarios.

A.

Please see Attachment I to this Interrogatory.

	Cedar Bay through 2024		Cedar Bay through 2016		Capacity Factor Difference (%)
		[1]		[2]	
Year	Unit Name	Capacity Factor [1]	Unit Name	Capacity Factor [1]	[1] - [2]
2015	Cape Canaveral Energy Center	74.4	Cape Canaveral Energy Center	74.6	-0.2
2015	Cedar Bay	37.4	Cedar Bay	25.6	11.8
2015	Desoto Co Solar_PV	24.2	Desoto Co Solar_PV	24.2	0.0
2015	Fort Myers_2	42.2	Fort Myers_2	42.4	-0.3
2015	Fort Myers_3A	2.1	Fort Myers_3A	2.2	-0.1
2015	Fort Myers_3B	1.3	Fort Myers_3B	1.3	-0.1
2015	Fort Myers_GT1	0.2	Fort Myers_GT1	0.2	0.0
2015	Fort Myers_GT10	0.2	Fort Myers_GT10	0.2	0.0
2015	Fort Myers_GT11	0.1	Fort Myers_GT11	0.1	0.0
2015	Fort Myers_GT12	0.1	Fort Myers_GT12	0.1	0.0
2015	Fort Myers_GT2	0.1	Fort Myers_GT2	0.1	0.0
2015	Fort Myers_GT3	0.1	Fort Myers_GT3	0.1	0.0
2015	Fort Myers_GT4	0.1	Fort Myers_GT4	0.1	0.0
2015	Fort Myers_GT5	0.1	Fort Myers_GT5	0.1	0.0
2015	Fort Myers_GT6	0.1	Fort Myers_GT6	0.1	0.0
2015	Fort Myers_GT7	0.1	Fort Myers_GT7	0.1	0.0
2015	Fort Myers_GT8	0.1	Fort Myers_GT8	0.1	0.0
2015	Fort Myers_GT9	0.1	Fort Myers_GT9	0.1	0.0
2015	Franklin	21.5	Franklin	21.5	-0.1
2015	Harris	23.7	Harris	23.7	0.0
2015	Indiantown Cogeneration Facility	27.4	Indiantown Cogeneration Facility	27.5	-0.1
2015	Kennedy Space Coast Solar_PV	20.6	Kennedy Space Coast Solar_PV	20.6	0.0
2015	Lauderdale_4	40.8	Lauderdale_4	40.7	0.1
2015	Lauderdale_5	37.3	Lauderdale_5	37.2	0.1
2015	Lauderdale_GT1	0.2	Lauderdale_GT1	0.2	0.0
2015	Lauderdale_GT10	0.1	Lauderdale_GT10	0.1	0.0
2015	Lauderdale_GT11	0.1	Lauderdale_GT11	0.1	0.0
2015	Lauderdale_GT12	0.1	Lauderdale_GT12	0.1	0.0
2015	Lauderdale_GT13	0.1	Lauderdale_GT13	0.1	0.0
2015	Lauderdale_GT14	0.1	Lauderdale_GT14	0.1	0.0
2015	Lauderdale_GT15	0.1	Lauderdale_GT15	0.1	0.0
2015	Lauderdale_GT16	0.1	Lauderdale_GT16	0.1	0.0
2015	Lauderdale_GT17	0.1	Lauderdale_GT17	0.1	0.0
2015	Lauderdale_GT18	0.1	Lauderdale_GT18	0.1	0.0
2015	Lauderdale_GT19	0.1	Lauderdale_GT19	0.1	0.0
2015	Lauderdale_GT2	0.1	Lauderdale_GT2	0.1	0.0
2015	Lauderdale_GT20	0.1	Lauderdale_GT20	0.1	0.0
2015	Lauderdale_GT21	0.0	Lauderdale_GT21	0.1	0.0
2015	Lauderdale_GT22	0.0	Lauderdale_GT22	0.0	0.0
2015	Lauderdale_GT23	0.0	Lauderdale_GT23	0.0	0.0
2015	Lauderdale_GT24	0.0	Lauderdale_GT24	0.0	0.0
2015	Lauderdale_GT3	0.0	Lauderdale_GT3	0.0	0.0
2015	Lauderdale_GT4	0.0	Lauderdale_GT4	0.0	0.0
2015	Lauderdale_GT5	0.0	Lauderdale_GT5	0.0	0.0
2015	Lauderdale_GT6	0.0	Lauderdale_GT6	0.0	0.0
2015	Lauderdale_GT7	0.0	Lauderdale_GT7	0.0	0.0
2015	Lauderdale_GT8	0.0	Lauderdale_GT8	0.0	0.0
2015	Lauderdale_GT9	0.0	Lauderdale_GT9	0.0	0.0
2015	Manatee_1	3.8	Manatee_1	3.8	0.0
2015	Manatee_2	2.2	Manatee_2	2.5	-0.3
2015	Manatee_3	73.9	Manatee_3	73.7	0.3
2015	Martin 8 Solar	18.4	Martin 8 Solar	18.4	0.0
2015	Martin_1	5.9	Martin_1	6.2	-0.2
2015	Martin_2	7.5	Martin_2	7.8	-0.3
2015	Martin_3	34.5	Martin_3	34.6	-0.1
2015	Martin_4	30.6	Martin_4	30.8	-0.2
2015	Martin_8	71.3	Martin_8	71.3	0.0
2015	Port Everglades_GT1	0.0	Port Everglades_GT1	0.0	0.0
2015	Port Everglades_GT10	0.0	Port Everglades_GT10	0.0	0.0
2015	Port Everglades_GT11	0.0	Port Everglades_GT11	0.0	0.0
2015	Port Everglades_GT12	0.0	Port Everglades_GT12	0.0	0.0
2015	Port Everglades_GT2	0.0	Port Everglades_GT2	0.0	0.0
2015	Port Everglades_GT3	0.0	Port Everglades_GT3	0.0	0.0
2015	Port Everglades_GT4	0.0	Port Everglades_GT4	0.0	0.0
2015	Port Everglades_GT5	0.0	Port Everglades_GT5	0.0	0.0
2015	Port Everglades_GT6	0.0	Port Everglades_GT6	0.0	0.0
2015	Port Everglades_GT7	0.0	Port Everglades_GT7	0.0	0.0
2015	Port Everglades_GT8	0.0	Port Everglades_GT8	0.0	0.0
2015	Port Everglades_GT9	0.0	Port Everglades_GT9	0.0	0.0
2015	Riviera Beach Energy Center	78.3	Riviera Beach Energy Center	78.2	0.1
2015	Sanford_4	38.4	Sanford_4	38.8	-0.3
2015	Sanford_5	43.6	Sanford_5	44.0	-0.4
2015	Scherer 3	50.0	Scherer 3	49.5	0.4
2015	Scherer 4	58.8	Scherer 4	58.5	0.3
2015	St Johns 1O	31.7	St Johns 1O	31.7	0.0
2015	St Johns 1P	36.0	St Johns 1P	36.0	0.0
2015	St Johns 2O	35.0	St Johns 2O	35.0	0.0
2015	St Johns 2P	41.5	St Johns 2P	41.5	0.0
2015	St Lucie_1	90.7	St Lucie_1	90.7	0.0
2015	St Lucie_2	91.1	St Lucie_2	91.1	0.0
2015	Turkey Point_1	2.2	Turkey Point_1	2.3	-0.1
2015	Turkey Point_3	91.5	Turkey Point_3	91.5	0.0
2015	Turkey Point_4	100.0	Turkey Point_4	100.0	0.0
2015	Turkey Point_5	74.5	Turkey Point_5	75.8	-1.3
2015	West County Energy Center_1	72.0	West County Energy Center_1	72.0	0.0
2015	West County Energy Center_2	64.5	West County Energy Center_2	64.5	0.0
2015	West County Energy Center_3	70.8	West County Energy Center_3	70.9	-0.1

	Cedar Bay through 2024	[1]	Cedar Bay through 2016	[2]	Capacity Factor difference (%)
Year	Unit Name	Capacity Factor [1]	Unit Name	Capacity Factor [1]	[1] - [2]
2016	74 MW Solar 1	6.1	74 MW Solar 1	6.1	0.0
2016	74 MW Solar 2	6.1	74 MW Solar 2	6.1	0.0
2016	74 MW Solar 3	6.1	74 MW Solar 3	6.1	0.0
2016	Cape Canaveral Energy Center	74.8	Cape Canaveral Energy Center	74.6	0.2
2016	Cedar Bay	35.5	Cedar Bay	5.5	30.0
2016	Desoto Co Solar_PV	24.0	Desoto Co Solar_PV	24.0	0.0
2016	Fort Myers_2	47.7	Fort Myers_2	48.8	-1.1
2016	Fort Myers_3A	6.5	Fort Myers_3A	6.5	0.0
2016	Fort Myers_3B	6.0	Fort Myers_3B	6.0	0.0
2016	Fort Myers_GT1	1.4	Fort Myers_GT1	1.5	-0.1
2016	Fort Myers_GT10	0.5	Fort Myers_GT10	0.5	0.0
2016	Fort Myers_GT11	0.5	Fort Myers_GT11	0.5	0.0
2016	Fort Myers_GT12	0.5	Fort Myers_GT12	0.5	0.0
2016	Fort Myers_GT2	1.4	Fort Myers_GT2	1.4	0.0
2016	Fort Myers_GT3	0.9	Fort Myers_GT3	1.0	0.0
2016	Fort Myers_GT4	0.5	Fort Myers_GT4	0.5	0.0
2016	Fort Myers_GT5	0.5	Fort Myers_GT5	0.4	0.0
2016	Fort Myers_GT6	0.4	Fort Myers_GT6	0.4	0.0
2016	Fort Myers_GT7	0.4	Fort Myers_GT7	0.4	0.0
2016	Fort Myers_GT8	0.4	Fort Myers_GT8	0.4	0.0
2016	Fort Myers_GT9	0.4	Fort Myers_GT9	0.4	0.0
2016	Indiantown Cogeneration Facility	23.5	Indiantown Cogeneration Facility	24.0	-0.5
2016	Kennedy Space Coast Solar_PV	20.5	Kennedy Space Coast Solar_PV	20.5	0.0
2016	Lauderdale_4	35.6	Lauderdale_4	35.6	0.1
2016	Lauderdale_5	41.7	Lauderdale_5	41.6	0.1
2016	Lauderdale_GT1	0.6	Lauderdale_GT1	0.6	0.0
2016	Lauderdale_GT10	0.3	Lauderdale_GT10	0.3	0.0
2016	Lauderdale_GT11	0.3	Lauderdale_GT11	0.3	0.0
2016	Lauderdale_GT12	0.3	Lauderdale_GT12	0.3	0.0
2016	Lauderdale_GT13	0.6	Lauderdale_GT13	0.6	0.0
2016	Lauderdale_GT14	0.5	Lauderdale_GT14	0.6	0.0
2016	Lauderdale_GT15	0.5	Lauderdale_GT15	0.6	0.0
2016	Lauderdale_GT16	0.6	Lauderdale_GT16	0.6	0.0
2016	Lauderdale_GT17	0.6	Lauderdale_GT17	0.6	0.0
2016	Lauderdale_GT18	0.5	Lauderdale_GT18	0.5	0.0
2016	Lauderdale_GT19	0.5	Lauderdale_GT19	0.5	0.0
2016	Lauderdale_GT2	0.5	Lauderdale_GT2	0.5	0.0
2016	Lauderdale_GT20	0.5	Lauderdale_GT20	0.5	0.0
2016	Lauderdale_GT21	0.4	Lauderdale_GT21	0.5	0.0
2016	Lauderdale_GT22	0.4	Lauderdale_GT22	0.5	0.0
2016	Lauderdale_GT23	0.4	Lauderdale_GT23	0.4	0.0
2016	Lauderdale_GT24	0.4	Lauderdale_GT24	0.4	0.0
2016	Lauderdale_GT3	0.2	Lauderdale_GT3	0.2	0.0
2016	Lauderdale_GT4	0.2	Lauderdale_GT4	0.2	0.0
2016	Lauderdale_GT5	0.2	Lauderdale_GT5	0.2	0.0
2016	Lauderdale_GT6	0.2	Lauderdale_GT6	0.2	0.0
2016	Lauderdale_GT7	0.2	Lauderdale_GT7	0.2	0.0
2016	Lauderdale_GT8	0.2	Lauderdale_GT8	0.2	0.0
2016	Lauderdale_GT9	0.2	Lauderdale_GT9	0.2	0.0
2016	Manatee_1	5.1	Manatee_1	5.6	-0.5
2016	Manatee_2	2.6	Manatee_2	2.9	-0.3
2016	Manatee_3	52.8	Manatee_3	54.0	-1.2
2016	Martin 8 Solar	19.1	Martin 8 Solar	19.1	0.0
2016	Martin_1	6.2	Martin_1	7.4	-1.2
2016	Martin_2	5.7	Martin_2	7.0	-1.3
2016	Martin_3	29.4	Martin_3	30.7	-1.3
2016	Martin_4	30.3	Martin_4	30.5	-0.2
2016	Martin_8	63.6	Martin_8	64.1	-0.5
2016	Port Everglades Energy Center	63.1	Port Everglades Energy Center	63.0	0.1
2016	Port Everglades_GT1	0.2	Port Everglades_GT1	0.3	0.0
2016	Port Everglades_GT10	0.2	Port Everglades_GT10	0.3	0.0
2016	Port Everglades_GT11	0.2	Port Everglades_GT11	0.2	0.0
2016	Port Everglades_GT12	0.2	Port Everglades_GT12	0.2	0.0
2016	Port Everglades_GT2	0.2	Port Everglades_GT2	0.2	0.0
2016	Port Everglades_GT3	0.2	Port Everglades_GT3	0.2	0.0
2016	Port Everglades_GT4	0.2	Port Everglades_GT4	0.2	0.0
2016	Port Everglades_GT5	0.2	Port Everglades_GT5	0.2	0.0
2016	Port Everglades_GT6	0.2	Port Everglades_GT6	0.2	0.0
2016	Port Everglades_GT7	0.1	Port Everglades_GT7	0.1	0.0
2016	Port Everglades_GT8	0.1	Port Everglades_GT8	0.1	0.0
2016	Port Everglades_GT9	0.1	Port Everglades_GT9	0.1	0.0
2016	Riviera Beach Energy Center	74.5	Riviera Beach Energy Center	74.5	0.0
2016	Sanford_4	34.7	Sanford_4	35.3	-0.5
2016	Sanford_5	33.3	Sanford_5	34.6	-1.3
2016	Scherer 4	46.3	Scherer 4	45.8	0.5
2016	St Johns 1O	33.2	St Johns 1O	33.6	-0.5
2016	St Johns 1P	38.2	St Johns 1P	38.5	-0.3
2016	St Johns 2O	31.1	St Johns 2O	31.5	-0.4
2016	St Johns 2P	33.8	St Johns 2P	34.2	-0.3
2016	St Lucie_1	91.3	St Lucie_1	91.3	0.0
2016	St Lucie_2	100.0	St Lucie_2	100.0	0.0
2016	Turkey Point_1	0.0	Turkey Point_1	0.0	0.0
2016	Turkey Point_3	100.0	Turkey Point_3	100.0	0.0
2016	Turkey Point_4	90.8	Turkey Point_4	90.8	0.0
2016	Turkey Point_5	65.0	Turkey Point_5	64.8	0.2
2016	West County Energy Center_1	70.9	West County Energy Center_1	70.5	0.4
2016	West County Energy Center_2	73.8	West County Energy Center_2	73.6	0.2
2016	West County Energy Center_3	72.0	West County Energy Center_3	71.8	0.2

	Cedar Bay through 2024	[1]	Cedar Bay through 2016	[2]	Capacity Factor Difference (%)
Year	Unit Name	Capacity Factor [1]	Unit Name	Capacity Factor [1]	[1] - [2]
2017	74 MW Solar 1	26.1	74 MW Solar 1	26.1	0.0
2017	74 MW Solar 2	26.1	74 MW Solar 2	26.1	0.0
2017	74 MW Solar 3	26.1	74 MW Solar 3	26.1	0.0
2017	Cape Canaveral Energy Center	65.2	Cape Canaveral Energy Center	65.0	0.2
2017	Cedar Bay	31.8	Cedar Bay	0.0	31.8
2017	Desoto Co Solar_PV	23.9	Desoto Co Solar_PV	23.9	0.0
2017	Fort Myers CT 1	3.1	Fort Myers CT 1	3.8	-0.7
2017	Fort Myers CT 2	3.1	Fort Myers CT 2	3.5	-0.4
2017	Fort Myers_2	51.2	Fort Myers_2	52.3	-1.1
2017	Fort Myers_GT1	0.0	Fort Myers_GT1	0.1	-0.1
2017	Fort Myers_GT2	0.0	Fort Myers_GT2	0.1	-0.1
2017	Fort Myers_GT3	0.0	Fort Myers_GT3	0.0	0.0
2017	Ft.Myers_3A	9.8	Ft.Myers_3A	10.8	-1.0
2017	Ft.Myers_3B	9.8	Ft.Myers_3B	10.9	-1.1
2017	Indiantown Cogeneration Facility	23.4	Indiantown Cogeneration Facility	23.7	-0.3
2017	Kennedy Space Coast Solar_PV	20.4	Kennedy Space Coast Solar_PV	20.4	0.0
2017	Lauderdale CT 1	3.1	Lauderdale CT 1	3.5	-0.4
2017	Lauderdale CT 2	2.7	Lauderdale CT 2	3.5	-0.7
2017	Lauderdale CT 3	2.2	Lauderdale CT 3	2.6	-0.4
2017	Lauderdale CT 4	1.5	Lauderdale CT 4	1.9	-0.5
2017	Lauderdale CT 5	1.1	Lauderdale CT 5	1.6	-0.5
2017	Lauderdale_4	43.9	Lauderdale_4	43.4	0.5
2017	Lauderdale_5	43.1	Lauderdale_5	42.6	0.5
2017	Lauderdale_GT1	0.0	Lauderdale_GT1	0.0	0.0
2017	Lauderdale_GT2	0.0	Lauderdale_GT2	0.0	0.0
2017	Manatee_1	5.7	Manatee_1	6.7	-1.0
2017	Manatee_2	3.4	Manatee_2	4.2	-0.7
2017	Manatee_3	69.0	Manatee_3	68.8	0.2
2017	Martin 8 Solar	16.3	Martin 8 Solar	16.3	0.0
2017	Martin_1	1.0	Martin_1	1.3	-0.3
2017	Martin_2	3.1	Martin_2	3.9	-0.9
2017	Martin_3	21.5	Martin_3	22.6	-1.1
2017	Martin_4	27.7	Martin_4	28.8	-1.1
2017	Martin_8	43.9	Martin_8	45.1	-1.2
2017	Port Everglades Energy Center	81.7	Port Everglades Energy Center	81.7	0.0
2017	Riviera Beach Energy Center	71.6	Riviera Beach Energy Center	71.3	0.3
2017	Sanford_4	39.0	Sanford_4	41.3	-2.3
2017	Sanford_5	31.5	Sanford_5	31.9	-0.4
2017	Scherer 4	49.8	Scherer 4	48.7	1.1
2017	St Johns 1O	30.1	St Johns 1O	30.2	-0.1
2017	St Johns 1P	33.0	St Johns 1P	33.1	-0.1
2017	St Johns 2O	32.2	St Johns 2O	32.2	0.0
2017	St Johns 2P	36.1	St Johns 2P	36.0	0.0
2017	St Lucie_1	100.0	St Lucie_1	100.0	0.0
2017	St Lucie_2	92.8	St Lucie_2	92.8	0.0
2017	Turkey Point_3	91.6	Turkey Point_3	91.6	0.0
2017	Turkey Point_4	93.0	Turkey Point_4	93.0	0.0
2017	Turkey Point_5	62.1	Turkey Point_5	62.3	-0.2
2017	West County Energy Center_1	71.8	West County Energy Center_1	71.5	0.3
2017	West County Energy Center_2	74.7	West County Energy Center_2	74.5	0.3
2017	West County Energy Center_3	68.0	West County Energy Center_3	67.9	0.0

	Cedar Bay through 2024		Cedar Bay through 2016		Capacity Factor Difference (%)
		[1]		[2]	
Year	Unit Name	Capacity Factor [1]	Unit Name	Capacity Factor [2]	[1] - [2]
2018	74 MW Solar 1	26.1	74 MW Solar 1	26.1	0.0
2018	74 MW Solar 2	26.1	74 MW Solar 2	26.1	0.0
2018	74 MW Solar 3	26.1	74 MW Solar 3	26.1	0.0
2018	Cape Canaveral Energy Center	69.8	Cape Canaveral Energy Center	69.6	0.2
2018	Cedar Bay	33.6	Cedar Bay	0.0	33.6
2018	Desoto Co Solar_PV	23.7	Desoto Co Solar_PV	23.7	0.0
2018	Fort Myers CT 1	3.9	Fort Myers CT 1	4.7	-0.8
2018	Fort Myers CT 2	4.1	Fort Myers CT 2	4.5	-0.4
2018	Fort Myers_2	49.9	Fort Myers_2	51.1	-1.2
2018	Fort Myers_GT1	0.2	Fort Myers_GT1	0.2	0.0
2018	Fort Myers_GT2	0.2	Fort Myers_GT2	0.2	0.0
2018	Fort Myers_GT3	0.1	Fort Myers_GT3	0.1	0.0
2018	Ft.Myers_3A	10.0	Ft.Myers_3A	11.0	-1.0
2018	Ft.Myers_3B	10.0	Ft.Myers_3B	10.8	-0.8
2018	Indiantown Cogeneration Facility	24.2	Indiantown Cogeneration Facility	24.4	-0.3
2018	Kennedy Space Coast Solar_PV	20.2	Kennedy Space Coast Solar_PV	20.2	0.0
2018	Lauderdale CT 1	4.4	Lauderdale CT 1	4.8	-0.4
2018	Lauderdale CT 2	4.0	Lauderdale CT 2	4.5	-0.4
2018	Lauderdale CT 3	3.7	Lauderdale CT 3	4.2	-0.4
2018	Lauderdale CT 4	3.2	Lauderdale CT 4	3.6	-0.5
2018	Lauderdale CT 5	2.8	Lauderdale CT 5	3.2	-0.5
2018	Lauderdale_4	35.0	Lauderdale_4	34.6	0.4
2018	Lauderdale_5	44.2	Lauderdale_5	43.6	0.6
2018	Lauderdale_GT1	0.1	Lauderdale_GT1	0.1	0.0
2018	Lauderdale_GT2	0.1	Lauderdale_GT2	0.1	0.0
2018	Manatee_1	6.1	Manatee_1	6.5	-0.5
2018	Manatee_2	5.5	Manatee_2	5.9	-0.4
2018	Manatee_3	72.8	Manatee_3	72.7	0.1
2018	Martin 8 Solar	19.1	Martin 8 Solar	19.1	0.0
2018	Martin_1	0.2	Martin_1	0.3	-0.1
2018	Martin_2	3.2	Martin_2	3.4	-0.2
2018	Martin_3	22.6	Martin_3	23.3	-0.8
2018	Martin_4	24.0	Martin_4	25.9	-1.9
2018	Martin_8	48.0	Martin_8	49.2	-1.2
2018	Port Everglades Energy Center	84.3	Port Everglades Energy Center	84.1	0.2
2018	Short-Term PPA	9.5	Short-Term PPA	5.3	4.2
2018	Riviera Beach Energy Center	68.1	Riviera Beach Energy Center	67.9	0.2
2018	Sanford_4	27.1	Sanford_4	28.4	-1.4
2018	Sanford_5	31.3	Sanford_5	33.0	-1.7
2018	Scherer 4	48.4	Scherer 4	47.0	1.4
2018	St Johns 1O	34.0	St Johns 1O	34.1	-0.1
2018	St Johns 1P	37.9	St Johns 1P	37.9	0.0
2018	St Johns 2O	32.4	St Johns 2O	32.5	-0.1
2018	St Johns 2P	34.6	St Johns 2P	34.7	-0.1
2018	St Lucie_1	92.9	St Lucie_1	92.9	0.0
2018	St Lucie_2	93.0	St Lucie_2	93.0	0.0
2018	Turkey Point_3	92.9	Turkey Point_3	92.9	0.0
2018	Turkey Point_4	100.0	Turkey Point_4	100.0	0.0
2018	Turkey Point_5	71.0	Turkey Point_5	71.7	-0.8
2018	West County Energy Center_1	73.2	West County Energy Center_1	72.6	0.6
2018	West County Energy Center_2	69.3	West County Energy Center_2	68.9	0.4
2018	West County Energy Center_3	73.5	West County Energy Center_3	73.4	0.1

	Cedar Bay through 2024	[1]	Cedar Bay through 2016	[2]	Capacity Factor Difference (%)
Year	Unit Name	Capacity Factor [1]	Unit Name	Capacity Factor [1]	[1] - [2]
2019	74 MW Solar 1	26.1	74 MW Solar 1	26.1	0.0
2019	74 MW Solar 2	26.1	74 MW Solar 2	26.1	0.0
2019	74 MW Solar 3	26.1	74 MW Solar 3	26.1	0.0
2019	Cape Canaveral Energy Center	58.9	Cape Canaveral Energy Center	58.7	0.2
2019	Cedar Bay	36.5	Cedar Bay	0.0	36.5
2019	Desoto Co Solar_PV	23.6	Desoto Co Solar_PV	23.6	0.0
2019	Fort Myers CT 1	6.2	Fort Myers CT 1	6.9	-0.8
2019	Fort Myers CT 2	6.4	Fort Myers CT 2	7.0	-0.7
2019	Fort Myers_2	42.9	Fort Myers_2	43.1	-0.3
2019	Fort Myers_GT1	0.4	Fort Myers_GT1	0.5	-0.2
2019	Fort Myers_GT2	0.4	Fort Myers_GT2	0.5	-0.2
2019	Fort Myers_GT3	0.2	Fort Myers_GT3	0.3	-0.1
2019	Ft.Myers_3A	12.4	Ft.Myers_3A	13.6	-1.2
2019	Ft.Myers_3B	12.3	Ft.Myers_3B	13.4	-1.1
2019	Indiantown Cogeneration Facility	26.6	Indiantown Cogeneration Facility	27.3	-0.6
2019	Kennedy Space Coast Solar_PV	20.1	Kennedy Space Coast Solar_PV	20.1	0.0
2019	Lauderdale CT 1	6.5	Lauderdale CT 1	7.3	-0.7
2019	Lauderdale CT 2	6.2	Lauderdale CT 2	6.7	-0.5
2019	Lauderdale CT 3	5.1	Lauderdale CT 3	6.2	-1.1
2019	Lauderdale CT 4	4.2	Lauderdale CT 4	5.1	-0.9
2019	Lauderdale CT 5	3.3	Lauderdale CT 5	4.0	-0.8
2019	Lauderdale_4	40.3	Lauderdale_4	40.0	0.3
2019	Lauderdale_5	34.0	Lauderdale_5	33.9	0.1
2019	Lauderdale_GT1	0.3	Lauderdale_GT1	0.5	-0.2
2019	Lauderdale_GT2	0.3	Lauderdale_GT2	0.4	-0.1
2019	Manatee_1	7.6	Manatee_1	8.5	-0.9
2019	Manatee_2	6.5	Manatee_2	7.3	-0.9
2019	Manatee_3	66.8	Manatee_3	67.1	-0.3
2019	Martin 8 Solar	18.6	Martin 8 Solar	18.6	0.0
2019	Martin_1	0.1	Martin_1	0.1	0.0
2019	Martin_2	0.9	Martin_2	1.1	-0.2
2019	Martin_3	28.1	Martin_3	28.6	-0.4
2019	Martin_4	32.8	Martin_4	33.3	-0.5
2019	Martin_8	42.6	Martin_8	43.2	-0.6
2019	Okeechobee GE 3x1 with DF	34.9	Okeechobee GE 3x1 with DF	35.1	-0.2
2019	Port Everglades Energy Center	79.1	Port Everglades Energy Center	79.1	0.0
2019	Riviera Beach Energy Center	61.5	Riviera Beach Energy Center	61.6	0.0
2019	Sanford_4	38.2	Sanford_4	40.5	-2.3
2019	Sanford_5	44.8	Sanford_5	46.6	-1.8
2019	Scherer 4	52.2	Scherer 4	51.2	1.0
2019	St Johns 1O	36.4	St Johns 1O	36.9	-0.5
2019	St Johns 1P	8.8	St Johns 1P	9.0	-0.2
2019	St Johns 2O	36.5	St Johns 2O	37.0	-0.5
2019	St Johns 2P	8.8	St Johns 2P	8.9	-0.2
2019	St Lucie_1	92.8	St Lucie_1	92.8	0.0
2019	St Lucie_2	100.0	St Lucie_2	100.0	0.0
2019	Turkey Point_3	100.0	Turkey Point_3	100.0	0.0
2019	Turkey Point_4	92.9	Turkey Point_4	92.9	0.0
2019	Turkey Point_5	58.6	Turkey Point_5	59.0	-0.5
2019	West County Energy Center_1	68.2	West County Energy Center_1	68.0	0.2
2019	West County Energy Center_2	69.6	West County Energy Center_2	69.4	0.2
2019	West County Energy Center_3	63.2	West County Energy Center_3	63.0	0.2

	Cedar Bay through 2024		Cedar Bay through 2016		Capacity Factor Difference (%)
		[1]		[2]	
Year	Unit Name	Capacity Factor [1]	Unit Name	Capacity Factor [1]	[1] - [2]
2020	74 MW Solar 1	26.1	74 MW Solar 1	26.1	0.0
2020	74 MW Solar 2	26.1	74 MW Solar 2	26.1	0.0
2020	74 MW Solar 3	26.1	74 MW Solar 3	26.1	0.0
2020	Cape Canaveral Energy Center	67.8	Cape Canaveral Energy Center	67.8	-0.1
2020	Cedar Bay	27.2	Cedar Bay	0.0	27.2
2020	Desoto Co Solar_PV	23.4	Desoto Co Solar_PV	23.4	0.0
2020	Fort Myers CT 1	3.4	Fort Myers CT 1	3.5	-0.1
2020	Fort Myers CT 2	3.3	Fort Myers CT 2	3.5	-0.2
2020	Fort Myers_2	34.2	Fort Myers_2	34.4	-0.2
2020	Fort Myers_GT1	0.2	Fort Myers_GT1	0.2	-0.1
2020	Fort Myers_GT2	0.2	Fort Myers_GT2	0.2	-0.1
2020	Fort Myers_GT3	0.1	Fort Myers_GT3	0.1	-0.1
2020	Ft.Myers_3A	8.6	Ft.Myers_3A	9.1	-0.5
2020	Ft.Myers_3B	8.5	Ft.Myers_3B	9.0	-0.5
2020	Indiantown Cogeneration Facility	15.6	Indiantown Cogeneration Facility	15.9	-0.3
2020	Kennedy Space Coast Solar_PV	20.0	Kennedy Space Coast Solar_PV	20.0	0.0
2020	Lauderdale CT 1	3.3	Lauderdale CT 1	3.5	-0.2
2020	Lauderdale CT 2	3.0	Lauderdale CT 2	3.3	-0.3
2020	Lauderdale CT 3	2.7	Lauderdale CT 3	3.1	-0.4
2020	Lauderdale CT 4	2.3	Lauderdale CT 4	2.6	-0.4
2020	Lauderdale CT 5	2.0	Lauderdale CT 5	2.5	-0.5
2020	Lauderdale_4	38.5	Lauderdale_4	38.7	-0.2
2020	Lauderdale_5	39.2	Lauderdale_5	39.3	-0.2
2020	Lauderdale_GT1	0.3	Lauderdale_GT1	0.3	0.0
2020	Lauderdale_GT2	0.2	Lauderdale_GT2	0.3	0.0
2020	Manatee_1	5.7	Manatee_1	6.1	-0.4
2020	Manatee_2	5.3	Manatee_2	5.7	-0.4
2020	Manatee_3	70.2	Manatee_3	70.7	-0.5
2020	Martin 8 Solar	19.1	Martin 8 Solar	19.1	0.0
2020	Martin_1	0.8	Martin_1	0.8	0.0
2020	Martin_2	2.7	Martin_2	3.0	-0.3
2020	Martin_3	19.9	Martin_3	20.3	-0.4
2020	Martin_4	22.1	Martin_4	22.5	-0.5
2020	Martin_8	47.6	Martin_8	48.1	-0.5
2020	Okeechobee GE 3x1 with DF	71.6	Okeechobee GE 3x1 with DF	71.5	0.1
2020	Port Everglades Energy Center	85.6	Port Everglades Energy Center	85.6	0.0
2020	Riviera Beach Energy Center	66.1	Riviera Beach Energy Center	65.9	0.2
2020	Sanford_4	28.6	Sanford_4	29.5	-0.8
2020	Sanford_5	35.9	Sanford_5	36.5	-0.6
2020	Scherer 4	42.4	Scherer 4	43.0	-0.6
2020	St Johns 1O	32.9	St Johns 1O	33.3	-0.4
2020	St Johns 2O	32.8	St Johns 2O	33.3	-0.5
2020	St Lucie_1	100.0	St Lucie_1	100.0	0.0
2020	St Lucie_2	92.8	St Lucie_2	92.8	0.0
2020	Turkey Point_3	93.0	Turkey Point_3	93.0	0.0
2020	Turkey Point_4	93.0	Turkey Point_4	93.0	0.0
2020	Turkey Point_5	64.1	Turkey Point_5	65.3	-1.2
2020	West County Energy Center_1	55.6	West County Energy Center_1	55.7	-0.1
2020	West County Energy Center_2	68.6	West County Energy Center_2	68.4	0.2
2020	West County Energy Center_3	70.2	West County Energy Center_3	70.0	0.1

	Cedar Bay through 2024	[1]	Cedar Bay through 2016	[2]	Capacity Factor Difference (%)
Year	Unit Name	Capacity Factor [1]	Unit Name	Capacity Factor [1]	[1] - [2]
2021	74 MW Solar 1	26.1	74 MW Solar 1	26.1	0.0
2021	74 MW Solar 2	26.1	74 MW Solar 2	26.1	0.0
2021	74 MW Solar 3	26.1	74 MW Solar 3	26.1	0.0
2021	Cape Canaveral Energy Center	62.4	Cape Canaveral Energy Center	62.4	0.0
2021	Cedar Bay	33.3	Cedar Bay	0.0	33.3
2021	Desoto Co Solar_PV	23.3	Desoto Co Solar_PV	23.3	0.0
2021	Fort Myers CT 1	2.7	Fort Myers CT 1	3.0	-0.3
2021	Fort Myers CT 2	2.7	Fort Myers CT 2	2.8	-0.2
2021	Fort Myers_2	48.6	Fort Myers_2	49.8	-1.2
2021	Fort Myers_GT1	0.1	Fort Myers_GT1	0.1	0.0
2021	Fort Myers_GT2	0.1	Fort Myers_GT2	0.1	0.0
2021	Fort Myers_GT3	0.1	Fort Myers_GT3	0.1	0.0
2021	Ft.Myers_3A	7.6	Ft.Myers_3A	8.0	-0.4
2021	Ft.Myers_3B	7.3	Ft.Myers_3B	7.7	-0.5
2021	Indiantown Cogeneration Facility	15.5	Indiantown Cogeneration Facility	15.8	-0.3
2021	Kennedy Space Coast Solar_PV	19.8	Kennedy Space Coast Solar_PV	19.8	0.0
2021	Lauderdale CT 1	2.7	Lauderdale CT 1	2.8	-0.1
2021	Lauderdale CT 2	2.5	Lauderdale CT 2	2.6	-0.1
2021	Lauderdale CT 3	2.1	Lauderdale CT 3	2.4	-0.2
2021	Lauderdale CT 4	1.6	Lauderdale CT 4	1.8	-0.2
2021	Lauderdale CT 5	1.1	Lauderdale CT 5	1.6	-0.5
2021	Lauderdale_4	38.1	Lauderdale_4	38.2	-0.1
2021	Lauderdale_5	39.3	Lauderdale_5	39.3	0.0
2021	Lauderdale_GT1	0.1	Lauderdale_GT1	0.1	0.0
2021	Lauderdale_GT2	0.1	Lauderdale_GT2	0.1	0.0
2021	Manatee_1	4.6	Manatee_1	5.2	-0.5
2021	Manatee_2	3.7	Manatee_2	4.1	-0.4
2021	Manatee_3	72.3	Manatee_3	72.6	-0.3
2021	Martin 8 Solar	19.1	Martin 8 Solar	19.1	0.0
2021	Martin_1	1.1	Martin_1	1.2	-0.1
2021	Martin_2	2.5	Martin_2	2.7	-0.2
2021	Martin_3	17.7	Martin_3	19.0	-1.2
2021	Martin_4	17.7	Martin_4	19.0	-1.3
2021	Martin_8	50.7	Martin_8	51.1	-0.4
2021	Okeechobee GE 3x1 with DF	71.8	Okeechobee GE 3x1 with DF	71.8	0.0
2021	Port Everglades Energy Center	73.9	Port Everglades Energy Center	73.7	0.1
2021	Riviera Beach Energy Center	69.1	Riviera Beach Energy Center	68.9	0.1
2021	Sanford_4	26.5	Sanford_4	27.4	-0.9
2021	Sanford_5	33.6	Sanford_5	34.7	-1.2
2021	Scherer 4	45.3	Scherer 4	45.6	-0.3
2021	St Johns 1O	34.7	St Johns 1O	35.1	-0.4
2021	St Johns 2O	34.9	St Johns 2O	35.4	-0.5
2021	St Lucie_1	92.9	St Lucie_1	92.9	0.0
2021	St Lucie_2	93.0	St Lucie_2	93.0	0.0
2021	Turkey Point_3	93.0	Turkey Point_3	93.0	0.0
2021	Turkey Point_4	100.0	Turkey Point_4	100.0	0.0
2021	Turkey Point_5	68.5	Turkey Point_5	69.4	-0.8
2021	West County Energy Center_1	71.7	West County Energy Center_1	71.4	0.2
2021	West County Energy Center_2	57.4	West County Energy Center_2	57.4	0.0
2021	West County Energy Center_3	65.5	West County Energy Center_3	65.3	0.2

	Cedar Bay through 2024		Cedar Bay through 2016		Capacity Factor Difference (%)
		[1]		[2]	
Year	Unit Name	Capacity Factor [1]	Unit Name	Capacity Factor [1]	[1] - [2]
2022	74 MW Solar 1	26.1	74 MW Solar 1	26.1	0.0
2022	74 MW Solar 2	26.1	74 MW Solar 2	26.1	0.0
2022	74 MW Solar 3	26.1	74 MW Solar 3	26.1	0.0
2022	Cape Canaveral Energy Center	59.8	Cape Canaveral Energy Center	59.6	0.2
2022	Cedar Bay	32.9	Cedar Bay	0.0	32.9
2022	Desoto Co Solar_PV	23.1	Desoto Co Solar_PV	23.1	0.0
2022	Fort Myers CT 1	5.1	Fort Myers CT 1	5.1	0.0
2022	Fort Myers CT 2	4.5	Fort Myers CT 2	4.6	-0.1
2022	Fort Myers_2	39.3	Fort Myers_2	40.5	-1.2
2022	Fort Myers_GT1	0.2	Fort Myers_GT1	0.2	0.0
2022	Fort Myers_GT2	0.2	Fort Myers_GT2	0.2	0.0
2022	Fort Myers_GT3	0.1	Fort Myers_GT3	0.1	0.0
2022	Ft.Myers_3A	8.3	Ft.Myers_3A	8.6	-0.3
2022	Ft.Myers_3B	8.0	Ft.Myers_3B	8.6	-0.6
2022	Indiantown Cogeneration Facility	17.3	Indiantown Cogeneration Facility	17.5	-0.2
2022	Kennedy Space Coast Solar_PV	19.7	Kennedy Space Coast Solar_PV	19.7	0.0
2022	Lauderdale CT 1	4.1	Lauderdale CT 1	4.3	-0.2
2022	Lauderdale CT 2	3.5	Lauderdale CT 2	3.7	-0.3
2022	Lauderdale CT 3	2.8	Lauderdale CT 3	3.1	-0.2
2022	Lauderdale CT 4	2.0	Lauderdale CT 4	2.2	-0.2
2022	Lauderdale CT 5	1.6	Lauderdale CT 5	1.8	-0.2
2022	Lauderdale_4	34.4	Lauderdale_4	34.4	0.0
2022	Lauderdale_5	35.4	Lauderdale_5	35.5	-0.1
2022	Lauderdale_GT1	0.2	Lauderdale_GT1	0.2	0.0
2022	Lauderdale_GT2	0.1	Lauderdale_GT2	0.2	0.0
2022	Manatee_1	5.9	Manatee_1	6.3	-0.3
2022	Manatee_2	4.8	Manatee_2	5.0	-0.3
2022	Manatee_3	68.3	Manatee_3	68.8	-0.5
2022	Martin 8 Solar	19.1	Martin 8 Solar	19.1	0.0
2022	Martin_1	0.6	Martin_1	0.7	0.0
2022	Martin_2	2.3	Martin_2	2.6	-0.3
2022	Martin_3	23.9	Martin_3	25.1	-1.2
2022	Martin_4	25.2	Martin_4	26.5	-1.3
2022	Martin_8	53.4	Martin_8	53.7	-0.3
2022	Okeechobee GE 3x1 with DF	67.9	Okeechobee GE 3x1 with DF	67.8	0.1
2022	Port Everglades Energy Center	81.9	Port Everglades Energy Center	81.7	0.2
2022	Short-Term PPA	0.0	Short-Term PPA	11.1	-11.1
2022	Riviera Beach Energy Center	66.5	Riviera Beach Energy Center	66.5	0.1
2022	Sanford_4	29.0	Sanford_4	30.0	-1.0
2022	Sanford_5	30.0	Sanford_5	30.6	-0.6
2022	Scherer 4	44.0	Scherer 4	44.3	-0.4
2022	St Johns 1O	35.6	St Johns 1O	36.1	-0.5
2022	St Johns 2O	35.7	St Johns 2O	36.2	-0.5
2022	St Lucie_1	92.8	St Lucie_1	92.8	0.0
2022	St Lucie_2	100.0	St Lucie_2	100.0	0.0
2022	Turkey Point_3	100.0	Turkey Point_3	100.0	0.0
2022	Turkey Point_4	92.9	Turkey Point_4	92.9	0.0
2022	Turkey Point_5	66.2	Turkey Point_5	66.8	-0.6
2022	West County Energy Center_1	67.9	West County Energy Center_1	68.0	-0.1
2022	West County Energy Center_2	69.0	West County Energy Center_2	68.9	0.2
2022	West County Energy Center_3	69.7	West County Energy Center_3	69.6	0.1

	Cedar Bay through 2024	[1]	Cedar Bay through 2016	[2]	Capacity Factor Difference (%)
Year	Unit Name	Capacity Factor (1)	Unit Name	Capacity Factor (1)	[1] - [2]
2023	74 MW Solar 1	26.1	74 MW Solar 1	26.1	0.0
2023	74 MW Solar 2	26.1	74 MW Solar 2	26.1	0.0
2023	74 MW Solar 3	26.1	74 MW Solar 3	26.1	0.0
2023	Cape Canaveral Energy Center	54.2	Cape Canaveral Energy Center	54.1	0.1
2023	Cedar Bay	34.8	Cedar Bay	0.0	34.8
2023	Desoto Co Solar_PV	23.0	Desoto Co Solar_PV	23.0	0.0
2023	Fort Myers CT 1	5.6	Fort Myers CT 1	5.8	-0.3
2023	Fort Myers CT 2	4.8	Fort Myers CT 2	5.1	-0.3
2023	Fort Myers_2	46.8	Fort Myers_2	48.2	-1.4
2023	Fort Myers_GT1	0.2	Fort Myers_GT1	0.2	-0.1
2023	Fort Myers_GT2	0.1	Fort Myers_GT2	0.2	0.0
2023	Fort Myers_GT3	0.0	Fort Myers_GT3	0.1	0.0
2023	Ft.Myers_3A	8.6	Ft.Myers_3A	9.1	-0.6
2023	Ft.Myers_3B	8.3	Ft.Myers_3B	8.9	-0.6
2023	GFCC 3x1 Unit 1	40.1	GFCC 3x1 Unit 1	40.1	-0.1
2023	Indiantown Cogeneration Facility	17.9	Indiantown Cogeneration Facility	18.2	-0.3
2023	Kennedy Space Coast Solar_PV	19.6	Kennedy Space Coast Solar_PV	19.6	0.0
2023	Lauderdale CT 1	4.8	Lauderdale CT 1	5.1	-0.2
2023	Lauderdale CT 2	4.2	Lauderdale CT 2	4.5	-0.3
2023	Lauderdale CT 3	3.6	Lauderdale CT 3	3.9	-0.3
2023	Lauderdale CT 4	2.6	Lauderdale CT 4	2.8	-0.3
2023	Lauderdale CT 5	1.7	Lauderdale CT 5	1.8	-0.1
2023	Lauderdale_4	38.3	Lauderdale_4	38.2	0.0
2023	Lauderdale_5	36.6	Lauderdale_5	36.4	0.1
2023	Lauderdale_GT1	0.1	Lauderdale_GT1	0.1	0.0
2023	Lauderdale_GT2	0.1	Lauderdale_GT2	0.1	0.0
2023	Manatee_1	5.7	Manatee_1	6.0	-0.3
2023	Manatee_2	4.2	Manatee_2	4.6	-0.5
2023	Manatee_3	69.4	Manatee_3	69.6	-0.3
2023	Martin 8 Solar	18.1	Martin 8 Solar	18.1	0.0
2023	Martin_1	0.3	Martin_1	0.3	0.0
2023	Martin_2	0.9	Martin_2	1.1	-0.2
2023	Martin_3	17.9	Martin_3	18.5	-0.6
2023	Martin_4	17.9	Martin_4	18.9	-0.9
2023	Martin_8	48.9	Martin_8	49.7	-0.9
2023	Okeechobee GE 3x1 with DF	63.6	Okeechobee GE 3x1 with DF	63.9	-0.3
2023	Port Everglades Energy Center	81.6	Port Everglades Energy Center	81.3	0.3
2023	Riviera Beach Energy Center	49.0	Riviera Beach Energy Center	48.0	1.0
2023	Sanford_4	27.1	Sanford_4	28.9	-1.8
2023	Sanford_5	38.6	Sanford_5	39.9	-1.4
2023	Scherer 4	45.3	Scherer 4	45.3	0.0
2023	St Johns 1O	36.6	St Johns 1O	36.9	-0.3
2023	St Johns 2O	36.4	St Johns 2O	36.7	-0.3
2023	St Lucie_1	100.0	St Lucie_1	100.0	0.0
2023	St Lucie_2	92.8	St Lucie_2	92.8	0.0
2023	Turkey Point_3	92.9	Turkey Point_3	92.9	0.0
2023	Turkey Point_4	93.0	Turkey Point_4	93.0	0.0
2023	Turkey Point_5	65.9	Turkey Point_5	66.8	-0.9
2023	West County Energy Center_1	68.9	West County Energy Center_1	69.0	-0.1
2023	West County Energy Center_2	69.8	West County Energy Center_2	69.7	0.1
2023	West County Energy Center_3	55.0	West County Energy Center_3	54.8	0.2

	Cedar Bay through 2024	[1]	Cedar Bay through 2016	[2]	Capacity Factor Difference (%)
Year	Unit Name	Capacity Factor [1]	Unit Name	Capacity Factor [1]	[1] - [2]
2024	74 MW Solar 1	26.1	74 MW Solar 1	26.1	0.0
2024	74 MW Solar 2	26.1	74 MW Solar 2	26.1	0.0
2024	74 MW Solar 3	26.1	74 MW Solar 3	26.1	0.0
2024	Cape Canaveral Energy Center	56.5	Cape Canaveral Energy Center	56.2	0.3
2024	Cedar Bay	38.2	Cedar Bay	0.0	38.2
2024	Desoto Co Solar_PV	22.8	Desoto Co Solar_PV	22.8	0.0
2024	Fort Myers CT 1	3.2	Fort Myers CT 1	3.3	-0.1
2024	Fort Myers CT 2	2.8	Fort Myers CT 2	3.0	-0.2
2024	Fort Myers_2	36.8	Fort Myers_2	38.1	-1.2
2024	Fort Myers_GT1	0.0	Fort Myers_GT1	0.0	0.0
2024	Fort Myers_GT2	0.0	Fort Myers_GT2	0.0	0.0
2024	Fort Myers_GT3	0.0	Fort Myers_GT3	0.0	0.0
2024	Ft.Myers_3A	5.4	Ft.Myers_3A	5.7	-0.3
2024	Ft.Myers_3B	5.4	Ft.Myers_3B	5.6	-0.2
2024	GFCC 3x1 Unit 1	76.0	GFCC 3x1 Unit 1	75.9	0.1
2024	Indiantown Cogeneration Facility	16.0	Indiantown Cogeneration Facility	16.3	-0.3
2024	Kennedy Space Coast Solar_PV	19.4	Kennedy Space Coast Solar_PV	19.4	0.0
2024	Lauderdale CT 1	2.7	Lauderdale CT 1	2.9	-0.2
2024	Lauderdale CT 2	2.2	Lauderdale CT 2	2.5	-0.3
2024	Lauderdale CT 3	2.0	Lauderdale CT 3	2.3	-0.2
2024	Lauderdale CT 4	1.8	Lauderdale CT 4	2.1	-0.3
2024	Lauderdale CT 5	1.5	Lauderdale CT 5	1.8	-0.3
2024	Lauderdale_4	29.1	Lauderdale_4	29.2	-0.1
2024	Lauderdale_5	37.8	Lauderdale_5	37.9	-0.1
2024	Lauderdale_GT1	0.0	Lauderdale_GT1	0.0	0.0
2024	Lauderdale_GT2	0.0	Lauderdale_GT2	0.0	0.0
2024	Manatee_1	3.8	Manatee_1	4.2	-0.3
2024	Manatee_2	2.9	Manatee_2	3.2	-0.3
2024	Manatee_3	61.9	Manatee_3	62.8	-0.8
2024	Martin 8 Solar	19.1	Martin 8 Solar	19.1	0.0
2024	Martin_1	0.6	Martin_1	0.7	-0.1
2024	Martin_2	1.3	Martin_2	1.5	-0.1
2024	Martin_3	14.6	Martin_3	15.7	-1.1
2024	Martin_4	16.8	Martin_4	17.3	-0.5
2024	Martin_8	46.6	Martin_8	47.1	-0.5
2024	Okeechobee GE 3x1 with DF	69.3	Okeechobee GE 3x1 with DF	69.4	-0.1
2024	Port Everglades Energy Center	82.4	Port Everglades Energy Center	82.2	0.2
2024	Riviera Beach Energy Center	60.5	Riviera Beach Energy Center	60.7	-0.2
2024	Sanford_4	22.7	Sanford_4	24.3	-1.6
2024	Sanford_5	24.0	Sanford_5	25.8	-1.8
2024	Scherer 4	41.2	Scherer 4	41.7	-0.5
2024	St Johns 1O	33.0	St Johns 1O	33.4	-0.5
2024	St Johns 2O	32.7	St Johns 2O	33.2	-0.5
2024	St Lucie_1	92.9	St Lucie_1	92.9	0.0
2024	St Lucie_2	93.0	St Lucie_2	93.0	0.0
2024	Turkey Point_3	93.0	Turkey Point_3	93.0	0.0
2024	Turkey Point_4	100.0	Turkey Point_4	100.0	0.0
2024	Turkey Point_5	54.4	Turkey Point_5	54.9	-0.5
2024	West County Energy Center_1	63.7	West County Energy Center_1	63.6	0.1
2024	West County Energy Center_2	72.2	West County Energy Center_2	72.0	0.2
2024	West County Energy Center_3	69.6	West County Energy Center_3	69.5	0.0

[1] Capacity factor= energy generated (MWH) / [period hours x MW capacity] * 100

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 29th day of May 2015 before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Juan E. Enjamio, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory numbers 27 through 29 and 32 through 33 from **STAFFS THIRD SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 27-33)** in Docket No. 150075-EI, and that the responses are true and correct based on his personal knowledge.

Juan E. Enjamio

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 29th day of May, 2015.

TRACI D. GOLDWIRE
Notary Public - State of Florida
My Comm. Expires Jul 31, 2015
Commission # EE 117539

Traci D. Goldwire
Notary Public
State of Florida, at Large

My Commission Expires: July 31, 2015

32

FPL's Responses to Staff's Fourth Set of Interrogatories (Nos. 34 (CONFIDENTIAL), and 35)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 32
PARTY: STAFF
DESCRIPTION: FPL's Responses to Staff's Fourth Set of Interrogatories (Nos. 34

Q.

Please refer to FPL's responses to Staff's First Set of Interrogatories, No. 1a., and the U.S. Energy Administration's (EIA) Annual Energy Outlook 2015, found at http://www.eia.gov/beta/aeo/#/?id=1-AEO2015 **(Table: Total Energy Supply, Disposition, and Price Summary, Reference Case).**

a. Please complete the following table comparing FPL's natural gas price forecast (commodity) with the EIA's natural gas price forecast (nominal, $/MMBtu) as referenced above, including unit and percent differences for all years 2015 thru 2024.

b. Please comment on whether the two forecasts referenced in 34a above are directly comparable for projecting natural gas prices for all years 2015-2024. Why or why not?

A.

a. Please see confidential Attachment I to this Interrogatory.

b. FPL and EIA's forecasted prices could be comparable as they are both forecasting the same commodity. However, there is a possibility that FPL's methodology differs from EIA's in turn showing potential variances in the years requested. As described, in FPL's response to Staff's First Set of Interrogatories No. 3, FPL used the November 3, 2014 forward curve for Henry Hub natural gas commodity prices to project 2015 and 2016. For the next two years (2017 and 2018), FPL used a 50/50 blend of the November 3, 2014 forward curve and the most current projections at the time from The PIRA Energy Group. The remaining years (2019-2024) use the annual projections from The PIRA Energy Group.

Year	FPL Forecasted Price	EIA Forecasted Price	Difference (FPL-EIA)	Percentage Difference
2015	[redacted]	$3.82	[redacted]	[redacted]
2016		$3.90		
2017		$4.09		
2018		$4.61		
2019		$5.07		
2020		$5.54		
2021		$5.79		
2022		$5.97		
2023		$6.25		
2024		$6.48		

Q.

Please refer to FPL's responses to Staff's Second Request for Production of Documents No. 6. Please explain all tests of reasonableness FPL conducted to compare its natural gas and coal price forecasts relied upon in this proceeding to the alternate fuel price forecasts provided. Please discuss any conclusions drawn from such tests.

A.

As mentioned in FPL's response to Staff's Second Request for Production of Documents No. 6, although FPL uses outside sources such as PIRA and EIA to provide a baseline for its medium case fuel price forecasts, it does not compare its official forecasts with outside sources.

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 3 day of June 2015 before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Manuel Acosta, who is personally known to me, and he acknowledged before me that he co-sponsored the answers to interrogatory numbers 34 through 35 from **STAFF'S FOURTH SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 34-35)** in Docket No. 150075-EI, and that the responses are true and correct based on his personal knowledge.

Manuel Acosta

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 3 day of June, 2015.

Notary Public
State of Florida, at Large

My Commission Expires:

MARITZA MIRANDA-WISE
MY COMMISSION # FF 002868
EXPIRES: May 30, 2017
Bonded Thru Notary Public Underwriters

32A

FPL's Responses to Staff's Fifth Set of Interrogatories (No. 37 (with CONFIDENTIAL Attachment))

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 32A
PARTY: STAFF
DESCRIPTION: FPL's Responses to Staff's Fifth Set of Interrogatories (No. 37, with

Q.

Please provide the monthly Cedar Bay generating facility net book values as recorded on Cedar Bay Genco's books for the months of September 2015 through December 2015 assuming that the Cedar Bay Transaction has not been consummated.

A.

As provided by Cogentrix, Attachment I, which is confidential in its entirety, shows the monthly net book values of the Cedar Bay generating facility per Cedar Bay Genco's books for the months of September 2015 through December 2015.

Cedar Bay Generating Company LP
Balance Sheet Trend
Custom 2 Top Member

	As of September 30, 2015			As of October 31, 2015			As of November 30, 2015			As of December 31, 2015		
	Cost	A/D	NBV	Cost	A/D	NBV	Cost	A/D	NBV	Cost	A/D	NBV
124000 Electric Plant	[redacted]											
124030 Plant Investments												
124040 Machinery and Eqp. Other												
124050 Computer Hardware												
124070 Autos and Trucks												
124080 Office Equipment - Furniture												
124500 Asset Retirement Obligation												
Property Plant and Equipment												

AFFIDAVIT

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

I hereby certify that on this 24th day of June, 2015, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared S. M. Rudolph, who is personally known to me, and he/she acknowledged before me that he/she provided the answers to interrogatory number(s) 37 from STAFF'S FIFTH SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT COMPANY (NOS. 36-37) in Docket No(s). 150075-EI, and that the responses are true and correct based on his/her personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 24th day of June, 2015.

KAREN J. FINCHER
NOTARY
My Comm. Exp.
10/01/2019
PUBLIC
STANLY COUNTY, N. C.

Karen J. Fincher
Notary Public
State of North Carolina, at Large

My Commission Expires:
October 1, 2019

33

FPL's Responses to Staff's Sixth Set of Interrogatories (Nos. 38-40 (with CONFIDENTIAL Attachments to 38a and 38b))

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 33
PARTY: STAFF
DESCRIPTION: FPL's Responses to Staff's Sixth Set of Interrogatories (Nos. 38-40) (38a

Q.

For the purposes of the following Interrogatory, please refer to the direct testimony of FPL Witness David W. Herr, page 6, lines 1-2, and Confidential Exhibit DH-3, page 65 of 68, specifically the line titled "Average Realized Delivered Fuel Price Per Ton."

a. Please provide the historical prices for commodity, transportation, and average realized delivered coal price utilized in formulating the Discounted Cash Flow (DCF) Model (in both nominal $ per mmBtu and nominal $ per ton) for the three years referenced in Witness Herr's direct testimony.

b. Please provide the coal price forecast (2015 – 2024) for coal commodity, transportation, and average realized delivered fuel price utilized in formulating the DCF Model (in both nominal $ per mmBtu and nominal $ per ton).

c. Please provide all alternative coal price forecasts used to test the reasonableness of the coal commodity and transportation price forecasts filed in response to 38b. above.

A.

a. The three years of historical information referenced in Witness Herr's direct testimony in formulating the DCF Model relates to capacity factor and transportation costs for three historical years available from SNL Energy. For commodity prices (fuel and power), historical pricing is not necessarily representative of future expectations, so the price of commodities were obtained from IHS Cera's most recently published price outlook and were not based on historical commodity prices. While not used as a primary source for the delivered cost of coal in the analysis, SNL does provide an estimate of delivered cost per ton for the past three years as well, which has been included in Attachment I.

b. Attachment II contains the build-up of the nominal $ per mmBtu and nominal $ per ton on an annual basis.

c. The coal price forecast prepared and already provided by FPL Witness Hartman was the only other forecast used to test the reasonableness of the delivered coal price.

DOCKET NO. 150075 EI (Staff POD 38.a) **Support 1**
Source : SNL

Cedar Bay Generating

Plant Financials

SNL Power Plant Key : 2198

Operational Statistics
Operating Capacity (MW)
Summer Peak Capacity (MW)
Winter Peak Capacity (MW)
Net Generation (MWh)
Capacity Factor (%)
Heat Rate





DOCKET NO. 150075 EI (Staff POD 38.a) **Support 2**
Source : SNL

Cedar Bay Generating
Fuels

Periods Last Seven Years (Annual)

	2008 Y	2009 Y	2010 Y	2011 Y	2012 Y	2013 Y	2014 Y	3 Year Avg (D&P Calculation)
Primary Coal Deliveries								
Type								
Region								
Primary Transport Mode								
Secondary Transport Mode								
Amount Delivered (1000 tons)								
Heat Content (Btu/lb)								
Sulfur Content (%)								
Ash Content (%)								
Basin Cost ($/ton)								
Transportation Cost ($/ton)								
Delivered Cost ($/ton)								
Basin Cost ($/mmbtu)								
Transportation Cost ($/mmbtu)								
Delivered Cost ($/mmbtu)								

DOCKET NO. 150075 EI (Staff POD 38.b) **Support 1**

IHS Energy Rivalry Scenario, H2 2014
06 February 2015

Annual fuel prices (nominal)[1]

Annual spot coal prices by US basin (nominal $/ton)	[redacted]
Central Appalachia CSX[3]	

Notes:

[redacted]

Sources: IHS Energy; Energy Information Administration, Intelligence Press and SNL Energy Coal Report for historical data.
IHS Energy Rivalry Scenario—Outlook to 2040.
February 2015 update.

Cedar Bay - Calculation of Delivered Coal Price

Spot Basin Coal Price (nominal $/ton) - per IHS	[redacted]
Transportation Cost (nominal $/ton) - based on SNL, escalated at 2%	
Deliverd Fuel Cost (nominal $/ton)	
Spot Basin Coal Price (nominal $/mmbtu) - per IHS	
Transportation Cost (nominal $/mmbtu) - based on SNL, escalated at 2%	
Deliverd Fuel Cost (nominal $/mmbtu)	

Q.

For the purposes of the following request, please refer to FPL's response to Staff's 1st Production of Documents Request, No. 1a., and the following table.

Coal Minemouth Prices by Region and Type

http://www.eia.gov/beta/aeo/#/?id=99-AEO2015&region=0-0&cases=ref2015&start=2015&end=2040&f=A&linechart=99-AEO2015.2.~99-AEO2015.8.~99-AEO2015.9.~99-AEO2015.10.&map=&ctype=linechart

Fri Jun 5 14:23:48 EDT 2015

Source: U.S. Energy Information Administration

Region (2013 Dollars/short ton)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Coal Prices : Central Appalachia	75.8	80.8	84.1	86.7	87.5	90	91.9	94.8	96.7	98.4
Coal Prices : Central Appalachia : Medium Sulfur Premium[1]	96.5	104.1	109.3	112.5	115.4	118.1	121	123.6	126.3	128.8
Coal Prices : Central Appalachia : Low Sulfur Bituminous	72.8	73.4	75.2	75.4	76.2	77.8	79.3	80.3	80.8	81.1
Coal Prices : Central Appalachia : Medium Sulfur Bituminous	63.1	64.9	66.5	66.7	67.6	68.9	70.4	71.4	71.9	72.2

[1] "Premium" coal is used to make metallurgical coke.

a. Please specify the type coal by sources and compositions used at Cedar Bay.
b. Please compare the types of coal used at Cedar Bay to the types of coal listed in the above referenced EIA document. Please explain any differences.
c. Please explain the likely reasons for differences in values and trends evident in the EIA's above-referenced forecasted coal prices with the Cedar Bay forecasted coal prices provided in FPL's response to Staff's First Request for PODs, No. 1a.
d. Please compare the types of coal used at Cedar Bay to the types of coal used at St. John River Power Park (SJRPP) during the past three years. Please explain any differences and any possible restrictions in the use of SJRPP coal at Cedar Bay Generating Station.

A.

a. Cedar Bay coal is provided by Nally and Hamilton Enterprises from their mines in Kentucky. Required coal properties are:

Cedar Bay Coal Specifications	
	Typical
Btu/lb	12,000
Sulfur	1.20%
Ash	12.00%
Moisture	7%
Ash Fusion Temperature	2,500 F
Volatiles	32%
1/4" x 0"	50%
Top Size	3" x 0"
HGI	42%
NA2O + K2O	3.40%

b. Cedar Bay coal would correspond to the category of Central App Low Sulfur Bituminous in the table. Note, however, the coal properties will vary by individual mine, therefore test burns are conducted to determine the suitability of any particular source of coal. Not all Central App Low Sulfur coals are the same.

c. The EIA forecast is prepared by government economists using a computer model of the U.S. economy. The forecast provided in FPL's response to Staff's First Request for Production of Documents, No. 1a ("POD No. 1a") is prepared by a group of coal specialists in an international company using proprietary data and models. Additionally, the EIA forecast is in constant 2013 dollars, and the POD No. 1a forecast is in nominal dollars, independent of the changes in coal prices, the POD No. 1a forecast will therefore incorporate estimates of inflation which are not reflected in the EIA forecast. Given these differences, direct comparison of the two forecasts is impractical. The best that can be observed is that over the period 2015 through 2024 the overall price change is comparable, however the POD No. 1a forecast appears to indicate more rapid price increases in the early years, and lower escalation of prices in the later years of the period as opposed to EIA, how much of this difference is caused by inflation expectations versus fundamental changes in coal prices cannot be determined.

d. Over the last three years SJRPP has burned a mix of coals from Indiana, Kentucky and Colombia. Cedar Bay has recently conducted a successful test burn of Colombian coal. CFB combustion, as used at Cedar Bay, is inherently flexible in its fuel requirements and, subject to test burns, would most likely be capable of burning any fuel used at SJRPP. Cedar Bay, however, does not have ship unloading facilities, so imported coal would have to be unloaded at a commercial facility and transported to the plant, impacting the economics of imported coal.

Q.

Please refer the direct testimony of Witness Herr, Page 6, Lines 5-7. Please explain whether the Discounted Cash Flow prepared for the Cedar Bay Generating Facility took into account the availability of potentially lower cost suitable alternatives to Central Appalachian coals, such as Columbian coal. If so, how?

A.

The analysis considered the availability of lower cost coal. As indicated by historical data from SNL previously noted, Cedar Bay Generating Facility has primarily been fueled with Central Appalachian coal. While there is the potential to shift to lower cost sources of coal such as Colombian coal at Cedar Bay, it is Duff & Phelps' experience that Market Participants often do not presume a shift in the source of coal unless there is a firm plan to do so with certainty of availability and supply. Based on this, Central Appalachian coal pricing was used to estimate the Fair Value of the Cedar Bay Generating Facility and the Power Purchase Agreement ("PPA") with FPL.

It is worth noting that a shift in supply to lower cost coal would reduce but would not fully eliminate the indicated deficit associated with the Cedar Bay Generating Facility (on a merchant basis), and that the conclusion of $0 Fair Value would be unchanged based on incorporating Colombian (or other) lower cost coal.

It is also relevant that a shift in fuel source to lower cost Colombian coal at both Cedar Bay Generating Facility and Saint Johns River Power Park would likely result in limited change to the Fair Value of the PPA with FPL, as the savings from the lower cost of fuel would substantially offset the lower expected energy revenue reflecting the avoided cost computation incorporating similar lower cost Colombian coal.

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA)

COUNTY OF PHILADELPHIA)

I hereby certify that on this 10th day of July 2015 before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared David Herr, who is personally known to me or who has produced a driver's license as identification and who did take an oath, and he acknowledged before me that he provided the answers to interrogatory numbers 38 and 40 from **STAFF'S SIXTH SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 38-40)** in Docket No. 150075-EI, and that the responses are true and correct based on his personal knowledge.

DAVID HERR

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 10th day of July, 2015.

Notary Public
Commonwealth of Pennsylvania, at Large

My Commission Expires:

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
LINCY R REYNA
Notary Public
CITY OF PHILADELPHIA, PHILADELPHIA CNTY
My Commission Expires Aug 27, 2018

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 9th day of July 2015 before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Thomas L. Hartman, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory number 39 from **STAFF'S SIXTH SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 38-40)** in Docket No. 150075-EI, and that the responses are true and correct based on his personal knowledge.

Thomas L. Hartman

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 9th day of July, 2015.

Notary Public
State of Florida, at Large

My Commission Expires:

MARITZA MIRANDA-WISE
MY COMMISSION # FF 002868
EXPIRES: May 30, 2017
Bonded Thru Notary Public Underwriters

34

FPL's Responses to Staff's Seventh Set of Interrogatories (Nos. 41-42)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 34
PARTY: STAFF
DESCRIPTION: FPL's Responses to Staff's Seventh Set of Interrogatories (Nos. 41-42)

Q.

For the purposes of the following interrogatories, please refer to the Direct Testimony of OPC Witness Dawson, page 8, line 14 through page 9, line 3. What is FPL's opinion regarding the Witness' the contention concerning the appropriateness of conducting price sensitivities of the fuel referenced in this section.

A.

It is unneeded, as FPL performed a sensitivity against natural gas prices. Customer savings will vary with relative changes in SJRPP coal prices and natural gas prices, lower coal prices relative to natural gas would cause Cedar Bay to dispatch more, the same impact would be obtained if natural gas prices increased relative to coal. Therefore a price sensitivity on coal would be redundant.

Q.

For the purposes of the following interrogatory, please refer to the Rebuttal Testimony of FPL Witness Herr page 7, line 22 through page 9, Line 4.

a. Please explain the why using the various coal prices referenced in this section of testimony for determining both Energy Revenue from, and the Fair Value (FV) of, the Purchase Power Agreement (PPA) is the proper methodology.

b. Was the (estimated) revenue of the PPA formulated under ASC 820 guidelines? If not, please specify how exactly the estimated revenue was formulated and under which accounting guidelines/standards.

A.

a. In the response referenced, Witness Herr explained that "Market Participants each would have its own outlook on coal price (both on absolute terms and on the spread between basins)". The coal prices referenced in the Rebuttal Testimony represent data points that could be obtained through due diligence efforts that are usual and customary, and therefore should be considered in estimating the FV of the PPA. As noted, FPL's internal coal price outlook would not be available to a market participant determining a bid price for CBAS.

b. ASC 820-10-35-2B states that "When measuring fair value a reporting entity shall take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date." ASC 820-10-35-2C further states that "The effect on the measurement arising from a particular characteristic will differ depending on how that characteristic would be taken into account by market participants." The revenue of the PPA was estimated consistent with this guidance.

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 7th day of July 2015 before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Thomas L. Hartman, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory number 41 from **STAFF'S SEVENTH SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 41-42)** in Docket No. 150075-EI, and that the responses are true and correct based on his personal knowledge.

Thomas L. Hartman

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 7th day of July, 2015.

Notary Public
State of Florida, at Large

My Commission Expires:

MARITZA MIRANDA-WISE
MY COMMISSION # FF 002868
EXPIRES: May 30, 2017
Bonded Thru Notary Public Underwriters

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA)

COUNTY OF PHILADELPHIA)

I hereby certify that on this 7th day of July 2015 before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared David Herr, who is personally known to me or who has produced a driver's license as identification and who did take an oath, and he acknowledged before me that he provided the answers to interrogatory number 42 from **STAFF'S SEVENTH SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 41-42)** in Docket No. 150075-EI, and that the responses are true and correct based on his personal knowledge.

DAVID HERR

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 7th day of July, 2015.

Notary Public
Commonwealth of Pennsylvania

My Commission Expires:

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
LINCY R REYNA
Notary Public
CITY OF PHILADELPHIA, PHILADELPHIA CNTY
My Commission Expires Aug 27, 2018

35

FPL's Responses to Staff's Eighth Set of Interrogatories (Nos. 43 and 44 (CONFIDENTIAL))

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 35
PARTY: STAFF
DESCRIPTION: FPL's Responses to Staff's Eighth Set of Interrogatories (Nos. 43 and 44

Q.

Please provide each of the values for the Cedar Bay Facility and/or PPA below for the following past time periods from the end of 2014: 10 years, 8 years, 5 years, 3 years, and 1 year prior. As part of this response, please include the annual values and calculations.

a. Average Unit Dispatch over the period
b. Average Unit Availability over the period
c. Average Billing Capacity Factor over the period
d. Net Present Value of Payments if the average billing capacity factor over the period (c) was assumed for future capacity payments.

A.

		Average				
		10 Years	8 Years	5 Years	3 Years	1 Year
a.	Net Generation (MWh)	1,312,846	1,236,854	1,003,312	783,424	879,978
b.	Equivalent Availability Factor (EAF)%	83.25	83.79	85.54	86.74	86.80
c.	Capacity Factor [1]	94.41%	94.84%	98.79%	99.84%	101.46%
d.	NPV of Fixed Payments ($ Millions) [2]	1,003.53	1,007.27	1,038.70	1,043.37	1,050.54

[1] Average annual billing capacity per the provisions of the PPA

[2] based on a 7.51% discount rate

Q.

Please refer to the Direct Testimony of OPC Witness Brunault, page 13, line 9 through page 14, line 6.

a. How is FPL's valuation of the Cedar Bay PPA accounts for the cost of coal used to meet Cedar Bay's contractual obligations to its steam host and FPL?

b. Please provide the NPV associated with fuel for electric and steam sales. As part of this response, please include the annual values and calculations used to determine the coal cost.

c. How did FPL determine the assumed heat rate to estimate the total fuel required by Cedar Bay to meet its contractual obligations to its steam host and FPL? As part of this response, provide the heat rate used in FPL's valuation that accounts for both electric and steam sales. Please include the values and calculations used to determine the heat rate.

A.

a. In estimating the cost of coal used to meet Cedar Bay's obligation to its steam host and FPL, the capacity factor of [redacted], the 250 MW size and the budgeted [redacted] were used to compute a total number of MMBTUs required to fulfill the obligations to the steam host and FPL. The MMBTUs were converted to pounds (and then to tons) based on an estimated heat content of [redacted] for [redacted] Coal which is the primary fuel currently used at Cedar Bay. The delivered price per ton was estimated based on the [redacted] price estimate plus [redacted] The total cost of coal was computed as the product of the tons required and the delivered price.

b. See Attachment I, which shows an after-tax NPV (using the 7% discount rate) of approximately [redacted] associated with fuel for electric and steam sales. The calculations used to determine the coal cost are also provided in Attachment I.

c. As noted in the response to subpart 44a. above, the budgeted [redacted] was used to estimate the total fuel requirement. To compute the equivalent MWHs required to produce steam, [redacted] in the July 2014 Cedar Bay information to estimate [redacted] (volume is assumed constant with a [redacted] annual price escalation). Based on the [redacted] in the July 2014 Cedar Bay information, approximately [redacted] are required to meet the steam obligations. When this amount is added to the [redacted], the implied "Full Heat Rate" reasonably aligns with the budgeted "Full Heat Rate". Attachment I presents the requested values and calculations.

Documents responsive to Staff's Eighth Set of Interrogatories No. 44 are confidential in their entirety.

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 8th day of July 2015 before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Thomas L. Hartman, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory number 43 from **STAFF'S EIGHTH SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 43-44)** in Docket No. 150075-EI, and that the responses are true and correct based on his personal knowledge.

Thomas L. Hartman

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 8th day of July, 2015.

Notary Public
State of Florida, at Large

My Commission Expires:

MARITZA MIRANDA-WISE
MY COMMISSION # FF 002868
EXPIRES: May 30, 2017
Bonded Thru Notary Public Underwriters

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA)

COUNTY OF PHILADELPHIA)

I hereby certify that on this 8th day of July 2015 before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared David Herr, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory number 44 from **STAFF'S EIGHTH SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 43-44)** in Docket No. 150075-EI, and that the responses are true and correct based on his personal knowledge.

DAVID HERR

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 8th day of July, 2015.

Notary Public
Commonwealth of Pennsylvania, at Large

My Commission Expires:

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
LINCY R REYNA
Notary Public
CITY OF PHILADELPHIA, PHILADELPHIA CNTY
My Commission Expires Aug 27, 2018

36

FPL's Responses to Staff's First Request for Production of Documents (Nos. 1 (CONFIDENTIAL), 2, and 3 (CONFIDENTIAL))

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 36
PARTY: STAFF
DESCRIPTION: FPL's Responses to Staff's First Request for Production of Documents

Q.

Please refer to Witness Herr's Direct Testimony, Page 6.

a. Please provide the IHS's Central Appalachian coal price outlook source document.
b. Please provide the historical delivery costs to Cedar Bay Facility as prepared by SNL energy if different from Interrogatory No. 2 delivery prices.

A.

a. Documents responsive to this request are confidential, labeled as Bates No. CB-15-00001.
b. Documents responsive to this request are confidential, labeled as Bates No. CB-15-00002.

DOCKET NO. 150075 EI (Staff POD 1.a)

IHS Energy Rivalry Scenario, H2 2014
06 February 2015

Annual fuel prices (nominal)[1]

Annual spot coal prices by US basin (nominal $/ton)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Central Appalachia CSX[3]	[redacted]									

Notes:

[redacted]

Sources: IHS Energy, Energy Information Administration, Intelligence Press and SNL Energy Coal Report for historical data
IHS Energy Rivalry Scenario—Outlook to 2040.
February 2015 update.

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Spot Basin Coal Price (nominal $/ton) - per IHS	[redacted]									
Transportation Cost (nominal $/ton) - based on SNL, escalated at 2%										
Deliverd Fuel Cost (nominal $/ton)										

DOCKET NO. 150075 EI (Staff POD 1.b)
Source : SNL

Cedar Bay Generating
Fuels

Periods	Last Seven Years (Annual)							
	2008 Y	2009 Y	2010 Y	2011 Y	2012 Y	2013 Y	2014 Y	3 Year Avg
Primary Coal Deliveries								
Type								
Region								
Transportation Cost ($/ton)	[redacted]							[redacted]

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Q.

Please provide a copy of the PPA between FPL and Cedar Bay Generating Company, Limited Partnership.

A.

Documents responsive to this request are provided as Bates Nos. CB-15-00003 through CB-15-00227.

AGREEMENT FOR THE PURCHASE OF FIRM CAPACITY AND ENERGY BETWEEN AES CEDAR BAY, INC. AND FLORIDA POWER & LIGHT COMPANY

THIS AGREEMENT ("Agreement") is made and entered this 6 day of May, 1988, by and between AES CEDAR BAY, INC. ("AES Cedar Bay"), a corporation organized and existing under the laws of the State of Delaware, with its principal offices at Arlington, Virginia, and FLORIDA POWER & LIGHT COMPANY ("FPL"), a utility corporation organized and existing under the laws of the State of Florida, having its principal place of business in Miami, Florida. AES Cedar Bay and FPL shall collectively herein be called the "Parties" and each may be individually identified herein from time to time as a "Party".

WITNESSETH:

WHEREAS, AES Cedar Bay will construct and own a facility (the "Facility") which has been or will be certified as a "qualifying facility" pursuant to the rules and regulations of the Florida Public Service Commission ("FPSC") or the Federal Energy Regulatory Commission ("FERC"); and

WHEREAS, AES Cedar Bay desires to sell, and FPL desires to purchase, electricity to be generated by the Facility consistent with FPSC Rules 25-17.080 through 25-17.087, inclusive;

NOW, THEREFORE, for mutual consideration, the Parties agree as follows:

..0 DEFINITIONS

As used in this Agreement and in Appendices A, B, C and D hereto, the following terms shall have the following meanings:

1.1 **Annual Capacity Factor** - the sum of the 12 consecutive Monthly Capacity Factors preceding the date of calculation, divided by 12. During the first 12 consecutive full Monthly Billing Periods, plus the preceding partial month if any, commencing with the first Monthly Billing Period in which Capacity payments are to be made, the calculation of the Annual Capacity Factor shall be performed as follows: (a) during the initial partial Monthly Billing Period, if any, the Annual Capacity Factor shall be the Monthly Capacity Factor for the partial Monthly Billing Period beginning at 12:01 A.M. on the Commercial Operation Date and ending at midnight on the last day of the month; (b) during the first full Monthly Billing Period, the Annual Capacity Factor shall be equal to the Monthly Capacity Factor; (c) thereafter, the calculation of Annual Capacity Factor shall be computed by dividing the sum of the Monthly Capacity Factors during the first year's full Monthly Billing Periods in which Capacity payments are to be made by the number of full Monthly Billing Periods which have elapsed. This calculation shall be performed at the end of each Monthly Billing Period until enough full Monthly Billing Periods have elapsed to calculate a true 12-month average Annual Capacity Factor.

1.2 **As-Available Avoided Energy Costs** - costs computed pursuant to FPSC Rule 25-17.0825(2) as it may subsequently be amended from time to time. FPL's Northeastern (North) operating area shall be the designated avoided cost pricing area for purposes of this Agreement.

1.3 **Base Capacity Payment** - the amounts thereof set forth in Appendix A.

1.4 **Capacity** - el· ·ic power in megawatts ("MW") ge· :ted by the Facility and delivered to FPL's system by the Wheeling Utility, all as determined pursuant to Section 5.5.

1.5 **Capacity Factor** - the Annual Capacity Factor unless the On-Peak Annual Capacity Factor is ten percentage points or more lower than the Annual Capacity Factor, in which case the Capacity Factor shall be the mean average of the On-Peak Annual Capacity Factor and the Annual Capacity Factor.

1.6 **Commercial Operation Date** - the first day immediately following successful completion and operation of the Facility as determined by AES Cedar Bay or the date AES Cedar Bay declares the Facility available for service under this Agreement, whichever is later.

1.7 **Committed Capacity** - the maximum Capacity in any one hour which AES Cedar Bay contractually commits to sell to FPL pursuant to the terms of this Agreement, all as specified pursuant to Section 4.2.

1.8 **Energy** - electrical energy in megawatt hours ("MWH") generated by the Facility and delivered to FPL's system by the Wheeling Utility, all as determined pursuant to Section 5.5.

1.9 **Event of Default** - any of those occurrences specified in Section 14.1.

1.10 **Facility** - the electrical generating unit (nominal net output of 225 MW), equipment and related facilities located at the AES Cedar Bay plant on or adjacent to the premises of Seminole Kraft located at 9469 Eastport Road, Jacksonville, Florida.

1.11 **Facility Owner** - AES Cedar Bay or any successor(s) in interest to AES Cedar Bay's ownership.

1.12 **FERC** - Federal Energy Regulatory Commission.

1.13 **Force Majeur** - an event or circumstance t was not reasonably foreseeable by a Party, was beyond its reasonable control, and was not caused by its negligence or lack of due diligence; such events or circumstances include, but are not limited to, acts of civil or military authority (including courts, governmental or administrative agencies), acts of God, war, riot or insurrection, blockades, embargoes, sabotage, epidemics, explosions, fires, hurricanes, floods, strikes, lockouts or other labor disputes or difficulties.

1.14 **FPSC** - Florida Public Service Commission.

1.15 **Interchange Points** - interconnection points between FPL and the Wheeling Utility, as designated under the interchange agreement between FPL and the Wheeling Utility.

1.16 **Monthly Billing Period** - the period beginning on the 1st day of each calendar month (except in the case of an initial partial month, if any, in which case the period for the initial partial month only will begin with the Commercial Operation Date) and ending on the last day of each such month.

1.17 **Monthly Billing Statement** - a monthly summary prepared by FPL in accordance with Section 7.1.

1.18 **Monthly Capacity Factor** - the total Energy during the Monthly Billing Period for which the calculation is made, divided by the product of (a) the Committed Capacity during the Monthly Billing Period and (b) the sum of the hours during the Monthly Billing Period. For purposes of calculating the Monthly Capacity Factor, the following factors shall be considered when applicable: (A) Scheduled Maintenance Periods as defined in Section 1.22, (B) periods that FPL did not accept Energy for delivery or receive Energy pursuant to the provisions of Sections 4.3, 4.4 and 6.3, and (C) periods of Force Majeure described in Section 1.13 and treated in accordance with the provisions of Section 15.4. The hourly Energy to be used in the calculation of

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subsections (A) and (C) of this Section shall be the product of the Capacity Factor and the Committed Capacity. For purposes of calculating the Monthly Capacity Factor, hourly Energy deliveries shall not exceed those which could be produced by the Committed Capacity plus 10 MW, with the exception of those hours when FPL, pursuant to Section 10.3, requests AES Cedar Bay to produce in excess of the Committed Capacity.

1.19 **Monthly Capacity Payment** - monthly payments for Capacity calculated in accordance with Appendix A.

1.20 **On-Peak Annual Capacity Factor** - the Annual Capacity Factor calculated only with respect to On-Peak Hours during the 12 consecutive Monthly Billing Periods preceding the date of calculation (or, during the first year in which Capacity payments are to be made, such shorter period (including any initial partial Monthly Billing Period) as described in the definition of Annual Capacity Factor above), except that hourly Energy deliveries may exceed the amounts of Energy which could be produced by the Committed Capacity plus 10 MW when requested by FPL.

1.21 **On-Peak Hours** - those hours occurring Monday through Friday, except the holidays noted below, April 1 through October 31 from 12 noon to 9:00 P.M. and November 1 through March 31 from 6:00 A.M. to 10:00 A.M. and 6:00 P.M. to 10:00 P.M. Holidays include only New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

1.22 **Scheduled Maintenance Period** - any period of time during which AES Cedar Bay plans, in coordination with FPL as provided in Section 10.2, to subject the Facility to a scheduled complete or partial reduction in Capacity for routine or periodic maintenance; provided, however, for purposes of calculating Annual Capacity Factor and On-Peak Annual Capacity Factor, there shall be excludable only six weeks of complete or partial reduction in Capacity;

150075 Hearing Exhibits 000135

provided furt' ~ that there shall be no more thr three periods of full or partial scheduled maintenance, each of a period of at least one week and not to exceed an aggregate of six weeks. This outage maximum shall be extended to seven weeks during the first year of operation and every fifth year thereafter.

1.23 **Unit Energy Cost** - the cost, in dollars per megawatt hour ($/MWH), shall be equal to the product of (a) the average monthly cost of coal burned at the St. Johns River Power Park expressed in dollars per million Btu and (b) an average annual heat rate factor of 9.79 million Btu per MWH. The cost of coal, including start-up oil, at St. Johns River Power Park is reported on a monthly basis to the FPSC as Schedule A5 entitled "System Net Generation and Fuel Cost." This start-up oil will be excluded from the Unit Energy Cost calculation.

1.24 **Wheeling** - the transmission of Energy and Capacity from the Facility for delivery to FPL's system at the Interchange Points.

1.25 **Wheeling Utility** - the electric utility or utilities designated by AES Cedar Bay which transmit(s) Energy and Capacity from the Facility and deliver(s) it to FPL's system.

2.0 FACILITY

2.1 AES Cedar Bay shall operate the Facility as a "qualified cogenerator" as that term is defined in Section 3(18)(C) of the Federal Power Act.

2.2 AES Cedar Bay shall, throughout the term of this Agreement, maintain the status of the Facility as a "qualifying cogeneration facility" and AES Cedar Bay's status as a "qualifying cogenerator" pursuant to FERC or FPSC regulations.

3.0 TERM

3.1 This Agreement shall become effective when executed, but the Parties' obligations hereunder shall not be enforceable until all conditions precedent described in Section 13.0 have been satisfied.

3.2 The initial term of this Agreement shall extend until December 31, 2024, except as it may be extended pursuant to other provisions hereof, including, in particular, the provisions with respect to Force Majeure.

3.3 Notwithstanding the foregoing, FPL may terminate this Agreement if AES Cedar Bay fails to achieve the financial closing of the project by July 1, 1991, or fails to commence delivery of Energy pursuant to the terms of this Agreement by March 31, 1993, unless such failure is due to a Force Majeure event. In order to ensure the timely development of AES Cedar Bay, Applied Energy Services, Inc., the parent corporation of AES Cedar Bay, will guarantee project cancellation payments to FPL according to the schedule provided in Appendix D, which shall satisfy any liabilities to FPL of AES Cedar Bay and its parent and affiliates. Appendix D shall be executed concurrently with this Agreement.

4.0 SALE OF ENERGY AND CAPACITY BY AES CEDAR BAY

4.1 Upon proper notice, as specified in Section 5.3, and during start-up and testing of the Facility provided that proper arrangements have been made with the Wheeling Utility, FPL will purchase Energy (but not Capacity) in accordance with the terms and conditions specified in this Agreement. Commencing on the Commercial Operation Date, AES Cedar Bay shall sell to FPL and FPL shall purchase from AES Cedar Bay all Energy and Capacity in excess of AES Cedar Bay's internal consumption of energy and capacity, except, in each case, to the extent that AES Cedar Bay is not obligated to

sell or FPL is not obligated to purchase such Energy and Capacity under the terms of this Agreement.

4.2 AES Cedar Bay shall designate the initial Committed Capacity and provide FPL written notice of such designation on or before February 1, 1992. The initial Committed Capacity shall be at least 180 MW and not greater that 250 MW. For a period of one year immediately following the Commercial Operation Date, AES Cedar Bay may, on two occasions only, increase but not decrease the initial Committed Capacity. AES Cedar Bay shall give FPL written notice of any such change(s) at least sixty (60) days prior to the effective date(s) of the change(s). The final Committed Capacity shall not exceed 250 MW.

4.3 FPL shall not be obligated to purchase, and may require curtailed or reduced deliveries of, Energy (i) to the extent necessary to operate and maintain any part of FPL's system, or (ii) if FPL reasonably determines that a failure to do so is likely to endanger life or property, or is likely to result in significant disruption of electric service to FPL's customers, or (iii) if AES Cedar Bay is able to deliver Energy to the Interchange Points but FPL is unable to receive such Energy due to Force Majeure. FPL shall give AES Cedar Bay prior notice, if practicable, of its intent to refuse, curtail or reduce FPL's acceptance of Energy pursuant to this Section. FPL shall resume normal acceptance of Energy as quickly as possible.

4.4 FPL shall not be required to accept or purchase Energy during any period in which, due to operational circumstances, acceptance of such Energy, without taking into account the cost thereof, would result in FPL's incurring costs greater than those which it would incur by generating an equal additional amount of energy with its own resources. An example of such an occurrence would be a period during which the load being served is such that the generating units on line are base load units operating at their minimum continuous ratings and the purchase of additional Energy would require taking

a base load u off line and replacing the remaini 'oad served by that unit with peaking-type generation. FPL shall give AES Cedar Bay as much prior notice as practicable of its intent not to accept Energy pursuant to this Section.

5.0 DELIVERY OF ENERGY AND CAPACITY

5.1 AES Cedar Bay shall be responsible for making and maintaining all necessary Wheeling arrangements.

5.2 As between the Parties, AES Cedar Bay shall be responsible for all costs associated with Wheeling of Energy and Capacity to the Interchange Point(s).

5.3 AES Cedar Bay shall keep FPL apprised of all developments regarding the Commercial Operation Date. AES Cedar Bay shall give FPL at least six months' written notice before initial deliveries of Energy and/or Capacity, which deliveries shall not occur before February 1, 1992.

5.4 Any disagreements regarding the amounts of Energy or Capacity tendered by AES Cedar Bay to the Wheeling Utility and scheduled for delivery to FPL shall be resolved between AES Cedar Bay and the Wheeling Utility. FPL will make available any records or other data that will aid in resolving disagreements.

5.5 The amounts of Energy and Capacity delivered to FPL shall be determined from the scheduled deliveries reflected on the interchange logs between FPL and the Wheeling Utility. The Parties agree that scheduling of Energy deliveries to FPL by the Wheeling Utility shall be in whole MW pursuant to the interchange agreement between FPL and the Wheeling Utility.

6.0 PAYMENT FOR ENERGY AND CAPACITY

6.1 Prior to January 1, 1994, FPL shall pay AES Cedar Bay for each MWH of Energy at a rate equal to 54% of FPL's As-Available Avoided Energy Costs.

6.2 Beginning Jar -y 1, 1994, FPL shall pay AES Ce Bay for each MWH of Energy delivered at up to an 87% Monthly Capacity Factor at a rate equal to 99% of the lesser of an hour-by-hour comparison of (a) the fuel component of FPL's As-Available Avoided Energy Cost and (b) the Unit Energy Cost. If the Monthly Capacity Factor exceeds 87%, then FPL shall pay AES Cedar Bay at a rate equal to 95% of the As-Available Avoided Energy Cost for each incremental MWH produced in excess of those MWH produced at the 87% capacity factor level.

6.3 The rates for Energy, payable by FPL pursuant to Sections 6.1 and 6.2, shall be superseded, as follows:

(a) If, in any hour, because of transmission constraints attributable in whole or in part to purchases of Energy, FPL is required to deviate from the economic dispatch of its resources which would otherwise be available had such Energy not been received, the As-Available Avoided Energy Costs applicable to that hour shall be reduced by the additional cost incurred by FPL attributable to the deviation from such economic dispatch, divided by the quantity of Energy delivered during such hour.

(b) If, in any hour, FPL is unable to purchase a quantity of economic lower cost energy because of transmission capacity limitations attributable to Energy deliveries, the purchase rate for an equivalent quantity of Energy during such hour shall be reduced to the rate at which FPL could have purchased such lower cost energy (including transmission costs and line losses to the point of delivery to FPL). The availability and rate of such economic energy shall be determined hourly by reference to the quantities, quoted prices and applicable methodology used to determine transactions from the Florida Energy Broker or between FPL and any other utility. FPL shall maintain such records and data as may be

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reasonably ne ıary for AES Cedar Bay to ver that such lower cost alternatives were available to FPL under the circumstances then prevailing.

(c) To the extent practicable, FPL will use reasonable efforts to notify AES Cedar Bay concerning the occurrence of any event as described in subsection (a) or (b) above so as to enable AES Cedar Bay to seek another purchaser for such temporarily marketable Energy, and AES Cedar Bay shall be free to sell such Energy in any lawful manner subject to the conditions described in subsection (a) or (b). If, under the circumstances described in subsection (a) or (b), AES Cedar Bay is requested to operate at or below the 90 MW level, then AES Cedar Bay may elect to terminate generation for the duration of the power reduction period(s).

6.4 Calculation of payments for Energy to AES Cedar Bay shall be based on the sum, over all hours of the Monthly Billing Period, of the product of each hour's applicable rate as set forth in Section 6.1 or 6.2, as those rates may be modified from time to time pursuant to Section 6.3, times the purchases of Energy by FPL for that hour.

6.5 FPL shall pay AES Cedar Bay the Monthly Capacity Payments at rates set forth in Appendix A, except that, following the expiration of any initial partial Monthly Billing Period as envisioned by Section 1.1 (a), the Monthly Capacity Payments shall be adjusted pro rata.

6.6 If, at the end of any Monthly Billing Period during the term of this Agreement, the Facility has not operated at an Annual Capacity Factor and Annual On-Peak Capacity Factor of at least 57%, based on the Committed Capacity, FPL shall not be obligated to pay for Capacity during such Monthly Billing Period. Suspension of payments pursuant to this Section shall not relieve AES Cedar Bay of any of its obligations under this Agreement.

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6.7 If, at the e· of any Monthly Billing Period d' g the first six months immediately following the Commercial Operation Date, the Facility has operated at a Monthly Capacity Factor of less than 87%, based on Committed Capacity, FPL shall be obligated to pay for Capacity during such month as set forth in Appendix A. The difference between the amount which AES Cedar Bay could have earned at 87% and actually did earn for that month shall be paid to AES Cedar Bay if and when such Monthly Capacity Factors during the second six months are equal to or greater than 87%. The amount, if any, due to AES Cedar Bay shall be paid to AES Cedar Bay in one payment at the end of the second six months immediately following the Commercial Operation Date. Suspension of payments pursuant to this Section shall not relieve AES Cedar Bay of any of its obligations under this Agreement. For purposes of this Section only, the Monthly Capacity Factor shall be affected by periods of Force Majeure described in Section 1.13, and any such periods of Force Majeure experienced during the first six months immediately following the Commercial Operation Date shall not be eligible for treatment or excuse under Section 15.4.

7.0 BILLING AND PAYMENT

7.1 On a monthly basis, FPL shall prepare a Monthly Billing Statement summarizing the quantities of Energy and Capacity received by FPL for the preceding Monthly Billing Period and any payments, calculated in accordance with Section 6.0, due AES Cedar Bay arising from such receipts. Not later than the 20th business day of each calendar month, FPL shall mail to AES Cedar Bay a Monthly Billing Statement, together with FPL's payment of

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amounts due AES Cedar Bay. Each Monthly Billing Statement shall contain at least the following information:

(a) The number of hours in the current Monthly Billing Period;

(b) The current Committed Capacity for that month;

(c) The Energy received by FPL during each hour in the Monthly Billing Period;

(d) The total Energy received by FPL in excess of that which could be produced by the Committed Capacity plus 10 MW, and which FPL did not request;

(e) The Energy received by FPL during all hours and the On-Peak Hours;

(f) The Monthly Capacity Factor, Annual Capacity Factor and On-Peak Annual Capacity Factor for the Monthly Billing Period;

(g) The rate paid by FPL for Energy during each hour in the Monthly Billing Period;

(h) The calculated payment for Energy during the Monthly Billing Period;

(i) The Monthly Capacity Payment during the Monthly Billing Period; and

(j) Such other information, data or calculations as FPL or AES Cedar Bay deems reasonably necessary to adequately calculate payment amounts.

7.2 Within 30 days of its receipt of a Monthly Billing Statement, AES Cedar Bay shall review its contents and advise FPL, in writing, of any errors or misstatements contained therein. Failure of AES Cedar Bay to discover any errors or misstatements within three years plus the then-current Monthly Billing Period shall extinguish AES Cedar Bay's right to any billing adjustment(s).

7.3 If any errors or misstatements should arise in connection with any portion of any Monthly Billing Statement, the Parties agree to proceed in good faith to expeditiously settle any such items. Adjustments in prior months' invoices shall be added to, or credited against, the next Monthly Billing Statement.

7.4 Supplementing the information provided pursuant to Section 7.1, FPL will provide AES Cedar Bay with such further information pertaining to rates and delivery of Energy and Capacity as AES Cedar Bay may reasonably request. FPL may comply with AES Cedar Bay's request for information by providing AES Cedar Bay access to relevant materials at FPL's business offices during normal business hours. AES Cedar Bay shall pay all expenses incurred by FPL in complying with requests for information made pursuant to this Section 7.4.

7.5 AES Cedar Bay shall be billed monthly an amount equal to the taxes, assessments or other impositions, if any, for which FPL is liable as a result of its purchases of Energy and Capacity from AES Cedar Bay.

8.0 CAPACITY PAYMENTS, OBLIGATIONS AND SECURITY

Upon the early termination of this Agreement pursuant to either Section 14.2 or 18.2, AES Cedar Bay shall owe FPL and be liable for the Termination Fee calculated in accordance with Appendix B (the "Termination Fee"). The obligations of AES Cedar Bay to pay such Termination Fee shall be secured in accordance with Section 16.0. AES Cedar Bay's obligation to pay the Termination Fee shall survive termination of this Agreement. FPL shall have no obligation to make Capacity payments pursuant to Appendix A until the obligation to pay the Termination Fee has been secured and perfected in a manner satisfactory to FPL and/or the FPSC.

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9.0 CAPACITY AND TEF 'NATION FEE STATEMENTS

9.1 At the end of each Monthly Billing Period, FPL shall prepare a statement (the Monthly Capacity Statement) summarizing the Termination Fee. The Monthly Capacity Statement shall include the amount of the Termination Fee as of the end of such Monthly Billing Period and such other information, data or calculations as FPL or AES Cedar Bay deems reasonably necessary to adequately advise AES Cedar Bay of the status of the Termination Fee.

9.2 FPL shall mail the Monthly Capacity Statement to AES Cedar Bay within twenty (20) business days after the close of each Monthly Billing Period.

9.3 Within thirty (30) days of the date the Monthly Capacity Statement is received, each Party shall use reasonable efforts to notify, in writing, the other Party of any errors, misstatements or other problems with the Monthly Capacity Statement.

10.0 OPERATION AND MAINTENANCE OF THE FACILITY

10.1 During the term of this Agreement, AES Cedar Bay agrees to:

(a) Provide FPL, within thirty (30) days of the Commercial Operation Date, and thereafter prior to October 1 of each calendar year, a projection of the amount of Energy and Capacity for each month of the following calendar year, including the time, duration and magnitude of any Scheduled Maintenance Period;

(b) Promptly update the projection of yearly Energy and Capacity production as and when any change(s) may be determined necessary;

(c) Provide FPL, on a weekly basis, a projection of the amount of Energy and Capacity for each hour of the following week. Such estimate shall be furnished by 3:00 P.M. on the Thursday prior to the week for which such schedule is required, unless otherwise agreed in writing by the Parties, and shall be updated on a daily basis by 11:00 A.M. of the day preceding that to which the estimate is to apply with any subsequent changes to be promptly communicated; and

(d) Comply with reasonable requirements of FPL regarding day-to-day or hour-by-hour communications between the Parties relative to the performance of this Agreement.

10.2 AES Cedar Bay shall use reasonable efforts to coordinate its annual projection of Scheduled Maintenance Periods as contemplated in Section 10.1(a) with FPL's system requirements. AES Cedar Bay shall provide FPL with written notice of its maintenance schedule as necessary to update or modify the information provided pursuant to Section 10.1(a).

10.3 FPL may, from time to time, request that AES Cedar Bay produce Energy and Capacity up to and in excess of the Committed Capacity in order to meet FPL's system requirements. AES Cedar Bay will use its best efforts to respond within three (3) hours with Energy and Capacity to meet such request by FPL unless AES Cedar Bay cannot do so because of engineering or operational circumstances at the Facility. If AES Cedar Bay cannot, in such instances, deliver to FPL requested Energy or Capacity amounts up to the Committed Capacity plus 10 MW, then AES Cedar Bay shall, within thirty (30) days, notify FPL in writing of the engineering or operational

circumstances which prevented AES Cedar Bay from complying with FPL's request. FPL's requests shall be made orally with as much notice as is practicable.

10.4 During the term of this Agreement, AES Cedar Bay shall operate and maintain the Facility in such a manner to ensure compliance with its obligations hereunder.

10.5 FPL may, from time to time during regular working hours and with reasonable written notice, have access to inspect the operation and maintenance of the Facility, provided that FPL's inspections do not unreasonably interfere with AES Cedar Bay's operation or maintenance of the Facility.

11.0 INSURANCE

11.1 Prior to the start of, and during construction and installation of the Facility, AES Cedar Bay shall procure and maintain, or cause and require the prime contractor on the Facility to procure and maintain, the following types and amounts of insurance:

(a) Builders' risk insurance, in an amount equal to the replacement cost of the Facility components under construction, to cover property-related risks (e.g., fire, theft, materials in storage) inherent in construction projects;

(b) Statutory Workers' Compensation and employers' liability insurance, in an amount of at least $100,000, to compensate employees for all injuries and diseases arising out of employment at the Facility; and

(c) Commercial general liability insurance, in an amount of at least

$300,000, to cover all bodily injuries and property damage arising out of construction and installation of the Facility.

On and after the Commercial Operation Date, AES Cedar Bay shall procure and maintain such insurance coverages as are specified in Sections 11.2 and 11.3.

11.2 As of and following the Commercial Operation Date, the long-term availability of the Facility shall be protected and assured by a complete industrial insurance program, however, in the event that, in the mutual opinion of FPL and AES Cedar Bay, such insurance becomes available only at prohibitive cost, the lack of such insurance shall not constitute an Event of Default under this Agreement, but FPL and AES Cedar Bay shall enter into negotiations to develop substitute protection for the Company which FPL deems adequate. Such insurance package for the Facility shall include at least the following coverages:

(a) All risk property and boiler and machinery insurance, in an amount of at least $150 Million (such loss limit being based upon an assessment of the exposure and maximum loss probability), to provide comprehensive coverage for the Facility. Such policy(ies) shall be written on a replacement cost basis.

(b) Statutory Workers' Compensation and employers' liability insurance, in an amount of at least $100,000, to compensate employees for all injuries and diseases arising out of employment at the Facility.

11.3 (a) AES Cedar Bay shall procure commercial general liability insurance which shall cover generally all liabilities which might arise under, or in the performance or nonperformance of, this Agreement. At a minimum,

said policy shall contain (i) endorsements providing coverage, including, but not limited to, products liability/completed operations coverage, and (ii) a broad form contractual liability endorsement for FPL, its parent, its subsidiaries and affiliated entities and each of their officers, directors, employees, agents and contractors (hereinafter in this Section 11.0 and in Section 12.0 collectively called the "Company"). The policy shall include coverage for interruption or curtailment of power supply subject to a maximum deductible of $ 1,000,000.

(b) The Company shall be designated as an additional named insured, and the policy shall be endorsed to be primary to any insurance which may be maintained by, or on behalf of, the Company. The policy shall be in a minimum limit of $10 Million per occurrence, combined single limit, for bodily injury (including death) or property damage. Any premium assessment or deductible shall be for the account of AES Cedar Bay and not the Company.

(c) In the event that the policy is on a "claims made" basis, the retroactive date of the policy shall be the effective date of this Agreement or such other date as to protect the interest of the Company. Furthermore, if the policy is on a "claims made" basis, AES Cedar Bay's providing of such coverage shall survive the termination of this Agreement until the expiration of the maximum statutory period of limitations in the State of

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Florida for actions based in contract or in tort (currently, five years); if coverage is on an "occurrence" basis, such insurance shall be maintained by AES Cedar Bay during the entire term of this Agreement. The policy shall not be cancelled or materially altered without at least thirty (30) days' written notice to FPL.

(d) AES Cedar Bay shall provide to FPL evidence of such property and liability insurance coverage on FPL Form 1364-23, without modification; said Form is attached hereto as Appendix C. A copy of the policy will be made available for inspection by FPL upon reasonable request.

12.0 INDEMNIFICATION

AES Cedar Bay agrees to indemnify and save harmless the Company (as defined in Section 11.0) against any and all liability, loss, damage, costs or expense which the Company may hereafter incur, suffer or be required to pay by reason of negligence on the part of AES Cedar Bay in performing its obligations pursuant to this Agreement or AES Cedar Bay's failure to abide by the provisions of this Agreement. FPL agrees to indemnify and save harmless AES Cedar Bay against any and all liability, loss, damage, cost or expense which AES Cedar Bay may hereafter incur, suffer, or be required to pay by reason of negligence on the part of FPL in performing its obligations pursuant to this Agreement or FPL's failure to abide by the provisions of this Agreement. Notwithstanding the foregoing, neither FPL nor AES Cedar Bay shall be responsible to the other Party for consequential damages.

13.0 CONDITIONS PRECEDENT TO AGREEMENT

The following shall be conditions precedent to the mutual obligations to deliver and purchase Energy and/or Capacity pursuant to this Agreement:

(a) The FPSC's prior approval, without change or condition, including FPSC findings that (1) this Agreement is reasonable, prudent and in the best interest of FPL's ratepayers, (2) FPL may recover from its ratepayers all payments for Energy and Capacity, and (3) FPL shall not be required to resell the Energy and Capacity to another electric utility so long as their retention is in the best interest of FPL's ratepayers. Toward this end, FPL shall submit this Agreement to the FPSC and seek the FPSC's approval of the obligations and duties imposed by this Agreement, and AES Cedar Bay shall use its best efforts to support FPL's request for FPSC approval; and

(b) Execution of a transmission service agreement by and between AES Cedar Bay and the Wheeling Utility for delivery of Energy and Capacity to FPL; and

(c) Execution of a long-term fuel contract (or contracts) between AES Cedar Bay and its fuel supplier(s), for a term of at least fifteen (15) years. AES Cedar Bay further agrees that, commencing no later than January 1, 2006, AES Cedar Bay will use its best efforts to negotiate and secure a firm fuel supply for the Facility for the balance of the term of this Agreement; and

(d) Execution and delivery of the letter of credit as envisioned by Section 16.8; and

(e) Establishment of reserve funds as envisioned by Sections 16.5 and 16.7.

14.0 DEFAULT

14.1 The following shall constitute Events of Default regardless of events of Force Majeure described in Section 15.0:

(a) After March, 1993, AES Cedar Bay ceases delivery of any Energy for twelve (12) consecutive months; however, such period shall be extended to eighteen (18) consecutive months if (i) AES Cedar Bay determines that the turbine generator needs replacement, (ii) AES Cedar Bay provides to FPL, in writing, proof that the turbine generator does need replacing, and (iii) FPL concurs in such determination; or

(b) After January 1, 1994, AES Cedar Bay fails, for any twenty-four (24) consecutive months, to maintain an Annual Capacity Factor of at least 57%; or

(c) AES Cedar Bay becomes insolvent, executes an assignment for the benefit of its creditors, or becomes subject to bankruptcy or receivership proceedings; or

(d) AES Cedar Bay shall default in the due and punctual performance of any other material covenants, conditions, agreements and provisions contained herein on its part to be performed, and such default shall not be cured as soon as possible, but not more than thirty (30) days after written notice from FPL specifying such default; provided, however, if it is not feasible to correct such default within thirty (30) days after FPL has delivered written notice of such default to AES Cedar Bay and to the designee of the parties financing the Facility, (such designee to be identified by AES Cedar Bay at least six (6) months before the expected Commercial Operation Date) but it is and remains feasible to correct such default within one year after such notice, it shall not constitute an Event of Default hereunder until the earliest feasible date within such

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one-year ·iod when a cure could be effecte ɔ long as (i) corrective action by AES Cedar Bay or the financing parties' designee is instituted within ten days of the date of such notice, (ii) such corrective action is diligently pursued, and (iii) AES Cedar Bay or the financing parties' designee provides FPL monthly, written reports as to the nature and progress of such corrective action; in this regard, corrective action by the financing parties' designee may encompass the financing parties' assumption of, or causing a new lessee or purchaser of the Facility to assume, all of the interests, rights and obligations of AES Cedar Bay under this Agreement, provided that such assuming party (A) is, in the opinion of FPL, reasonably qualified to perform the obligations arising hereunder upon and after the date of such assumption, and (B) enters into an agreement with FPL providing security equivalent to or greater than that provided by AES Cedar Bay under this Agreement; and provided further that, after FPL gives any written notice of default and until such default is cured, if curable, FPL may suspend its making of Monthly Capacity Payments; or

(e) AES Cedar Bay fails to give proper assurance of adequate performance as specified under this Agreement within thirty (30) days after FPL, with reasonable grounds for insecurity, has requested in writing such assurance.

14.2 Subject to the rights and obligations of the financing parties and FPL as set forth in Section 16.1, upon the occurrence of any of the foregoing Events of Default, FPL may, by written notice to AES Cedar Bay, (i) declare permanently terminated all of FPL's obligations under this Agreement, and/or (ii) apply to any payment, due from it to AES Cedar Bay, any payment(s) otherwise due from AES Cedar Bay to FPL. Termination shall not affect the

liability of either Party for obligations arising prior to such termination (including, in particular, AES Cedar Bay's obligation to pay the Termination Fee, if any, calculated in accordance with Appendix B) or for damages, if any, resulting from breach of this Agreement.

15.0 FORCE MAJEURE

15.1 Except as otherwise provided in this Agreement, either Party shall be excused from performance when its nonperformance was caused directly or indirectly by Force Majeure.

15.2 In the event of any delay or nonperformance resulting from Force Majeure, the Party suffering an occurrence of Force Majeure shall promptly notify the other, in writing, of the nature, cause, date of commencement thereof and the anticipated extent of such delay, and shall indicate whether any date(s) may be affected thereby. The suspension of performance shall be of no greater scope and of no greater duration than the Force Majeure.

15.3 The Party suffering an occurrence of Force Majeure shall, with all reasonable dispatch, remedy the cause(s) preventing its performance of this Agreement; provided, however, the settlement of strikes, lockouts and other labor disputes shall be entirely within the discretion of the affected Party, and it shall not be required to settle such labor disputes by acceding to demands which such Party deems to be unfavorable.

15.4 Except as provided in Section 6.7, Energy which is not delivered to FPL due to any event(s) of Force Majeure shall not be reflected in the computation of Annual Capacity Factor, Capacity Factor, Monthly Capacity Factor and On-Peak Annual Capacity Factor so as to reduce any of them; however, where, over the term of this Agreement, events of Force Majeure have resulted in there being no Energy delivered to FPL for an aggregate of thirty (30) full days or more, the term of this Agreement shall be extended by a period of

days equal to ' days in excess of thirty (30) wher Energy was delivered. During such extended term, FPL shall not be required to make any Monthly Capacity Payments; however, during such extended period, FPL shall pay AES Cedar Bay for Energy delivered as provided in this Agreement.

16.0 SECURITY

16.1 **Option to Assume Rights and Obligations of AES Cedar Bay**

If an Event of Default by AES Cedar Bay occurs where the Default has not been cured and the period during which any person has a right to cure the Event of Default has expired, FPL shall have the option, exercisable in writing within ninety (90) days thereafter, to assume all of AES Cedar Bay's rights and obligations with respect to the Facility, including, without limitation by enumeration, (a) the right and opportunity to operate the Facility, (b) all property rights which AES Cedar Bay may have in the Facility, including any purchase option under a lease if AES Cedar Bay is lessee of the Facility, and (c) all rights and obligations which AES Cedar Bay has at the time pursuant to financing agreements and other agreements with third parties such as steam customers and fuel suppliers. If FPL decides to evaluate its entitlement to exercise any such option, it shall notify the Facility Owner, in writing, within forty-five (45) days of the Event of Default under this Agreement, that FPL desires to inspect the Facility and the underlying contracts with third parties. Within ten (10) days of such notification by FPL, the Facility Owner shall grant to FPL representatives, identified in the notice, full access to the Facility and the underlying contracts with third parties so that such FPL representatives can make a reasoned determination as to whether FPL should and will continue to utilize the Facility for the production of electricity. Both Parties shall cooperate in preparing, executing and delivering all necessary documents of conveyance

and assignment expeditiously as possible. In the event that AES Cedar Bay cannot be found or refuses to execute the necessary documents, this Agreement shall constitute the designation by AES Cedar Bay of (any FPL attorney, or any bank or trust company used by FPL) as its attorney-in-fact to execute the necessary documents. FPL shall assume responsibility for the operation of the Facility from the date on which FPL acquires AES Cedar Bay's property rights in the Facility, but AES Cedar Bay shall not thereby be relieved of its obligations under this Agreement.

16.2 **Facility Design Review**

(a) AES Cedar Bay shall choose an architect/engineering firm ("AE Firm") for the design and construction of the Facility, which selection shall be subject to approval by FPL. FPL shall not unreasonably withhold such approval. If FPL fails to approve or disapprove AES Cedar Bay selection within ninety (90) days of a presentation by the proposed AE Firm to FPL concerning the project, FPL shall be deemed to have approved the selection for purposes of this Agreement.

(b) AES Cedar Bay agrees that the Facility shall be designed and constructed in accordance with the design of the AE Firm. AES Cedar Bay shall ensure that all equipment used in the Facility shall be new and unused, good quality utility grade, suitable for the intended service, and shall meet the requirements of applicable codes and standards. During the design and construction of the Facility, AES Cedar Bay shall provide FPL with such information as FPL may request to determine whether the Facility is being so designed and constructed.

(c) AES Cedar Bay shall arrange for the project lenders to choose a qualified independent engineering firm ("I E Firm") to review and evaluate the design of the Facility. AES Cedar Bay shall arrange for the I E Firm to present the

scope of the p osed design review to FPL. The ' uation by the I E Firm shall be provided to FPL, in writing, prior to the closing of the construction loan financing of the Facility. Unless FPL and AES Cedar Bay agree otherwise in writing, AES Cedar Bay shall cause the AE Firm to make all changes to the Facility's design and construction that the I E Firm determines are necessary to meet good utility practice.

16.3 **Annual Maintenance Plan Review**

(a) AES Cedar Bay shall prepare an annual schedule for ongoing maintenance and spare parts inventory, as well as a plan for less frequent major overhaul work on the Facility's generator, turbine, boilers and auxiliary equipment (the "O&M Plan"). AES Cedar Bay shall, at AES Cedar Bay's expense, cause an independent engineering firm or such other party as may be chosen by AES Cedar Bay and approved by FPL (which approval shall not be unreasonably withheld or delayed) to conduct a review of the proposed O&M Plan to ascertain whether such plan is consistent with good utility practice.

(b) The evaluation by the I E Firm (or such other party, as appropriate) shall be provided to FPL, in writing, prior to the Commercial Operation Date. Unless FPL and AES Cedar Bay otherwise agree in writing, AES Cedar Bay shall make all changes to the proposed O&M Plan which the I E Firm or such other party, as appropriate, determines are necessary for the O&M Plan to be consistent with good utility practice. AES Cedar Bay shall perform Facility maintenance in accordance with the O&M Plan.

16.4 **Periodic O&M Practice Review**

(a) AES Cedar Bay shall, at its own expense, cause an independent engineering firm or such other independent engineering firm as may be chosen by AES Cedar Bay and approved by FPL (which approval shall not be unreasonably withheld or delayed) to conduct a review of the Facility's operation and

maintenance p ·tices after the second and befor e third anniversary of the Commercial Operation Date and, unless the Parties otherwise agree, every five years thereafter. In addition, such a review shall be conducted at FPL's written request in any year following a two-calendar-year period in which the Annual Capacity Factor averages less than 75%.

(b) AES Cedar Bay shall cause the I E Firm or such other party, as appropriate, to issue (1) a written report describing the extent to which the maintenance plan and schedule described in the preceding subsection are being followed, (2) a description of, and a statement of the reasons for, any justified departure from such schedule or plan, (3) a description of any deficiencies in the Facility's operation and maintenance practices, and (4) its recommendations, if any, for improving future operation and maintenance practices. Unless AES Cedar Bay and FPL otherwise mutually agree, AES Cedar Bay shall implement any recommendations made by the I E Firm or such other party, as appropriate, as necessary to comply with good utility practice. AES Cedar Bay shall keep and make available adequate maintenance logs for use by the I E Firm or such other party, as appropriate, and/or FPL for the purpose of this review.

(c) AES Cedar Bay shall provide FPL - authorized representatives access to the Facility at all reasonable times upon reasonable prior notice for the purpose of examining the operation and maintenance of the Facility or for other purposes necessary to assure AES Cedar Bay's performance under the terms of this Agreement, provided that such activities by FPL shall not interfere with AES Cedar Bay's normal business operations.

16.5 **Bank's Debt/C ` ' Reserve; Second Lien on Reserve ds**

(a) The financing agreements entered by AES Cedar Bay with respect to the Facility shall require the establishment of cash reserve funds of at least $30 Million in order to assure the payment of bank debt and/or operating and maintenance costs. AES Cedar Bay shall make regular contributions to this account, which account shall contain at least $30 Million no later than 10 years from the Commercial Operation Date; however, after 15 years from the Commercial Operation Date, the $ 30 Million reserve may at the election of AES Cedar Bay with at least ninety (90) days advance written notice to FPL, be reduced by up to $1.8 Million per year. FPL shall have a secondary lien on such amounts. Such lien shall be subordinate in all respects to the lien and rights of the financing parties (whether the original financing parties or, with FPL's concurrence, which will not be unreasonably withheld, replacement financing parties pursuant to refinancing), and FPL shall have no right to realize its secondary interest unless and until the original financing parties, or the replacement financing parties (with FPL's concurrence as aforesaid), have either exercised their own prior rights or have waived such rights. Upon their execution, copies of the financing agreements shall be provided to FPL.

(b) In the unlikely event that the financing agreements do not require the establishment of such $30 Million cash reserve, AES Cedar Bay shall be required by this Agreement to do so. FPL shall have a first lien on all such amounts. At least thirty (30) days prior to initial Energy deliveries, AES Cedar Bay shall provide to FPL, in writing, proof that such reserve has been created and, thereafter, shall provide to FPL quarterly reports regarding the status of such reserve.

16.6 **Facility Comp' 'ion Guarantees**

The contract for engineering, procurement and construction services between AES Cedar Bay and the project prime contractor shall contain provisions for performance testing when the Facility is complete. Performance testing will measure electrical output, process steam output, environmental emissions, and fuel consumption against guaranteed levels. The prime contractor will also have to meet a guaranteed completion date. The prime contractor will be liable for liquidated damages, in an aggregate amount of at least $50 Million, if the performance levels and schedule are not met. Upon its execution, a copy of the subject contract shall be provided to FPL.

16.7 **QF Status Reserve Fund**

Under the terms of the AES Cedar Bay/Seminole Kraft steam sales contract, Seminole Kraft shall, following the Commercial Operation Date, make regular contributions (up to $5 Million per year, with a floor of at least $10 Million to be fulfilled no later than ten years from the Commercial Operation Date) into a reserve fund which will be available to AES Cedar Bay in the event that Seminole Kraft defaults on its obligations to buy steam from the Facility. The monies in such reserve fund shall be utilized by AES Cedar Bay to maintain (or reinstate) the "qualifying" statuses of both AES Cedar Bay and the Facility by taking all necessary actions on a timely basis, including, but not limited to, (a) building a new steam-using facility (e.g., a CO_2 or other industrial gas production plant), (b) constructing a steam pipeline to any neighboring steam user(s), and/or (c) modifying elements of the Seminole Kraft mill to use steam in an acceptable manner. Upon its execution, a copy of the steam sales contract shall be provided to FPL.

150075 Hearing Exhibits 000160

16.8 **AES Cedar Bay's Parent's Guarantee and Independent Financial Audits**

No later than sixty (60) days after the Capacity payments begin AES Cedar Bay shall provide FPL a guarantee by its parent corporation, Applied Energy Services, Inc. ("AES"), equal to the greater of $ 7 Million or 50% of the cumulative net after-tax project cash flow from AES Cedar Bay to AES. Such AES Cedar Bay guarantee shall be backed up by a letter of credit supplied by AES. The amount so guaranteed shall not exceed $75 Million. The obligations to provide such guarantee and such letter of credit shall continue until AES Cedar Bay's obligation to pay the Termination Fee under Section 8.0 and Appendix B has expired. Each year, AES shall have an independent financial organization audit AES Cedar Bay's books to confirm and report to FPL the amount of the after-tax project cash flow which is the basis of AES' guarantee. Each such report shall be provided to FPL within ninety (90) days after the end of the applicable calendar year.

17.0 NOTICES

17.1 Notices required to be in writing under this Agreement shall be delivered in person or sent by certified mail, return receipt requested, as specified below:

To AES Cedar Bay: AES Cedar Bay, Inc.
1925 North Lynn Street
Arlington, Virginia 22209
Attention: Dennis W. Bakke
(703) 522-1315

150075 Hearing Exhibits 000161

To FPL: rida Power & Light Company
Post Office Box 029100
Miami, Florida 33102
Attention: Cogeneration and Small Power Production
(305) 552-3533

17.2 Notices shall be effective upon receipt.

17.3 Either Party may, at any time and by written notice, designate any different person(s) or different address(es) for receipt of notices and correspondence.

18.0 MISCELLANEOUS

18.1 AES Cedar Bay hereby agrees to seek, obtain and maintain any and all governmental permits, certifications and other authorizations which are required by law as prerequisites to engaging in the activities envisioned by this Agreement.

18.2 Notwithstanding anything to the contrary in this Agreement, if, at any time during the term of this Agreement, FPL fails to obtain or is denied the authorization of the FPSC, or the authorization of any other legislative, administrative, judicial or regulatory body which now has, or in the future may have, jurisdiction over FPL's rates and charges, to recover from its ratepayers all of the payments required to be made to AES Cedar Bay under the terms of this Agreement or any subsequent amendment hereto, FPL may, at its sole option, adjust the payments made under this Agreement to the amount(s) which FPL is authorized to recover from its ratepayers. If such determination of disallowance is ultimately reversed and such payments previously disallowed are found to be recoverable, FPL shall pay all withheld

payments, wit' 't interest. AES Cedar Bay acknov' 'ges that any amounts initially received by FPL from its ratepayers, but for which recovery is subsequently disallowed and charged back to FPL, may be offset or credited, without interest, against subsequent payments to be made by FPL to AES Cedar Bay under this Agreement.

If, at any time, FPL receives notice that the FPSC or any other legislative, administrative, judicial or regulatory body seeks or will seek to prevent full recovery by FPL from its ratepayers of all payments required to be made under the terms of this Agreement or any subsequent amendment to this Agreement, then FPL shall, within thirty (30) days of such action, give written notice thereof to AES Cedar Bay. FPL shall use its best efforts to defend and uphold the validity of this Agreement and its right to recover from its customers all payments required to be made by FPL hereunder, and will cooperate in any effort by AES Cedar Bay to intervene in any proceeding challenging, or to otherwise be allowed to defend, the validity of this Agreement and the right of FPL to recover from its customers all payments to be made by it hereunder.

In the event of any such disallowance or adjustment to payments as aforesaid which materially alters the Parties' obligations and rights under this Agreement, AES Cedar Bay may, in its sole discretion but with as much written notice to FPL as is practicable under the circumstances then prevailing, (a) reduce, curtail or suspend deliveries and sales of Energy or

Capacity, or [illegible], to FPL, or (b) declare this Agre[illegible]nt terminated. In the event that this Agreement is terminated pursuant to the foregoing, the Parties shall have no further future obligations to each other, except that such termination shall not affect the liability of either Party for obligations arising prior to such termination (including, in particular, AES Cedar Bay's obligation to pay the Termination Fee, if any, calculated in accordance with Appendix B), or for damages, if any, resulting from breach of this Agreement.

18.3 AES Cedar Bay may not assign any of its obligations under this Agreement without the prior written consent of FPL, which consent shall not be unreasonably withheld; provided, however, AES Cedar Bay may, without FPL's consent, assign to other parties any or all of the benefits to be derived by it under this Agreement.

18.4 This Agreement, as it may be amended from time to time, shall be binding upon, and inure to the benefit of, the Parties' respective successors-in-interest (including foreclosing lenders and lien holders after default by AES Cedar Bay) and legal representatives. This Agreement, including the Appendices, constitutes the entire Agreement and understandings between the Parties with respect to the subject matter hereof, and supersedes all prior agreements and understandings relating to this subject matter. No modification or waiver of any term of this Agreement, or any amendment of this Agreement, shall be effective unless it is in writing and signed by the Parties.

18.5 Any waiver by either Party of its rights with respect to a default (including Events of Default) under this Agreement, or with respect to any other matters arising in the connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default (including Events of Default) or other matter.

18.6 The failure of either Party to enforce strict performance by the other Party of any of the provisions of this Agreement or to exercise any rights under this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to assert or rely upon any such provisions or rights in that or any other instance.

18.7 Nothing contained in this Agreement shall be construed to create an association, trust, partnership or joint venture between the Parties.

18.8 Except as provided in Section 16.1 or as may be otherwise negotiated by the Parties, no payment by FPL to AES Cedar Bay for Energy or Capacity shall be construed as payment by FPL for the acquisition of any ownership or property interest in the Facility. Each Party shall be individually and severally liable for its own obligations under this Agreement.

18.9 AES Cedar Bay shall conform to the requirements, where applicable, of the Equal Employment Opportunity clause in Section 202, Paragraphs 1 through 7 of Executive Order 11246, as amended, and the portions of Executive Orders 11701 and 11758 relative to Equal Employment Opportunity. The applicable implementing Rules and Regulations of the Office of Federal Contracts Compliance are incorporated herein by this reference.

18.10 Section headings, titles and indexes appearing in this Agreement are inserted for convenience only and shall not be construed as interpretations of text.

18.11 This Agreement and the rights and the obligations of the Parties hereunder shall be construed under, and in accordance with, the laws of the State of Florida.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective duly authorized officers.

ATTEST:

FLORIDA POWER & LIGHT COMPANY

Name: J. C. Collier, Jr.
Title: Sr. Vice President
Date: May 6, 1988

ATTEST:

AES CEDAR BAY, INC.

Name: Dennis W. Bakke
Title: President
Date: May 6, 1988

APPENDIX A TO
AGREEMENT FOR THE PURCHASE OF
FIRM CAPACITY AND ENERGY
BETWEEN AES CEDAR BAY, INC.
AND FLORIDA POWER & LIGHT COMPANY

1. Monthly Capacity Payments for each Monthly Billing Period shall be computed according to the following:

   A. In the event that the Capacity Factor ("CF"), as defined below, is less than 57%, then the Monthly Capacity Payments shall be not be due. That is:

   $$MCP = 0$$

   B. In the event that the CF is greater than 87%, then the Monthly Capacity Payment shall be calculated from the following formula:

   $$MCP = (BCC + OMC) \times CC$$

   C. In the event that the CF is equal to or between 57% and 87%, then the Monthly Capacity Payment shall be calculated from the following formula:

   $$MCP = [(BCC+OMC) \times (.02 \times (CF-37))] \times CC$$

Where:

MCP = Monthly Capacity Payment in dollars.
BCC = Base Capacity Credit in $/MW-Month.
OMC = Operation and Maintenance Credit in $/MW-Month.
CF = Capacity Factor in percent. Capacity Factor shall be the Annual Capacity Factor unless the On-Peak Annual Capacity Factor is ten percentage points or more lower than the Annual Capacity Factor, in which case the Capacity Factor shall be the mean average of the On-Peak Annual Capacity Factor and the Annual Capacity Factor.
CC = Committed Capacity in MW.

APPENDIX A (CONTINUED)

The Base Capacity Credit and Operation and Maintenance Credit shall be derived from the following schedule:

YEAR	BCC + OMC $/MW-MO	BCC $/MW-MO	OMC $/MW - MO
01/1/1993 - 12/31/1993	23,360	21,530	1,830
01/1/1994 - 12/31/1994	24,220	22,310	1,910
01/1/1995 - 12/31/1995	25,120	23,130	1,990
01/1/1996 - 12/31/1996	26,050	23,980	2,070
01/1/1997 - 12/31/1997	27,010	24,860	2,150
01/1/1998 - 12/31/1998	28,010	25,770	2,240
01/1/1999 - 12/31/1999	29,050	26,720	2,330
01/1/2000 - 12/31/2000	30,120	27,690	2,430
01/1/2001 - 12/31/2001	31,230	28,700	2,530
01/1/2002 - 12/31/2002	32,390	29,760	2,630
01/1/2003 - 12/31/2003	33,590	30,850	2,740
01/1/2004 - 12/31/2004	34,830	31,980	2,850
01/1/2005 - 12/31/2005	36,120	33,150	2,970
01/1/2006 - 12/31/2006	37,460	34,370	3,090
01/1/2007 - 12/31/2007	38,850	35,630	3,220
01/1/2008 - 12/31/2008	40,290	36,940	3,350
01/1/2009 - 12/31/2009	41,780	38,290	3,490
01/1/2010 - 12/31/2010	43,330	39,700	3,630
01/1/2011 - 12/31/2011	44,930	41,150	3,780
01/1/2012 - 12/31/2012	46,590	42,660	3,930
01/1/2013 - 12/31/2013	38,650	34,560	4,090
01/1/2014 - 12/31/2014	40,080	35,820	4,260
01/1/2015 - 12/31/2015	41,560	37,130	4,430
01/1/2016 - 12/31/2016	43,100	38,490	4,610
01/1/2017 - 12/31/2017	44,690	39,890	4,800
01/1/2018 - 12/31/2018	46,340	41,340	5,000
01/1/2019 - 12/31/2019	48,050	42,840	5,210
01/1/2020 - 12/31/2020	49,830	44,410	5,420
01/1/2021 - 12/31/2021	51,670	46,030	5,640
01/1/2022 - 12/31/2022	53,580	47,710	5,870
01/1/2023 - 12/31/2023	55,560	49,450	6,110
01/1/2024 - 12/31/2024	57,620	51,260	6,360

APPENDIX B TO
AGREEMENT FOR THE PURCHASE OF
FIRM CAPACITY AND ENERGY
BETWEEN AES CEDAR BAY, INC.
AND FLORIDA POWER & LIGHT COMPANY

The Termination Fee shall be the sum of the values for each month starting with January 1, 1993, through the month of termination computed according to the following formula:

$$\text{TERMINATION FEE} = \sum_{i=1}^{n} [(MPMT_i) - (MCTF_i + MEA_i)]\ 1.01024^{(n-i)}$$

with: $MCTF_i = 0$ for $i \leq 12$

i=	Number of the Monthly Billing Period commencing with January 1, 1993 (i.e., for January 1993, i = 1).
n=	The total number of Monthly Billing Periods which have elapsed from January 1, 1993, through the month of termination.
$MPMT_i$=	Monthly Capacity and Energy Payment made to AES Cedar Bay corresponding to the Monthly Billing Period i. Capacity Payments shall be calculated in accordance with Section 6.5, using Appendix A. Energy payments shall be calculated in accordance with Sections 6.1, 6.2, 6.3 and 6.4.
$MCTF_i$=	The Monthly Capacity portion of the Termination Fee corresponding to the Monthly Billing Period i, calculated in accordance with the formula and schedule set forth below.
MEA_i=	Monthly energy cost for the FPL avoided unit for Monthly Billing Period i. These costs shall be equal to the product of (a) the monthly Energy in MWH purchased from AES Cedar Bay (b) the combined-cycle heat rate of 7.69 million BTU per MWH and (c) the average FPL system gas prices from Schedule A6 filed monthly with the FPSC.

In the event the computation of the Termination Fee above yields a value less than zero, the value of the Termination Fee shall be equal to zero.

APPENDIX B TO
AGREEMENT FOR THE PURCHASE OF
FIRM CAPACITY AND ENERGY
BETWEEN AES CEDAR BAY, INC.
AND FLORIDA POWER & LIGHT COMPANY

The Monthly Capacity portion of the Termination Fee (MCTF) for each Monthly Billing Period shall be computed according to the following:

A. In the event that the Capacity Factor ("CF"), as defined below, is less than 57%, then the Monthly Capacity portion of the Termination Fee shall be zero. That is:

$$MCTF = 0$$

B. In the event that the CF is greater than 87%, then the Monthly Capacity portion of the Termination Fee shall be calculated from the following formula:

$$MCTF = (BCC + OMC) \times CC$$

C. In the event that the CF is equal to or between 57% and 87%, then the Monthly Capacity portion of the Termination Fee shall be calculated from the following formula:

$$MCTF = [(BCC+OMC) \times (.02 \times (CF-37))] \times CC$$

Where:

MCTF =Monthly Capacity portion of the Termination Fee in dollars.
BCC = Base Capacity Credit in $/MW-Month.
OMC = Operation and Maintenance Credit in $/MW-Month.
CF = Capacity Factor in percent. Capacity Factor shall be the Annual Capacity Factor unless the On-Peak Annual Capacity Factor is ten percentage points or more lower than the Annual Capacity Factor, in which case the Capacity Factor shall be the mean average of the On-Peak Annual Capacity Factor and the Annual Capacity Factor.
CC = Committed Capacity in MW.

APPENDIX B (CONTINUED)

The Base Capacity Credit and Operation and Maintenance Credit shall be derived from the following schedule:

YEAR	BCC + OMC $/MW-MO	BCC $/MW-MO	OMC $/MW-MO
01/1/1994 - 12/31/1994	10,240	8,330	1,910
01/1/1995 - 12/31/1995	10,610	8,620	1,990
01/1/1996 - 12/31/1996	11,000	8,930	2,070
01/1/1997 - 12/31/1997	11,410	9,260	2,150
01/1/1998 - 12/31/1998	11,840	9,600	2,240
01/1/1999 - 12/31/1999	12,280	9,950	2,330
01/1/2000 - 12/31/2000	12,730	10,300	2,430
01/1/2001 - 12/31/2001	13,200	10,670	2,530
01/1/2002 - 12/31/2002	13,690	11,060	2,630
01/1/2003 - 12/31/2003	14,190	11,450	2,740
01/1/2004 - 12/31/2004	14,710	11,860	2,850
01/1/2005 - 12/31/2005	15,250	12,280	2,970
01/1/2006 - 12/31/2006	15,810	12,720	3,090
01/1/2007 - 12/31/2007	16,400	13,180	3,220
01/1/2008 - 12/31/2008	17,000	13,650	3,350
01/1/2009 - 12/31/2009	17,640	14,150	3,490
01/1/2010 - 12/31/2010	18,290	14,660	3,630
01/1/2011 - 12/31/2011	18,980	15,200	3,780
01/1/2012 - 12/31/2012	19,680	15,750	3,930
01/1/2013 - 12/31/2013	20,390	16,300	4,090
01/1/2014 - 12/31/2014	21,140	16,880	4,260
01/1/2015 - 12/31/2015	21,930	17,500	4,430
01/1/2016 - 12/31/2016	22,740	18,130	4,610
01/1/2017 - 12/31/2017	23,590	18,790	4,800
01/1/2018 - 12/31/2018	24,450	19,450	5,000
01/1/2019 - 12/31/2019	25,360	20,150	5,210
01/1/2020 - 12/31/2020	26,300	20,880	5,420
01/1/2021 - 12/31/2021	27,280	21,640	5,640
01/1/2022 - 12/31/2022	28,290	22,420	5,870
01/1/2023 - 12/31/2023	29,330	23,230	6,110
01/1/2024 - 12/31/2024	30,430	24,070	6,360

CB-15-00044

APPENDIX C

CERTIFICATE OF INSURANCE – POWER PURCHASE AGREEMENT

Form 1364-23 (Non-Stocked) Rev. 1/85

THIS CERTIFICATE OF INSURANCE MUST BE APPROVED BY THE RISK MANAGEMENT DEPARTMENT OF FLORIDA POWER & LIGHT COMPANY BEFORE WORK UNDER THE INTERCONNECTION AGREEMENT MAY BEGIN

1. Insured: _____
(PLEASE MAKE SURE THAT NAMED INSURED AGREES WITH NAME ON INTERCONNECTION AGREEMENT)

2. Address of Insured: _____

3. Date of Interconnection Agreement _____

	FORM OF COVERAGE*	INSURER	POLICIES IN FORCE		LIMITS OF LIABILITY (in thousands,	
			Policy Number	Exp. Date	Bodily Injury	Property Damage
4.	Comprehensive General Liability				$ Each Occ.	$ Each Occ.
5.	Homeowners					
6.						

*Policy provides a severability of interest clause.

*Policy is primary to any insurance which may be maintained by Florida Power & Light Company, it's parent, subsidiaries or affiliates.

*Policy is free of exclusions excluding coverage for interruption of or curtailment of power supply.

*Policy contains a broad form contractual liability endorsement insuring against the liabilities assumed in the Indemnification Agreement or includes Florida Power and Light Company, it's parent, subsidiaries and affiliates as an additional named insured.

*If Homeowners, policy does not exclude coverage for business pursuits pertaining to the cogenerating facility.

THIS IS TO CERTIFY that all policies of insurance as described above have been issued to the above named insured and are in full force and effect at this time. It is agreed that none of these policies will be cancelled or changed so as to affect the interest(s) of Florida Power & Light Company, it's parent, subsidiaries or affiliates until thirty days after written notice of such cancellation or changes has been delivered to the Risk Management Department of Florida Power & Light Company. It is agreed that a copy of these policies will be delivered to Florida Power & Light Company prior to interconnection.

Date Issued: _____

Signature of Authorized Agent _____

Issuing Agency or Insurance Company _____

Street Address _____

City, State, Zip Code _____

Telephone Number _____

PLEASE SEND ORIGINAL TO:
Florida Power & Light Company
Risk Management Department
P. O. Box 029100
Miami, Florida 33102

CB-15-00045

Florida Power & Light Company
Docket No. 150075-EI
Staff's 1st Request for Production
Request No. 2, Page 43 of 225

CB-15-00046

APPENDIX D

Florida Power & Light Company
Post Office Box 029100
Miami, Florida 33102

Attention: Cogeneration and Small Power Production

Gentlemen:

Consistent with Section 3.3 of the Agreement, Applied Energy Services, Inc. ("AES") guarantees to pay FPL a project cancellation payment according to the following schedule.

Should AES or AES Cedar Bay cancel the Facility subsequent to:	AES will submit a payment to FPL of:
Approval of FPSC	$100,000
March 1, 1990	$300,000
January 1, 1991	$500,000

Applied Energy Services, Inc.

Name: Dennis W. Bakke
Title: President
Date: May 6, 1988

CB-15-00048

AMENDMENT TO AGREEMENT FOR THE PURCHASE OF FIRM CAPACITY AND ENERGY BETWEEN AES CEDAR BAY, INC. AND FLORIDA POWER & LIGHT COMPANY

THIS AMENDMENT is made and entered, effective as of the date on which the condition precedent specified in Paragraph 7 hereof is satisfied, by and between Florida Power & Light Company ("FPL") and AES Cedar Bay, Inc. ("AES Cedar Bay"), being an amendment to the "Agreement for the Purchase of Firm Capacity and Energy between AES Cedar Bay, Inc. and Florida Power & Light Company" (the "Original Agreement"), dated as of May 6, 1988.

For mutual consideration and in recognition of the premises, terms and conditions herein set forth, FPL and AES Cedar Bay agree to amend the Original Agreement, as follows:

1. The first sentence of Section 3.3 of the Original Agreement shall be amended to read:

> Notwithstanding the foregoing, FPL may terminate this Agreement if AES Cedar Bay fails to achieve any of the following milestones, unless any such failure is due to a Force Majeure event:
>
> (a) financial closing of the project by July 1, 1991,
> (b) receiving a final bid for the turbine/generator by December 1, 1991,
> (c) receiving delivery of the complete turbine/generator by February 28, 1993, or
> (d) commencing delivery of Energy pursuant to the terms of this Agreement by January 1, 1994.

2. A new Section 3.4 shall be added to the Original Agreement:

AES Cedar Bay shall have a one-time option of delaying the initial delivery of Energy beyond January 1, 1994, to no later than January 1, 1995, if AES Cedar Bay pays to FPL the amount of $20 Million to assist in defraying costs to be incurred by FPL (and its ratepayers) in obtaining substitute energy and/or capacity. AES Cedar Bay shall, no later than July 1, 1993, notify FPL, in writing, of AES Cedar Bay's decision to exercise this option. The exercise of such option shall be irrevocable. The $20 Million shall be due concurrently with the written notification of FPL as aforesaid. The $20 Million, or portion thereof which remains refundable as specified below, shall be held by FPL. The following amounts shall be refunded to AES Cedar Bay per the following schedule:

AES Cedar Bay Delivers Energy	Amount Refundable to AES Cedar Bay
On or before March 31, 1994	$15 Million
On or before June 30, 1994	$10 Million
On or before September 30, 1994	$ 5 Million
On or after October 1, 1994	None

Provided, however, the aforesaid refundable amounts shall be reduced to the extent, if any, that FPL has made firm contractual commitments to purchase such substitute energy and/or capacity from third parties.

Upon commencement of delivery of Energy pursuant to this Section 3.4, payment for Energy and Capacity shall be in accordance with the terms of the Original Agreement.

3. The following clause shall be added to line 5 of Section 14.1(d) of the Original Agreement between the words "however" and "if": "so long as a default by AES Cedar Bay is not a failure to pay any money due FPL pursuant to the terms of this Agreement, . . ."

4. The $7 Million figure set forth on line 3 of Section 16.8 of the Original Agreement shall be changed to $10 Million.

5. The cancellation payment schedule set forth in Appendix D to the Original Agreement shall be revised to read:

Approval of FPSC	$ 200,000
March 1, 1990	$ 600,000
January 1, 1991	$1,000,000

6. Except as specifically provided above, all other provisions of the Original Agreement shall remain unchanged, binding and in full force and effect.

7. This Amendment shall be effective and binding only upon its approval by the Florida Public Service Commission ("FPSC"), without change or condition, including an FPSC finding that this Amendment is reasonable, prudent and in the best interest of FPL's ratepayers.

IN WITNESS WHEREOF, FPL and AES Cedar Bay have caused this Amendment to be executed by their respective duly authorized officers.

FLORIDA POWER & LIGHT COMPANY

ATTEST:

Name: J. C. Collier, Jr.
Title: Senior Vice President
Date: November 9, 1988

AES CEDAR BAY, INC.

ATTEST:

Name: Dennis W. Bakke
Title: President
Date: November 9, 1988

DLS/mv

CB-15-00052

AMENDMENT NO. 2 TO THE AGREEMENT FOR THE PURCHASE OF FIRM CAPACITY AND ENERGY BETWEEN AES CEDAR BAY, INC. AND FLORIDA POWER & LIGHT COMPANY

THIS AMENDMENT NO. 2, made and entered as of this 2nd day of July, 1990, hereby amends the Agreement for the Purchase of Firm Capacity and Energy between AES CEDAR BAY, INC. ("AES Cedar Bay") and FLORIDA POWER & LIGHT COMPANY ("FPL") effective May 6, 1988, as previously amended by an amendment dated November 9, 1988 ("Agreement").

WITNESSETH:

WHEREAS, the Parties entered into an Agreement for the Purchase of Firm Capacity and Energy dated May 6, 1988 as amended by an amendment dated November 9, 1988;

WHEREAS, AES Cedar Bay desires modifications to the Agreement to accommodate its contract with the Wheeling Utility including dispatch, control, operation and maintenance of the Facility;

WHEREAS, the Parties desire to clarify mutual understandings of the Parties; and

WHEREAS, to effect such additional changes, the Parties desire to enter into this Amendment No. 2 and for ease of reading and simplicity have mutually agreed to restate the entire Agreement.

NOW, THEREFORE, for mutual consideration, the Parties agree as follows:

1. The Agreement, as amended hereby, has been restated in its entirety and is attached as Exhibit A, AMENDED AND RESTATED AGREEMENT FOR THE PURCHASE OF FIRM CAPACITY AND ENERGY BETWEEN AES CEDAR BAY, INC. AND FLORIDA POWER AND LIGHT COMPANY. (Certain sections of the Agreement have been replaced, modified, or renumbered therein. References to the original sections are included in this Amendment No. 2 as Exhibit B, CROSS-REFERENCE CHART, for informational purposes only and are not considered part of the Agreement.)
2. The Parties acknowledge and agree that this Amendment No. 2 is contingent upon approval of the Florida Public Service Commission and that in the

event such approval is not obtained the above referenced Agreement shall remain in effect and unchanged without reference to this Amendment No. 2.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment No. 2 to be executed by their respective duly authorized officers.

FLORIDA POWER & LIGHT COMPANY

By: C. O. Woody 7-17-90
C. O. Woody Date
Executive Vice President
KAR 7/9/90

AES CEDAR BAY, INC.

By: Thomas A Tribone 7-13-90
Thomas A. Tribone Date
Vice President

EXHIBIT A

AMENDED AND RESTATED AGREEMENT

FOR THE PURCHASE OF FIRM CAPACITY AND ENERGY

BETWEEN AES CEDAR BAY, INC.

AND FLORIDA POWER & LIGHT COMPANY

(separately bound document)

EXHIBIT B

CROSS-REFERENCE CHART

CROSS-REFERENCE CHART

Original Agreement	Amended and Restated Agreement
3.1	3.1
3.2	3.3
3.3	3.4 & 4.1
3.4	4.2
4.1	6.1 & 6.7
4.2	6.3 & 6.4
4.3	6.8
4.4	7.5
5.1	11.1
5.2	11.2
5.3	11.3
5.4	deleted
5.5	deleted
6.1	12.1
6.2	12.2
6.3	12.3
6.4	12.4
6.5	12.5
6.6	12.6
6.7	12.7
7.1	13.1
7.2	13.2
7.3	13.3
7.4	13.4
7.5	13.5
8.0	3.9

Original Agreement	Amended and Restated Agreement
9.1	14.1
9.2	14.2
9.3	14.3
10.0	7.0
11.1	15.1 & 15.2
11.2	15.3
11.3a	15.4
11.3b	15.5
11.3c	15.6
11.3d	15.7
12.0	16.0
13a	3.1.1 & 3.2
13b	3.1.2
13c	3.6.1 & 3.6.8
13d & e	3.6.2
14.1	3.6
14.1a	3.6.3
14.1b	3.6.4
14.1c	3.6.5
14.1d	3.6.6
14.1e	3.6.7
14.2	3.7.1
15.1	19.1
15.2	19.2
15.3	19.3
15.4	19.4

Original Agreement	Amended and Restated Agreement
16.1	deleted
16.2a	5.1
16.2b	5.2
16.2c	5.4
16.3a	5.8
16.3b	5.9
16.4a	7.12
16.4b	7.13
16.4c	7.20
16.5a	21.3 & 21.3.1
16.5b	21.3 & 21.3.2
16.6	5.3
16.7	21.2
16.8	21.1
17.1	20.1
17.2	20.3
17.3	20.4
18.1	18.1
18.2	18.4
18.3	22.1
18.4	22.3 & 22.8
18.5	22.4
18.6	22.5
18.7	17.1
18.8	17.1
18.9	18.2
18.10	22.6
18.11	18.3

Attached to this agreement are a copy of the project cancellation payment guarantee letter as well as a copy of the AES guarantee letter which were both executed pursuant to the agreement. These letters are not actually part of the agreement, however, they are related documents, and because of their nature, should remain attached thereto.

The AES Corporation

Florida Power & Light Company
Post Office Box 029100
Miami, Florida 33102

Attention: Director, Bulk Power Markets Department

Consistent with Section 4.1, COMPLETION SECURITY, of the Agreement, Applied Energy Services, Inc. ("AES") guarantees to pay FPL a project cancellation payment according to the following schedule:

Should AES or AES Cedar Bay cancel the Facility subsequent to approval of the Agreement by the FPSC and after the following dates:	AES will submit a payment to FPL of:
March 1, 1990	$ 600,000
January 1, 1991	$1,000,000

This guarantee letter shall not be effective unless and until the FPSC approves the Agreement. Upon such approval, the guarantee letter dated May 6, 1988 contained in the Original Agreement shall be terminated and of no further force and effect.

Thomas A Trebone 7-16-90

Vice President Date

1001 North 19th Street
Arlington, Virginia 22209
(703) 522-1315
Telecopier (703) 528-4510

The AES Corporation

Florida Power & Light Company
Post Office Box 029100
Miami, Florida 33102

Attention: Director, Bulk Power Markets Department

In accordance with the terms of Section 21.1, SECURITY, of that certain Amended and Restated Agreement for the Purchase of Firm Capacity and Energy, dated as of July 2, 1990 (the "Power Sale Agreement"), between AES Cedar Bay, Inc. ("AES Cedar Bay") and Florida Power & Light Company ("FPL"), Applied Energy Services, Inc. ("AES") hereby absolutely and unconditionally guarantees to pay FPL any unpaid Termination Fee (as defined in the Power Sale Agreement) due and owing to FPL under the Power Sale Agreement up to a maximum aggregate amount equal to the greater of (i) Ten Million Dollars ($10,000,000) or (ii) 50% of the cumulative net project cash flow (after taxes and debt service) from AES Cedar Bay to AES, but in no event in excess of the lesser of (i) Seventy-Five Million Dollars ($75,000,000) or (ii) the Termination Fee (as defined in the Power Sale Agreement) (the "Guaranteed Amount"). Each year, AES shall have an independent financial organization audit AES Cedar Bay's financial reports to confirm and report to FPL the amount of the after-tax project cash flow which is the basis of the Guaranteed Amount hereunder. Each such report shall be provided to FPL within ninety calendar days after the end of the applicable calendar year.

In the event that AES Cedar Bay shall fail to pay any portion of the Termination Fee when due and owing to FPL under the Power Sale Agreement, AES hereby agrees to pay to FPL, within ten (10) days of demand for payment hereunder, (i) the amount of the unpaid Termination Fee, not to exceed the Guaranteed Amount, plus, (ii) any costs reasonably incurred in connection with the enforcement of this guarantee letter and the security granted in connection herewith (provided, that FPL's right to recover such costs incurred in connection with enforcement shall be available only if any such enforcement proceedings are resolved in favor of FPL). This guarantee shall continue until the obligation of AES Cedar Bay to pay the Termination Fee under the Power Sale Agreement has terminated.

This guarantee letter shall be backed up by an unconditional and irrevocable letter(s) of credit supplied by AES and issued by bank(s) acceptable to FPL, in form and in substance acceptable to FPL, in accordance with the terms of Section 21.1 of the Power Sale Agreement. However, the face amount of the letter(s) of credit may be reduced by the amount, if any, held in the Escrow (as defined in the Power Sale Agreement) for the benefit of FPL in accordance with the terms of Section 21.1 of the Power Sale Agreement. Any payments recovered by FPL from the letter(s) of credit and/or the Escrow shall be deemed to have been payments by AES hereunder and shall be credited toward AES' maximum aggregate liability hereunder.

1001 North 19th Street
Arlington, Virginia 22209
(703) 522-1315
Telecopier (703) 528-4510

Applied Energy Services, Inc.

CB-15-00061

AES hereby agrees that the performance and payment obligations of AES Cedar Bay under the Power Sale Agreement may be changed or extended, renewed or accelerated, that AES Cedar Bay may be granted indulgences, and that any provision of the Power Sale Agreement or any of the documents delivered in connection therewith (the "Related Documents") may be modified, amended or waived, all without notice to or consent of AES. AES expressly waives (i) notice of acceptance of this letter by FPL, and (ii) presentation, demand, protest, notice of protest and of dishonor, and notice of all events described in this paragraph. AES also waives all legal requirements that FPL institute any action or proceeding against AES Cedar Bay or exhaust any remedy against AES Cedar Bay or any other person or entity as a condition precedent to bringing an action against AES under this guarantee letter. AES agrees that nothing contained herein shall prevent FPL from suing on or exercising any right under the Power Sale Agreement or the Related Documents and the exercise of any such right and completion of any proceeding shall not constitute a discharge of any of AES' obligations hereunder.

All remedies afforded FPL hereunder are separate and cumulative and are in addition to all rights and remedies under the Power Sale Agreement and the Related Documents and may be exercised in any order, either separately or otherwise, and neither the exercise nor failure to exercise any right or remedy shall be deemed a waiver of any right.

AES represents to FPL that (i) AES Cedar Bay is a wholly-owned subsidiary of AES, (ii) AES has knowledge of AES Cedar Bay's financial condition and affairs and agrees that it will keep informed of AES Cedar Bay's financial condition and affairs while this guarantee letter is in force, and (iii) the execution and performance of this guarantee letter are in furtherance of the business purpose of AES.

This guarantee letter shall be deemed to be a contract made under the laws of the State of Florida without regard to principals of conflicts of laws.

This guarantee letter shall bind AES and it respective successors and assigns and shall inure to the benefit of FPL and its successors and assigns.

This guarantee letter shall not be effective unless and until the Florida Public Service Commission approves the Power Sale Agreement

APPLIED ENERGY SERVICES, INC.

By: Thomas A. Tribone
Its: Vice President 7-17-90

TRANSMITTAL MEMORANDUM

TO: **DOCUMENTARY FILES** DATE: 7/18/90

FROM: Corporate Contracts (DEPARTMENT) MAILING SYMBOL: CCT-CO

NAME: Angela Cox (TYPE OR PRINT) PHONE: 552-4034

DESCRIPTION OF DOCUMENT(S) TRANSMITTED:
Amendment No. 2 to the agreement for purchase of firm capacity and energy between [redacted]

DESCRIPTION OF ATTACHMENT(S):

RETENTION AS ESTABLISHED ON FPL RETENTION SCHEDULE (PLEASE CONTACT CORPORATE RECORDS IF RETENTION HAS NOT BEEN SET):

RETENTION PERIOD: Six years plus current AS ESTABLISHED IN PROCEDURE #: DATED:

OPTIONAL INFORMATION:

****

The following information will be supplied by Documentary Files and returned to transmitting department:

ACKNOWLEDGEMENT OF RECEIPT BY DOCUMENTARY FILES

RECEIVED BY:
NAME: Angela Wilder PHONE: 552-4109
DATE: 7/19/90

Distribution:

Original (WHITE) & Duplicate (CANARY) - Documentary Files
Triplicate (PINK) - (1) Documentary Files (2) Originator as receipt
Quadruplicate (GOLDENROD) - Originator

Form 1083 (Stocked) Rev. 11 89

CB-15-00063

CB-15-00064

AMENDED AND RESTATED AGREEMENT

FOR THE PURCHASE OF FIRM CAPACITY AND ENERGY

BETWEEN AES CEDAR BAY, INC.

AND FLORIDA POWER & LIGHT COMPANY

CB-15-00066

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THIS AMENDED AND RESTATED AGREEMENT is made and entered as of this 2nd day of July, 1990, by and between AES CEDAR BAY, INC. ("AES Cedar Bay"), a corporation organized and existing under the laws of the State of Delaware, with its principal offices at Arlington, Virginia, and FLORIDA POWER & LIGHT COMPANY ("FPL"), a utility corporation organized and existing under the laws of the State of Florida, having its principal place of business in Miami, Florida. AES Cedar Bay and FPL shall collectively herein be called the "Parties" and each may be individually identified herein from time to time as a "Party".

WITNESSETH:

WHEREAS, AES Cedar Bay will construct and own a facility which has been or will be certified as a "qualifying facility" pursuant to the rules or regulations of the Florida Public Service Commission or the Federal Energy Regulatory Commission;

WHEREAS, AES Cedar Bay desires to sell, and FPL desires to purchase, electricity to be generated by such facility consistent with FPSC Rules 25-17.080 through 25-17.087, inclusive;

WHEREAS, the Parties entered into an agreement for the Purchase of Firm Capacity and Energy dated May 6, 1988 as amended by an amendment dated November 9, 1988;

WHEREAS, AES Cedar Bay desires modifications to such agreement to accommodate its contract with the wheeling utility including dispatch, control, operation and maintenance of the facility;

WHEREAS, the Parties desire to clarify mutual understandings of the Parties; and

WHEREAS, to effect such additional changes and for ease of reading and simplicity, the Parties have mutually agreed to enter into an amendment and restatement of their original agreement.

NOW, THEREFORE, for mutual consideration, the Parties agree as follows:

1.0 DEFINITIONS

When used herein with initial or complete capitalization, whether in the singular or in the plural, the following terms shall have the following

defined meanings; however, such defined terms shall not apply except as otherwise specified therein to Appendices C, F, G, H, I, K and L.

1.1 Agreement - this document and Appendices A, B, C, D, E, F, G, H, I, J, K and L.

1.2 Agreement Year - the twelve Monthly Billing Periods preceding each anniversary of the first full Monthly Billing period following the Commercial Operation Date, except that the first Agreement Year shall also include the first partial month, if any, following the Commercial Operation Date.

1.3 Annual Capacity Factor - the sum of the twelve consecutive Monthly Capacity Factors preceding the date of calculation, divided by twelve. During the first twelve consecutive full Monthly Billing Periods, plus the preceding partial month if any, commencing with the first Monthly Billing Period in which Monthly Capacity Payments are to be made, the calculation of the Annual Capacity Factor shall be performed as follows: (i) during the initial partial Monthly Billing Period for Monthly Capacity Payments, if any, the Annual Capacity Factor shall be the Monthly Capacity Factor for the partial Monthly Billing Period beginning at 12:01 a.m. on the Commercial Operation Date and ending at midnight on the last calendar day of the month; (ii) during the first full Monthly Billing Period following the Commercial Operation Date, the Annual Capacity Factor shall be equal to the Monthly Capacity Factor; and (iii) thereafter, the calculation of Annual Capacity Factor shall be computed by dividing the sum of the Monthly Capacity Factors during the first Agreement Year's full Monthly Billing Periods in which Monthly Capacity Payments are to be made by the number of such full Monthly Billing Periods which have elapsed. This calculation shall be performed at the end of each Monthly Billing Period until enough full Monthly Billing Periods have elapsed to calculate a true twelve-month average Annual Capacity Factor. In an event of Force Majeure and upon the conclusion of such event (as described in Section 19.2, FORCE MAJEURE), each Monthly Capacity Factor calculated during such event of Force Majeure shall be recalculated

for the purpose of determining the Annual Capacity Factor from the point in time when such event of Force Majeure is concluded. All recalculations of the Monthly Capacity Factor are for the purpose of calculating the current Monthly Billing Period's Annual Capacity Factor only, not for adjusting previous payments. Such recalculation shall adjust the sum of the hourly Energy during the hours of such event of Force Majeure used in the calculation of each Monthly Capacity Factor during such event of Force Majeure to the greater of (i) itself (sum of the actual hourly Energy during the hours of such event used in the original calculation of the applicable Monthly Capacity Factor) or (ii) the lesser of (a) the product of (x) the Committed Capacity, (y) (1) 57% for the first Monthly Billing Period subsequent to the conclusion of such event, (2) 72% for the second Monthly Billing Period subsequent to the conclusion of such event and (3) 87% thereafter and (z) the number of hours affected by such event used in the original calculation of the applicable Monthly Capacity Factor or (b) the product of (x) the Committed Capacity, (y) the Annual Capacity Factor that existed in the Monthly Billing Period immediately prior to the event of Force Majeure and (z) the number of hours affected by such event used in the original calculation of the applicable Monthly Capacity Factor.

1.4 Annual On-peak Capacity Factor - the sum of the twelve consecutive Monthly On-peak Capacity Factors preceding the date of calculation, divided by twelve. During the first twelve consecutive full Monthly Billing Periods, plus the preceding partial month if any, commencing with the first Monthly Billing Period in which Monthly Capacity Payments are to be made, the calculation of the Annual On-peak Capacity Factor shall be performed as follows: (i) during the initial partial Monthly Billing Period for Monthly Capacity Payments, if any, the Annual On-peak Capacity Factor shall be the Monthly On-peak Capacity Factor for the partial Monthly Billing Period beginning at 12:01 a.m. on the Commercial Operation Date and ending at midnight on the last calendar day of the month; (ii) during the first full Monthly Billing Period following the

Commercial Operation Date, the Annual On-peak Capacity Factor shall be equal to the Monthly On-peak Capacity Factor; and (iii) thereafter, the calculation of Annual On-peak Capacity Factor shall be computed by dividing the sum of the Monthly On-peak Capacity Factors during the first Agreement Year's full Monthly Billing Periods in which Monthly Capacity Payments are to be made by the number of such full Monthly Billing Periods which have elapsed. This calculation shall be performed at the end of each Monthly Billing Period until enough full Monthly Billing Periods have elapsed to calculate a true twelve-month average Annual On-peak Capacity Factor. In an event of Force Majeure and upon the conclusion of such event (as described in Section 19.2, FORCE MAJEURE), each Monthly On-peak Capacity Factor calculated during such event of Force Majeure shall be recalculated for the purpose of determining the Annual On-peak Capacity Factor from the point in time when such event of Force Majeure is concluded. All recalculations of the Monthly On-peak Capacity Factor are for the purpose of calculating the current Monthly Billing Period's Annual On-peak Capacity Factor only, not for adjusting previous payments. Such recalculation shall adjust the sum of the hourly Energy during On-peak Hours of such event of Force Majeure used in the calculation of each Monthly On-peak Capacity Factor during such event of Force Majeure to the greater of (i) itself (sum of the actual Energy for On-peak Hours of such event used in the original calculation of the applicable Monthly On-peak Capacity Factor) or (ii) the lesser of (a) the product of (x) the Committed Capacity, (y) (1) 57% for the first Monthly Billing Period subsequent to the conclusion of such event, (2) 75% for the second Monthly Billing Period subsequent to the conclusion of such event if such Monthly Billing Period occurs before January 1, 2007 or 76% if such period occurs after December 31, 2006 and (3) 93% thereafter if such Monthly Billing Period occurs before January 1, 2007 or 95% if such period occurs after December 31, 2006 and (z) the number of On-peak Hours affected by such event used in the original calculation of the applicable Monthly On-peak Capacity Factor or (b) the product of (x) the Committed Capacity, (y) the Annual On-peak Capacity Factor that existed in the Monthly Billing Period immediately prior to the event

of Force Majeure and (z) the number of On-peak Hours affected by such event used the original calculation for the applicable Monthly On-peak Capacity Factor.

1.5 As-available Avoided Energy Costs - costs computed pursuant to FPSC Rule 25-17.0825(2) as it may subsequently be amended from time to time. FPL's Northeastern (North) operating area shall be the designated avoided cost pricing area for purposes of this Agreement.

1.6 Automatic Generation Control - procedures and equipment which automatically adjust a control area's generation to maintain its net interchange schedule plus frequency bias.

1.7 Available Committed Capacity - Committed Capacity less all Unscheduled Outages and Scheduled Reductions, expressed in the nearest whole megawatt ("MW") quantities, as determined by AES Cedar Bay on an on-going basis. Available Committed Capacity shall not be affected by Section 6.8, SALE OF ENERGY AND CAPACITY BY AES CEDAR BAY.

1.8 Available Run Hour - starting with the Commercial Operation Date, any hour except those hours during which the Facility is subject to a Scheduled Maintenance Period.

1.9 Available Run On-peak Hour - starting with the Commercial Operation Date, any On-peak Hour except those hours during which the Facility is subject to a Scheduled Maintenance Period.

1.10 Capacity - electric power in MW generated by the Facility and delivered to FPL's system by the Wheeling Utility.

1.11 Capacity Factor - the Annual Capacity Factor, plus one-half the Annual On-peak Capacity Factor minus 46.5% (i.e., 93% / 2) through the calendar year 2006 and 47.5% (i.e., 95% / 2) thereafter. For purposes of determining the Capacity Factor, the Annual On-peak Capacity Factor shall not be greater than 98% through the calendar year 2006 and 100% thereafter.

1.12 Commercial Operation Date - the earlier of (i) the date determined by AES Cedar Bay which shall be at least two calendar days immediately following the successful completion of the initial capacity test as described in Section 6.0, SALE OF ENERGY AND

CAPACITY BY AES CEDAR BAY or (ii) June 1, 1994 (subject to extension due to Force Majeure or pursuant to Sections 4.2 and 4.3, COMPLETION SECURITY). The Commercial Operation Date shall not occur before January 1, 1993.

1.13 Committed Capacity - the maximum Capacity pursuant to Sections 5.13, PRE-OPERATION PERIOD, and 6.0, SALE OF ENERGY AND CAPACITY BY AES CEDAR BAY, which AES Cedar Bay contractually commits to sell to FPL pursuant to the terms of this Agreement. All designations of Committed Capacity shall be to the nearest whole MW unit of Capacity and, except for the initial Committed Capacity, shall be effective on the first calendar day of the Monthly Billing Period subsequent to the designation of the initial Committed Capacity. The initial Committed Capacity shall be effective on the Commercial Operation Date.

1.14 Dispatch - FPL's Dispatch And Control Rights with respect to committing (start-up) and decommitting (shutdown) the Facility and controlling the Capacity and Energy output of the Facility.

1.15 Dispatch And Control Rights - subject to Section 7.0, DISPATCH CONTROL, OPERATION AND MAINTENANCE OF THE FACILITY, the absolute and sole right of FPL (i) to commit and decommit the Facility and (ii) through supervisory equipment or otherwise to control the Capacity and Energy output of the Facility pursuant to this Agreement. These rights also extend to control of the reactive power output of the Facility, voltage, frequency and other characteristics of such Energy output, which parameters are normally controlled or reflected in a utility's economic dispatch within acceptable limits as established by the Wheeling Utility.

1.16 Dispatch Hour - any Available Run Hour or part of an Available Run Hour that FPL Dispatches the Facility except as provided in Section 7.4, DISPATCH, CONTROL, OPERATION AND MAINTENANCE OF THE FACILITY. Dispatch Hours include decommitted hours designated by FPL and extend for at least one hour after the Facility's actual Ready For Control time but exclude the hour(s), if any, between the scheduled Ready For Control and the actual Ready For Control as specified in

Section 7.7, DISPATCH, CONTROL, OPERATION AND MAINTENANCE OF THE FACILITY.

1.17 **Energy** - electrical energy in megawatt hours ("MWh") generated by the Facility and delivered to FPL's system by the Wheeling Utility as determined by the FPL-owned Metering Equipment located at the Point of Interconnection.

1.18 **Event of Default** - any of those occurrences specified in Section 3.6, TERM AND TERMINATION.

1.19 **Facility** - the electrical generating unit (nominal net output of 225 MW, with a permitted Committed Capacity range between 180 and 250 MW), equipment and related facilities located at the AES Cedar Bay plant on or adjacent to the premises of Seminole Kraft located at 9469 Eastport Road, Jacksonville, Florida.

1.20 **Facility Owner** - AES Cedar Bay or any successor(s) in interest to AES Cedar Bay's ownership.

1.21 **FERC** - Federal Energy Regulatory Commission.

1.22 **Force Majeure** - an event or circumstance that was not reasonably foreseeable by a Party, was beyond the reasonable control and was not caused by the negligence or lack of due diligence of the affected Party or its contractors or suppliers or the Wheeling Utility. Such events or circumstances may include, but are not limited to, acts of civil or military authority (including courts and governmental or administrative agencies), acts of God, war, riot or insurrection, blockades, embargoes, sabotage, epidemics, hurricanes, floods, strikes, lockouts or other labor disputes or difficulties. Equipment breakdown caused by its (i) design, (ii) construction or (iii) operation or maintenance not consistent with Good Engineering and Operating Practices shall not be considered a Force Majeure.

1.23 **FPL Entities** - FPL, its parent, subsidiaries and affiliated entities and each of their respective officers, directors, employees, agents and contractors.

1.24 **FPL Operating Limits** - certain operating capabilities of the Facility that shall be available to FPL pursuant to this Agreement,

including, but not limited to: (i) power factor dispatchable and controllable in the range of 90% leading to 90% lagging; (ii) Peak Capability: Committed Capacity plus 5%, provided AES Cedar Bay's obligations with respect to Peak Capability shall be only as set forth in Section 7.3, DISPATCH, CONTROL, OPERATION AND MAINTENANCE OF THE FACILITY; (iii) Maximum Sustained Rate: 2.5 MW per minute; (iv) Frequency of Cycles: 6 times per Agreement Year; (v) Turn Around Time Hot to Hot: less than 4 hours; (vi) minimum operating capability while under Automatic Generation Control: 90 MW; (vii) minimum operating capability while under manual generation control: 90 MW; and (viii) Start-up Time: (a) if the Facility has been off-line between 0 hours and 12 hours (hot start): 6 hours, (b) if the Facility has been off-line between 12 hours and 72 hours (warm start): 16 hours, or (c) if the Facility has been off-line more than 72 hours (cold start): 30 hours.

1.25 FPSC - Florida Public Service Commission.

1.26 Frequency of Cycles - the number of times the Facility is started and stopped (i.e., one cycle breaker closing to breaker opening) in an Agreement Year.

1.27 Good Engineering and Operating Practices - generally accepted and sound electric utility industry practices, methods and acts applicable to similarly situated U.S. facilities which at a particular time, in the exercise of reasonable judgment in light of the facts known or that reasonably should be known at the time a decision is made, would be expected to accomplish the desired result in a manner consistent with law, regulation, reliability, safety, environmental protection, economy and expedition. With respect to the Facility, Good Engineering and Operating Practices include, but are not limited to, taking reasonable steps to ensure that:

1.27.1 Adequate materials, resources and supplies, including fuel, are available to meet the Facility's needs under normal conditions and reasonably anticipated abnormal conditions;

1.27.2 Sufficient operating, maintenance and supervisory personnel are available and adequately experienced and trained to operate, maintain and supervise the Facility properly, efficiently and within manufacturer's guidelines and specifications and are capable of responding to emergency conditions;

1.27.3 Preventive, routine and non-routine maintenance and repairs are performed on a basis that ensures reliable long-term and safe operation, and are performed by knowledgeable, trained and experienced personnel utilizing proper equipment, tools and procedures;

1.27.4 Appropriate monitoring and testing are done periodically to ensure equipment is functioning as designed and to provide assurance that equipment will function properly under both normal and emergency conditions; and

1.27.5 Equipment is operated in a safe manner and in a manner safe to workers, the general public and the environment and with regard to defined limitations such as steam pressure, temperature and moisture content, chemical content and quality of make-up water, operating voltage range, current, frequency, rotational speed, polarity, synchronization, control system limits, etc.

1.28 **Initial Synchronization Date** - the first date upon which (i) Energy is generated and (ii) such Energy is metered by the FPL-owned Metering Equipment.

1.29 **Interchange Points** - interconnection points between FPL and the Wheeling Utility, as designated under the interchange agreement between FPL and the Wheeling Utility.

1.30 **Lenders** - any entity or group of entities (and any agents acting on their behalf) providing financing for the construction and development of the Facility in aggregate principal amount not to exceed Five Hundred Million Dollars ($500,000,000), including, upon prior written notice to FPL, any and all successors pursuant to any refinancing. The written notice to FPL regarding any refinancing

shall be signed by AES Cedar Bay and the then existing Lenders and shall include the following: (i) name of successor Lenders, (ii) address, telephone number and the authorized officer of the successor Lenders, (iii) the then-current outstanding balance of indebtedness (reflecting an itemization of senior debt, subordinated debt, accrued and unpaid interest and all unpaid fees, costs and charges, if any) due to the Lenders and (iv) a statement from an authorized officer from the then-existing Lenders that AES Cedar Bay is current and in good standing in its payment obligations under the financing and that the Lenders have no actual knowledge of any event of default and have not declared an event of default which is continuing thereunder, other than as may have been waived.

1.31 **Maximum Sustained Rate** - the maximum load following capability of the Facility, expressed in MW per minute level, that the MW output of the Facility can be raised or lowered to meet FPL's system conditions for a sustained period.

1.32 **Metering Equipment** - equipment including, but not limited to, kWh and kQh meters, metering cabinets, metering panels, conduits, cabling, metering units, current transformers and potential transformers directly or indirectly providing input to meters or transducers, meter recording devices, telephone circuits, signal or pulse dividers, transducers, pulse accumulators and any other equipment necessary to implement the provisions of this Agreement.

1.33 **Minimum Load** - 90 MW net of internal electrical requirements of the Facility.

1.34 **Monthly Billing Period** - the period beginning on the first calendar day of each calendar month (except in the case of an initial partial month, if any, in which case the period for the initial partial month only will begin with the Initial Synchronization Date) and ending on the last calendar day of such month.

1.35 **Monthly Billing Statement** - a monthly summary prepared by FPL in accordance with Section 13.1, BILLING AND PAYMENT.

1.36 **Monthly Capacity Factor** - the total Energy during the Monthly Billing Period for which the calculation is made, divided by the

product of (i) the Committed Capacity during the Monthly Billing Period and (ii) the sum of the hours during the Monthly Billing Period. For purposes of calculating the Monthly Capacity Factor, the following factors shall be considered when applicable: (A) Scheduled Maintenance Periods, (B) periods that FPL did not accept Energy for delivery or receive Energy pursuant to the provisions of Sections 6.8, SALE OF ENERGY AND CAPACITY BY AES CEDAR BAY, and 7.5, DISPATCH, CONTROL, OPERATION AND MAINTENANCE OF THE FACILITY, and (C) periods of Force Majeure. The hourly Energy to be used in the calculation of factor (A) shall be the product of the Annual Capacity Factor and the Committed Capacity, of factor (B) shall be the lesser of (i) the Available Committed Capacity or (ii) the product of the Annual Capacity Factor and the Committed Capacity, and of factor (C) shall be the actual Energy during the event of Force Majeure, except during the first two Monthly Billing Periods involving such Force Majeure, when it shall be the greater of (i) the actual Energy or (ii) the lesser of (a) the product of the Committed Capacity and 87% or (b) the product of the Committed Capacity and the Annual Capacity Factor. For purposes of calculating the Monthly Capacity Factor, hourly Energy deliveries (i) shall not exceed those which could be produced by the Committed Capacity, with the exception of those hours when FPL, pursuant to Section 7.3, DISPATCH, CONTROL, OPERATION AND MAINTENANCE OF THE FACILITY, requests AES Cedar Bay to produce in excess of the Committed Capacity and (ii) shall be reduced, when applicable, pursuant to Section 7.8, DISPATCH, CONTROL, OPERATION AND MAINTENANCE OF THE FACILITY.

1.37 Monthly Capacity Payment - monthly payments for Capacity and operation and maintenance expenses calculated in accordance with Appendix A, MONTHLY CAPACITY AND O&M PAYMENT CALCULATION.

1.38 Monthly Energy Payment - monthly payments for Energy calculated in accordance with Section 12.4, BASIS OF PAYMENTS BY FPL.

1.39 Monthly On-peak Capacity Factor - the total Energy during On-peak Hours for the Monthly Billing Period for which the calculation is

made, divided by the product of (i) the Committed Capacity during the Monthly Billing Period and (ii) the sum of the On-peak Hours during the Monthly Billing Period. For purposes of calculating the Monthly On-peak Capacity Factor, the following factors shall be considered when applicable: (A) Scheduled Maintenance Periods, (B) periods that FPL did not accept Energy for delivery or receive Energy pursuant to the provisions of Sections 6.8, SALE OF ENERGY AND CAPACITY BY AES CEDAR BAY, and 7.5, DISPATCH, CONTROL, OPERATION AND MAINTENANCE OF THE FACILITY, and (C) periods of Force Majeure. The hourly Energy to be used in the calculation of factor (A) shall be the product of the Annual On-peak Capacity Factor and the Committed Capacity, of factor (B) shall be the lesser of (i) the Available Committed Capacity or (ii) the product of the Annual On-peak Capacity Factor and the Committed Capacity, and of factor (C) shall be the actual Energy during the event of Force Majeure, except during the first two Monthly Billing Periods involving such Force Majeure, when it shall be the greater of (i) the actual Energy or (ii) the lesser of (a) the product of the Committed Capacity and 93% prior to January 1, 2007 and 95% thereafter or (b) the product of the Committed Capacity and the Annual On-peak Capacity Factor. For purposes of calculating the Monthly On-peak Capacity Factor, hourly Energy deliveries (i) shall not exceed those which could be produced by the Committed Capacity plus 10% and (ii) shall be reduced, when applicable, pursuant to Section 7.8, DISPATCH, CONTROL, OPERATION AND MAINTENANCE OF THE FACILITY.

1.40 NERC - the North American Electric Reliability Council, including any successor thereto and subdivisions thereof.

1.41 On-peak Hours - those hours occurring April 1 through October 31, from noon to 9:00 p.m. and November 1 through March 31, from 6:00 a.m. to 10:00 a.m. and 6:00 p.m. to 10:00 p.m. FPL shall have the right to change such On-peak Hours by providing AES Cedar Bay a minimum of ninety calendar days written notice. The total number of On-peak Hours shall not exceed 38% of the total hours during a calendar year.

1.42 **Operating Representatives** - the Parties' representatives designated pursuant to Section 10.0, OPERATING REPRESENTATIVES, who act in matters pertaining to detailed operating arrangements for the delivery of Capacity and Energy provided under this Agreement.

1.43 **Original Agreement** - Agreement for the Purchase of Firm Capacity and Energy between AES Cedar Bay and FPL, as amended, which was effective from May 6, 1988 until the date this Agreement is approved by the FPSC.

1.44 **Peak Capability** - the maximum MW rating which the Facility may achieve for a period of up to four hours without exceeding the maximum design condition.

1.45 **Point of Interconnection** - the physical point designated by the Wheeling Utility and agreed to by FPL where the Facility and the Wheeling Utility's system are connected.

1.46 **Ready For Control** - the point in time when the Facility is turned over to FPL's system control center for Automatic Generation Control or manual control. At this point, the Facility shall have full load-following capability equal to the Maximum Sustained Rate.

1.47 **Scheduled Maintenance Period** - any period of time, not to exceed six weeks per Agreement Year during which AES Cedar Bay plans, in coordination with FPL, as provided in Sections 5.10, PRE-OPERATION PERIOD, and 7.9, DISPATCH, CONTROL, OPERATION AND MAINTENANCE OF THE FACILITY, and subjects the Facility to a Scheduled Reduction in Capacity for routine or periodic maintenance. The six weeks can be taken consecutively or in periods of at least one day in duration, provided such periods are coordinated with, and approved by, FPL. Scheduled Maintenance Periods shall normally be taken during the applicable Agreement Year. However the Scheduled Maintenance Periods may be shifted to other Agreement Years pursuant to Sections 5.10, PRE-OPERATION PERIOD, AND 7.9, DISPATCH, CONTROL, OPERATION AND MAINTENANCE OF THE FACILITY. This outage maximum shall be extended to seven weeks during the first Agreement Year and every fifth Agreement Year thereafter.

1.48 Scheduled Reduction - any reduction in generating capability of the Facility, expressed in the nearest whole MW, as a result of a Scheduled Maintenance Period.

1.49 Start-up Time - the time it takes from the moment the Facility is activated (i.e., initiate start-up sequence) until it is on-line and Ready For Control.

1.50 Termination Fee - the dollar amount calculated in accordance with the formula in Appendix B, TERMINATION FEE, which AES Cedar Bay shall pay FPL in accordance with the terms of this Agreement.

1.51 Turn Around Time Hot to Hot - the minimum down time which is measured from the moment the Facility is taken off-line (i.e., breaker open) until the Facility is again able to be Ready For Control.

1.52 Unit Fuel Cost - the weighted average cost, in dollars per million Btu, of coal, and oil if applicable, burned at St. Johns River Power Park's Units #1 and #2. The cost of coal at St. Johns River Power Park shall be calculated from the data reported on a monthly basis to the FPSC in Schedule A5 entitled "System Net Generation and Fuel Cost." Start-up oil cost for St. Johns River Power Park's Units #1 and #2 as reported in Schedule A5 will be included in the Unit Fuel Cost calculation for any Monthly Billing Period that includes one or more Facility start-ups as a result of an FPL-required shutdown. The most recently filed Schedule A5 data shall be used in calculating the Unit Fuel Cost.

1.53 Unit Hourly Heat Rate Factor - starting on the later of (i) the Commercial Operation Date or (ii) January 1, 1994, (a) for each Dispatch Hour, the rate factor, expressed in million Btu per MWh, produced by the following formula:

UHHRF = (A/X + B + CX) / 1,000

where:

UHHRF = Unit Hourly Heat Rate Factor

A = 1,520 x Committed Capacity

B = 7,025

C = 1,200 / Committed Capacity

X = hourly integrated Energy delivered to FPL by the Wheeling Utility as determined by the FPL-owned Metering Equipment located at the Point of Interconnection

and (b) for all other hours, the Unit Hourly Heat Rate Factor shall be 9.745 million Btu/MWh.

1.54 **Unscheduled Outage** - a whole or partial interruption of the Facility's Committed Capacity, whether the Facility is committed or decommitted by FPL, expressed in whole MW, that does not qualify as a Scheduled Maintenance Period.

1.55 **Wheeling** - the transmission of Energy and Capacity from the Facility for delivery to FPL's system at the Interchange Points.

1.56 **Wheeling Utility** - the electric utility or utilities designated by AES Cedar Bay which transmit(s) Energy and Capacity from the Facility and deliver(s) it to FPL's system.

2.0 **FACILITY**

2.1 AES Cedar Bay shall in its operation of the Facility maintain AES Cedar Bay's status as a "qualifying cogenerator" as that term is defined in Section 3(18)(C) of the Federal Power Act.

2.2 AES Cedar Bay shall, throughout the term of this Agreement, maintain the status of the Facility as a "qualifying cogeneration facility" and AES Cedar Bay's status as a "qualifying cogenerator" pursuant to FERC or FPSC regulations.

3.0 **TERM AND TERMINATION**

3.1 Except for obligations under Section 3.2, FPL's obligations under this Agreement, and AES Cedar Bay's obligations to comply with Section 3.4 and to deliver Energy and Capacity under this Agreement, shall not become enforceable until the following conditions precedent have occurred or been satisfied:

3.1.1 The FPSC's prior approval, without change or condition, including FPSC findings that (i) this Agreement is reasonable, prudent and in the best interest of FPL's ratepayers, (ii) this Agreement contains adequate security based on AES Cedar Bay's financial stability, (iii) no

costs in excess of full avoided costs are likely to be incurred by FPL over the initial term of the Agreement, (iv) FPL may recover from its ratepayers all payments for Energy and Capacity, and (v) FPL shall not be required to resell the Energy and Capacity to another electric utility so long as the retention of Energy and Capacity is in the best interest of FPL's ratepayers.

3.1.2 Execution of a transmission service agreement by and between AES Cedar Bay and the Wheeling Utility for delivery of Energy and Capacity to FPL.

3.2 FPL shall submit this Agreement to the FPSC and seek the FPSC's approval of the obligations and duties imposed by this Agreement, and AES Cedar Bay shall use its best efforts to support FPL's request for FPSC approval.

3.3 The initial term of this Agreement shall extend until the later of (i) December 31, 2024 or (ii) thirty-one Agreement Years, unless terminated as provided herein. However, the term may be extended through a written instrument authorized and executed with the same formality as this Agreement.

3.4 Notwithstanding any other provision of this Agreement, FPL may terminate this Agreement for cause, without penalty or further obligation in the event that, except when due to a Force Majeure, AES Cedar Bay fails to: (i) achieve closing of the construction loan and execution of the ground lease for the Facility by July 1, 1991; (ii) start construction by October 1, 1991; (iii) place the order for the turbine/generator by December 1, 1991; (iv) have the complete turbine/generator delivered on-site by February 28, 1993 (unless AES Cedar Bay provides assurances reasonably satisfactory to FPL that the Facility can reasonably be expected to achieve the Initial Synchronization Date by January 1, 1994 or such later date permitted under Section 4.2, COMPLETION SECURITY); or (v) achieve the Initial Synchronization Date by January 1, 1994 or as may be extended pursuant to Section 4.2, COMPLETION SECURITY.

3.5 AES Cedar Bay shall promptly and diligently assist FPL in obtaining FPSC approval of this Agreement. If (i) the FPSC has not approved

the Agreement or (ii) the thirty day appeal period has not expired (without any appeal having been duly filed and then pending) by November 1, 1990, the dates in Section 3.4 shall be adjusted for any additional months, or partial month, of such delay in obtaining approval (including expiration of the thirty day appeal period) beyond November 1, 1990, up to a maximum of three months, provided AES Cedar Bay has used due diligence to mitigate the effects of such delay and return the project to its original schedule.

3.6 Notwithstanding the occurrence of any Force Majeure as described in Section 19.0, FORCE MAJEURE, each of the following shall constitute an Event of Default:

3.6.1 AES Cedar Bay fails to execute a long-term fuel contract (or contracts) between AES Cedar Bay and its fuel supplier(s), for a term of at least fifteen years which provides for at least 50% of the Facility's requirements on or before the Commercial Operation Date;

3.6.2 AES Cedar Bay fails to comply with the provisions of any of the following Sections: 21.3, 21.5, 21.6 and 21.9, SECURITY;

3.6.3 After January 1, 1994, or as such date may be extended by AES Cedar Bay's exercise of its option pursuant to Section 4.2, COMPLETION SECURITY, the Facility fails to deliver any Energy for twelve consecutive months; provided, however, such period shall be extended up to six additional consecutive months if (i) AES Cedar Bay determines that the turbine generator needs major repair (and cannot be repaired within twelve months) or replacement, (ii) AES Cedar Bay provides to FPL, in writing, proof that the turbine generator does need such major repair or replacement, (iii) (a) FPL concurs in such determination or (b) a qualified independent engineering firm hired by AES and approved by FPL determines that such major repair or replacement is needed, (iv) the turbine generator is actually repaired or replaced and (v) AES

Cedar Bay uses its best efforts to minimize the duration of such major repair or replacement;

3.6.4 At any time after the Commercial Operation Date, the Annual Capacity Factor is less than 57% for twenty-four consecutive months;

3.6.5 Except as provided in Section 3.7.2, AES Cedar Bay becomes insolvent, executes an assignment for the benefit of its creditors, or becomes subject to bankruptcy or receivership proceedings, provided, however, in the event of an involuntary proceeding brought by creditors of AES Cedar Bay, AES Cedar Bay shall have a period not to exceed sixty calendar days to have such proceeding stayed or dismissed;

3.6.6 AES Cedar Bay shall default in the due and punctual performance of any other material covenants, conditions, agreements and provisions contained herein not specifically referenced in Section 3.6 (other than pursuant to Sections 21.1, 21.2 and 21.7, SECURITY), on its part to be performed, and such default shall not be cured as soon as possible, but not more than thirty calendar days after written notice from FPL specifying such default; provided, however, so long as a default of AES Cedar Bay is not a failure to pay any money due FPL pursuant to the terms of this Agreement, if it is not feasible to correct such default within thirty calendar days after FPL has delivered written notice of such default to AES Cedar Bay and to the designee of the Lenders, (such designee to be identified by AES Cedar Bay at least six months before the expected Commercial Operation Date) but it is and remains feasible to correct such default within one year after such notice, it shall not constitute an Event of Default hereunder until the earliest feasible date within such one-year period when a cure could be effected so long as (i) corrective action by AES Cedar Bay or the Lenders' designee is instituted

within ten calendar days of the date of such notice, (ii) such corrective action is diligently pursued, (iii) AES Cedar Bay or the Lenders' designee provides FPL monthly, written reports as to the nature and progress of such corrective action, and (iv) such cure is effected within one year of such notice. In this regard, corrective action by the Lenders' designee may encompass the Lenders' assumption of, or causing a new lessee or purchaser of the Facility to assume, all of the interests, rights and obligations of AES Cedar Bay under this Agreement (including effecting the cure pursuant to this Section 3.6.6, if capable of cure, including the (i) payment of any sums, (ii) execution and delivery of the agreement(s) or contract(s) described in Section 3.6.1 and (iii) compliance with Section 3.6.8), provided that such assuming party (a) is, in the reasonable opinion of FPL, reasonably qualified to perform the obligations arising hereunder upon and after the date of such assumption, and (b) enters into agreement(s) with FPL providing security equivalent to or greater than that provided by AES Cedar Bay under this Agreement. After FPL gives any written notice of an Event of Default under this Section 3.6.6, and until such Event of Default is cured, if capable of cure, including the (i) payment of any sums, (ii) execution and delivery of the agreement(s) or contract(s) described in Section 3.6.1 and (iii) compliance with Section 3.6.8, FPL may withhold Monthly Capacity Payments. Upon the cure of such Event of Default, FPL shall pay to AES Cedar Bay all Monthly Capacity Payments previously withheld, without interest;

3.6.7 AES Cedar Bay fails to give adequate assurance of due performance of the material covenants, conditions, agreements and provisions as specified under this Agreement not specifically referenced in Section 3.6 within thirty calendar days after FPL, with reasonable

grounds for insecurity, has requested in writing such assurance;

3.6.8 Commencing no later than January 1, 2006, AES Cedar Bay fails to use its best efforts to negotiate and secure a firm fuel supply for the Facility for the balance of the term of this Agreement; or

3.6.9 AES Cedar Bay fails to make any of the payments as specified in Section 4.0, COMPLETION SECURITY.

3.7 Upon the occurrence of any of the foregoing Events of Default, FPL may at its option:

3.7.1 Terminate this Agreement by written notice to AES Cedar Bay, and apply to any payment(s), due from FPL to AES Cedar Bay, any payment(s) otherwise due from AES Cedar Bay to FPL; or

3.7.2 Apply to any court of competent jurisdiction for the appointment of a receiver to take charge of, manage, preserve, protect, complete construction of and operate the Facility; to make all necessary and needed repairs to the Facility; and to pay all taxes and assessments against the Facility and insurance premiums for insurance thereof, with any net cash flow remaining after payment of all amounts necessary to manage, pursue, protect, complete and operate the Facility, including payment for all repairs, taxes, assessments and insurance premiums, remaining the property of AES Cedar Bay. It is hereby agreed that, upon occurrence of an Event of Default, FPL shall be entitled to such appointment; accordingly, it is agreed that upon application by FPL, the court may forthwith appoint such receiver with the usual powers and duties thereof and that AES Cedar Bay consents to, and shall not object to, such appointment; provided, however, with respect to the appointment of a receiver, FPL agrees to recognize the prior rights, if any, of the Lenders. Appointment of a receiver under this Section 3.7.2 shall not terminate this Agreement. In the event AES Cedar Bay cures all Events of

Default under Sections 3.6.1, 3.6.2, 3.6.5, 3.6.6, 3.6.7, 3.6.8, and 3.6.9 and, with respect to Events of Default under Sections 3.6.3 or 3.6.4, the Facility resumes delivery of Energy and Capacity and otherwise demonstrates that AES Cedar Bay is capable of fulfilling all of its obligations under this Agreement, the Parties agree that they shall request the court to terminate the receivership and return the Facility and any net cash flow remaining after payment of all amounts necessary to manage, pursue, protect, complete and operate the Facility, including payment for all repairs, taxes, assessments and insurance premiums, to AES Cedar Bay.

Notwithstanding anything to the contrary herein, FPL agrees that, prior to any exercise by FPL of its remedies under Seotion 3.7 with respect to an Event of Default, to the extent that the Lenders have any right, title or interest in this Agreement, FPL will afford the Lenders the opportunity (but not the obligation) for sixty days (or such longer period of time as may be acceptable to FPL in its sole discretion) (the "Lender Cure Period") following the occurrence of such Event of Default:

(i) to assume or cause a new lessee or purchaser of the Facility to assume, all of the rights and obligations of AES Cedar Bay arising hereunder upon and after such assumption, provided that such assuming party (a) is, in the reasonable opinion of FPL, reasonably qualified to perform the assumed obligations (including effecting a cure of all Events of Default which are capable of cure, including the (x) payment of any sums, (y) execution and delivery of the agreement(s) or contract(s) described in Section 3.6.1 and (z) compliance with Section 3.6.8; provided, however, in no event shall an assumption by the Lenders or new lessee or purchaser toll or extend the periods of time set forth in Sections 3.6.3 or 3.6.4 beyond such Lender Cure Period, except with respect to Section 3.6.4, which shall be further extended on a month by month basis, provided that each and every Monthly Capacity Factor

subsequent to the first Monthly Billing Period after an Event of Default under Section 3.6.4 is at least 87% until such Event of Default is cured) and (b) enters into agreements with FPL providing security equivalent to or greater than that provided by AES Cedar Bay under this Agreement; and

(ii) to cure such Events of Default which are capable of cure, including the (x) the payment of any sums, (y) execution and delivery of the agreements or contracts described in Sections 3.6.1 and (z) compliance with Section 3.6.8.

However, upon the occurrence of an Event of Default under Section 3.6.5, nothing herein shall prevent or delay FPL from proceeding against AES Cedar Bay or any trustee or receiver appointed thereunder.

3.8 Termination shall not affect the liability of either Party for obligations arising prior to such termination or for damages, if any, resulting from breach of this Agreement.

3.9 Upon early termination of this Agreement by FPL pursuant to Section 3.7 following the Commercial Operation Date, AES Cedar Bay shall owe FPL and be liable for the Termination Fee calculated in accordance with Appendix B, TERMINATION FEE. The obligation of AES Cedar Bay to pay such Termination Fee shall be secured in accordance with Sections 21.1, 21.3 and 21.6, SECURITY. AES Cedar Bay's obligation to pay the Termination Fee shall survive termination of this Agreement.

3.10 AES Cedar Bay may terminate this Agreement pursuant to Section 18.4, COMPLIANCE WITH LAWS, RULES AND REGULATIONS.

4.0 COMPLETION SECURITY

4.1 In order to ensure the timely development of AES Cedar Bay, Applied Energy Services, Inc., the parent corporation of AES Cedar Bay, will guarantee project cancellation payments to FPL according to the schedule provided in Appendix D, FORM OF PROJECT CANCELLATION PAYMENT GUARANTEE LETTER, payment of which shall satisfy any project cancellation liabilities to FPL of AES Cedar Bay and its parent and affiliates. Such guarantee letter shall be executed concurrently with this Agreement.

4.2 AES Cedar Bay shall have a one-time option of delaying the Initial Synchronization Date beyond January 1, 1994 (and the Commercial Operation Date beyond June 1, 1994) to no later than January 1, 1995 (and the Commercial Operation Date to no later than June 1, 1995), if AES Cedar Bay pays to FPL the amount of Twenty Million Dollars ($20,000,000) to assist in defraying costs to be incurred by FPL (and its ratepayers) in obtaining substitute energy and/or capacity. AES Cedar Bay shall, no later than July 1, 1993, notify FPL, in writing, of AES Cedar Bay's decision to exercise this option. The exercise of such option shall be irrevocable. The Twenty Million Dollars ($20,000,000) shall be due concurrently with the written notification of FPL as aforesaid. The Twenty Million Dollars ($20,000,000) or portion thereof which remains refundable as specified below, shall be held by FPL. The following amounts shall be refunded to AES Cedar Bay per the following:

4.2.1 If the Initial Synchronization Date and the Commercial Operation Date occur on or before March 31, 1994 and August 31, 1994, respectively, FPL shall refund to AES Cedar Bay Fifteen Million Dollars ($15,000,000);

4.2.2 If the Initial Synchronization Date and the Commercial Operation Date occur on or before June 30, 1994 and November 30, 1994, respectively, FPL shall refund to AES Cedar Bay Ten Million Dollars ($10,000,000);

4.2.3 If the Initial Synchronization Date and the Commercial Operation Date occur on or before September 30, 1994 and February 28, 1995, respectively, FPL shall refund to AES Cedar Bay Five Million Dollars ($5,000,000);

4.2.4 If the Initial Synchronization Date and the Commercial Operation Date occur on or after October 1, 1994 and March 1, 1995, respectively, FPL shall refund to AES Cedar Bay Zero Dollars ($0);

provided, however, the aforesaid refundable amounts shall be reduced to the extent, if any, that FPL has made firm contractual commitments to purchase such substitute energy and/or capacity from third parties.

4.3 If AES Cedar Bay does not exercise its option pursuant to Section 4.2, AES Cedar Bay shall have a one-time option of delaying the Commercial Operation Date beyond June 1, 1994, to no later than August 1, 1994, if AES Cedar Bay pays to FPL the amount of Five Million Dollars ($5,000,000) to assist in defraying costs to be incurred by FPL (and its ratepayers) in obtaining substitute energy and/or capacity. AES Cedar Bay shall, no later than December 31, 1993, notify FPL, in writing, of AES Cedar Bay's decision to exercise this option. The exercise of such option shall be irrevocable. The Five Million Dollars ($5,000,000) shall be due concurrently with the written notification of FPL as aforesaid. The Five Million Dollars ($5,000,000) or portion thereof which remains refundable as specified below, shall be held by FPL. The following amounts shall be refunded to AES Cedar Bay per the following schedule:

Commercial Operation Date	Amount Refundable to AES Cedar Bay
On or before July 1, 1994	$3,000,000
After July 1, 1994	$ 0

provided, however, the aforesaid refundable amounts shall be reduced to the extent, if any, that FPL has made firm contractual commitments to purchase such substitute energy and/or capacity from third parties.

5.0 PRE-OPERATION PERIOD

5.1 AES Cedar Bay shall choose an architect/engineering firm for the design and construction of the Facility, which selection shall be subject to approval by FPL. FPL shall not unreasonably withhold such approval. If FPL fails to approve or disapprove AES Cedar Bay's selection within ninety calendar days of a presentation by the proposed architect/engineering firm to FPL concerning the project, FPL shall be deemed to have approved the selection for purposes of this Agreement. AES Cedar Bay shall instruct the architect/engineering firm to design and construct the Facility to be reasonably capable of operating reliably with a Capacity Factor of at least 87% during the initial term of this Agreement.

5.2 AES Cedar Bay agrees that the Facility shall be designed and constructed in accordance with the design of the architect/engineering firm selected pursuant to Section 5.1. AES Cedar Bay shall ensure that all equipment used in the Facility shall be new and unused, of good quality utility grade, suitable for the intended service, and shall meet the requirements of applicable codes and standards. During the design and construction of the Facility, AES Cedar Bay shall provide FPL with such information as FPL may request to determine whether the Facility is being so designed and constructed.

5.3 The contract for engineering, procurement and construction services between AES Cedar Bay and the project prime contractor shall contain provisions for guaranteeing performance and providing for performance testing when the Facility is complete. Performance testing will measure electrical output, process steam output, environmental emissions, and fuel consumption against guaranteed levels. The prime contractor will also have to meet a guaranteed completion date. The prime contractor will be liable for liquidated damages, in an aggregate amount of at least Fifty Million Dollars ($50,000,000), if the performance levels and schedule are not met. Upon its execution, a copy of the subject contract shall be provided to FPL.

5.4 AES Cedar Bay shall arrange for the Lenders to choose a qualified independent engineering firm to review and evaluate the design of the Facility. AES Cedar Bay shall arrange for such firm to present to FPL the scope of the proposed design review and, prior to the closing of the construction loan financing of the Facility, a written assessment of whether the Facility can be reasonably expected to operate as specified in Section 5.1. AES Cedar Bay shall cause the architect/engineering firm selected pursuant to Section 5.1 to make all changes to the Facility's design and construction that the independent engineering firm determines are necessary to result in a Facility capable of (i) being completed on timely basis and (ii) operating as specified in Section 5.1, unless (i) AES Cedar Bay disagrees with such determination(s), (ii) AES

Cedar Bay provides FPL with a written explanation of the basis for such disagreement and the basis for AES Cedar Bay's belief that the proposed change is not needed to assure the timely completion and reliable operation of the Facility as specified in Section 5.1, and (iii) either (a) FPL concurs or (b) a second qualified independent engineering firm which shall be chosen by AES Cedar Bay and approved by FPL (which approval shall not be unreasonably withheld or delayed) concludes, and provides a reasonable explanation thereof, that the change recommended by the first qualified independent engineering firm is not needed to assure (i) the timely completion and (ii) the reliable operation of the Facility as specified in Section 5.1.

5.5 AES Cedar Bay shall submit its integrated engineering, procurement and construction schedule for FPL's review at least sixty calendar days prior to starting Facility construction, and a start-up and test schedule for the Facility at least sixty calendar days prior to scheduled start-up and testing of the Facility. AES Cedar Bay shall submit to FPL on at least a monthly basis progress reports prepared for its Lenders, or if such reports are not required by its Lenders, in a form reasonably satisfactory to FPL until the Commercial Operation Date, and shall notify FPL of any changes in such schedules in a timely manner. FPL shall have the right to monitor the construction, start-up and testing of the Facility. AES Cedar Bay shall comply with all reasonable requests of FPL for information resulting therefrom. AES Cedar Bay shall cooperate in such physical inspections of the Facility as may be reasonably required by FPL during and after completion of construction. FPL's technical review and inspections of the Facility and resulting requests, if any, shall not be construed as endorsing the design thereof or as any warranty as to the safety, durability or reliability of the Facility.

5.6 AES Cedar Bay shall provide FPL with the generator manufacturer's capability curves, protective relay types, proposed protective relay settings, main one-line diagrams, protective relay functional diagrams and alternating current and direct current elementary

diagrams for review and inspection by FPL no later than two hundred forty calendar days prior to the Initial Synchronization Date. Within sixty calendar days of receiving such material, FPL shall inform AES Cedar Bay, in writing, whether the proposed protective relay types and protective relay settings are acceptable. If these are not acceptable to FPL, AES Cedar Bay agrees to comply with any reasonable FPL requests to provide acceptable relay types and protective relay settings. AES Cedar Bay shall also provide to FPL, for its review, the Facility design heat balance, flow diagrams and a major equipment list at least two hundred forty calendar days prior to the Initial Synchronization Date. All information must be submitted in a manner reasonably acceptable to FPL, particularly the turbine generator data, which shall be used for FPL's inspections and transient stability analysis. Complete turbine generator data must be submitted at least two hundred forty calendar days prior to the Initial Synchronization Date.

5.7 AES Cedar Bay and FPL shall mutually develop written operating procedures no later than sixty calendar days prior to the Initial Synchronization Date. The operating procedures will be intended as a guide on how to integrate the Facility's Energy and Committed Capacity into FPL's electrical system. Topics covered shall include, but not necessarily be limited to, deliveries of Energy during start-up and testing of the Facility; the method of day-to-day communications; key personnel lists for both AES Cedar Bay and FPL operating centers; clearances and switching practices; outage scheduling; daily Capacity availability and Energy reports; Facility operations log; and reactive power output. The Operating Representatives, designated pursuant to Section 10.0, OPERATING REPRESENTATIVES, shall be responsible for modifying, from time to time, these operating procedures in writing, to reflect agreed upon changes.

5.8 AES Cedar Bay shall prepare an annual schedule for ongoing maintenance and spare parts inventory, including an operation and maintenance plan for less frequent major overhaul work on the Facility's generator, turbine, boilers and auxiliary equipment. AES

Cedar Bay shall, at AES Cedar Bay's expense, cause an independent engineering firm or such other party with recognized experience in the electric generation power industry as may be chosen by AES Cedar Bay and approved by FPL (which approval shall not be unreasonably withheld or delayed) to conduct a review of the proposed operation and maintenance plan to ascertain whether such plan is (i) effective and consistent with Good Engineering and Operating Practices and (ii) adequate to allow the Facility to operate with a Capacity Factor of at least 87% for the initial term of this Agreement.

5.9 The evaluation of the initial operation and maintenance plan by the independent engineering firm (or such other party, as appropriate) specified in Section 5.8 shall be provided to FPL, in writing, at least sixty days prior to the Initial Synchronization Date. AES Cedar Bay shall make all changes to the proposed operation and maintenance plan developed pursuant to Section 5.8 which the independent engineering firm or such other party, as appropriate, determines are necessary for such plan to be (i) effective and consistent with Good Engineering and Operating Practices and (ii) adequate to allow the Facility to operate as specified in Section 5.8, unless (i) AES Cedar Bay disagrees with such determination(s), (ii) AES Cedar Bay provides FPL with a written explanation of the basis for such disagreement and the basis for AES Cedar Bay's belief that the proposed change is not needed to assure the reliable operation of the Facility as specified in Section 5.8, and (iii) (a) FPL concurs or (b) a second qualified independent engineering firm which shall be chosen by AES Cedar Bay and approved by FPL (which approval shall not be unreasonably withheld or delayed) concludes, and provides a reasonable explanation thereof, that the change recommended by the first qualified independent engineering firm is not needed (i) under Good Engineering and Operating Practices or (ii) to assure the reliable operation of the Facility as specified in Section 5.8. AES Cedar Bay shall perform Facility maintenance in accordance with such plan.

5.10 AES Cedar Bay shall, at least sixty calendar days prior to the Initial Synchronization Date, submit to FPL, in writing, the

proposed Scheduled Maintenance Periods for the first five Agreement Years of the Facility's operations and a detailed plan for the remainder of the current calendar year after the Commercial Operation Date plus the following calendar year. FPL shall notify AES Cedar Bay, in writing, whether the requested Scheduled Maintenance Periods are acceptable. If FPL cannot accept any of the requested Scheduled Maintenance Periods, FPL shall advise AES Cedar Bay of the time period(s) closest to the requested period(s) when the outage(s) can be scheduled. AES Cedar Bay shall only schedule outages during periods approved by FPL, and such approval shall not be unreasonably withheld. Notwithstanding the previous sentence, AES Cedar Bay shall not, without the prior written approval of FPL, schedule a maintenance shutdown of its Facility in its initial plan during the On-peak Hours that would decrease the Capacity output of the Facility below the Committed Capacity in the calendar months of December, January or February and during the period from June 1 through October 15 of any year. Once the schedule for the first Agreement Year has been established and approved, any Party requesting a subsequent change in such schedule, except when such event is due to Force Majeure, must obtain approval for such change from the other Party. Such approval shall not be unreasonably withheld or delayed.

5.11 AES Cedar Bay shall provide written notice to FPL confirming the projected Initial Synchronization Date no less than six calendar months prior to such projected date, which synchronization shall not occur before February 1, 1992. FPL and AES Cedar Bay shall agree on the Initial Synchronization Date and FPL shall have the right to have representatives present at the Facility on such Initial Synchronization Date.

5.12 FPL reserves the right to postpone the Initial Synchronization Date due to any problem(s) with the Facility which could adversely affect FPL's operations. In such event, FPL shall give AES Cedar Bay written notice of such problem(s) and AES Cedar Bay shall remedy any such problem(s) with facilities or equipment prior to revising the Initial Synchronization Date. The proposed revised date shall be

deemed acceptable if FPL is in agreement that the remedy was successful.

5.13 AES Cedar Bay shall designate a pre-operation Committed Capacity and provide FPL written notice of such designation on or before February 1, 1992. The pre-operation Committed Capacity shall be at least 180 MW and not greater than 250 MW. The actual Committed Capacity of the Facility shall be determined by capacity test(s) as described in Section 6.0, except as provided in Section 6.10, SALE OF ENERGY AND CAPACITY BY AES CEDAR BAY.

6.0 SALE OF ENERGY AND CAPACITY BY AES CEDAR BAY

6.1 Prior to start-up and testing of the Facility, AES Cedar Bay shall secure the proper arrangements with the Wheeling Utility such that AES Cedar Bay shall be able to make available to FPL Energy and Capacity in accordance with the terms and conditions specified in this Agreement.

6.2 The initial Committed Capacity shall be based on the continuous capability of the Facility which shall be determined by a capacity test as described in this Section 6.0 and determined at least two calendar days prior to the Commercial Operation Date, except as provided for in Section 6.10. AES Cedar Bay shall notify FPL, in writing, of the date and the time when AES Cedar Bay will perform the first such test ("Initial Test"). AES Cedar Bay shall perform and FPL may monitor the Initial Test at a mutually agreed upon time within fourteen calendar days of FPL's receipt of such notice.

6.3 If the Initial Test is completed successfully to the satisfaction of AES Cedar Bay (provided the conditions in Section 6.5 are met), AES Cedar Bay may, for purposes of determining the Commercial Operation Date, set the initial Committed Capacity at any level not to exceed the continuous capability, as determined by the Initial Test, except that AES Cedar Bay shall not set the initial Committed Capacity above 250 MW or below 180 MW unless, at FPL's sole option, FPL approves such level. If the Initial Test is not completed successfully to the satisfaction of AES Cedar Bay, AES Cedar Bay shall provide written notice to FPL as to when the Facility will be ready for a rescheduled Initial Test. AES Cedar Bay shall perform

and FPL may monitor the new Initial Test at a mutually agreed upon time within fourteen calendar days of FPL's receipt of such notice.

6.4 AES Cedar Bay may, during a period of one year immediately following the Commercial Operation Date, perform up to two capacity tests, to be completed successfully to the satisfaction of AES Cedar Bay in its sole discretion, provided (i) FPL is notified in writing at least seventy-two hours in advance of such capacity test(s) and (ii) that the capacity test(s) conform to the requirements in Section 6.5. Upon completion of such additional capacity tests, if any, AES Cedar Bay shall set the new Committed Capacity at a level equal to or greater than the prior Committed Capacity, except that AES Cedar Bay shall not set the Committed Capacity at any level in excess of the new continuous capability as determined by such additional capacity test or 250 MW, whichever is less unless, at FPL's sole option, FPL approves such level.

6.5 Testing of the continuous capability of the Facility shall be in accordance with the following capacity test:

6.5.1 Test results shall be based on the seventy-two consecutive hour period commencing at a time designated by AES Cedar Bay prior to, or commensurate with, such test period, provided FPL is notified in advance of the test's approximate start time.

6.5.2 All capacity tests conducted pursuant to Sections 6.2, 6.3 and 6.4 shall be adjusted to such ambient conditions as are defined in Appendix E, FACILITY PERFORMANCE CONDITIONS and in accordance with Good Engineering and Operating Practices. The Operating Representatives shall determine if any additional adjustments shall be required for ambient conditions.

6.5.3 The tested continuous capability shall be the average Capacity measured over the entire period of testing as specified in Section 6.5.1, as may be adjusted pursuant to Section 6.5.2.

6.5.4 Normal station service use of unit auxiliaries, including (without limitation) cooling towers and other equipment

required by regulatory and/or governmental authority, is required during the period when a capacity test is conducted. Normal deliveries of cogenerated steam to the host customer will be required during the period when a capacity test is conducted.

6.6 Prior to the Commercial Operation Date, AES Cedar Bay shall make available to FPL and FPL shall purchase Energy, but not Capacity, in accordance with the terms and conditions specified in this Agreement, provided deliveries of such Energy are coordinated with and agreed upon by the Operating Representatives. However, if the Operating Representatives agree, then AES Cedar Bay may, from time to time, request the Wheeling Utility to purchase energy prior to the Commercial Operation Date, rather than FPL.

6.7 Commencing on the Commercial Operation Date, AES Cedar Bay shall sell to FPL and FPL shall purchase from AES Cedar Bay all Energy and Capacity in excess of AES Cedar Bay's internal consumption of energy and capacity in accordance with Section 12.0, BASIS FOR PAYMENT BY FPL, except, in each case, to the extent that FPL is not obligated to purchase such Energy and Capacity under the terms of this Agreement. FPL shall have the sole right to purchase Energy and Capacity from the Facility.

6.8 FPL shall not be obligated to purchase, and may require interrupted or reduced deliveries of, Energy (i) to the extent FPL determines to be necessary for the safe and reliable operation and maintenance of any part of FPL's system, (ii) if FPL determines that a failure to interrupt or reduce deliveries of Energy is likely to endanger life or property, or is likely to result in significant disruption of electric service to FPL's customers, (iii) if AES Cedar Bay is able to deliver Energy to the Interchange Points but FPL is unable to receive such Energy due to Force Majeure, or (iv) at those times as determined by Dispatch, pursuant to Section 7.0, DISPATCH, CONTROL, OPERATION, AND MAINTENANCE OF THE FACILITY. FPL shall resume normal acceptance of Energy as quickly as practicable pursuant to (i), (ii), and (iii) of this Section 6.8.

6.9 AES Cedar Bay acknowledges that, throughout the term of this Agreement, FPL will have a need for the Committed Capacity and Energy, will be relying on the Facility to meet those needs, and would have no adequate remedy at law in the event AES Cedar Bay were to supply such Committed Capacity or Energy to any person or entity other than FPL in breach of this Agreement, and agrees that, in such event, FPL would be entitled to specific performance of AES Cedar Bay's obligations to supply Committed Capacity and Energy to FPL.

6.10 In the event that the Facility does not successfully complete an Initial Test on or before May 30, 1994, the initial Committed Capacity shall be 180 MW and the Commercial Operation Date shall be June 1, 1994. The dates listed in this Section 6.10 shall be subject to extension due to Force Majeure or pursuant to Sections 4.2 and 4.3, COMPLETION SECURITY.

7.0 DISPATCH, CONTROL, OPERATION AND MAINTENANCE OF THE FACILITY

7.1 AES Cedar Bay shall operate the Facility with all system protective equipment in service whenever the Facility is connected to, or is operated in parallel with, FPL's system, except for normal testing and repair purposes in accordance with Good Engineering and Operating Practices. AES Cedar Bay shall have qualified personnel test and calibrate all protective equipment at regular intervals not to exceed two calendar years. A unit functional trip test shall be performed after each overhaul of the Facility's turbine, generator or boilers prior to returning the equipment to service. The specifics of the unit functional trip test will be consistent with Good Engineering and Operating Practices and as agreed by the Parties. If, at any time, FPL has reason to doubt the integrity of the Facility's protective equipment and suspects that such loss of integrity would jeopardize the reliability of FPL's supply of electric energy to its customers, AES Cedar Bay shall be required to demonstrate to FPL's satisfaction the correct calibration and operation of the equipment in question.

7.2 Except as provided in Section 8.0, DATA ACQUISITION, AES Cedar Bay shall purchase and own such telemetering equipment for the Facility as may reasonably be required in order to allow FPL to receive

telemetry and control the Energy and Capacity from the Facility as required to optimize economic and reliable operation of the FPL electric system. Such equipment shall meet FPL's reasonable specifications for transmission of metered data to locations specified by FPL. AES Cedar Bay shall install and maintain such telemetering equipment including, but not limited to, the generator control unit and the generator control panel. AES Cedar Bay shall, at no cost to and as specified by FPL, install transducers, meters, test switches for transducers and metering, alternating current and direct current sources, telephone lines, and interconnecting wiring with proper identification for supervisory and communications equipment. AES Cedar Bay shall not, without prior written approval of FPL, make or cause to make any additions, deletions or alterations to the Facility's protective equipment.

7.3 Consistent with Section 7.4, FPL shall have Dispatch And Control Rights to commit and decommit the Facility and to control the real and reactive power delivered from the Facility to FPL's system in any manner which FPL deems appropriate subject to FPL's Operating Limits. Except during any Dispatch Hour, control of the Capacity and Energy shall be AES Cedar Bay's responsibility. During Dispatch, control of the Facility will either be by AES Cedar Bay manual control under the direction of FPL or by Automatic Generation Control by FPL's system control center as determined by FPL. FPL may at times request that the real power output be equal to the Peak Capability of the Facility but shall not reduce the real power output of the Facility below the Minimum Load without decommitting the Facility. AES Cedar Bay shall meet this request or, within thirty calendar days, notify FPL in writing of the engineering or operational circumstances which prevented AES Cedar Bay from complying with FPL's request. FPL's request shall be made orally with as much prior notice to AES Cedar Bay as practicable.

7.4 For purposes of exercising certain Dispatch And Control Rights, FPL agrees to provide as much notice as practicable but in no event less than twelve hours for shutdown and eight hours for the minimum run time between start-up and shutdown. FPL may require AES Cedar Bay

to decommit the Facility; however, AES Cedar Bay may, at its sole discretion, except as provided in Sections 6.8 (i), (ii) and (iii), SALE OF ENERGY AND CAPACITY BY AES CEDAR BAY, and 7.5, operate the Facility at or below Minimum Load and deliver Energy to FPL. However, any hour, or part of an hour, that AES Cedar Bay elects to continue to operate the Facility, rather than decommit the Facility as requested by FPL, shall not be considered a Dispatch Hour. Once FPL requests the Facility to again produce generation above the Minimum Load, the first hour subsequent to such request shall be a Dispatch Hour.

7.5 FPL shall not be required to accept or purchase Energy during any period in which, due to operational circumstances, acceptance of such Energy, without taking into account the cost thereof, would result in FPL's incurring costs greater than those which it would incur by generating an equal additional amount of energy with its own resources. An example of such an occurrence would be a period during which the load being served is such that the generating units on line are base load units operating at their minimum continuous ratings and the purchase of additional Energy would require taking a base load unit off line and replacing the remaining load served by that unit with peaking-type generation. FPL shall give AES Cedar Bay as much prior notice as practicable of its intent not to accept Energy pursuant to this Section 7.5.

7.6 During the term of this Agreement, AES Cedar Bay shall provide FPL, on a weekly basis, projections of the amounts of Energy and Capacity for each calendar day of the following week. Such estimates shall be furnished by 3:00 p.m. on the Thursday prior to the week for which such schedule is required, unless otherwise agreed in writing by the Parties, and shall be updated on a daily basis by 12:00 noon of the calendar day preceding the day to which the estimates are to apply. Notwithstanding the above, AES Cedar Bay shall keep FPL informed at all times as to any change in the generation capability of the Facility, including, without limitation, Available Committed Capacity, any Unscheduled Outages and applicable Scheduled

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Maintenance Periods. AES Cedar Bay shall operate the Facility consistent with FPL's Dispatch And Control Rights.

7.7 FPL shall, by 4:00 p.m. prevailing Eastern time each calendar day, provide AES Cedar Bay with an estimated schedule of operations pursuant to FPL Operating Limits for the following calendar day, including a Ready For Control, if applicable. If the Facility fails to meet the Ready For Control specified by FPL, AES Cedar Bay shall declare the difference between the scheduled Ready For Control and the actual Ready For Control as an Unscheduled Outage of the Facility provided the specified Ready For Control was within the FPL Operating Limits of the Facility and consistent with Section 7.4. Additionally, FPL shall have Dispatch And Control Rights to control the Facility within the Facility's FPL Operating Limits up to the Available Committed Capacity and to schedule a desired voltage for the Facility to maintain.

7.8 For each instance where AES Cedar Bay fails, after oral notification from FPL, or the Facility fails through automatic control while under Automatic Generation Control, to achieve the operating level at least equal to the Available Committed Capacity minus 8 MW, when requested to do so, as prescribed by FPL pursuant to Section 7.7 above, the difference between Available Committed Capacity and the actual level shall be designated as an Unscheduled Outage for the previous twenty-four hour period.

7.9 During the term of this Agreement, AES Cedar Bay shall submit to FPL, in writing, by April 1 of each calendar year, AES Cedar Bay's desired Scheduled Maintenance Periods for the next five calendar years and a detailed plan for the first calendar year of the five calendar year schedule. By October 31 of each calendar year, FPL shall notify AES Cedar Bay in writing whether the requested Scheduled Maintenance Periods are acceptable. If FPL cannot accept any of the requested Scheduled Maintenance Periods, FPL shall advise AES Cedar Bay of the time period(s) closest to the requested period(s) when the outage(s) can be scheduled. AES Cedar Bay shall only schedule outages during periods approved by FPL, and such approval shall not be unreasonably withheld. Notwithstanding the

previous sentence, AES Cedar Bay shall not, without the prior written approval of FPL, schedule a maintenance shutdown of the Facility during the On-peak Hours that would decrease the Capacity output of the Facility below the Committed Capacity in the calendar months of December, January or February and during the On-peak Hours during the period from June 1 through October 15 of any calendar year. Once this schedule for the detailed plan has been established and approved, any Party requesting a subsequent change in such schedule, except when such event is due to Force Majeure, must obtain approval for such change from the other Party. Such approval shall not be unreasonably withheld or delayed.

7.10 FPL shall have the right, upon twelve months prior written notice, to revise the calendar dates as specified in Sections 5.10, PRE-OPERATION PERIOD, and 7.9 above, during which AES Cedar Bay shall not, unless mutually agreed, schedule a Scheduled Maintenance Period, provided FPL's revised calendar dates adequately accommodate with reasonable flexibility for AES Cedar Bay the Scheduled Maintenance Periods.

7.11 Each Party shall keep and maintain complete and accurate records and all other data required by each of them for information purposes and for proper administration of this Agreement.

7.11.1 AES Cedar Bay shall maintain an accurate and up-to-date operating log at the Facility with records of: (i) real and reactive power production for each clock hour; (ii) changes in operating status, Scheduled Maintenance Periods and outages and deratings using the NERC operating guidelines detailed in Appendix F, NERC GUIDELINES; and (iii) any unusual conditions found during inspections.

7.11.2 Starting with the second calendar month immediately following the Initial Synchronization Date, AES Cedar Bay shall provide a report to FPL by the fifteenth business day of each calendar month utilizing the format detailed in Appendix G, FACILITY ACTUAL NET GENERATION AND PERFORMANCE DATA, as may be revised by FPL.

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7.11.3 Either Party shall have the right from time to time, upon fourteen calendar days written notice to the other Party, to examine the records and data of the other Party relating to this Agreement at any time during the period the records are required to be maintained.

7.12 AES Cedar Bay shall, at its own expense, cause an independent engineering firm or such other party with recognized experience in the electric generation power industry as may be chosen by AES Cedar Bay and approved by FPL (which approval shall not be unreasonably withheld or delayed) to conduct a review of the Facility's operation and maintenance records, practices, plan and schedule after the second and before the third anniversary of the Commercial Operation Date and, unless the Parties otherwise agree, every five years thereafter. In addition, such a review shall be conducted at FPL's written request in any calendar year following a two-calendar-year period in which the Capacity Factor averages less than 75%. Such review shall include, but not be limited to, an assessment of whether the Facility can reasonably be expected to operate consistent with Good Operating and Engineering Practices and with a Capacity Factor of at least 87% for the remaining initial term of this Agreement.

7.13 AES Cedar Bay shall cause the independent engineering firm or such other party with recognized experience in the electrical generation power industry, as appropriate, to issue (i) a written report describing the extent to which the operations and maintenance practices, plan and schedule described in Section 7.12 are being followed, (ii) a description of, and a statement of the reasons for, any justified departure from such practices, plan or schedule, (iii) a description of any deficiencies in the Facility's operation and maintenance practices and plan, and (iv) its recommendations, if any, for improving future operation and maintenance practices and plans as they may relate to the Capacity Factor. AES Cedar Bay shall provide FPL with a copy of all written reports developed pursuant to this Section 7.13. AES Cedar Bay shall implement any recommendations made by the independent engineering firm or such

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other party, as appropriate, as necessary to (i) comply with Good Engineering and Operating Practices and (ii) operate as specified in Section 7.12, unless (i) AES Cedar Bay disagrees with such determination(s), (ii) AES Cedar Bay provides FPL with a written explanation of the basis for such disagreement and the basis for AES Cedar Bay's belief that the proposed change is not needed to assure the reliable operation of the Facility as specified in Section 7.12, and (iii) either (a) FPL concurs or (b) a second qualified independent engineering firm which shall be chosen by AES Cedar Bay and approved by FPL (which approval shall not be unreasonably withheld or delayed) concludes, and provides a reasonable explanation thereof, that the change is not needed (i) under Good Engineering and Operating Practices or (ii) to assure the reliable operation of the Facility as specified in Section 7.12. AES Cedar Bay shall perform Facility maintenance in accordance with such plan. AES Cedar Bay shall keep and make available adequate maintenance records for use by the independent engineering firm or such other party, as appropriate, and/or FPL for the purpose of this review.

7.14 While any debt financing of the Facility shall exist, AES Cedar Bay will ensure that FPL receives copies of any maintenance evaluations or maintenance reports (to the extent that AES Cedar Bay has access to such evaluations or reports) to be provided to any third party with a financial security interest in, or lien on, the Facility, including evaluations or reports generated at the request of such third party or performed by an engineer employed by such third party.

7.15 During the term of this Agreement, AES Cedar Bay shall employ qualified personnel for managing, operating and maintaining the Facility and for coordinating such with FPL. AES Cedar Bay shall ensure that such personnel are on duty at all times, twenty-four hours a calendar day and seven calendar days a week. Additionally, during the term of this Agreement, AES Cedar Bay shall operate and maintain the Facility in such a manner as to ensure compliance with its obligations hereunder.

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7.16 The Parties recognize that FPL is a member of NERC and that, to ensure continuous and reliable electric service, FPL operates its system in accordance with the operating criteria and guidelines of NERC. If an emergency is declared by FPL, FPL shall verbally notify AES Cedar Bay's personnel and, if requested by FPL, AES Cedar Bay's personnel shall place the Capacity of the Facility within exclusive control of FPL for the duration of such emergency. Without limiting the generality of the foregoing, FPL may require AES Cedar Bay's personnel to raise or lower production of Energy generated by the Facility to maintain safe and reliable load levels and voltages on the transmission and/or distribution system(s); provided, however, any changes in the level of the Energy required of the Facility hereunder shall be implemented in a manner consistent with safe operating procedures and within the FPL Operating Limits of the Facility.

7.17 AES Cedar Bay shall cooperate with FPL in establishing emergency plans, including, without limitation, plans for recovery from a local or widespread electrical blackout, plans for voltage reduction in order to effect load curtailment, and other plans which may be necessary. AES Cedar Bay shall make technical references available concerning start-up times, black-start capabilities and minimum load-carrying ability.

7.18 AES Cedar Bay shall, during an emergency, supply such Energy as the Facility is able to generate and FPL is able to receive. If the Facility has any Unscheduled Outages and/or Scheduled Maintenance Periods, and such Unscheduled Outages and/or Scheduled Maintenance Periods occur or would occur coincident with an emergency, AES Cedar Bay shall make all good faith efforts to reschedule the outage(s) or, if the outage(s) have begun, expedite the completion thereof.

7.19 AES Cedar Bay shall operate the Facility with all available automatic control and protection equipment, speed governors and voltage regulators in-service whenever the Facility is operated in parallel with the FPL system.

7.20 FPL-authorized representatives may, from time to time during regular working hours and with reasonable advance written notice, have

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access to inspect the operation and maintenance records of the Facility or for other purposes necessary to determine AES Cedar Bay's performance under the terms of this Agreement, provided that FPL's inspections do not unreasonably interfere with AES Cedar Bay's operation and maintenance of the Facility.

8.0 DATA ACQUISITION

8.1 Except as provided in Section 7.0, DISPATCH, CONTROL, OPERATION AND MAINTENANCE OF THE FACILITY, each Party shall be responsible for the design, purchase, installation, maintenance, testing and replacement of its own respective data acquisition equipment required at the Facility and at the Point of Interconnection. AES Cedar Bay shall reimburse FPL for costs incurred in the design, purchase, installation and initial testing of such data acquisition equipment in accordance with FPL's normal job order procedures. This data acquisition equipment shall include remote terminal units ("RTUs"), telephone equipment and leased telephone circuits necessary to transmit data to remote locations, and any other equipment or service necessary to provide for the telemetry requirements of FPL or AES Cedar Bay under this Agreement.

8.2 The data acquisition equipment shall monitor analog and digital signals deemed desirable by FPL or AES Cedar Bay to implement the provisions of this Agreement. Such data acquisition equipment shall be state-of-the-art at the time when it is purchased, be compatible at all times with the computer master equipment receiving the telemetry signals (including Automatic Generation Control), and supply status information, kWh, voltage, MW and MVAR analog information, as well as any other data required by FPL or AES Cedar Bay from time to time.

8.3 The "FPL RTU(s)" shall be installed exclusively to provide telemetry to the FPL system control center. The FPL RTU(s) shall be in addition to any other RTU(s) which in the future may be installed to supply data to either Party. The FPL RTU(s) shall be owned by FPL. FPL shall, at AES Cedar Bay's expense, design, purchase and install the FPL RTU(s), and, at FPL's expense, maintain, replace, relocate or remove the FPL RTU(s).

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8.4 The "AES Cedar Bay RTU" or other equivalent equipment shall be installed to provide telemetry to the control center of the Facility. The AES Cedar Bay RTU shall perform the functions necessary to implement the provisions of this Agreement. The AES Cedar Bay RTU shall be owned by AES Cedar Bay. AES Cedar Bay shall, at its own expense, design, purchase, install, maintain, replace, relocate or remove the AES Cedar Bay RTU.

9.0 METERING

9.1 The Metering Equipment necessary for determining the Energy and Capacity (real and reactive) shall be designed, purchased, installed and maintained by FPL and the Wheeling Utility, at AES Cedar Bay's expense, in accordance with this Section 9.0, and shall be a prerequisite for the commencement of interconnected operations of the Facility with FPL and the Wheeling Utility. All Metering Equipment required shall conform to FPL's standards for similar installations, which standards shall be consistent with Good Engineering and Operating Practices and will be installed at the Point of Interconnection of AES Cedar Bay and the Wheeling Utility. AES Cedar Bay shall be responsible for securing adequate space at the Point of Interconnection to accommodate the required Metering Equipment and will assure FPL reasonable access to such Metering Equipment.

9.2 A FPL primary meter and associated recording device shall measure and record the flow of Energy and Capacity (real and reactive) associated with the Facility. The meter will measure uni-directional watt-hour and Q hour quantities (or other quantities required by FPL) and shall be used to determine the amount of Energy and Capacity received by FPL from the Facility.

9.3 A complete set of FPL continuously operating redundant, back-up metering and recording equipment (e.g., meter and solid state data receiver) shall also be installed at AES Cedar Bay's expense, and used for billing purposes only if the primary meters fail or are out of service for any reason.

9.4 FPL shall own, maintain and test, at AES Cedar Bay's expense, all FPL meters and metering devices used to measure and record the

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delivery to, and receipt by FPL of, Energy and Capacity, for payment purposes. Nothing in this Agreement shall prevent AES Cedar Bay from installing meters and metering devices for AES Cedar Bay's own purposes provided that such installations are approved by FPL and conform to FPL standards.

9.5 All FPL kWh and kQh meters recording flows for FPL billing purposes at the Point of Interconnection shall be sealed by FPL and shall be opened only by FPL representatives.

9.6 AES Cedar Bay shall be responsible for the costs incurred by FPL in maintaining and upgrading the metering facilities necessary to measure Energy and Capacity deliveries to FPL.

10.0 OPERATING REPRESENTATIVES

10.1 At least two hundred forty calendar days prior to the Initial Synchronization date, each Party shall appoint a member and an alternate member as Operating Representatives, and provide written notice of such appointments to the other Party. Such appointments may be changed at any time by similar written notice. The respective Operating Representatives shall meet as necessary at a mutually agreed upon time upon prior written notice. The Operating Representatives shall hold other meetings at the request of either Party, at a time and place as agreed by the Operating Representatives. Each Operating Representative and alternate shall be a responsible person working with the day-to-day operations of each respective power system. The Operating Representatives shall represent the Parties in all matters arising under this Agreement which may be delegated to them by mutual agreement of the Parties.

10.2 The duties of the Operating Representatives shall include those specifically identified elsewhere in this Agreement, plus the following:

10.2.1 Coordinate operation outage schedules;

10.2.2 Establish control and operating procedures consistent with the provisions of this Agreement;

10.2.3 Provide a list of Operating Representatives of each Party; and

10.2.4 Perform such other duties as may be conferred upon them by mutual agreement of the Parties.

10.3 Each Party shall cooperate in providing to the Operating Representatives all information required in the performance of their duties. If the Operating Representatives are unable to agree on any matter falling under their jurisdiction, such matter shall be referred by the Operating Representatives to their principals for decision. All decisions and agreements made by the Operating Representatives or principals shall be evidenced in writing.

11.0 DELIVERY OF ENERGY AND CAPACITY

11.1 AES Cedar Bay shall be responsible for making and maintaining all necessary Wheeling arrangements.

11.2 As between the Parties, AES Cedar Bay shall be responsible for all costs associated with Wheeling of Energy and Capacity to the Interchange Point(s).

11.3 AES Cedar Bay shall keep FPL apprised of all developments regarding the Commercial Operation Date. AES Cedar Bay shall give FPL at least six months written notice before the Initial Synchronization Date, which shall not occur before February 1, 1992.

11.4 The delivery of Energy and Capacity from the Facility pursuant to this Agreement shall be on a net output basis; that is, the internal electrical requirements of the Facility shall be provided by the Facility itself and any excess will be made available for purchase by FPL.

12.0 BASIS FOR PAYMENTS BY FPL

12.1 Prior to the later of (i) the Commercial Operation Date or (ii) January 1, 1994, FPL shall pay AES Cedar Bay for each MWh of Energy at a rate equal to 54% of FPL's As-available Avoided Energy Costs.

12.2 Beginning on the later of (i) the Commercial Operation Date or (ii) January 1, 1994, FPL shall pay AES Cedar Bay for each MWh of Energy delivered at a rate equal to 99% of the product of the Unit Fuel Cost times the Unit Hourly Heat Rate Factor, except when AES Cedar Bay elects to continue to operate the Facility, rather than decommit pursuant to Section 7.4, DISPATCH, CONTROL, OPERATION AND MAINTENANCE OF THE FACILITY, then the rate shall be equal to 99% of

the lesser of an hour-by-hour comparison of (i) the fuel component of FPL's As-available Avoided Energy Cost and (ii) the product of the Unit Fuel Cost and the Unit Hourly Heat Rate Factor.

12.3 The hour-by-hour rates for Energy, when AES Cedar Bay elects to continue to operate the Facility, rather than decommit pursuant to Section 7.4, DISPATCH, CONTROL, OPERATION AND MAINTENANCE OF THE FACILITY, payable by FPL pursuant to Sections 12.1 and 12.2, shall be superseded, as follows:

12.3.1 If, in any hour, because of transmission constraints attributable in whole or in part to purchases of Energy, FPL is required to deviate from the economic dispatch of its resources which would otherwise be available had such Energy not been received, the As-available Avoided Energy Costs applicable to that hour shall be reduced by the additional cost incurred by FPL attributable to the deviation from such economic dispatch, divided by the quantity of Energy delivered during such hour.

12.3.2 If, in any hour, FPL is unable to purchase a quantity of economic lower cost energy because of transmission capacity limitations attributable to Energy deliveries, the purchase rate for an equivalent quantity of Energy during such hour shall be reduced to the rate at which FPL could have purchased such lower cost energy (including transmission costs and line losses to the point of delivery to FPL). The availability and rate of such economic energy shall be determined hourly by reference to the quantities, quoted prices and applicable methodology used to determine transactions from the Florida energy broker or between FPL and any other utility. FPL shall maintain such records and data as may be reasonably necessary for AES Cedar Bay to verify that such lower cost alternatives were available to FPL under the circumstances then prevailing.

12.4 Calculation of Monthly Energy Payments to AES Cedar Bay shall be based on the sum, over all hours of the Monthly Billing Period, of

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the product of each hour's applicable rate as set forth in Section 12.1 or 12.2, as those rates may be modified from time to time pursuant to Section 12.3, times the purchases of Energy by FPL for that hour.

12.5 Beginning on the Commercial Operation Date, FPL shall pay AES Cedar Bay the Monthly Capacity Payments at rates set forth in Appendix A, MONTHLY CAPACITY AND O&M PAYMENT CALCULATION, provided that FPL shall have no obligation to make any Monthly Capacity Payments if any Event of Default shall have occurred. However, if any Event of Default occurs under Sections 3.6.1, 3.6.2, 3.6.5, 3.6.6, 3.6.7, 3.6.8 and 3.6.9, TERM AND TERMINATION, and AES Cedar Bay completes a timely cure and, with respect to Events of Default under Sections 3.6.3 or 3.6.4, TERM AND TERMINATION, the Facility resumes delivery of Energy and Capacity and is otherwise in compliance with the terms of this Agreement, FPL shall resume Monthly Capacity Payments, provided, however, nothing in this Section 12.5 shall extend or modify any cure period which may be provided for in Sections 3.6 or 3.7, TERM AND TERMINATION. FPL shall pay AES Cedar Bay, for any partial Monthly Billing Period, pro rata adjusted Monthly Capacity Payments.

12.6 If, at the end of any Monthly Billing Period during the term of this Agreement, the Facility has not operated at a Capacity Factor of at least 57%, based on the Committed Capacity, FPL shall not be obligated to make a Monthly Capacity Payment during such Monthly Billing Period. AES Cedar Bay shall not be relieved of any of its obligations under this Agreement in the event FPL is not obligated to make payments pursuant to this Section 12.6.

12.7 If, at the end of each of the first six Monthly Billing Periods immediately following the Commercial Operation Date, the Facility operated at a Monthly Capacity Factor for such Monthly Billing Period of less than 87%, then 90% of the difference between the amount which AES Cedar Bay could have earned with a Monthly Capacity Factor of 87% for such Monthly Billing Period and the amount AES Cedar Bay actually did earn for such Monthly Billing Period shall be paid to AES Cedar Bay if (i) the Monthly On-peak Capacity Factor for

such Monthly Billing Period was at least 62.5% and (ii) each Monthly Capacity Factor during the second six Monthly Billing Periods immediately following the Commercial Operation Date is equal to or greater than 87%. The amount, if any, due to AES Cedar Bay shall be paid to AES Cedar Bay in one payment at the end of the second six months immediately following the Commercial Operation Date. In the event FPL is not obligated to make payments pursuant to this Section 12.7, AES Cedar Bay shall not be relieved of any of its obligations under this Agreement.

12.8 In the event that AES Cedar Bay shall be declared in default of any of its agreements (including sale/leaseback arrangements) with any Lenders or the lessor under the ground lease for the Facility, the result of which has given rise to a demand of acceleration, foreclosure or eviction proceeding, and further provided that no Event of Default has occurred and continued full payment for Energy and Capacity by FPL as provided under this Agreement would result in a net increase in the Termination Fee, then, FPL may retain the portion of the Monthly Energy Payment and Monthly Capacity Payment which would result in such net increase to the Termination Fee as additional security for FPL until AES Cedar Bay's default to its Lenders or ground lessor, as the case may be, is cured, or if the Lenders have foreclosed, until the Lenders or the operator installed by the Lenders is able to demonstrate, to the satisfaction of FPL in its reasonable judgment, that it is capable of fulfilling all of its obligations under this Agreement, in either of which events FPL will pay the withheld amount plus accrued interest to AES Cedar Bay (or, if the Lenders have foreclosed, then to the Lenders). AES Cedar Bay acknowledges that the portion of the Monthly Energy Payments and Monthly Capacity Payments which would result in a net increase in the Termination Fee is a financial accommodation for the benefit of AES Cedar Bay. Any portion of the Monthly Energy Payments and Monthly Capacity Payments which does not provide a net increase to the Termination Fee shall be due and payable as otherwise provided under this Agreement.

13.0 BILLING AND PAYMENT

13.1 On a monthly basis, FPL shall prepare a Monthly Billing Statement summarizing the quantities of Energy and Capacity received by FPL for the preceding Monthly Billing Period and any payments, calculated in accordance with Section 12.0, BASIS FOR PAYMENT BY FPL, due AES Cedar Bay arising from such receipts. Not later than the twentieth business day of each calendar month, FPL shall mail to AES Cedar Bay a Monthly Billing Statement, together with FPL's payment of amounts due to AES Cedar Bay. Each Monthly Billing Statement shall contain at least the following information:

13.1.1 For the Monthly Billing Period, the total number of hours, the total number of Available Run Hours, the total number of Available Run On-peak Hours, the total number of Dispatch Hours and a list of which hours the Facility was actually Dispatched, each separately stated;

13.1.2 The current Committed Capacity and the current Unit Fuel Cost for that month;

13.1.3 The Energy received by FPL during each hour in the Monthly Billing Period;

13.1.4 The total Energy received by FPL in excess of that which could be produced by the Committed Capacity and which FPL did not request;

13.1.5 The Energy received by FPL during all hours and the On-peak Hours;

13.1.6 The Capacity Factor, Annual Capacity Factor and Annual On-peak Capacity Factor for the Monthly Billing Period;

13.1.7 The rate paid by FPL for Energy during each hour in the Monthly Billing Period;

13.1.8 The calculated Monthly Energy Payment during the Monthly Billing Period;

13.1.9 The Monthly Capacity Payment during the Monthly Billing Period; and

13.1.10 Such other information, data or calculations as FPL or AES Cedar Bay deems reasonably necessary to adequately calculate payment amounts.

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13.2 Within thirty calendar days of its receipt of a Monthly Billing Statement, AES Cedar Bay shall review its contents and advise FPL in writing of any errors or misstatements contained therein. Failure of AES Cedar Bay to discover any errors or misstatements within three years plus the then-current Monthly Billing Period shall extinguish AES Cedar Bay's right to any billing adjustment(s) for such errors or misstatements.

13.3 If any errors or misstatements should arise in connection with any portion of any Monthly Billing Statement, the Parties agree to proceed in good faith to settle any such items expeditiously. After any such items are settled between the Parties, adjustments in prior months' invoices shall be added to, or credited against, the next Monthly Billing Statement.

13.4 Supplementing the information provided pursuant to Section 13.1, FPL will provide AES Cedar Bay with such further information pertaining to rates and delivery of Energy and Capacity as AES Cedar Bay may reasonably request. FPL may comply with AES Cedar Bay's request for information by providing AES Cedar Bay access to relevant materials at FPL's business offices during normal business hours. AES Cedar Bay shall pay all expenses incurred by FPL in complying with requests for information made pursuant to this Section 13.4.

13.5 AES Cedar Bay shall be billed monthly an amount equal to the taxes, assessments or other impositions, if any, for which FPL is liable as a result of its purchases of Energy and Capacity from AES Cedar Bay.

14.0 TERMINATION FEE STATEMENT

14.1 At the end of each Monthly Billing Period, FPL shall prepare a statement ("Monthly Termination Fee Statement") summarizing the Termination Fee. The Monthly Termination Fee Statement shall include the amount of the Termination Fee as of the end of such Monthly Billing Period and such other information, data or calculations as FPL or AES Cedar Bay deems reasonably necessary to adequately advise AES Cedar Bay of the status of the Termination Fee.

14.2 FPL shall mail the Monthly Termination Fee Statement to AES Cedar Bay within twenty business days after the close of each Monthly Billing Period.

14.3 Within thirty calendar days of the date the Monthly Termination Fee Statement is received, each Party shall use reasonable efforts to notify, in writing, the other Party of any errors, misstatements or other problems with the Monthly Termination Fee Statement.

15.0 INSURANCE

15.1 Prior to the start of, and during construction and installation of, the Facility, AES Cedar Bay shall procure and maintain, or cause and require the prime contractor on the Facility to procure and maintain, the following types and amounts of insurance:

15.1.1 Builders' risk insurance, in an amount equal to the replacement cost of the Facility components under construction, to cover property-related risks (e.g., fire, theft, materials in storage) inherent in construction projects;

15.1.2 Statutory Workers' Compensation and employers' liability insurance, in an amount of at least One Hundred Thousand Dollars ($100,000), to compensate employees for all injuries and diseases arising out of employment at the Facility; and

15.1.3 Commercial general liability insurance, in an amount of at least Three Hundred Thousand Dollars ($300,000), to cover all bodily injuries and property damage arising out of construction and installation of the Facility.

15.2 On and after the Commercial Operation Date, AES Cedar Bay shall procure and maintain such insurance coverages as are specified in Sections 15.3 and 15.4.

15.3 As of and following the Commercial Operation Date, the long-term availability of the Facility shall be protected and assured by a complete industrial insurance program, however, in the event that such insurance becomes unavailable or, in the mutual opinion of FPL and AES Cedar Bay, is available only at prohibitive cost, the lack of such insurance shall not constitute an Event of Default under this Agreement, but FPL and AES Cedar Bay shall enter into negotiations to develop substitute protection for FPL Entities which

FPL deems adequate. Such insurance package for the Facility shall include at least the following coverages:

15.3.1 All risk property and boiler and machinery insurance, in an amount of at least One Hundred Fifty Million Dollars ($150,000,000) (such loss limit being based upon an assessment of the exposure and maximum loss probability), to provide comprehensive coverage for the Facility. Such policy(ies) shall be written on a replacement cost basis.

15.3.2 Statutory Workers' Compensation and employers' liability insurance, in an amount of at least One Hundred Thousand ($100,000), to compensate employees for all injuries and diseases arising out of employment at the Facility.

15.4 AES Cedar Bay shall procure commercial general liability insurance which shall cover generally all liabilities which might arise under, or in the performance or nonperformance of, this Agreement. At a minimum, said policy shall contain (i) endorsements providing coverage, including, but not limited to, products liability/completed operations coverage, and (ii) a broad form contractual liability endorsement for FPL Entities. The policy shall include coverage for interruption or curtailment of power supply subject to a maximum deductible of One Million Dollars ($1,000,000).

15.5 FPL Entities shall be designated as an additional named insured, and the policy shall be endorsed to be primary to any insurance which may be maintained by, or on behalf of, FPL Entities. The policy shall be in a minimum limit of Ten Million Dollars ($10,000,000) per occurrence, combined single limit, for bodily injury (including death) or property damage. Any premium assessment or deductible shall be for the account of AES Cedar Bay and not FPL Entities.

15.6 In the event that the policy is on a "claims made" basis, the retroactive date of the policy shall be the effective date of this Agreement or such other date as to protect the interests of FPL Entities. Furthermore, if the policy is on a "claims made" basis, AES Cedar Bay's providing of such coverage shall survive the termination of this Agreement until the expiration of the maximum

statutory period of limitations in the State of Florida for actions based in contract or in tort (currently, five years); if coverage is on an "occurrence" basis, such insurance shall be maintained by AES Cedar Bay during the entire term of this Agreement. The policy shall not be canceled or materially altered without at least thirty calendar days written notice to FPL (or at least ten calendar days if due to the non-payment of premiums).

15.7 AES Cedar Bay shall provide to FPL evidence of such property and liability insurance coverage on FPL Form 1364-23, without modification; an example of such form is attached hereto as Appendix C, INSURANCE. A copy of the policy will be made available for inspection by FPL upon reasonable request.

16.0 INDEMNIFICATION

AES Cedar Bay agrees to indemnify and save harmless FPL Entities against any and all liability, loss, damage, costs or expense which FPL Entities may hereafter incur, suffer or be required to pay by reason of negligence on the part of AES Cedar Bay in performing its obligations pursuant to this Agreement or AES Cedar Bay's failure to abide by the provisions of this Agreement. FPL agrees to indemnify and save harmless AES Cedar Bay against any and all liability, loss, damage, cost or expense which AES Cedar Bay may hereafter incur, suffer, or be required to pay by reason of negligence on the part of FPL in performing its obligations pursuant to this Agreement or FPL's failure to abide by the provisions of this Agreement.

17.0 LIMITATIONS OF LIABILITY

17.1 Nothing contained in this Agreement shall be construed to create an association, trust, partnership or joint venture between AES Cedar Bay and FPL. No payment by FPL to AES Cedar Bay for Energy or Capacity shall be construed as payment by FPL for the acquisition of any ownership or property interest in the Facility. Each Party shall be individually and severally liable for its own obligations under this Agreement.

17.2 In no event shall AES Cedar Bay be liable (in contract or in tort, including negligence, or otherwise) to FPL for indirect, incidental or consequential damages resulting from AES Cedar Bay's performance,

nonperformance or delay in performance of its obligations under this Agreement. However, AES Cedar Bay's obligations under Sections 3.6.9, 3.7.1, 3.9 and 3.10, TERM AND TERMINATION; 4.0, COMPLETION SECURITY; and 21.0, SECURITY; and FPL's remedies for breach of such obligations as specified in this Agreement are not limited by this Section 17.2. Additionally, any liability of AES Cedar Bay for damages under Section 3.8, TERM AND TERMINATION, shall be determined in a manner consistent with this Section 17.2.

17.3 In no event shall FPL Entities be liable (in contract or in tort, including negligence, or otherwise) to AES Cedar Bay or its suppliers or its subcontractors for indirect, incidental or consequential damages resulting from FPL's performance, nonperformance or delay in performance of its obligations under this Agreement.

17.4 The Parties acknowledge that AES Cedar Bay has entered into this Agreement on its own behalf, and in no manner on behalf of Applied Energy Services, Inc. ("AES"), and that FPL shall have no recourse hereunder against AES, its affiliates or any of their respective successors or assigns (other than AES Cedar Bay and its successors or assigns) for any reason; provided, however, that this Section 17.4 shall in no way effect or limit FPL's recourse against AES or its successors or assigns (i) pursuant to the terms of the project cancellation payment guarantee letter and the AES guarantee letter, which are to be executed by AES concurrently with this Agreement in accordance with Sections 4.1, COMPLETION SECURITY, and 21.1, SECURITY, respectively, or (ii) for amounts received by AES or its successors or assigns in contravention of Sections 21.1, 21.3 and/or 21.9, SECURITY.

18.0 COMPLIANCE WITH LAWS, RULES AND REGULATIONS

18.1 AES Cedar Bay hereby agrees to seek, obtain and maintain, at its sole expense, any and all governmental permits, certifications and other authorizations which are required by law as prerequisites to engaging in the activities envisioned by this Agreement.

18.2 AES Cedar Bay shall conform to the requirements, where applicable, of the Equal Employment Opportunity clause in Section 202,

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Paragraphs 1 through 7 of Executive Order 11246, as amended, and the portions of Executive Orders 11701 and 11758 relative to Equal Employment Opportunity and the applicable implementing Rules and Regulations of the Office of Federal Contracts Compliance.

18.3 This Agreement and the rights and the obligations of the Parties hereunder shall be construed under, and in accordance with, the laws of the State of Florida.

18.4 Notwithstanding any other provision of this Agreement, if FPL, at any time during the term of this Agreement, fails to obtain or is denied the authorization of the FPSC, or the authorization of any other legislative, administrative, judicial or regulatory body which now has, or in the future may have, jurisdiction over FPL's rates and charges, to recover from its ratepayers any or all of the payments required to be made to AES Cedar Bay pursuant to Section 12.0, BASIS FOR PAYMENT BY FPL, under the terms of this Agreement or any subsequent amendment hereto, FPL may, at its sole option, adjust the payments made under this Agreement to the amount(s) which FPL is authorized to recover from its ratepayers. If such determination of disallowance is ultimately reversed and FPL recovers payments previously disallowed, FPL shall pay all withheld payments as recovered, without interest. AES Cedar Bay acknowledges that any amounts initially received by FPL from its ratepayers, but for which recovery is subsequently disallowed and charged back to FPL, may be offset or credited, without interest, against subsequent payments to be made by FPL to AES Cedar Bay under this Agreement. If, at any time, FPL receives notice that the FPSC or any other legislative, administrative, judicial or regulatory body seeks or will seek to prevent full recovery by FPL from its ratepayers of all payments required to be made under the terms of this Agreement or any subsequent amendment to this Agreement, then FPL shall, within thirty calendar days of FPL's receipt of such notice, give written notice thereof to AES Cedar Bay. FPL shall use its best efforts to defend and uphold the validity of this Agreement and its right to recover from its ratepayers all payments required to be made by FPL hereunder, and will cooperate in any effort by AES Cedar Bay and/or

the Lenders to the extent allowed by law or the rules or regulations of the FPSC, to intervene in any proceeding challenging, or to otherwise be allowed to defend, the validity of this Agreement and the right of FPL to recover from its ratepayers all payments to be made by it hereunder. In the event of any such disallowance or adjustment to payments as aforesaid which materially alters the Parties' obligations and rights under this Agreement, AES Cedar Bay may, in its sole discretion, with as much written notice to FPL as is practicable under the circumstances then prevailing, (i) reduce, curtail or suspend deliveries and sales of Energy or Capacity, or both to FPL, or (ii) terminate this Agreement. In the event that this Agreement is terminated pursuant to the foregoing, the Parties shall have no further future obligations to each other, except that such termination shall not affect the liability of either Party for obligations arising prior to such termination (including, in particular, AES Cedar Bay's obligation to pay the Termination Fee, if any, calculated in accordance with Appendix B, TERMINATION FEE), or for damages, if any, resulting from breach of this Agreement.

19.0 FORCE MAJEURE

19.1 Except as otherwise provided in this Agreement, either Party shall be excused from performance when its nonperformance was caused directly or indirectly by Force Majeure.

19.2 In the event of any delay or nonperformance resulting from Force Majeure, the Party suffering an occurrence of Force Majeure shall promptly notify the other, in writing, of the nature, cause, date of commencement thereof and the anticipated extent of such delay, and shall indicate whether any date(s) may be affected thereby. The suspension of performance shall be of no greater scope and of no greater duration than the cure for the Force Majeure requires.

19.3 The Party suffering an occurrence of Force Majeure shall, with all reasonable speed, remedy the cause(s) preventing its performance of this Agreement; provided, however, the settlement of strikes, lockouts and other labor disputes shall be entirely within the discretion of the affected Party, and it shall not be required to

settle such strikes, lockouts or other labor disputes by acceding to demands which such Party deems to be unfavorable.

19.4 Capacity payments will be made to AES Cedar Bay during the period(s) of Force Majeure, provided the Capacity Factor of the then current Monthly Billing Period is greater than or equal to 57%.

20.0 NOTICES

20.1 Notices required to be in writing under this Agreement shall be delivered in person or sent by certified mail, return receipt requested, as specified below:

20.1.1 To AES Cedar Bay:
AES Cedar Bay, Inc.
1001 North 19th Street
Arlington, Virginia 22209
Attention: Dennis W. Bakke
(703) 522-1315

20.1.2 To FPL:
Florida Power & Light Company
Post Office Box 029100
Miami, Florida 33102
Attention: Director of Bulk Power Markets Department
(305) 552-3847

20.2 AES Cedar Bay shall provide written notice of the appropriate person(s) and address(es) of its Lenders. FPL's obligations hereunder to provide the Lenders with the notice and opportunity of cure or assumption rights specified herein shall only be with respect to such Lenders which FPL has received written notice of pursuant to the terms of this Section 20.0.

20.3 Notices shall be effective upon receipt.

20.4 Either Party may, at any time and by written notice, designate any different person(s) or different address(es) for receipt of notices and correspondence.

21.0 SECURITY

21.1 AES Cedar Bay shall provide FPL a guarantee by its parent corporation, Applied Energy Services, Inc. ("AES"), equal to the greater of (i) Ten Million Dollars ($10,000,000) or (ii) 50% of the

cumulative net project cash flow (after taxes and debt service) from AES Cedar Bay to AES. Such AES guarantee shall be evidenced by the guarantee letter contained in Appendix K, FORM OF AES GUARANTEE LETTER, which shall be executed concurrently with this Agreement and backed up by unconditional and irrevocable letter(s) of credit supplied by AES and issued, no later than sixty calendar days after the Monthly Capacity Payments begin, by bank(s) acceptable to FPL, in form and in substance acceptable to FPL (including, among others, provisions for automatic renewals through the term of this Agreement, and thirty days prior written notice by the issuing bank(s) to FPL of the issuing bank(s) intention not to renew the letter(s) of credit, upon receipt of which notice FPL may draw upon the letter(s) of credit in full). The amount so guaranteed and supported by letter(s) of credit shall not exceed the lesser of (i) Seventy-five Million Dollars ($75,000,000) or (ii) the Termination Fee. The obligations to provide such guarantee and such letter(s) of credit shall continue until AES Cedar Bay's obligation to pay the Termination Fee under Sections 3.9 and 3.10, TERM AND TERMINATION, and Appendix B, TERMINATION FEE, has expired. Each year, AES shall have an independent financial organization audit AES Cedar Bay's books to confirm and report to FPL the amount of the after-tax project cash flow which is the basis of AES's guarantee. Each such report shall be provided to FPL within ninety calendar days after the end of the applicable calendar year. In the event such letter(s) of credit are not provided as specified in this Section 21.1, FPL shall have the right to withhold from the Monthly Capacity Payments, an amount equal to the greater of (i) Two Hundred Fifty Thousand Dollars ($250,000) per month for the first three years, and Five Hundred Thousand Dollars ($500,000) per month thereafter or (ii) the difference between (a) the sum of the Monthly Capacity Payment and Monthly Energy Payment and (b) AES Cedar Bay's actual operating costs (excluding any corporate overhead but including debt service). In addition to the foregoing, AES Cedar Bay will be restricted from paying dividends during the period in which such Monthly Capacity Payments are withheld pursuant to this Section 21.1. Upon FPL's receipt of the applicable letter(s)

of credit, FPL shall remit the amount previously withheld, without interest. The face amount of the letter(s) of credit required pursuant to this Section 21.1, shall be reduced by the amount, if any, held in an escrow account (the "Escrow") for the benefit of FPL, free and clear of all liens, including, specifically, the liens of the Lenders. The Escrow shall be established and maintained at the expense of AES (or AES Cedar Bay) and held by an escrow agent (acceptable to FPL) pursuant to an escrow agreement in form and substance acceptable to FPL. Prior to the establishment of the Escrow, AES Cedar Bay shall have obtained the express written waiver of the Lenders to any and all rights in and to the Escrow and the proceeds therefrom.

21.2 Under the terms of the AES Cedar Bay/Seminole Kraft steam sales contract, AES Cedar Bay shall cause Seminole Kraft to be obligated to provide on or before the Commercial Operation Date one or more unconditional and irrevocable letters of credit or promissory notes to secure Seminole Kraft's performance. Such letter(s) of credit or promissory note(s) shall be a minimum beginning balance of One Million Dollars ($1,000,000) within sixty days of the Commercial Operation Date and shall increase by a minimum of One Million Dollars ($1,000,000) per Agreement Year, until such balance shall be at least Ten Million Dollars ($10,000,000). Such amounts will be available to AES Cedar Bay in the event that Seminole Kraft defaults on its obligations to buy steam from the Facility. Such amounts shall be utilized by AES Cedar Bay to maintain (or reinstate) the "qualifying" statuses of both AES Cedar Bay and the Facility throughout the term of this Agreement by taking all necessary actions on a timely basis, including, but not limited to, (i) building a new steam-using facility (e.g., a CO_2 or other industrial gas production plant), (ii) constructing a steam pipeline to any neighboring steam user(s), and/or (iii) modifying elements of the Seminole Kraft mill to use steam in an acceptable manner. Upon its execution, a copy of the steam sales contract shall be provided to FPL.

21.3 AES Cedar Bay shall establish and maintain a cash reserve fund, held by an agent for the benefit of FPL, of at least Forty Million Dollars ($40,000,000). Unless a foreclosure action filed by the Lenders is pending, at FPL's option, Ten Million Dollars ($10,000,000) of the reserve fund may be designated for utilization to maintain (or reinstate) the "qualifying" statuses of both AES Cedar Bay and the Facility throughout the term of this Agreement. Beginning no later than the Commercial Operation Date, AES Cedar Bay shall make quarterly contributions to this reserve fund based on its net cash flow after taxes and debt service ("Net Cash Flow") as follows: (i) 90% of the first Two Million Dollars ($2,000,000) of Net Cash Flow per year, (ii) 60% of the next Two Million Dollars ($2,000,000) of Net Cash Flow per year and (iii) 30% of Net Cash Flow thereafter per year, until the balance of such fund equals Forty Million Dollars ($40,000,000). However, if funds are withdrawn from the reserve fund, then 100% of the Net Cash Flow shall be contributed until the withdrawn amount has been replenished. If the reserve fund does not contain a total of Forty Million Dollars ($40,000,000) no later than ten years from the Commercial Operation Date, then 100% of the Net Cash Flow shall be contributed until the reserve fund equals Forty Million Dollars ($40,000,000). After fifteen years from the Commercial Operation Date, the Forty Million Dollar ($40,000,000) reserve fund may, at the election of AES Cedar Bay with at least ninety calendar days advance written notice to FPL, be reduced by up to One Million Eight Hundred Thousand Dollars ($1,800,000) per Agreement Year. In lieu of cash deposits, AES Cedar Bay may obtain unconditional and irrevocable direct pay letter(s) of credit issued by banks acceptable to FPL, in form and substance acceptable to FPL, in amounts equal to the cash contributions set forth above.

21.3.1 If the Lenders require AES Cedar Bay to establish and maintain a reserve fund or letter(s) of credit in amounts meeting or exceeding each of the requirements set forth in Section 21.3, then those requirements will be deemed satisfied and FPL shall have a secondary lien on such

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amounts. AES Cedar Bay's right to make withdrawals will be governed by the loan agreement. Such lien shall be subordinate in all respects to the lien and rights of the Lenders, and FPL shall have no right to realize its secondary interest unless and until the Lenders have either exercised their own prior rights or have waived such rights in writing. Within sixty calendar days of their execution, copies of the loan agreements, and any amendments thereto requiring the establishment of the reserve fund or letter(s) of credit, shall be provided to FPL. AES Cedar Bay shall also provide to FPL quarterly reports regarding the status of the reserve fund or letter(s) of credit, as applicable.

21.3.2 In the event that AES Cedar Bay's loan agreements do not require the establishment and maintenance of a reserve fund or letter(s) of credit meeting all requirements set forth in Section 21.3 during the entire term of this Agreement (including, among others with respect to the letter(s) of credit, provisions for automatic renewals through the term of this Agreement, and sixty days prior written notice by the issuing bank(s) to FPL of the issuing bank(s) intention not to renew the letter(s) of credit, upon receipt of which notice FPL may draw upon the letter(s) of credit in full), AES Cedar Bay shall be required by this Agreement to do so. FPL shall have a first lien on all such amounts in excess of the Lenders' reserve requirement, if any, during the time period in which the Lenders' reserve fund exists, and to all amounts if the Lenders' reserve fund is not required or ceases to exist, to secure performance of AES Cedar Bay's obligations under this Agreement, including payment of the Termination Fee. At least thirty calendar days prior to initial Energy deliveries, AES Cedar Bay shall provide to FPL, in writing, proof that such reserve fund has been

created and, thereafter, shall provide to FPL quarterly reports regarding the status of such reserve fund.

21.4 The Parties acknowledge that construction of the Facility will require financing by Lenders and that such Lenders require the financing to be secured by a first lien upon the Facility, including a collateral assignment of this Agreement; provided, however, any takeover of the Facility and the rights of AES Cedar Bay under this Agreement by any Lenders, or the foreclosure and sale of the Facility and the assignment of AES Cedar Bay's rights under this Agreement to a new operator, shall be on terms requiring compliance with all provisions of this Agreement, including Sections 3.6.6 and 3.7, TERM AND TERMINATION, as applicable; and provided further that such new operator is, in the reasonable opinion of FPL, reasonably qualified to perform the assumed obligations. FPL shall also execute a consent and agreement with respect to a collateral assignment hereof in the form attached hereto as Appendix L, CONSENT TO COLLATERAL ASSIGNMENT FORM, or in form and in substance as may be agreed to by the Parties upon request of the Lenders in connection with the project financing, provided AES Cedar Bay shall reimburse FPL for all reasonable costs incurred by FPL in connection therewith, including reasonable attorneys' fees, and further provided that FPL's duty to make factual statements or representations in such consent and agreement shall be contingent upon the truthfulness and accuracy of such statements or representations at the time the consent to assignment is delivered. AES Cedar Bay agrees that the financing agreements into which it enters with the Lenders will require the Lenders to give FPL written notice of any default by AES Cedar Bay and afford FPL sixty days following such notice and beyond any period afforded AES Cedar Bay, or longer as the Lenders may permit, to pay any sums due to such Lenders. Any amounts advanced by FPL for payment of taxes, insurance, sums due to senior lienors or other such items shall be secured by the lien of the security interest provided for in Section 21.6.

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21.5 AES Cedar Bay agrees that the ground lease which it enters with the owner of the real property upon which the Facility is located will be in form and substance reasonably acceptable to FPL, containing provisions including, but not limited to, a requirement that the lessor give FPL written notice of any default by AES Cedar Bay and afford FPL sixty days following such notice, or longer as the lessor shall permit, to cure such default. Any amounts advanced by FPL for payment of sums due lessor or other items advanced in furtherance of this Section 21.5 shall be secured by the lien of the security interest provided for in Section 21.6.

21.6 On or before the Commercial Operation Date, AES Cedar Bay shall secure all of its obligations under this Agreement, including the obligation to pay the Termination Fee, by delivering a leasehold mortgage and security agreement encumbering the Facility (i) in the form attached hereto as Appendix H, FORM OF SECOND MORTGAGE AND SECURITY AGREEMENT, or (ii) in form and in substance as may be agreed by the Parties, and by delivering security agreements encumbering the promissory notes and/or reserve funds provided in Sections 21.2 and 21.3 and other personal property of AES Cedar Bay (i) in the form attached hereto as Appendix I, FORM OF SECURITY AGREEMENT, or (ii) in form and in substance as may agreed to by the Parties. Such mortgage and security agreements shall be subordinate in all respects to the lien and rights of the Lenders. FPL will execute and deliver to the Lenders, in recordable form if so requested, such subordination agreements and instruments as the Lenders shall reasonably request to effect the subordination provided by this Section 21.6. FPL will bear the costs assessed by any governmental agencies attendant to the perfection and recording of such security agreements.

21.7 So long as it has any obligation to pay a Termination Fee, AES Cedar Bay will assure that the following condition is met:

A + B - (C + D + E) shall never exceed F where

A = the total balance due to all Lenders under financing agreements pertaining to the Facility, including all accrued interest and costs;

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B = the levelization payment as set forth in Appendix J, LEVELIZATION PAYMENT, for the applicable Agreement Year which would be due if this Agreement were to be terminated on that date;

C = the amount of Termination Fee security in effect pursuant to Section 21.1;

D = the face amount of any unconditional and irrevocable letter(s) of credit, if any, maintained pursuant to Section 21.2;

E = the balance in the reserve fund maintained pursuant to Section 21.3;

F = the greater of (i) 100% of the fair market value of the Facility as determined in accordance with Section 21.8 or (ii) the sum of the actual Facility development, construction and start-up costs, including construction period financing costs and cost overruns, and an imputed equity contribution of Twenty-four Million Dollars ($24,000,000).

21.8 For purposes of determining the fair market value of the Facility pursuant to Section 21.7, AES Cedar Bay shall, at AES Cedar Bay's expense, cause two qualified independent engineering firms or such other parties with recognized experience in the electric generation power industry as may be chosen by AES Cedar Bay and approved by FPL, which approval shall not be unreasonably withheld or delayed, to determine fair market value, which shall be the replacement cost of an equivalent new facility, as adjusted to reflect the Facility's age, condition and remaining useful life based on the then existing state of the Facility at the time of determination. Each firm will prepare a report setting forth the bases for its determination and submit its report to FPL and AES Cedar Bay. The fair market value shall be the average of the two determinations, neither of which shall be more than twelve months old.

21.9 So long as AES Cedar Bay has any obligation to pay a Termination Fee, it will make no distributions or payments to its shareholder(s) and will pay no dividends unless, at the time thereof, the

provisions of Section 21.7 are satisfied. Beginning with the Commercial Operation Date, AES Cedar Bay will provide FPL with a letter from a nationally recognized independent certified public accounting firm on a quarterly basis certifying that the conditions specified in Section 21.7 have been met.

21.10 The Parties agree to execute and deliver on demand any and all further instruments reasonably required by the respective Parties to carry out the security provisions of this Agreement.

22.0 MISCELLANEOUS

22.1 Except as provided in Section 21.4, SECURITY, AES Cedar Bay may not assign any of its obligations under this Agreement without the prior written consent of FPL, which consent shall not be unreasonably withheld; provided, however, AES Cedar Bay may, without FPL's consent, assign to other parties any or all of the benefits to be derived by it under this Agreement.

22.2 Upon FPL's request, in the event that reduction of effluents or pollutants at or emanating from the Facility, which reduction is beyond limits required by law or achievable by the Facility, could result in allowances or credits which FPL determines would be of benefit to FPL, AES Cedar Bay shall permit FPL to effect such reduction in a manner acceptable to AES Cedar Bay so long as AES Cedar Bay remains economically and operationally neutral as a result of such reduction relating to the Facility. In order to assure such neutrality, FPL shall pay all actual present and future direct and indirect costs of such reduction and all reasonable expenses, including present and future lost revenues associated with Energy, Capacity and steam sales to AES Cedar Bay's steam customer, arising therefrom. FPL shall be entitled to receive such allowances or credits resulting from such reduction, but AES Cedar Bay shall have title to any improvements or modifications to the Facility, at no cost to AES Cedar Bay, upon acceptance by AES Cedar Bay of such improvements or modifications following a reasonable demonstration test. Upon FPL's request, AES Cedar Bay shall permit FPL to effect the removal of any or all of the improvements or modifications installed pursuant to this Section 22.2, in a manner acceptable to

AES Cedar Bay, so long as AES Cedar Bay remains economically and operationally neutral as a result of such removal. The value to AES Cedar Bay, if any, of the improvements or modifications shall not be considered in determining the economic and operational neutrality of such removal. AES Cedar Bay agrees to cooperate with FPL in connection with such reduction and/or removal. For purposes of this Section 22.2, operationally neutral shall mean that any difference that may have existed prior to FPL effecting the change in such effluent or pollutant, over the relevant averaging period, between (i) the actual average emissions of a given effluent or pollutant and (ii) the permitted emissions of the same effluent or pollutant shall remain generally the same after FPL effects the change in such effluent or pollutant.

22.3 This Agreement, as it may be amended from time to time, shall be binding upon, and inure to the benefit of, the Parties' respective successors-in-interest (including foreclosing Lenders and lien holders after default by AES Cedar Bay) and legal representatives.

22.4 Any waiver by either Party of its rights with respect to a default (including Events of Default) under this Agreement, or with respect to any other matters arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default (including Events of Default) or other matter.

22.5 The failure of either Party to enforce strict performance by the other Party of any of the provisions of this Agreement or to exercise any rights under this Agreement shall not be construed as a waiver or relinquishment to any extent of such Party's right to assert or rely upon any such provisions or rights in that or any other instance.

22.6 Section headings appearing in this Agreement are inserted for convenience only and shall not be construed as interpretations of text.

22.7 The Parties acknowledge and agree that this Agreement is contingent upon approval of the FPSC of Amendment No. 2 to the Original Agreement, to which this Agreement appears as Exhibit A, and that in the event such approval is not obtained, the Original Agreement

shall remain in effect and unchanged without reference to this Agreement.

22.8 This Agreement constitutes the entire agreement and understandings between the Parties with respect to the subject matter hereof, and supersedes all prior agreements and understandings relating to this subject matter. No modification or waiver of any term of this Agreement, or any amendment of this Agreement, shall be effective unless it is in writing and signed by the Parties.

22.9 The Parties explicitly recognize that FPL's reviews, agreement, approvals, disapprovals and authorizations pursuant to this Agreement are administrative in nature and do not relieve AES Cedar Bay of its obligations for the design, construction, operation and maintenance of the Facility or impose any such obligations on FPL.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective duly authorized officers.

FLORIDA POWER & LIGHT COMPANY

By: _____ 7/17/90
C. O. Woody Date
Executive Vice President

AES CEDAR BAY, INC.

By: Thomas A Tribone
Thomas A. Tribone Date 7-13-90
Vice President

APPENDIX A

MONTHLY CAPACITY AND O&M PAYMENT CALCULATION

A.1 The Monthly Capacity Payment for each Monthly Billing Period prior to January 1, 2007 shall be computed utilizing the applicable formula detailed below. The formulas in Sections A.1.4, A.1.5, and A.1.6 shall only be applicable if the current Committed Capacity shall have been determined pursuant to either Section 6.3 or 6.4, SALE OF ENERGY AND CAPACITY BY AES CEDAR BAY.

A.1.1 In the event that the Capacity Factor is less than 57%, then no Monthly Capacity Payment shall be due. That is:

MCP = $0

A.1.2 In the event that the Capacity Factor is at least equal to 57% but less than 87%, then the Monthly Capacity Payment shall be calculated from the following formula:

MCP = [(BCC + OMC) x (.02 x ((CF x 100) - 37))] x CC

A.1.3 In the event the Capacity Factor is at least 87% and the current Committed Capacity shall have been determined pursuant to Section 6.10, SALE OF ENERGY AND CAPACITY BY AES CEDAR BAY, then the Monthly Capacity Payment shall be calculated from the following formula:

MCP = (BCC + OMC) x CC

A.1.4 In the event that the Capacity Factor is at least 87% but not greater than 89%, then the Monthly Capacity Payment shall be calculated from the following formula:

MCP = (BCC + OMC) x CC

A.1.5 In the event that the Capacity Factor is greater than 89% but not greater than 96%, then the Monthly Capacity Payment shall be calculated from the following formula:

MCP = [(1 + (.01 x ((CF x 100) - 89))) x BCC x CC] + (OMC x CC)

A.1.6 In the event that the Capacity Factor is greater than 96%, then the Monthly Capacity Payment shall be calculated from the following formula:

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MCP = [(1.07 + (.007 x ((CF x 100) - 96))) x BCC x CC] + (OMC x CC)

A.2 The Monthly Capacity Payment for each Monthly Billing Period after December 31, 2006 shall be computed utilizing the applicable formula detailed below. The formulas in Sections A.2.4, A.2.5, and A.2.6 shall only be applicable if the current Committed Capacity shall have been determined pursuant to either Section 6.3 or 6.4, SALE OF ENERGY AND CAPACITY BY AES CEDAR BAY.

A.2.1 In the event that the Capacity Factor is less than 57%, then no Monthly Capacity Payment shall be due. That is:

MCP = $0

A.2.2 In the event that the Capacity Factor is at least equal to 57% but less than 87%, then the Monthly Capacity Payment shall be calculated from the following formula:

MCP = [(BCC + OMC) x (.02 x ((CF x 100) - 37))] x CC

A.2.3 In the event the Capacity Factor is at least 87% and the current Committed Capacity shall have been determined pursuant to Section 6.10, SALE OF ENERGY AND CAPACITY BY AES CEDAR BAY, then the Monthly Capacity Payment shall be calculated from the following formula:

MCP = (BCC + OMC) x CC

A.2.4 In the event that the Capacity Factor is at least 87% but not greater than 93%, then the Monthly Capacity Payment shall be calculated from the following formula:

MCP = (BCC + OMC) x CC

A.2.5 In the event that the Capacity Factor is greater than 93% but not greater than 98%, then the monthly Capacity Payment shall be calculated from the following formula:

MCP = [(1 + (.01 x ((CF x 100) - 93))) x BCC x CC] + (OMC x CC)

A.2.6 In the event that the Capacity Factor is greater than 98%, then the Monthly Capacity Payment shall be calculated from the following formula:

MCP = [(1.05 + (.005 x ((CF x 100) - 98))) x BCC x CC] + (OMC x CC)

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Where:

MCP - Monthly Capacity Payment in dollars.

BCC - Base capacity credit in $/MW-Month pursuant to Section A.3 or A.4, as applicable.

OMC - Operation and maintenance credit in $/MW-Month pursuant to Section A.3 or A.4, as applicable.

CF - Capacity Factor (expressed as a decimal).

CC - Committed Capacity in MW.

A.3 The base capacity credit and operation and maintenance credit shall be derived from the following schedule provided the Commercial Operation Date occurs prior to January 1, 1994:

Year	BCC + OMC $/MW-MO	BCC $/MW-MO	OMC $/MW-MO
01/1/1993 - 12/31/1993	23,360	21,530	1,830
01/1/1994 - 12/31/1994	24,220	22,310	1,910
01/1/1995 - 12/31/1995	25,120	23,130	1,990
01/1/1996 - 12/31/1996	26,050	23,980	2,070
01/1/1997 - 12/31/1997	27,010	24,860	2,150
01/1/1998 - 12/31/1998	28,010	25,770	2,240
01/1/1999 - 12/31/1999	29,050	26,720	2,330
01/1/2000 - 12/31/2000	30,120	27,690	2,430
01/1/2001 - 12/31/2001	31,230	28,700	2,530
01/1/2002 - 12/31/2002	32,390	29,760	2,630
01/1/2003 - 12/31/2003	33,590	30,850	2,740
01/1/2004 - 12/31/2004	34,830	31,980	2,850
01/1/2005 - 12/31/2005	36,120	33,150	2,970
01/1/2006 - 12/31/2006	37,460	34,370	3,090
01/1/2007 - 12/31/2007	38,850	35,630	3,220
01/1/2008 - 12/31/2008	40,290	36,940	3,350
01/1/2009 - 12/31/2009	41,780	38,290	3,490
01/1/2010 - 12/31/2010	43,330	39,700	3,630
01/1/2011 - 12/31/2011	44,930	41,150	3,780
01/1/2012 - 12/31/2012	46,590	42,660	3,930
01/1/2013 - 12/31/2013	38,650	34,560	4,090
01/1/2014 - 12/31/2014	40,080	35,820	4,260
01/1/2015 - 12/31/2015	41,560	37,130	4,430
01/1/2016 - 12/31/2016	43,100	38,490	4,610
01/1/2017 - 12/31/2017	44,690	39,890	4,800
01/1/2018 - 12/31/2018	46,340	41,340	5,000
01/1/2019 - 12/31/2019	48,050	42,840	5,210
01/1/2020 - 12/31/2020	49,830	44,410	5,420
01/1/2021 - 12/31/2021	51,670	46,030	5,640
01/1/2022 - 12/31/2022	53,580	47,710	5,870
01/1/2023 - 12/31/2023	55,560	49,450	6,110

A.4 The base capacity credit and operation and maintenance credit shall be derived from the following schedule provided the Commercial Operation Date occurs after December 31, 1993, where "Year 1" equals the first Agreement Year:

Year	BCC + OMC $/MW-MO	BCC $/MW-MO	OMC $/MW-MO
1	24,220	22,310	1,910
2	25,120	23,130	1,990
3	26,050	23,980	2,070
4	27,010	24,860	2,150
5	28,010	25,770	2,240
6	29,050	26,720	2,330
7	30,120	27,690	2,430
8	31,230	28,700	2,530
9	32,390	29,760	2,630
10	33,590	30,850	2,740
11	34,830	31,980	2,850
12	36,120	33,150	2,970
13	37,460	34,370	3,090
14	38,850	35,630	3,220
15	40,290	36,940	3,350
16	41,780	38,290	3,490
17	43,330	39,700	3,630
18	44,930	41,150	3,780
19	46,590	42,660	3,930
20	38,650	34,560	4,090
21	40,080	35,820	4,260
22	41,560	37,130	4,430
23	43,100	38,490	4,610
24	44,690	39,890	4,800
25	46,340	41,340	5,000
26	48,050	42,840	5,210
27	49,830	44,410	5,420
28	51,670	46,030	5,640
29	53,580	47,710	5,870
30	55,560	49,450	6,110
31	57,620	51,260	6,360

APPENDIX B

TERMINATION FEE

B.1 The Termination Fee shall be the cumulative sum of the values for each month starting with the Commercial Operation Date, through the month of termination computed according to the following formula:

$$\text{TERMINATION FEE} = \sum_{i=1}^{n} \{(MPMT_i) - (MCTF_i + MEA_i)\}\ 1.01024^{(n-i)}$$

with $MCTF_i = 0$ for those months occurring in 1993. (If, for example, the first month is October 1993, then MCTF would only be 0 for three months.)

i = Number of the Monthly Billing Period commencing with the Commercial Operation Date, through the month of termination.

n = The total number of Monthly Billing Periods which have elapsed from the Commercial Operation Date, through the month of termination.

$MPMT_i$ = The sum of the Monthly Capacity Payment and the Monthly Energy Payment made to AES Cedar Bay corresponding to the Monthly Billing Period i.

$MCTF_i$ = The monthly Capacity portion of the Termination Fee corresponding to the Monthly Billing Period i, calculated in accordance with the formula and schedule set forth below.

MEA_i = Monthly energy cost for the FPL avoided unit for Monthly Billing Period i. These costs shall be equal to the product of (a) the monthly Energy in MWh purchased from AES Cedar Bay, (b) the combined-cycle heat rate of 7.69 MMBTU/MWh and (c) the average FPL system gas prices from Schedule A5 filed monthly with the FPSC.

In the event the computation of the Termination Fee above yields a value less than zero, the value of the Termination Fee shall be equal to zero.

B.2 The monthly Capacity portion of the Termination Fee for each Monthly Billing Period prior to January 1, 2007 shall be computed utilizing the applicable formula detailed below. The formulas in Sections B.2.4, B.2.5, and B.2.6 shall only be applicable if the current Committed Capacity shall have been determined pursuant to either Section 6.3 or 6.4, SALE OF ENERGY AND CAPACITY BY AES CEDAR BAY.

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B.2.1 In the event that the Capacity Factor is less than 57%, then the monthly Capacity portion of the Termination Fee shall be zero. That is:

MCTF = $0

B.2.2 In the event that the Capacity Factor is at least equal to 57% but not greater than 87%, then the monthly Capacity portion of the Termination Fee shall be calculated from the following formula:

MCTF = [(BCC + OMC) x (.02 x (CF x 100 - 37))] x CC

B.2.3 In the event the Capacity Factor is at least 87% and the current Committed Capacity shall have been determined pursuant to Section 6.10, SALE OF ENERGY AND CAPACITY BY AES CEDAR BAY, then the monthly Capacity portion of the Termination Fee shall be calculated from the following formula:

MCTF = (BCC + OMC) x CC

B.2.4 In the event that the Capacity Factor is at least 87% but not greater than 89%, then the monthly Capacity portion of the Termination Fee shall be calculated from the following formula:

MCTF = (BCC + OMC) x CC

B.2.5 In the event that the Capacity Factor is greater than 89% but not greater than 96%, then the monthly Capacity portion of the Termination Fee shall be calculated from the following formula:

MCTF = [(1 + (.01 x ((CF x 100) - 89))) x BCC x CC] + (OMC x CC)

B.2.6 In the event that the Capacity Factor is greater than 96%, then the monthly Capacity portion of the Termination Fee shall be calculated from the following formula:

MCTF = [(1.07 + (.007 x ((CF x 100) - 96))) x BCC x CC] + (OMC x CC)

B.3 The monthly Capacity portion of the Termination Fee for each Monthly Billing Period after December 31, 2006 shall be computed utilizing the applicable formula detailed below. The formulas in Sections B.3.4, B.3.5, and B.3.6 shall only be applicable if the current Committed Capacity shall have been determined pursuant to either Section 6.3 or 6.4, SALE OF ENERGY AND CAPACITY BY AES CEDAR BAY.

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B.3.1 In the event that the Capacity Factor is less than 57%, then the monthly Capacity portion of the Termination Fee shall be zero. That is:

MCTF = $0

B.3.2 In the event that the Capacity Factor is at least equal to 57% but not greater than 87%, then the monthly Capacity portion of the Termination Fee shall be calculated from the following formula:

MCTF = [(BCC + OMC) x (.02 x (CF x 100 - 37))] x CC

B.3.3 In the event the Capacity Factor is at least 87% and the current Committed Capacity shall have been determined pursuant to Section 6.10, SALE OF ENERGY AND CAPACITY BY AES CEDAR BAY, then the monthly Capacity portion of the Termination Fee shall be calculated from the following formula:

MCTF = (BCC + OMC) x CC

B.3.4 In the event that the Capacity Factor is at least 87% but not greater than 93%, then the monthly Capacity portion of the Termination Fee shall be calculated from the following formula:

MCTF = (BCC + OMC) x CC

B.3.5 In the event that the Capacity Factor is greater than 93% but not greater than 98%, then the monthly Capacity portion of the Termination Fee shall be calculated from the following formula:

MCTF = [(1 + (.01 x ((CF x 100) - 93))) x BCC x CC] + (OMC x CC)

B.3.6 In the event that the Capacity Factor is greater than 98%, then the monthly Capacity portion of the Termination Fee shall be calculated from the following formula:

MCTF = [(1.05 + (.005 x ((CF x 100) - 98))) x BCC x CC] + (OMC x CC)

Where:

MCTF - Monthly Capacity portion of the Termination Fee in dollars.

BCC - Base capacity credit in $/MW-Month pursuant to Section B.4 or B.5, as applicable.

OMC - Operation and maintenance credit in $/MW-Month pursuant to Section B.4 or B.5, as applicable.

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CF - Capacity Factor (expressed as a decimal).

CC - Committed Capacity in MW.

B.4 The base capacity credit and operation and maintenance credit shall be derived from the following schedule provided the Commercial Operation Date occurs prior to January 1, 1994:

Year	BCC + OMC $/MW-MO	BCC $/MW-MO	OMC $/MW-MO
01/1/1993 - 12/31/1993	0	0	0
01/1/1994 - 12/31/1994	10,240	8,330	1,910
01/1/1995 - 12/31/1995	10,610	8,620	1,990
01/1/1996 - 12/31/1996	11,000	8,930	2,070
01/1/1997 - 12/31/1997	11,410	9,260	2,150
01/1/1998 - 12/31/1998	11,840	9,600	2,240
01/1/1999 - 12/31/1999	12,280	9,950	2,330
01/1/2000 - 12/31/2000	12,730	10,300	2,430
01/1/2001 - 12/31/2001	13,200	10,670	2,530
01/1/2002 - 12/31/2002	13,690	11,060	2,630
01/1/2003 - 12/31/2003	14,190	11,450	2,740
01/1/2004 - 12/31/2004	14,710	11,860	2,850
01/1/2005 - 12/31/2005	15,250	12,280	2,970
01/1/2006 - 12/31/2006	15,810	12,720	3,090
01/1/2007 - 12/31/2007	16,400	13,180	3,220
01/1/2008 - 12/31/2008	17,000	13,650	3,350
01/1/2009 - 12/31/2009	17,640	14,150	3,490
01/1/2010 - 12/31/2010	18,290	14,660	3,630
01/1/2011 - 12/31/2011	18,980	15,200	3,780
01/1/2012 - 12/31/2012	19,680	15,750	3,930
01/1/2013 - 12/31/2013	20,390	16,300	4,090
01/1/2014 - 12/31/2014	21,140	16,880	4,260
01/1/2015 - 12/31/2015	21,930	17,500	4,430
01/1/2016 - 12/31/2016	22,740	18,130	4,610
01/1/2017 - 12/31/2017	23,590	18,790	4,800
01/1/2018 - 12/31/2018	24,450	19,450	5,000
01/1/2019 - 12/31/2019	25,360	20,150	5,210
01/1/2020 - 12/31/2020	26,300	20,880	5,420
01/1/2021 - 12/31/2021	27,280	21,640	5,640
01/1/2022 - 12/31/2022	28,290	22,420	5,870
01/1/2023 - 12/31/2023	29,330	23,230	6,110
01/1/2024 - 12/31/2024	30,430	24,070	6,360

B.5 The base capacity credit and operation and maintenance credit shall be derived from the following schedule provided the Commercial Operation Date occurs after December 31, 1993, where "Year 1" equals the first Agreement Year.

Year	BCC + OMC $/MW-MO	BCC $/MW-MO	OMC $/MW-MO
1	10,240	8,330	1,910
2	10,610	8,620	1,990
3	11,000	8,930	2,070
4	11,410	9,260	2,150
5	11,840	9,600	2,240
6	12,280	9,950	2,330
7	12,730	10,300	2,430
8	13,200	10,670	2,530
9	13,690	11,060	2,630
10	14,190	11,450	2,740
11	14,710	11,860	2,850
12	15,250	12,280	2,970
13	15,810	12,720	3,090
14	16,400	13,180	3,220
15	17,000	13,650	3,350
16	17,640	14,150	3,490
17	18,290	14,660	3,630
18	18,980	15,200	3,780
19	19,680	15,750	3,930
20	20,390	16,300	4,090
21	21,140	16,880	4,260
22	21,930	17,500	4,430
23	22,740	18,130	4,610
24	23,590	18,790	4,800
25	24,450	19,450	5,000
26	25,360	20,150	5,210
27	26,300	20,880	5,420
28	27,280	21,640	5,640
29	28,290	22,420	5,870
30	29,330	23,230	6,110
31	30,430	24,070	6,360

150075 Hearing Exhibits 000271

CB-15-00144

APPENDIX C

INSURANCE

CERTIFICATE OF INSURANCE – INTERCONNECTION AGREEMENT

Form 1364-23 (Non-Stocked) Rev. 1/85

THIS CERTIFICATE OF INSURANCE MUST BE APPROVED BY THE RISK MANAGEMENT DEPARTMENT OF FLORIDA POWER & LIGHT COMPANY BEFORE WORK UNDER THE INTERCONNECTION AGREEMENT MAY BEGIN

1. Insured: _____
(PLEASE MAKE SURE THAT NAMED INSURED AGREES WITH NAME ON INTERCONNECTION AGREEMENT)

2. Address of Insured: _____

3. Date of Interconnection Agreement _____

	FORM OF COVERAGE*	INSURER	POLICIES IN FORCE		LIMITS OF LIABILITY (in thousands)	
			Policy Number	Exp. Date	Bodily Injury	Property Damage
4.	Comprehensive General Liability				$ Each Occ.	$ Each
5.	Homeowners					
6.						

*Policy provides a severability of interest clause.

*Policy is primary to any insurance which may be maintained by Florida Power & Light Company, it's parent, subsidiaries or affiliates.

*Policy is free of exclusions excluding coverage for interruption of or curtailment of power supply.

*Policy contains a broad form contractual liability endorsement insuring against the liabilities assumed in the Indemnification Agreement or includes Florida Power and Light Company, it's parent, subsidiaries and affiliates as an additional named insured.

*If Homeowners, policy does not exclude coverage for business pursuits pertaining to the cogenerating facility.

THIS IS TO CERTIFY that all policies of insurance as described above have been issued to the above named insured and are in full force and effect at this time. It is agreed that none of these policies will be cancelled or changed so as to affect the interest(s) of Florida Power & Light Company, it's parent, subsidiaries or affiliates until thirty days after written notice of such cancellation or changes has been delivered to the Risk Management Department of Florida Power & Light Company. It is agreed that a copy of these policies will be delivered to Florida Power & Light Company prior to interconnection.

Date Issued: _____

Signature of Authorized Agent _____

Issuing Agency or Insurance Company _____

Street Address _____

City, State, Zip Code _____

Telephone Number _____

PLEASE SEND ORIGINAL TO:
Florida Power & Light Company
Risk Management Department
P. O. Box 029100
Miami, Florida 33102

CB-15-00146

Florida Power & Light Company
Docket No. 150075-EI
Staff's 1st Request for Production
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APPENDIX D

FORM OF PROJECT CANCELLATION PAYMENT GUARANTEE LETTER

[AES Letterhead]

Florida Power & Light Company
Post Office Box 029100
Miami, Florida 33102

Attention: Director, Bulk Power Markets Department

Consistent with Section 4.1, COMPLETION SECURITY, of the Agreement, Applied Energy Services, Inc. ("AES") guarantees to pay FPL a project cancellation payment according to the following schedule:

Should AES or AES Cedar Bay cancel the Facility subsequent to approval of the Agreement by the FPSC and after the following dates:	AES will submit a payment to FPL of:
March 1, 1990	$ 600,000
January 1, 1991	$1,000,000

This guarantee letter shall not be effective unless and until the FPSC approves the Agreement. Upon such approval, the guarantee letter dated May 6, 1988 contained in the Original Agreement shall be terminated and of no further force and effect.

[Signature]
[Title]

CB-15-00148

APPENDIX E

FACILITY PERFORMANCE CONDITIONS

The following conditions shall be used in the capacity test described in Section 6.0, SALE OF ENERGY AND CAPACITY BY AES CEDAR BAY:

Ambient Temperature	75°F (Dry Bulb)
Relative Humidity	65%
Ambient Pressure	14.7 psia
Generation Power Factor	90%
Boiler Blowdown	0%
Process Steam Extraction	100% (based on contract to host customer)
Circulating Water Inlet Temperature	88°F

150075 Hearing Exhibits 000277

CB-15-00150

APPENDIX F

NERC GUIDELINES[1]

F.1 Equations

F.1.1 Equivalent Availability Factor (EAF)

((AH - (EUDH + EPDH))/PH) x 100 (%)

F.1.2 Equivalent Forced Outage Rate (EFOR)

((FOH + EFDH)/(FOH + SH)) x 100 (%)

F.1.3 Forced Outage Factor (FOF)

(FOH/PH) x 100 (%)

F.1.4 Net Output Factor (NOF)

[NAG/(SH x NMC)] x 100 (%)

F.1.5 Scheduled Outage Factor (SOF)

(SOH/PH) x 100(%)

F.2 Operations and Outage States

F.2.1 Available - the state in which the Facility is capable of providing service, whether or not it is actually in service, regardless of the capacity level that can be provided.

F.2.2 Forced Derating (D1, D2, D3) - an unplanned component failure (immediate, delayed, postponed) or other condition that requires that the load on the unit be reduced immediately or before the next weekend.

F.2.3 Forced Outage (U1, U2, U3, SF) - an unplanned component failure (immediate, delayed, postponed, start-up failure) or other condition that requires that the unit be removed from service immediately or before the next weekend.

F.2.4 Maintenance Derating (D4) - the removal of a component for scheduled repairs that can be deferred beyond the end of the next weekend, but requires a reduction of capacity before the next Planned Outage.

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[1]The NERC guidelines set forth herein are the current version as of the time of execution of this Agreement and are stated solely for the convenience of the Parties. The NERC guidelines may change from time to time and the applicable NERC guidelines will be those in effect at the time.

F.2.5 Maintenance Outage (MO) - the removal of a unit from service to perform work on specific components that can be deferred beyond the end of the next weekend, but requires the unit be removed from service before the next Planned Outage. Typically, an MO may occur any time during the year, have flexible start dates, and may or may not have a predetermined duration.

F.2.6 Planned Derating (PD) - the removal of a component for repairs that is scheduled well in advance and has a predetermined duration.

F.2.7 Planned Outage (PO) - the removal of a unit from service to perform work on specific components that is scheduled well in advance and has a predetermined duration (e.g., annual overhaul, inspections, testing).

F.2.8 Reserve Shutdown (RS) - the state of the Facility when it is available, but not electrically connected for economic reasons.

F.2.9 Scheduled Derating (PD, D4) - a combination of Planned Deratings and Maintenance Deratings of the Facility.

F.2.10 Scheduled Derating Extension (DE) - the extension of a Maintenance or Planned Derating.

F.2.11 Scheduled Outage (PO, MO) - a combination of Planned Outages and Maintenance Outages of the Facility.

F.2.12 Scheduled Outage Extension (SE) - the extension of a Maintenance or Planned Outage.

F.3 Time

F.3.1 Available Hours (AH) - Period Hours (PH) less Planned Outage Hours (POH), Forced Outage Hours (FOH), and Maintenance Outage Hours (MOH).

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F.3.2 Equivalent Forced Derated Hours (EFDH)[2] - the product of the Forced Derated Hours (FDH) and the size of reduction, divided by Net Maximum Capacity (NMC).

F.3.3 Equivalent Planned Derated Hours (EPDH)[2] - the product of the Planned Derated Hours (PDH) and the size of reduction divided by the Net Maximum Capacity (NMC).

F.3.4 Equivalent Unplanned Derated Hours (EUDH)[2] - the product of the Unplanned Derated Hours (UDH) and the size of reduction, divided by the Net Maximum Capacity (NMC).

F.3.5 Forced Derated Hours (FDH) - sum of all hours experienced during Forced Deratings (D1, D2, D3).

F.3.6 Forced Outage Hours (FOH) - sum of all hours experienced during Forced Outages (U1, U2, U3, SF).

F.3.7 Maintenance Derated Hours (MDH) - sum of all hours expressed during Maintenance Deratings (D4) and Scheduled Derating Extensions (DE) for any Maintenance Deratings (D4).

F.3.8 Maintenance Outage Hours (MOH) - sum of all hours experienced during Maintenance Outages (MO) and Scheduled Outage Extensions (SE) of any Maintenance Outages (MO).

F.3.9 Period Hours (PH) - number of hours a unit was in active state (assume 8,760 hours).

F.3.10 Planned Derated Hours (PDH) - sum of all hours experienced during Planned Deratings (PD) and Scheduled Derating Extensions (DE) of any Planned Deratings (PD).

F.3.11 Planned Outage Hours (POH) - sum of all hours experienced during Planned Outages (PO) and Scheduled Outage Extensions (SE) of any Planned Outages (PO).

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[2]Equivalent hours are computed for each derating and then summed. Size of reduction is determined by subtracting the Net Available Capacity (NAC) from the Net Dependable Capacity (NDC). In cases of multiple deratings, the size of reduction of each derating is the difference in the Net Available Capacity of the unit prior to the initiation of the derating and the reported Net Available Capacity as a result of the derating.

F.3.12 **Reserve Shutdown Hours (RSH)** - total number of hours the unit was available for service but not electrically connected to the transmission system for economic reasons.

F.3.13 **Scheduled Outage Hours (SOH)** - sum of all hours experienced during Planned Outages (PO) = Maintenance Outages (MO) + Scheduled Outage Extensions (SE) of any Maintenance Outages (MO) or Planned Outages (PO).

F.3.14 **Service Hours (SH)** - total number of hours a unit was electrically connected to the system.

F.3.15 **Unavailable Hours (UH)** - sum of all Forced Outage Hours (FOH), Maintenance Outage Hours (MOH) and Planned Outage Hours (POH).

F.3.16 **Unplanned Derated Hours (UDH)** - sum of all hours experienced during Forced Deratings (D1, D2, D3), Maintenance Deratings (D4), and Scheduled Derating Extensions (DE) of any Maintenance Derating (D4).

F.4 **Electric Energy and Capacity**

F.4.1 **Gross Available Capacity (GAC)** - greatest capacity at which a unit can operate with a reduction imposed by a derating.

F.4.2 **Gross Dependable Capacity (GDC)** - GMC modified for seasonal limitations over a specified period of time.

F.4.3 **Gross Maximum Capacity (GMC)** - maximum capacity a unit can sustain over a specified period of time when not restricted by seasonal or other deratings.

F.4.4 **Net Available Capacity (NAC)** - GAC less the unit capacity utilized for that unit's station service or auxiliaries.

F.4.5 **Net Actual Generation (NAG)** - actual number of electrical megawatt-hours generated by the unit during the period being considered, less any generation (MWh) utilized for that unit's station service or auxiliaries.

F.4.6 **Net Dependable Capacity (NDC)** - GDC less the unit capacity utilized for that unit's station service or auxiliaries.

F.4.7 **Net Maximum Capacity (NMC)** - GMC less the unit capacity utilized for that unit's station service or auxiliaries.

APPENDIX G **SHEET 1 OF _____**

FACILITY ACTUAL NET GENERATION AND PERFORMANCE DATA

MONTH OF: _____

	MONTH	YEAR TO DATE	PREVIOUS 12 MONTHS
COMMITTED CAPACITY (MW)			
NET GENERATION (MWH)			
NET OUTPUT FACTOR (%)			
AVERAGE NET HEAT RATE (BTU/KWH)			
FUEL TYPE	COAL / WOOD	COAL / WOOD	COAL / WOOD
FUEL BURNED (TONS)	/	/	/
FUEL HEAT VALUE (MMBTU/TON)	/	/	/
FUEL BURNED (MMBTU)	/	/	/

SHEET 2 OF _____

APPENDIX G

FACILITY ACTUAL NET GENERATION AND PERFORMANCE DATA

MONTH OF: _____

		MONTH	YEAR TO DATE	PREVIOUS 12 MONTHS
1	EAF (%)			
2	PH			
3	SH			
4	RSH			
5	UH			
6	POH			
7	FOH			
8	MOH			
9	PDH			
10	EPDH			
11	FDH			
12	EFDH			
13	MDH			
14	EUDH			
15	NDC (MW)			
16	OPER BTU (MMBTU)			
17	NET GEN (MWh)			
18	ANOHR (BTU/KWH)			
19	NOF (%)			
20	NMC (MW)			

NOTE: LINE 16 IS DATA WHEN THE UNIT IS SYNCHRONIZED TO THE SYSTEM ONLY.

SHEET ___ OF ___

APPENDIX G

FACILITY ACTUAL NET GENERATION AND PERFORMANCE DATA

YEAR OF: _____

DATE	OUTAGE TYPE (1)	HOURS	(MW) AFFECTED	DESCRIPTION

(1) FO - FORCED OUTAGE
FD - FORCED DERATING
MO - MAINTENANCE OUTAGE
MD - MAINTENANCE DERATING
PO - PLANNED OUTAGE
PD - PLANNED DERATING

CB-15-00158

APPENDIX H

FORM OF SECOND MORTGAGE AND SECURITY AGREEMENT

150075 Hearing Exhibits 000287

SECOND LEASEHOLD MORTGAGE AND SECURITY AGREEMENT

THIS SECOND LEASEHOLD MORTGAGE AND SECURITY AGREEMENT ("Mortgage") is executed this [ ] day of [ ], 19[ ], by and between AES CEDAR BAY, INC., a corporation organized and existing under the laws of the State of Delaware having its principal place of business in [ ] ("AES Cedar Bay"), whose mailing address is [ ] and FLORIDA POWER & LIGHT COMPANY, a corporation organized and existing under the laws of the State of Florida having its principal place of business in Miami, Florida ("FPL"), whose address is Post Office Box 029100, Miami, Florida 33102.

WITNESSETH:

WHEREAS, [ ] a corporation organized and existing under the laws of the State of Florida ("Lessor"), whose mailing address is [ ], did by a certain lease (hereinafter referred to as the "Ground Lease"), dated [ ], 19[ ], demise and lease unto AES Cedar Bay, its successors and assigns, as "Lessee," all and singular, the premises therein and hereinafter mentioned and described, to have and to hold the same unto AES Cedar Bay, its successors and assigns, for and during and until the end of the term which is currently existing and shall end on [ ], together with the renewals therein provided for, yielding and paying therefore unto said Lessor, the yearly rent, additional rent and other charges therein set forth;

WHEREAS, for good and valuable consideration and to secure the performance and payment of all indebtedness, obligations and liabilities of AES Cedar Bay to FPL now or hereafter existing, incurred or created under that certain Amended and Restated Agreement for the Purchase of Firm Capacity and Energy, dated as of July 2, 1990, between AES Cedar Bay and FPL (the "Power Sale Agreement") which has a termination date the later of December 31, 2024 or thirty-one Agreement Years (as defined in the Power Sale Agreement), and any and all other sums secured by this Mortgage and any renewals, extensions, consolidations or modifications of all of the foregoing, AES Cedar Bay does grant, mortgage, convey, pledge and assign unto

FPL, its successors and assigns, all right, title and interest of AES Cedar Bay now owned or hereafter acquired, in and to the following described property, rights, privileges, interests and franchises, to wit:

All of AES Cedar Bay's right, title and interest in, to and under the Ground Lease, and the leasehold estate created thereby, in that certain tract of land situate in the County of Duval, State of Florida, which is more fully described in Exhibit A attached hereto and made a part hereof, together with any and all buildings, structures and improvements thereon erected or to be erected, constructed or situated thereon and all machinery, apparatus, fixtures and articles of personal property now or hereafter attached or appurtenant to or used in connection with any such building, structure or other improvement therein or thereon, together with any and all replacements thereof, additions thereto and enlargements, extensions, modifications or repairs thereof (all hereinafter referred to as the "Premises");

TOGETHER with the following property rights;

(a) All right, title and interest of AES Cedar Bay in and to all subleases covering the Premises or any portion thereof now or hereafter existing or entered into, and all right, title and interest of AES Cedar Bay thereunder, including, without limitation, all cash or security deposits, advance rentals, and deposits or payments of similar nature;

(b) All right, title and interest of AES Cedar Bay in and to all options to purchase or lease the Premises or any portion thereof or interest therein, and any greater estate in the Premises owned or hereafter acquired;

(c) All interests, estate or other claims, both in law and in equity, which AES Cedar Bay now has or may hereafter acquire in the Premises;

(d) All right, title and interest of AES Cedar Bay in and to (i) all easements, rights-of-way and rights used in connection with the Premises or as a means of access thereto and all tenements, hereditaments and appurtenances thereof and thereto, (ii) any streets and roads abutting said Premises to the center lines thereof and in and to any strips or gores of land therein, all water, sanitary and storm systems that are now or hereafter located on or

adjacent to the Premises and (iii) all gas and oil rights, mineral rights, timber rights and riparian and littoral rights pertaining to the Premises;

(e) All awards and proceeds to which AES Cedar Bay is entitled by virtue of any taking of all or part of the Premises by condemnation or exercise of the right of eminent domain or other taking, as hereinafter more particularly set forth;

(f) All estate, right, title and interest of every nature whatsoever of AES Cedar Bay in and to all rents, issues and profits of the Premises, as hereinafter more particularly set forth; and

(g) All right, title and interest of AES Cedar Bay, if any, in and to (i) all modifications, extensions and renewals of the Ground Lease and in and to all rights to renew or extend the term of said Ground Lease, and (ii) all credits, deposits, options, privileges and rights of AES Cedar Bay, as Lessee under said Ground Lease.

The Premises and all of the property, rights, privileges and franchises granted herein by AES Cedar Bay to FPL are collectively referred to as the "Mortgaged Property."

TO HAVE AND TO HOLD all and singular the Mortgaged Property hereby conveyed, the tenements, hereditaments and appurtenances thereunto belonging or in anyway appertaining to the Mortgaged Property and the reversion and reversions, remainder and remainders, rents, issues and profits thereof and all estate, right, title, interest, property, possession, claim and demand whatsoever as well in law, as in equity of AES Cedar Bay in and to the same and every part and parcel thereof unto FPL.

PROVIDED, HOWEVER, that these presents are upon the condition that if AES Cedar Bay shall perform all of its obligations under the Power Sale Agreement and pay all amounts secured by this Mortgage, at the times and in the manner stipulated therein and herein, all without any deduction or credit for taxes or other similar charges paid by AES Cedar Bay, and shall keep, perform and observe all and singular the covenants and promises in the Power Sale Agreement, and any renewal, extension, consolidation or modification thereof, and in this Mortgage expressed to be kept, performed and observed by and on the part of AES Cedar Bay, all without fraud or delay, then this Mortgage and all properties, interest and

rights granted, mortgaged and conveyed shall cease, terminate and be void but until same shall occur, this Mortgage shall otherwise remain in full force and effect.

ARTICLE 1

COVENANTS AND AGREEMENTS OF AES CEDAR BAY

To protect the security of this Mortgage, AES Cedar Bay further covenants, warrants and agrees with FPL as follows:

1.01 Performance of Obligations. AES Cedar Bay shall perform each and every obligation imposed upon it by the Power Sale Agreement and this Mortgage.

1.02 Title Warranties and Representations. AES Cedar Bay hereby covenants with FPL that: (a) AES Cedar Bay is seized of said Premises, (b) AES Cedar Bay has full power and lawful right to convey the same as aforesaid, (c) it shall be lawful for FPL at all times to peaceably and quietly enter upon, hold, occupy and enjoy said Premises and every part thereof, (d) AES Cedar Bay will make such further assurances to perfect its leasehold title to said Premises, as may reasonably be required, (e) the Mortgaged Property is free of all liens and encumbrances except as reflected in Exhibit B attached hereto and made a part hereof and for taxes for the current year, (f) that (i) the Ground Lease is a valid and subsisting lease of the property therein described and purported to be demised thereby for the term therein set forth and is in full force and effect in accordance with the terms thereof and has not been modified, and there are no existing defaults by the Ground Lessor or by AES Cedar Bay, as Lessee, thereunder and (ii) AES Cedar Bay is the owner and holder of said Ground Lease and of the leasehold estate created thereby, and (g) AES Cedar Bay will defend same against the lawful claims of all persons whomsoever, subject only to those matters set forth in Exhibit B.

1.03 Required Insurance. AES Cedar Bay will, at AES Cedar Bay's sole cost and expense, maintain or cause to be maintained with respect to the Mortgaged Property, and each part thereof (i) business interruption insurance and (ii) insurance against loss or damage to the building improvements on the land and the fixtures therein (hereinafter referred to as the "Improvements") by fire and any of the risks covered by insurance of the type known as "all-risk,"

Coverage shall be in the form and amounts specified in Section 15.0 of the Power Sale Agreement.

1.04 Delivery of Policies, Payment of Premiums. Subject to Section 1.03 above, all policies of insurance shall be issued by companies and in amounts satisfactory to FPL. All policies of insurance shall name FPL as an additional insured, as its interest may appear, but subject to the prior claim of the First Mortgagee (as defined in Section 5.18 below), in form satisfactory to FPL. At least fifteen days prior to expiration of each such policy, AES Cedar Bay shall furnish FPL with evidence reasonably satisfactory to FPL of payment of premium and reissuance of a policy continuing insurance in force as required by this Mortgage. All such policies shall contain a provision that such policies will not be canceled or materially amended, which term shall include any amendment which shall in any way reduce the scope or limits of coverage, without at least thirty days (or at least ten days if due to the non-payment of premiums) prior written notice to FPL. In the event AES Cedar Bay fails to provide, maintain, keep in force or deliver and furnish to FPL the policies of insurance or certificates thereof, as required by this Section 1.04, FPL may procure such insurance or single interest insurance for such risks covering FPL's interest. Repayment shall be made by AES Cedar Bay to FPL for such expenditures together with interest on said sums at four (4) percent in excess of the average of the three (3) year U.S. Treasury note rate for the period of the advance computed from the date of such advance to the date of the actual receipt of payment thereof by FPL.

1.05 Insurance Proceeds. After the happening of any casualty to the Mortgaged Property or any part thereof, AES Cedar Bay shall give prompt written notice thereof to FPL. AES Cedar Bay shall apply such proceeds to repairs or restorations or reduction of debt as required by the First Mortgagee, or if such First Mortgage is satisfied:

(a) in the event of damage to or destruction of the Improvements, AES Cedar Bay shall apply the proceeds as it sees fit unless, (i) there exists an Event of Default as defined in the Power Sale Agreement (which would not be cured by such application), or (ii) such application would cause an Event of Default to exist. In either such occurrence, FPL shall have the option, in its sole

discretion (subject to Subsection 1.05(b) below), of applying or paying all or part of the insurance proceeds, (x) to any obligation secured hereby and then due and owing to FPL, in such order as FPL may determine, or (y) to the restoration of the Improvements, or (z) to AES Cedar Bay;

(b) if there exists an Event of Default (as defined under the Power Sale Agreement) which would not be cured by the application of insurance proceeds to repair or restore the Improvements, or such application would cause an Event of Default to exist, FPL agrees not to unreasonably withhold consent to the use of insurance proceeds for restoration of the Improvements following a partial casualty loss, subject to (i) AES Cedar Bay maintaining this Mortgage free from any Event of Default (as defined in Section 4.01 below) at all times and (ii) AES Cedar Bay providing evidence that adequate funds are available to restore the Improvements and advancing any additional funds required prior to the disbursement of insurance proceeds; and

(c) in the event of such loss or damage, all proceeds of insurance shall be payable to FPL and AES Cedar Bay hereby authorizes and directs any affected insurance company to make payment of such proceeds directly to FPL. If there exists an Event of Default under the Power Sale Agreement, FPL is hereby authorized and empowered by AES Cedar Bay to settle, adjust or compromise any claims for loss, damage or destruction under any policy or policies of insurance, and AES Cedar Bay hereby irrevocably appoints FPL its attorney-in-fact coupled with an interest with the power and authority in such instances to endorse any checks, drafts or other instruments representing any proceeds of such insurance, whether payable by reason of loss thereunder or otherwise.

Nothing herein shall relieve AES Cedar Bay from its obligations under the Power Sale Agreement and any other obligation of AES Cedar Bay secured hereby.

1.06 Assignment of Policies Upon Foreclosure. In the event of foreclosure of this Mortgage or other transfer of title or assignment of the Mortgaged Property in extinguishment, in whole or in part, of the debt secured hereby, all right, title and interest of AES Cedar Bay in and to all policies of insurance required by this Mortgage shall inure to the benefit of and pass to the successor in interest to AES Cedar Bay or the purchaser or grantee of the Mortgaged Property.

1.07 Indemnification; Waiver of Offset. (a) If FPL is made a party defendant to any litigation (including without limitation, any litigation brought by AES Cedar Bay whether initially or by counterclaim) concerning this Mortgage, then AES Cedar Bay shall indemnify, defend and hold FPL harmless from all liability by reason of said litigation, including reasonable attorneys' fees, paralegal charges and legal expenses, including those incurred during appellate proceedings, incurred by FPL in any such litigation, whether or not such litigation is prosecuted to judgment, save and except such indemnification shall not apply to an action by AES Cedar Bay against FPL, or by FPL against AES Cedar Bay if AES Cedar Bay is the prevailing party, and (b) the obligations and liabilities of AES Cedar Bay hereunder shall in no way be released or discharged (except as expressly provided herein or in the Power Sale Agreement) by reason of: (i) any damage to or destruction of or any condemnation or similar taking of the Mortgaged Property or any part thereof (except to the extent that FPL is found to be responsible therefore), (ii) any destruction, prevention of or interference with any use of the Mortgaged Property or any part thereof (except to the extent that FPL is found to be responsible therefore), (iii) any title defect, encumbrance or eviction from the Premises or the Improvements or any part thereof by title paramount or otherwise, or (iv) any bankruptcy, insolvency, reorganization, composition; adjustment, dissolution, liquidation or other like proceeding relating to AES Cedar Bay, or any action taken with respect to this Mortgage by any trustee or receiver of FPL; or by any court in any such proceeding.

1.08 Taxes, Utilities and Impositions. AES Cedar Bay will pay, or cause to be paid and discharged, on or before the last day on which they may be paid without penalty or interest (other than interest which may be payable in the ordinary course of business, as permitted by installment payments prior to the final payment date), all such duties, taxes, sewer rents, charges for water, or for setting or repairing meters, and all other utilities in the improvements or on the Premises or any part thereof, and any assessments and payments which shall be imposed upon or become due and payable or become a lien upon the Premises or any part thereof and sidewalks or streets in front thereof by virtue of any present or future law of the United States or the State, County or City wherein

the Premises are located (all of the foregoing being herein collectively called "Impositions"). In default of any such payment of any Imposition, FPL may pay the same; provided, however, AES Cedar Bay may contest in good faith the legality or amount of any Imposition by appropriate legal proceedings which do not cause a loss of the Premises. Repayment shall be made by AES Cedar Bay to FPL for such expenditures together with interest on said sums at four (4) percent in excess of the average of the three (3) year U.S. Treasury note rate for the period of the advance computed from the date of such advance to the date of the actual receipt of payment thereof by FPL.

AES Cedar Bay will make available for review by FPL in AES Cedar Bay's office during reasonable hours the original receipts or other reasonably satisfactory proof of the payment of all Impositions which may affect the Mortgaged Property or any part thereof or the lien of this Mortgage promptly following the last date on which each such Imposition is payable hereunder.

1.09 Eminent Domain. (a) Should the Mortgaged Property or any part thereof or interest therein which materially affects AES Cedar Bay's production of electricity, be taken or damaged by reason of any public use or improvement or condemnation proceeding, or in any other manner ("Condemnation") or should AES Cedar Bay receive any notice or information regarding such Condemnation, AES Cedar Bay shall give prompt written notice thereof to FPL;

(b) Subject to the prior rights of the First Mortgagee, FPL shall be entitled to all awards, compensation, and other payment or relief granted in connection with such Condemnation and shall be entitled, at its option, to appear jointly with AES Cedar Bay, or if an Event of Default shall exist, to appear in its own name or AES Cedar Bay's name, in any action or proceeding relating thereto. In the event of such an appearance, AES Cedar Bay agrees to pay reasonable attorneys' fees, paralegal charges and legal expenses, including those incurred during any appellate proceedings, incurred by FPL. All compensation, awards, damages, rights of action and proceeds awarded to AES Cedar Bay (the "Proceeds") are hereby assigned to FPL, subject to the prior rights, if any, of the First Mortgagee, and AES Cedar Bay agrees to execute such further assignments of the Proceeds as FPL may require; and

(c) In the event any portion of the Mortgaged Property is so taken or damaged, FPL shall have, subject to the prior rights, if any, of the First Mortgagee, the option in its sole and absolute discretion to apply all such Proceeds, after deducting therefrom all reasonable costs and expenses (regardless of the particular nature thereof whether incurred with or without suit), including attorneys' fees, paralegal charges and legal expenses, including those incurred during appellate proceedings, incurred by it in connection with such Proceeds, to satisfy AES Cedar Bay's obligations under the Power Sale Agreement, provided, however, unless an Event of Default shall have occurred, the Proceeds may be used for the restoration of the Mortgaged Property following a Condemnation, subject to (i) AES Cedar Bay maintaining this Mortgage free from any Event of Default at all times and (ii) AES Cedar Bay providing evidence that adequate funds are available to restore or replace the Mortgaged Property and advancing such additional funds prior to the disbursement of any of the Proceeds.

Nothing herein shall relieve AES Cedar Bay from its obligation under the Power Sale Agreement and any other obligation of AES Cedar Bay secured hereby.

1.10 Action of FPL to Preserve Security of this Mortgage. In the event FPL is called upon to pay any sums of money to protect this Mortgage and the Power Sale Agreement as aforesaid, all monies so advanced hereunder shall be immediately due and payable together with interest on said sum at four (4) percent in excess of the average of the three (3) year U.S. Treasury note rate for the period of the advance computed from the date of such advance to the date of the actual receipt of payment thereof by FPL.

1.11 Liens. AES Cedar Bay will not permit any liens, encumbrances, mechanics', laborers', statutory or other liens and charges upon the Mortgaged Property other than those matters set forth in Exhibit B, and shall pay and promptly discharge, at AES Cedar Bay's cost and expense, all such liens, encumbrances and charges upon the Mortgaged Property or any part thereof or interest therein. AES Cedar Bay shall have the right to contest in good faith the validity of any such lien, encumbrance or charge, provided AES Cedar Bay shall first deposit acceptable security with a court of competent jurisdiction sufficient to eliminate the lien as a lien upon the Premises. If AES Cedar Bay shall fail to transfer the lien to a bond or otherwise discharge any such lien,

encumbrance or charge, then in addition to any other right or remedy of FPL, FPL may but is not obligated to discharge same, either by paying the amount claimed to be due or by procuring the discharge of such lien by depositing in court a bond for the amount claimed or otherwise giving security for such claim, or in such manner as is or may be prescribed by law. Repayment shall be made by AES Cedar Bay to FPL for such expenditures together with interest on said sums at four (4) percent in excess of the average of the three (3) year U.S. Treasury note rate for the period of the advance computed from the date of such advance to the date of the actual receipt of payment thereof by FPL.

1.12 Hazardous Materials. AES Cedar Bay expressly represents to FPL that the Mortgaged Property or any part thereof (i) to the best of its knowledge, other than as may be stated in that certain environmental assessment prepared by Dames & Moore dated June 7, 1989 and that certain preliminary contamination assessment prepared by G. Warren Leve, Inc. dated November 12, 1987, has not in the past been used, (ii) is not now being used, nor (iii) will in the future be used for handling, storage, transportation, or disposal of hazardous or toxic materials, except as previously disclosed in writing to FPL. AES Cedar Bay shall not use, generate, manufacture, store or dispose of, on, under or about the Mortgaged Property or transport to or from the Mortgaged Property any flammable explosives, radioactive materials, including any substances defined as or included in the definition of "hazardous substances, hazardous waste, hazardous materials and toxic substances " under any applicable federal, state or local laws or regulations in effect during the term of this Mortgage (collectively, the "Hazardous Materials"), except as otherwise specifically provided for in Exhibit C hereto. AES Cedar Bay covenants that AES Cedar Bay is in compliance with and maintains compliance with all the provisions of the Federal Water Pollution Control Act, Comprehensive Environmental Response, Compensation and Liability ("Superfund") Act of 1980, and Solid Waste Disposal Act, Florida Statutes Chapter 376, and other similar federal, state and local statutory schemes imposing compliance responsibility or liability on AES Cedar Bay.

AES Cedar Bay hereby agrees to indemnify FPL and hold FPL harmless from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial

action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including but not limited to attorneys' fees, paralegal charges and legal expenses, including those incurred during any appellate proceeding), arising directly or indirectly, in whole or in part, out of (a) the presence on or under the Mortgaged Property of any Hazardous Materials or releases or discharges of Hazardous Materials on, under or from the Mortgaged Property (except to the extent that FPL is found to be responsible therefore), (b) any activity carried on or undertaken on or off the Mortgaged Property, whether prior to or during the term of the Mortgage, and whether by AES Cedar Bay or any predecessor in title or any employees, agents, contractors or subcontractors of AES Cedar Bay or any predecessor in title, or third persons at any time occupying or present on the Mortgaged Property in connection with the treatment, decontamination, handling, removal, storage, clean-up, transport or disposal of any Hazardous Materials at any time located or present on or under the Mortgaged Property, and (c) any breach of the covenants contained in this Section 1.12. The foregoing indemnity shall further apply to any residual contamination on or under the Mortgaged Property or affecting any natural resources, any contamination of or damages to any property or natural resources arising in connection with the generation, use, handling, storage, transport or disposal of any such Hazardous Materials, and irrespective of whether any such activities were or will be undertaken in accordance with applicable laws, regulations, codes and ordinances. The obligation of AES Cedar Bay to indemnify and hold harmless under this Section 1.12 shall survive any foreclosure of this Mortgage or any transfer of the Mortgaged Property by deed or other instrument in lieu of foreclosure.

1.13 Other Mortgage Liens. AES Cedar Bay represents and warrants that it will perform and promptly fulfill all of the covenants contained in any superior or inferior mortgages on any and all of the Premises encumbered hereby. In the event AES Cedar Bay shall fail to do so, FPL may, in addition to the rights otherwise granted FPL hereunder, at its election, perform or fulfill such covenants of any such superior or inferior mortgages without affecting its option to foreclose any of the rights hereunder, and the cost thereof, together with interest on said sums at four (4) percent in excess of the average of the three

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(3) year U.S. Treasury Note rate for the period of the advance computed from the date of such advance to the date of actual receipt of payment thereof by FPL, shall be secured hereby. Nothing in this Section 1.13 shall be construed to waive the prohibition of further encumbering the Mortgaged Property without FPL's prior written consent.

1.14 Ground Rent. AES Cedar Bay will pay or cause to be paid, when due and payable by AES Cedar Bay pursuant to the provisions of the Ground Lease, but in any event not later than ten (10) days after notice of default is given by the Ground Lessor to FPL pursuant to the applicable section of the Ground Lease, all rentals, additional rent and other payments required to be paid by the Lessee under said Ground Lease. Within twenty (20) days after the date of each such payment, AES Cedar Bay shall deliver to FPL the original or a photostatic copy of the official receipt evidencing such payment or other proof of payment satisfactory to FPL. FPL will accept as proof of payment of rent payable under the Ground Lease a certification executed by a responsible officer of AES Cedar Bay to the effect that such rent has been paid. To the extent that the Ground Lease shall grant to AES Cedar Bay, as Lessee thereunder, the privilege to postpone or defer the payment of any imposition set forth in the Ground Lease, or any additional rent or other payment, the failure of AES Cedar Bay to pay the same shall not constitute an Event of Default hereunder if and so long as AES Cedar Bay shall faithfully comply with all of the conditions and other requirements of said Ground Lease with respect to the exercise of such privilege.

1.15 Performance of Ground Lease. AES Cedar Bay covenants that, in addition to the payment of all rentals, additional rent, impositions (as defined in the Ground Lease), and other payments and charges required to be paid by AES Cedar Bay, as Lessee, under and pursuant to the provisions of the Ground Lease, AES Cedar Bay:

(a) will diligently perform and observe all of the terms, covenants, and conditions of the Ground Lease required to be performed and observed by AES Cedar Bay as such Lessee unless such performance or observance shall have been waived or not required by the Lessor, to the end that all things shall be done which are necessary to keep unimpaired AES Cedar Bay's rights as Lessee under the Ground Lease;

necessary to keep unimpaired AES Cedar Bay's rights as Lessee under the Ground Lease;

(b) will promptly notify FPL in writing of any default by the Ground Lessor in the performance or observance of any of the terms, covenants or conditions on the part of Ground Lessor to be performed or observed, or of the occurrence of any event regardless of lapse of time, of the character specified in Article 4 hereof;

(c) will promptly (i) advise FPL in writing of the giving of any notice by the Lessor to AES Cedar Bay of any default by AES Cedar Bay, as such Lessee, in the performance or observance of any of the terms, covenants or conditions of the Ground Lease on the part of AES Cedar Bay, as Lessee thereunder, to be performed or observed, and (ii) deliver to FPL a true copy of each such notice;

(d) will, at least six (6) months prior to the last day upon which AES Cedar Bay, as such Lessee, may validly exercise any option to renew or extend the term of the Ground Lease, (i) exercise such option in such manner as will cause the term of said Ground Lease to be effectively renewed or extended for the period provided by such option, and (ii) give immediate written notice thereof to FPL; it being expressly agreed that, in the event of the failure of AES Cedar Bay so to do, FPL shall have, and is hereby granted, the irrevocable right to exercise any such option either in its own name and behalf or in the name and behalf of a designee or nominee of FPL or in the name and behalf of AES Cedar Bay, as FPL shall in its sole discretion determine, provided that, unless an Event of Default shall have occurred, if FPL elects to exercise such option, it shall do so in the name of AES Cedar Bay;

(e) will, promptly after the execution and delivery of this Mortgage or of any instrument or agreement supplemental hereto, notify the Lessor in writing of the execution and delivery thereof and deliver to the Lessor a copy of each such instrument or agreement;

(f) will promptly notify FPL in writing in the event of the initiation of any arbitration proceeding under and pursuant to the provisions of the Ground Lease, it being expressly agreed that if, at the time any such arbitration proceedings shall be initiated, an Event of Default shall have occurred hereunder or AES Cedar Bay shall be in default in the performance or observance of any

term, covenant, condition or requirement of said Ground Lease, on the part of AES Cedar Bay to be performed or observed, after giving affect to any applicable grace period, FPL shall have, and is hereby granted (subject to the rights of the First Mortgagee, if any), the sole and exclusive right to designate and appoint the arbitrator to be appointed by AES Cedar Bay in such arbitration proceeding, provided FPL shall make such appointment on or before the fifth day prior to the expiration of the term permitted for AES Cedar Bay to appoint the arbitrator; and

(g) will, within thirty (30) days after written demand by FPL, obtain from the Lessor and furnish to FPL an estoppel certificate of the Lessor stating (i) that the Ground Lease has not been amended, (ii) that the Ground Lease is in full force and effect, (iii) that no notice of the existence of a default by the tenant under the Ground Lease has been sent by Lessor and (iv) the date through which the rent and other charges payable by the tenant under the Ground Lease have been paid.

1.16 No Merger. AES Cedar Bay further covenants and agrees that there shall be no merger of the Ground Lease, or of the leasehold estate created thereby, or (except as provided in the Ground Lease) of any building, building service equipment or other improvement now or hereafter constituting a portion of the Mortgaged Premises, with the fee estate of the owner or owners of the land and premises described in the Ground Lease, by reason of the fact that said Ground Lease or the leasehold interest created thereby, or any interest in any such building, equipment or other improvements, may be held by or for the account of any person or persons who shall be the owner or owners of such fee estate in said land and premises, unless and until all persons at the time having an interest in the fee estate in said land and premises and all persons, including FPL, at the time having an interest in said Ground Lease, leasehold estate, buildings, equipment and improvements shall join in a written instrument effecting such merger and shall duly record the same. All property of every kind acquired by AES Cedar Bay after the date hereof, which by the terms hereof, is required or intended to be subjected to the lien of this Mortgage shall, immediately upon the acquisition thereof by AES Cedar Bay, and without any further mortgage, conveyance, assignment or transfer, become subject to the lien of this Mortgage. Nevertheless, AES Cedar Bay will do, execute acknowledge and

If any action or proceeding shall be instituted to evict AES Cedar Bay or recover possession of the Mortgaged Premises or for the foreclosure of any subordinate mortgage or for any other purpose affecting the said Ground Lease or this Mortgage, AES Cedar Bay will immediately, upon service thereof, on or by AES Cedar Bay, deliver to FPL a true copy of each precept, petition, summons, complaint, notice of motion, order to show cause, and all other processes, pleadings and papers however designated, served in such action or proceeding and in any such action or proceeding.

1.17 Bankruptcy of Lessor. Without limiting any rights of FPL otherwise provided to FPL under this Mortgage, it is further agreed and understood that:

(a) All references made in this section and its subsections to the "Bankruptcy Code" or any section or provision thereof shall mean the Bankruptcy Code as set forth in Title 11, United States Code, Section 101 et. seq., as may be amended, supplemented or supplanted from time to time.

(b) The lien and security interest provided to FPL under this Mortgage shall extend to and include all rights, claims and remedies which may be available to AES Cedar Bay in the event that the Lessor or the Mortgaged Property becomes subject to a bankruptcy case or proceeding pursuant to the Bankruptcy Code. Such lien and security interest shall extend to and include, without limitation:

(i) All amounts payable pursuant to any proof of claim or relating to the assumption or rejection of the Ground Lease.

(ii) All amounts payable pursuant to any administrative claim or expense or pursuant to Section 365(d) of the Bankruptcy Code.

(iii) All rights of AES Cedar Bay to remain in possession of the Mortgaged Property pursuant to Section 365(h)(1) of the Bankruptcy Code and all rights and amounts related to or arising from offsets pursuant to Section 365(h)(2) of the Bankruptcy Code.

(c) In any bankruptcy case or proceeding of the Lessor (or any successor) or involving the Mortgaged Property, FPL shall, subject to the prior rights, if

any, of the First Mortgagee, have the option (but not the obligation), to the exclusion of AES Cedar Bay, to assert all rights, claims and remedies available to AES Cedar Bay in such case or proceeding. Without limiting the foregoing, FPL shall have the right to file, commence, prosecute and defend all proofs of claim, adversary proceedings, contested matters, motions, applications, notices, discovery, examinations, and proceedings relating to the acceptance or rejection of the Ground Lease or otherwise concerning any matters arising under or related to Section 365 of the Bankruptcy Code. FPL, using counsel of FPL's choice, shall be permitted to proceed in its own name or in the name of AES Cedar Bay, and AES Cedar Bay agrees to execute any and all powers, authorizations, consents or other documents reasonably required by FPL in connection therewith. The rights of FPL pursuant to this subsection 1.17(c) shall be exercisable by FPL regardless of the existence of sny Events of Default under the Power Sale Agreement or this Mortgage; provided, however, that AES Cedar Bay shall have the right to proceed in such bankruptcy case including, without limitation, the right to file, commence, prosecute and defend all proofs of claim, adversary proceedings, contested matters, motions, application, notices, discovery and examinations if FPL has failed to take such action before the fifth (5th) business day prior to the date such action should be taken to preserve or enforce the rights of AES Cedar Bay, provided, AES Cedar Bay provides written notice of its proposed action to FPL as soon as practicable but in no event later than three (3) business days before it takes such action. Notwithstanding the foregoing, AES Cedar Bay shall not take any such action in a bankruptcy case or proceeding of the Lessor or involving the Mortgaged Property if AES Cedar Bay receives from FPL a written objection to such proposed action prior to taking such action. AES Cedar Bay shall, upon demand, pay to FPL all reasonable costs and expenses (including attorneys' fees, paralegal charges and legal expenses, including those incurred during appellate proceedings) paid or incurred by FPL in connection with any litigation or other matters arising in or related to a bankruptcy proceeding or case of the Lessor or involving the Mortgaged Property which affects this Mortgage or the Power Sale Agreement. Any such costs or expenses not paid as aforesaid shall be secured by the lien or security interest of this Mortgage and shall accrue interest at four percent (4%) in excess of the average three (3) year U.S. Treasury note rate for the period of the advance computed from the date of any advance to the date of the actual receipt of payment by FPL.

(d) Without limiting the foregoing, AES Cedar Bay shall not, without FPL's prior written consent, elect or consent to treat the Ground Lease as terminated under Section 365(h)(1) of the Bankruptcy Code. Any such election or consent made without FPL's prior written consent shall be null and void.

(e) If, pursuant to Section 365(h)(2) of the Bankruptcy Code, AES Cedar Bay seeks to offset against the rent reserved in the Ground Lease as to any of the Mortgaged Property the amount of any damages caused by the non-performance of the Lessor or any of the Lessor's obligations under the Ground Lease, AES Cedar Bay shall, prior to effecting such offset, notify FPL in writing of its intent to do so, setting forth the amounts proposed to be offset and the basis therefor. FPL shall have the right to object to all or any part of such offset, and, in the event of such objection, AES Cedar Bay shall not effect any offset of the amount so objected to by FPL. If FPL does not object to the proposed offset within ten (10) business days after receipt of the required notice, AES Cedar Bay may proceed to effect the offset in the amount set forth in the notice. Notwithstanding any other provisions hereof, so long as no Event of Default under the Power Sale Agreement or this Mortgage has occurred and is continuing, AES Cedar Bay shall have the right to retain and use the permitted offset amounts. AES Cedar Bay shall indemnify and save FPL harmless from an against any and all claims, demands, actions, suits, proceedings, damages, losses, costs and expenses of every nature whatsoever (including, without limitation, attorneys' fees, paralegal charges and legal expenses, including those incurred in appellate proceedings) arising from or relating to any offset by AES Cedar Bay against the rent reserved by the Ground Lease.

(f) AES Cedar Bay shall promptly, after obtaining knowledge thereof, notify FPL orally of any filing of a case or proceeding under the Bankruptcy Code by the Lessor or involving the Mortgaged Property. AES Cedar Bay shall thereafter forthwith provide written notice to FPL of such case or proceeding, setting forth any information available to it as to the date of any filing, the court where the filing occurred, applicable case numbers and the relief being sought. AES Cedar Bay shall promptly deliver to FPL, upon receipt, any and all notices, summonses, pleadings, papers, applications, motions or other documents received by it in connection with any such case or proceeding.

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ARTICLE 2

COLLECTION OF SUBLEASES,

FRANCHISES, ISSUES AND PROFITS UPON DEFAULT

2.01 Collection Upon Default. Upon any Event of Default under this Mortgage, to the extent permitted by law, FPL may (subject to the prior rights, if any, of the First Mortgagee), at any time without notice, either in person, by agent or by a receiver appointed by the court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Mortgaged Property or any part thereof. To the extent permitted by law, upon and during the continuance of an Event of Default, FPL may (subject to the prior rights, if any, of the First Mortgagee) in its own name, sue for or otherwise collect such rents, issues, and profits, including past due and unpaid, and apply same less costs and expenses of operation and collection, including attorneys' fees, paralegal charges and legal expenses, including those incurred during appellate proceedings, to any indebtedness secured hereby in such order as FPL may determine. The collection of such rents, issues and profits or the entering upon and taking possession of the Mortgaged Property, or application thereof as aforesaid shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default. In addition (and not as an election of remedies), upon the occurrence of an Event of Default, FPL may (subject to the prior rights, if any, of the First Mortgagee) apply for a court order requiring AES Cedar Bay to deposit all rents in the court registry pursuant to Florida Statute 697.07, as amended. AES Cedar Bay hereby consents to entry of such an order upon the sworn ex parte motion of FPL upon the occurrence of an Event of Default hereunder.

ARTICLE 3

SECURITY AGREEMENT

3.01 Creation of Security Interest. AES Cedar Bay hereby grants to FPL a security interest in (i) the rights, claims and remedies provided for in Section 1.17 above and (ii) all rental and security deposits collected by AES Cedar Bay from sub-tenants in the Premises, if any. A security interest is also granted to FPL in any sums held by FPL pursuant to the provisions of this Mortgage, or other collateral agreements or any agreements between AES Cedar Bay,

FPL and any escrow agent holding loan proceeds pending disbursements as provided in such agreements where such sums are held for the benefit of FPL.

ARTICLE 4

EVENT OF DEFAULT AND REMEDIES UPON DEFAULT

4.01 Event of Default. The term "Event of Default" wherever used in this Mortgage, shall mean any one or more of the following events:

(a) Any Event of Default under the Power Sale Agreement shall have occurred and shall not have been cured during the period, if any, allowed for such cure in the Power Sale Agreement.

(b) If (i) foreclosure proceedings should be instituted on any mortgage inferior or superior to this Mortgage, or (ii) if any foreclosure proceeding is instituted on any lien of any kind and is not dismissed or transferred to a bond within sixty days of the service of foreclosure proceedings on AES Cedar Bay.

(c) If AES Cedar Bay, pursuant to Florida Statutes 697.04(1)(b), as amended from time to time, shall file an instrument of record limiting the maximum amount which may be secured by this Mortgage.

(d) If AES Cedar Bay is in default of any material provision of this Mortgage or the Security Agreement from AES Cedar Bay to FPL, dated the date hereof, and AES Cedar Bay fails to cure such default within sixty days after notice of such default from FPL to AES Cedar Bay, provided, however, so long as the default is not the failure to pay money, if it is not feasible to correct such default within sixty days after notice from FPL to AES Cedar Bay, but it remains feasible to correct such default within one year after such notice, it shall not constitute an Event of Default hereunder until the earliest feasible date within such one year period when cure could be effected so long as (i) corrective action by AES Cedar Bay is instituted within ten days of the date of such notice, (ii) such corrective action is diligently pursued, (iii) AES Cedar Bay provides FPL monthly written reports as to the nature and progress of such corrective action, and (iv) such cure is effected within one year of said notice.

4.02 Acceleration Upon Default, Additional Remedies. In the event one or more "Events of Default" as above provided shall occur, the remedies available to FPL shall include, but not necessarily be limited to, any one or more of the following:

(a) FPL may declare all obligations of AES Cedar Bay secured hereby, including but not limited to the Termination Fee (as defined in the Power Sale Agreement), immediately due and payable without further notice.

(b) FPL may apply, to any court of competent jurisdiction, for the appointment of a receiver as provided in Section 3.7.2 of the Power Sale Agreement. All expenses, fees and compensation incurred pursuant to a receivership approved by such court, shall be secured by the lien of this Mortgage until paid.

(c) FPL shall have the right to foreclose this Mortgage and in case of sale in an action or proceeding to foreclose this Mortgage, FPL shall have the right to sell the Mortgaged Property covered hereby in parts or as an entirety. It is intended hereby to give to FPL the widest possible discretion permitted by law with respect to all aspects of any such sale or sales.

(d) It shall also not be necessary that FPL pay any Impositions, premiums or other charges regarding which AES Cedar Bay is in default before FPL may invoke its rights hereunder.

(e) FPL may exercise all other remedies available at law or equity in such order as FPL may elect.

(f) All such other remedies available to FPL with respect to this Mortgage shall be cumulative and may be pursued concurrently or successively. No delay by FPL in exercising any such remedy shall operate as a waiver thereof or preclude the exercise thereof during the continuance of that or any subsequent default.

(g) The obtaining of a judgment or decree with respect to any obligation under the Power Sale Agreement, whether in the State of Florida or elsewhere, shall not in anyway affect the lien of this Mortgage upon the Mortgaged Property covered hereby.

(h) FPL may retain any portion of the Energy and Capacity Payments otherwise due and payable under the Power Sale Agreement which would result in a net increase in the Termination Fee, in the manner provided in Sections 3.6.6, TERM AND TERMINATION, 12.8, BASIS FOR PAYMENT BY FPL, and 21.1, SECURITY, of the Power Sale Agreement.

4.03 Expenses. AES Cedar Bay shall pay, or reimburse FPL for all costs, charges and expenses, including reasonable attorneys' fees, paralegal charges and legal expenses, including those incurred during appellate proceedings, and disbursements, and costs of abstracts of title incurred or paid by FPL in any action, proceeding or dispute in which FPL is made a party or appears as a party plaintiff or party defendant because of the failure of AES Cedar Bay to promptly and fully perform and comply with all conditions and covenants of this Mortgage, including but not limited to, the foreclosure of this Mortgage, condemnation of all or part of the Mortgaged Property, or any action to protect the security thereof, except to the extent that AES Cedar Bay is the prevailing party. All costs, charges and expenses so incurred by FPL shall become immediately due and payable whether or not there be notice, demand, an attempt to collect or suit pending, together with interest on said sums at four (4) percent in excess of the average of the three (3) year U.S. Treasury note rate for the period of the advance computed from the date of such advance to the date of the actual receipt of payment thereof by FPL. The amount so paid or incurred by FPL shall be secured by the lien of this Mortgage. This Mortgage shall also secure all fees, charges, costs, reimbursements and other sums, if any, that are provided for in the Power Sale Agreement or other agreement between AES Cedar Bay and FPL, and would be due by AES Cedar Bay to FPL upon prepayment of the obligations of AES Cedar Bay under the Power Sale Agreement, whether such prepayment is voluntary or arises from FPL's acceleration of the obligations under the Power Sale Agreement due to an Event of Default thereunder or hereunder.

ARTICLE 5

MISCELLANEOUS PROVISIONS

5.01 Future Advances/Securing Other Obligations. This Mortgage is given to secure not only the existing obligations of AES Cedar Bay to FPL pursuant to the Power Sale Agreement, but also such future obligations up to an additional One Billion Dollars as are incurred within twenty years from the date hereof, plus interest thereon, and any disbursements made by FPL for payment of taxes, insurance or other liens on the property encumbered by this Mortgage, with interest on such disbursements, which advances shall be secured hereby to the same extent as if such future advances were made this date. The total amount of

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obligations secured hereby may increase or decrease from time to time. The provisions of this Section 5.01 shall not be construed to imply any obligation on FPL except as provided in the Power Sale Agreement.

5.02 Power Sale Agreement. This Mortgage is subject to the Power Sale Agreement, an executed copy of which is in the possession of FPL and is incorporated herein by reference and made a part hereof.

5.03 Ownership by Corporation. So long as the Mortgaged Property is owned by a corporation, such corporation shall maintain its existence and comply with all registration requirements of Florida law.

5.04 Survival of Warranties. All representations, warranties and covenants of AES Cedar Bay contained herein or incorporated by reference shall survive the termination of the Power Sale Agreement and shall remain continuing obligations, warranties and representations of AES Cedar Bay during any time when a portion of the obligations secured by this Mortgage remain outstanding.

5.05 Successors and Assigns. The provisions hereof shall be binding upon and shall inure to the benefit of AES Cedar Bay, its successors and assigns (including without limitation subsequent owners of the Premises) and shall be binding upon and shall inure to the benefit of FPL, its successors and assigns.

5.06 Notices. All notices, demands and requests given by either party hereto to the other party shall be in writing. All notices, demands and requests by one party to the other shall be deemed to have been properly given as herein required if sent in accordance with the notice provisions of the Power Sale Agreement.

5.07 Modification in Writing. This Mortgage may not be changed, terminated or modified orally or in any other manner than by an instrument in writing signed by the party against whom enforcement is sought.

5.08 Captions. The captions or headings at the beginning of each section hereof are for the convenience of the parties and are not a part of this Mortgage.

5.09 Maximum Rate of Interest. In no event shall all charges in the nature of interest charged or taken on this Mortgage or the Power Sale Agreement exceed the maximum allowed by law and in the event such charges cause the interest to exceed said maximum allowed by law, such interest shall be

recalculated and such excess shall be credited to principal, it being the intent of the parties that under no circumstances shall AES Cedar Bay be required to pay any charges in the nature of interest in excess of the maximum rate allowed by law.

5.10 Further Assurances. AES Cedar Bay will execute and deliver promptly to FPL on demand at any time or times hereafter, any and all further instruments reasonably required by FPL to carry-out the provisions of this Mortgage. AES Cedar Bay will, without limitation upon the generality of the foregoing, at any and all times at its expense, execute, acknowledge and deliver and, at FPL's expense, file and/or record, refile and/or re-record, all and every such further acts, deeds, powers of attorney, assignment of accounts, conveyances, mortgages, security instruments, documents and financing assurances in law, and will deposit with FPL any certificates of title issuable with respect to any property and a notation of the security interest hereunder, as FPL shall reasonably require for the better assuring, conveying, pledging, transferring, mortgaging, assigning, and confirming unto FPL all and singular the hereditaments and premises, estates and property hereby, or by subsequent or collateral instruments, conveyed, pledged, transferred or assigned, or intended to be, and for perfecting the security interest of Mortgaged Property and other items of security and collateral now or hereafter held by FPL pursuant to this Mortgage.

5.11 Title Insurance Policy/Survey. If requested, AES Cedar Bay will, at FPL's expense, provide FPL with a mortgagee title insurance policy in such amount as may be reasonably requested by FPL, issued by a title company acceptable to FPL and insuring this Mortgage as a valid leasehold mortgage, and subject only to such exceptions, if any, which are acceptable to FPL, together with a current survey of the Premises encumbered by this Mortgage, prepared and certified by a registered surveyor or engineer showing access to the Property and no condition which would prevent title to the Premises from being good, marketable and insurable as a leasehold estate.

5.12 Invalid Provisions to Affect No Others. In case any one or more of the covenants, agreements, terms, or provisions contained in this Mortgage or in the Power Sale Agreement shall be held or found invalid, illegal, or unenforceable in any respect, the validity of the remaining covenants,

agreements, terms, or provisions contained herein and in the Power Sale Agreement shall be in no way affected, prejudiced, or disturbed thereby.

5.13 Governing Law and Construction of Clauses. This Mortgage shall be governed and construed by the laws of the State of Florida. No act of FPL shall be construed as an election to proceed under any one provision of the Mortgage or of the applicable statutes of the State of Florida to the exclusion of any other such provision, anything herein or otherwise to the contrary notwithstanding.

5.14 Time of Essence. Time is of the essence of this Mortgage.

5.15 Waiver. No waiver of any covenant herein or in the obligation secured hereby shall at any time hereafter be held to be a waiver of any of the other terms hereof or of the Power Sale Agreement, or future waiver of the same covenant.

5.16 Gender, Etc. The use of any gender shall include all other genders. The singular shall include the plural.

5.17 Mortgage Riders. If any rider is attached to this Mortgage and recorded together with this Mortgage and signed by AES Cedar Bay, it shall be deemed to be incorporated herein and to be fully binding upon AES Cedar Bay as though it were a part of the original Mortgage.

5.18 First Mortgage. It is expressly agreed that this Mortgage and the lien hereof on the Mortgaged Property be and hereby is made subject and subordinate to that certain Mortgage(s), dated [ ], 19[ ], from AES Cedar Bay to [ ] on behalf of [senior project lenders and subordinate project lenders] (together with their respective successors and assigns, collectively, the "First Mortgagee"), recorded in Official Records Book [ ], at Page [ ] of the Public Records of Duval County, Florida (the "First Mortgage"), and any amendments, modifications, supplements, renewals, extensions, consolidations, replacements and/or participation of the First Mortgage, all advances now or from time to time hereafter made under the First Mortgage and/or pursuant to the terms of that certain Credit Agreement dated [ ], 19[ ] among AES Cedar Bay and [senior project lenders/subordinated project lenders] (together with any amendments thereto or replacements thereof, the "Credit Agreement") up to but not exceeding the sum of (i) an aggregate principal amount of Five Hundred Million Dollars

($500,000,000), said principal sum being intended to include loans or other extensions of credit made by the First Mortgagee or any transferee thereof to AES Cedar Bay, and (ii) all accrued interest and costs under the First Mortgage and/or the Credit Agreement.

5.19 Waiver of Jury Trial. AES CEDAR BAY HEREBY AND FPL BY ITS ACCEPTANCE OF THIS MORTGAGE, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS MORTGAGE AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTION OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR FPL ACCEPTING THIS MORTGAGE.

IN WITNESS WHEREOF, AES Cedar Bay has hereunto duly executed this Mortgage as of the day and year first hereinbefore written.

Signed, sealed and delivered in the presence of:

AES CEDAR BAY, INC.
a _____

_____

By: _____
Its:

_____

_____

ATTEST: _____
Its:

_____

(CORPORATE SEAL)

STATE OF FLORIDA :
:ss
COUNTY OF _____:

The foregoing instrument was acknowledged before me, this _____ day of _____, 19____, by _____ and _____ _____, the _____ and _____, respectively, of AES CEDAR BAY, INC., a _____ corporation, on behalf of said corporation.

_____

NOTARY PUBLIC, State of Florida
My Commission Expires

Exhibit A
Legal Description

Exhibit B
Exceptions

1. [Description of permitted bank financing and title report exceptions which are reasonably acceptable to FPL].

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Exhibit C

Hazardous Materials

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APPENDIX I

FORM OF SECURITY AGREEMENT

SECURITY AGREEMENT

This SECURITY AGREEMENT (the "Security Agreement"), dated as of [ ], 19[ ] is from AES CEDAR BAY, INC., a Delaware corporation ("AES Cedar Bay"), whose mailing address is [ ], to FLORIDA POWER & LIGHT COMPANY, a utility corporation organized and existing under the laws of the State of Florida having its principal place of business in Miami, Florida ("FPL"), whose address is Post Office Box 029100, Miami, Florida 33102.

In consideration of payments and other financial accommodations extended by FPL to AES Cedar Bay, and for other value received by AES Cedar Bay, AES Cedar Bay hereby grants a continuing security interest in, and assigns as security to FPL, the Collateral to secure payment and performance of all of the Obligations of AES Cedar Bay to FPL.

Section 1. Definitions. Definitions in the Code apply to words and phrases in this Security Agreement and, if Code definitions conflict, definitions in Article 9 (Chapter 679, Florida Statutes) of the Code shall apply. In addition to terms defined in the Code or elsewhere in this Security Agreement or the Power Sale Agreement, the following terms have the meanings indicated below, which meanings shall be equally applicable to both the singular and the plural forms of such terms:

1.1 "Code" means the Uniform Commercial Code as in effect from time to time in the State of Florida (Chapters 671 through 680, inclusive, Florida Statutes).

1.2 "Collateral" means and includes any and all of AES Cedar Bay's right, title and interest in and to the following owned by AES Cedar Bay or in which AES Cedar Bay has an interest, whether now owned or existing or hereafter created or acquired:

(a) accounts;

(b) chattel paper;

(c) documents;

(d) general intangibles including, but not limited to, the right, title and interest of AES Cedar Bay under that certain lease,

dated [ ], 19[ ] between AES Cedar Bay as "lessee" and [ ] as "lessor", together with all revisions thereof;

(e) goods, including equipment, inventory and fixtures;

(f) instruments;

(g) all cash or non-cash proceeds of any of the foregoing, including insurance proceeds and all products thereof;

(h) all ledger sheets, files, records, documents and instruments (including, but not limited to, computer programs, tapes and related electronic data processing software) evidencing an interest in or relating to the above; and

(i) any and all property of AES Cedar Bay now or hereafter delivered to or left in or coming into the possession, control or custody of FPL, whether expressly as collateral security or for any other purpose (including cash, stock and other dividends, and all rights to subscribe for securities incident to, declared, or granted in connection with such property), and property described in collateral receipts or other documents signed or furnished by AES Cedar Bay, and any and all replacements of any of the foregoing, whether or not in the possession of FPL.

1.3 "Obligations" shall include:

(a) all indebtedness, obligations and liabilities of AES Cedar Bay to FPL now or hereafter existing, incurred or created under the Power Sale Agreement, including, but not limited to, the payment of the Termination Fee (as defined in the Power Sale Agreement), and any and all renewals, modifications, amendments and replacements thereof;

(b) all costs incurred by FPL to (i) enforce this Security Agreement and the security interest created hereunder, provided, that such enforcement proceedings are resolved in favor of FPL, (ii) collect the Obligations and (iii) maintain and preserve the Collateral, including, without limitation, taxes, assessments, insurance premiums, repairs, reasonable attorneys' fees, paralegal charges and legal expenses, including those incurred during appellate proceedings, rent storage costs and expenses of sale; and

(c) interest on the above amounts equal to four (4) percent in excess of the average of the three (3) year U.S. Treasury note rate for the period for which interest is computed.

1.4 "Power Sale Agreement" shall mean that certain Amended and Restated Agreement for the Purchase of Firm Capacity and Energy, dated as of July 2, 1990 between AES Cedar Bay and FPL.

1.5 "Second Mortgage" shall mean that certain Second Leasehold Mortgage and Security Agreement from AES Cedar Bay in favor of FPL, dated that date hereof.

Section 2. List of Collateral. Contemporaneous with the execution hereof AES Cedar Bay has furnished to FPL a listing of the Collateral presently owned by it; provided, however, FPL shall have a security interest in any and all Collateral whether or not such Collateral is described generally or specifically on such list. AES Cedar Bay warrants and agrees that it is the owner of the Collateral free and clear of all liens and security interests except the security interest granted by this Security Agreement, by the Senior Security Agreement (as defined in Section 6.8 below) or as set forth in Exhibit A hereto (herein called "Permitted Encumbrances").

Section 3. No Other Security Interests. So long as any Obligation to FPL is outstanding, AES Cedar Bay will not without the prior written consent of FPL grant to any third party a security interest in any of the Collateral or permit any lien or encumbrance to attach to any part of the Collateral (except for (i) mechanics' or materialmen's liens that are not due and payable or remain unbonded for more than thirty days and (ii) taxes not yet due and payable or taxes being contested in good faith with adequate cash reserves or bonds therefore) or suffer or permit any levy to be made on any part of the Collateral, or permit any financing statement except that of FPL to be on file with respect thereto, except with respect to Permitted Encumbrances. AES Cedar Bay will not sell, transfer, lease or otherwise dispose of any of the Collateral or any interest therein, or offer to do so or impair the value of the Collateral or the security interest, provided, however, AES Cedar Bay may sell any of the Collateral (i) in the ordinary course of its business, if the same shall have been replaced to the extent necessary for the continued long-term operation of

the Facility, or (ii) that may become worn out, obsolete or otherwise unnecessary for the operation of the Facility.

Section 4. Representations, Warranties and Covenants Regarding the Collateral. AES Cedar Bay represents, warrants and covenants that:

4.1. The Collateral shall be kept at the address specified above or specified in Exhibit B attached hereto. If any of the Collateral consisting of equipment, inventory or fixtures is located on property which is not owned by AES Cedar Bay, AES Cedar Bay will, on demand of FPL, obtain landlord's waivers of liens in forms satisfactory to FPL as to each such location. AES Cedar Bay will not permit any of the Collateral to be moved without the prior written consent of FPL, other than Collateral which may be sold as permitted under Section 3 hereof.

4.2. If any of the Collateral consisting of equipment is attached to real property, the legal description for said real property is attached hereto as Exhibit C and AES Cedar Bay will, on demand of FPL, furnish FPL with a disclaimer or disclaimers and subordination, signed by all persons having an interest in said real estate at the time of such attachment (other than the Senior Secured Party and the Lessor under the Ground Lease (as defined in the Second Mortgage), provided, however, such parties shall execute and deliver to FPL such evidence of their consent to this Security Agreement and the security interest granted hereunder, as FPL may reasonably request), of any interest in the equipment. The name or names of the record owner of the real property where the equipment is kept is shown in Exhibit C hereto.

4.3. AES Cedar Bay will at all times keep the Collateral insured against loss, damage, theft, and such other risks as is required by Section 15.0 of the Power Sale Agreement, with such insurance companies, under such policies, in such form and for such periods as is required thereunder, and each such policy shall provide that loss thereunder and proceeds payable thereunder shall be payable to FPL under a standard mortgagee endorsement, if available, or, if not available, as an additional loss payee, as its interest may appear (subject to the prior rights, if any, of the Senior Secured Party). After the happening of any casualty to the Collateral or any part thereof, AES Cedar Bay shall give prompt written notice thereof to FPL. AES Cedar Bay shall apply such proceeds to

repairs or restorations or reduction of debt as required by the First Mortgagee (as defined in Section 5.18 in the Second Mortgage), or if such first mortgage is satisfied:

(a) in the event of damage to or destruction of the Collateral, AES Cedar Bay shall apply the proceeds as it sees fit unless there exists an Event of Default as defined in the Power Sale Agreement (which would not be cured by such application) or such application would cause an Event of Default to exist. In either such case, FPL shall have the option, in its sole discretion (but subject to Subsection 4.3(b) below), of applying or paying all or part of the insurance proceeds (i) to any obligation secured hereby and then due and owing to FPL, in such order as FPL may determine, or (ii) to the restoration or replacement of the Collateral, or (iii) to AES Cedar Bay.

(b) if there exists an Event of Default (as defined in the Power Sale Agreement) which would not be cured by the application of insurance proceeds to repair or restore the Improvements, or such application would cause an Event of Default to exist, FPL agrees not to unreasonably withhold consent to the use of insurance proceeds for restoration or replacement of the Collateral following a partial casualty loss, subject to (i) AES Cedar Bay maintaining this Security Agreement free from an Event of Default (as defined in Section 5 below) at all times, and (ii) AES Cedar Bay providing evidence that adequate funds are available to restore or replace the Collateral and advancing any additional funds required prior to the disbursement of insurance proceeds.

(c) in the event of such loss or damage, all proceeds of insurance shall be payable to FPL and AES Cedar Bay hereby authorizes and directs any affected insurance company to make payment of such proceeds directly to FPL. If there exists an Event of Default under the Power Sale Agreement, FPL is hereby authorized and empowered by AES Cedar Bay to settle, adjust or compromise any claims for loss, damage or destruction under any policy or policies of insurance, and AES Cedar Bay hereby irrevocably appoints FPL its attorney-in-fact coupled with an interest with the power and authority in such instance to endorse any checks, drafts or other instruments representing any proceeds of such insurance, whether payable by reason of loss thereunder or otherwise.

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Nothing herein shall relieve AES Cedar Bay from its obligations under the Power Sale Agreement or any other obligation of AES Cedar Bay secured hereby. Each such policy shall provide for thirty days written minimum cancellation notice to FPL (or at least ten days if due to non-payment of premiums). Such policies shall provide that no act or default of AES Cedar Bay shall affect the right of FPL to recover.

4.4. AES Cedar Bay will at all times keep the Collateral in good order and repair and will not waste or destroy the Collateral or any part thereof.

4.5. AES Cedar Bay warrants that no financing statement covering any Collateral or any proceeds thereof is on file in any public office, other than financing statements naming FPL and financing statements filed with respect to Permitted Encumbrances. AES Cedar Bay will promptly, if requested by FPL, mark its records evidencing its accounts and chattel paper in a manner satisfactory to FPL so as to show the same having been assigned to FPL hereunder. AES Cedar Bay authorizes FPL to file financing statements with respect to FPL's interests hereunder in the Collateral signed only by FPL. AES Cedar Bay will join with FPL in executing financing statements, notices, affidavits or similar instruments in forms satisfactory to FPL and such other documents as FPL may from time to time request, and filing the same in any public office deemed advisable by FPL. FPL will pay any filing charges. AES Cedar Bay will do such other acts and things, all as FPL may reasonably request, to maintain a valid, perfected security interest in the Collateral (free of all other liens and claims whatsoever other than Permitted Encumbrances) to secure the payment of the Obligations secured hereby. FPL is hereby appointed AES Cedar Bay's attorney-in-fact to do all acts and things which FPL may deem necessary to perfect and to continue the perfection of the security interest created hereby and to protect the Collateral.

4.6. AES Cedar Bay will not use the Collateral or permit the same to be used in violation of any statute or ordinance, which violation would have a material adverse effect on the value of the Collateral, the security interest granted hereunder, or upon the operation of the Facility. FPL may examine and inspect the Collateral at any time, wherever located. AES Cedar Bay will pay promptly when due all taxes and assessments upon the Collateral or for its use

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or operation, and FPL shall pay all taxes and assessments upon this Security Agreement or other writing evidencing the Obligations.

Section 5. Defaults and Remedies. The term "Event of Default" shall mean a default in any material provision hereof which remains uncured for a period of sixty days after notice from FPL to AES Cedar Bay, or any Event of Default as defined in the Second Mortgage, provided, however, so long as the default is not the failure to pay money, if it is not feasible to correct such default within sixty days after notice from FPL to AES Cedar Bay, but it remains feasible to correct such default within one year after such notice, it shall not constitute an Event of Default hereunder until the earliest feasible date within such one year period when cure could be effected so long as (i) corrective action by AES Cedar Bay is instituted within ten days of the date of such notice, (ii) such corrective action is diligently pursued, (iii) AES Cedar Bay provides FPL monthly written reports as to the nature and progress of such corrective action, and (iv) such cure is effected within one year of said notice. If an Event of Default, shall have occurred and shall not be remedied, then (subject to the prior rights, if any of the Senior Secured Party) FPL, may in addition to any other rights and remedies which it may have, immediately and without demand exercise any and all of the rights and remedies granted to a secured party upon default under the Code, and upon request or demand of FPL, AES Cedar Bay shall at its expense assemble all or any part of the Collateral and make it available to FPL at a convenient place designated by FPL. FPL and its agents are authorized to enter into or onto any premises where the Collateral may be located for the purpose of taking possession of such Collateral. Any notice of sale, disposition or other intended action by FPL, sent to AES Cedar Bay at the address specified at the beginning of this Security Agreement or at such other address of AES Cedar Bay as FPL may be notified of in accordance with the terms hereof from time to time, at least ten days prior to such action, shall constitute reasonable notice to AES Cedar Bay. Any proceeds of any disposition of any of the Collateral may be applied by FPL (subject to the prior rights, if any, of the Senior Secured Party) toward payment of such of the Obligations and in such order of application as FPL may from time to time elect. Upon the occurrence of such Event of Default, FPL may retain any portion of the Monthly Energy Payments and

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Monthly Capacity Payments otherwise due and payable under the Power Sale Agreement which would result in a net increase in the Termination Fee thereunder, in the manner provided in Sections 3.6.6, TERM AND TERMINATION, 12.8, BASIS FOR PAYMENT BY FPL, and 21.1, SECURITY thereof.

Section 6. Miscellaneous.

6.1. No waiver by FPL of any Event of Default shall operate as a waiver of any other Event of Default or of the same type of Event of Default on a future occasion. No delay or omission on the part of FPL in exercising any right or remedy shall operate as a waiver thereof, and no single or partial exercise by FPL of any right or remedy shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Time is of the essence of this Security Agreement. The provisions of this Security Agreement are cumulative and in addition to the provisions of any liability of AES Cedar Bay under the Power Sale Agreement and the Second Mortgage, and FPL shall have all the benefits, rights and remedies of a secured party under this Security Agreement.

6.2. All rights of FPL hereunder shall inure to the benefit of its successors and assigns, and all Obligations of AES Cedar Bay shall bind the successors and assigns of AES Cedar Bay.

6.3. This Security Agreement has been delivered in the State of Florida and shall be construed in accordance with the laws of Florida.

6.4. AES Cedar Bay shall pay, within thirty days of receipt of a bill, all expenses and expenditures of FPL, including reasonable attorneys' fees, paralegal charges and legal expenses, including those incurred during appellate proceedings, incurred or paid by FPL in enforcing or exercising its security interest, rights or remedies created by, connected with or provided in this Security Agreement.

6.5. At its option, FPL may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral other than liens, security interests or other encumbrance which may be expressly permitted hereby, may pay for insurance on the Collateral required by Section 15.0 of the Power Sale Agreement, and may pay for the maintenance and preservation of the Collateral. AES Cedar Bay agrees to reimburse FPL, within thirty days of receipt of a bill, for any payment made, or any expense reasonably

incurred, by FPL, pursuant to the foregoing authorization. Except upon the occurrence and during the continuation of an Event of Default, AES Cedar Bay may have possession of the Collateral and use it in any lawful manner not inconsistent with this Security Agreement and not inconsistent with any policy of insurance thereon.

6.6. If any of the provisions of this Security Agreement shall contravene or be held invalid under the laws of any jurisdiction, the Security Agreement shall be construed as if not containing such provision and the remainder of this Security Agreement shall be construed and enforced accordingly.

6.7. FPL's rights under the Power Sale Agreement and all documents delivered in connection therewith are cumulative. Without limiting the generality of the foregoing, FPL may enforce its rights hereunder in all or part of the Collateral or in any other security in the order selected by FPL.

6.8. It is expressly agreed that this Security Agreement and the lien on and security interest in the Collateral and the proceeds thereof created by this Security Agreement is in all respects subject and subordinate to the liens on and security interests in the Collateral and the proceeds thereof created by that certain Security Agreement, dated [ ], 19[ ] (the "Senior Security Agreement"), made by AES Cedar Bay in favor of [ ] on behalf of [senior project lenders and subordinate project lenders] (together with their respective successors and assigns, collectively, the "Senior Secured Party"), and any amendments, modifications, supplements, renewals, extensions, consolidations, replacements and/or participation of the Senior Security Agreement, all advances made under the Senior Security Agreement and/or pursuant to the terms of that certain Credit Agreement dated [ ], 19[ ] among AES Cedar Bay and [senior project lenders/subordinated project lenders] (together with any amendments thereto or replacements thereof, the "Credit Agreement") up to but not exceeding the sum of (i) an aggregate principal amount of Five Hundred Million Dollars ($500,000,000), said principal sum being intended to include loans or other extensions of credit made by the Senior Secured Party or any transferee thereof to AES Cedar Bay, and (ii) all accrued interest and costs under the Senior Security Agreement and/or the Credit Agreement.

6.9. All notices, demands and requests given by either party hereto to the other party shall be in writing. All notices, demands and requests by one party to the other shall be deemed to have been properly given as herein required if sent in accordance with the notice provisions of the Power Sale Agreement.

6.10. AES CEDAR BAY HEREBY, AND FPL BY ITS ACCEPTANCE OF THIS SECURITY AGREEMENT, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS SECURITY AGREEMENT AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR FPL ACCEPTING THIS SECURITY AGREEMENT.

IN WITNESS WHEREOF this Security Agreement has been duly executed as of the date hereinabove first written.

Signed, sealed and delivered in the presence of:

AES CEDAR BAY, INC.
a _____

_____ By: _____
Its:

_____

_____ ATTEST: _____
Its:

_____

(CORPORATE SEAL)

EXHIBIT A

Permitted Encumbrances

1. [Description of permitted bank financing and title report exceptions reasonably acceptable to FPL].

2. FPL hereby agrees to subordinate the lien of the Security Agreement to the lien of a seller, lender or lessor under any security agreement, lease or similar arrangement by which such seller, lender or lessor provides financing or the like to enable AES Cedar Bay to acquire title to, or the use of, any personalty used in the ordinary course of the construction, development or operation of the Facility, provided, however, the full amount of such extensions of credit to which FPL is subordinate shall not exceed the limitations set forth in Section 21.7 of the Power Sale Agreement.

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EXHIBIT B

Locations at which

Collateral of AES Cedar Bay is Located

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EXHIBIT C

Legal Description of

Real Property to which Fixtures are Attached

APPENDIX J

LEVELIZATION PAYMENT

The levelization payments identified in Section 21.7, SECURITY, shall be fixed according to the following schedule where "Year 1" equals the first Agreement Year:

Year	Levelization Payment Balance at end of Year ($000)
1	30,000
2	41,000
3	48,000
4	51,000
5	50,000
6	46,000
7	38,000
8	27,000
9	13,000
10 - 31 +	0

CB-15-00204

APPENDIX K

FORM OF AES GUARANTEE LETTER

Florida Power & Light Company
Post Office Box 029100
Miami, Florida 33102

Attention: Director, Bulk Power Markets Department

In accordance with the terms of Section 21.1, SECURITY, of that certain Amended and Restated Agreement for the Purchase of Firm Capacity and Energy, dated as of July 2, 1990 (the "Power Sale Agreement"), between AES Cedar Bay, Inc. ("AES Cedar Bay") and Florida Power & Light Company ("FPL"), Applied Energy Services, Inc. ("AES") hereby absolutely and unconditionally guarantees to pay FPL any unpaid Termination Fee (as defined in the Power Sale Agreement) due and owing to FPL under the Power Sale Agreement up to a maximum aggregate amount equal to the greater of (i) Ten Million Dollars ($10,000,000) or (ii) 50% of the cumulative net project cash flow (after taxes and debt service) from AES Cedar Bay to AES, but in no event in excess of the lesser of (i) Seventy-Five Million Dollars ($75,000,000.00) or (ii) the Termination Fee (as defined in the Power Sale Agreement) (the "Guaranteed Amount"). Each year, AES shall have an independent financial organization audit AES Cedar Bay's financial reports to confirm and report to FPL the amount of the after-tax project cash flow which is the basis of the Guaranteed Amount hereunder. Each such report shall be provided to FPL within ninety calendar days after the end of the applicable calendar year.

In the event that AES Cedar Bay shall fail to pay any portion of the Termination Fee when due and owing to FPL under the Power Sale Agreement, AES hereby agrees to pay to FPL, within ten (10) days of demand for payment hereunder, (i) the amount of the unpaid Termination Fee, not to exceed the Guaranteed Amount, plus, (ii) any costs reasonably incurred in connection with the enforcement of this guarantee letter and the security granted in connection herewith (provided, that FPL's right to recover such costs incurred in connection with enforcement shall be available only if any such enforcement proceedings are resolved in favor of FPL). This guarantee shall continue until the obligation of AES Cedar Bay to pay the Termination Fee under the Power Sale Agreement has terminated.

This guarantee letter shall be backed up by an unconditional and irrevocable letter(s) of credit supplied by AES and issued by bank(s) acceptable to FPL, in form and in substance acceptable to FPL, in accordance with the terms of Section 21.1 of the Power Sale Agreement. However, the face amount of the letter(s) of credit may be reduced by the amount, if any, held in the Escrow (as defined in the Power Sale Agreement) for the benefit of FPL in accordance with the terms of Section 21.1 of the Power Sale Agreement. Any payments recovered by FPL from the letter(s) of credit and/or the Escrow shall be deemed to have been payments by AES hereunder and shall be credited toward AES's maximum aggregate liability hereunder.

AES hereby agrees that the performance and payment obligations of AES Cedar Bay under the Power Sale Agreement may be changed or extended, renewed or accelerated, that AES Cedar Bay may be granted indulgences, and that any provision of the Power Sale Agreement or any of the documents delivered in connection therewith (the "Related Documents") may be modified, amended or waived, all without notice to or consent of AES. AES expressly waives (i) notice of acceptance of this letter by FPL and (ii) presentation, demand, protest, notice of protest and of dishonor, and notice of all events described in this paragraph. AES also waives all legal requirements that FPL institute any action or proceeding against AES Cedar Bay or exhaust any remedy against AES Cedar Bay or any other person or entity as a condition precedent to bringing an action against AES under this guarantee letter. AES agrees that nothing contained herein shall prevent FPL from suing on or exercising any right under the Power Sale Agreement or the Related Documents and the exercise of any such right and completion of any proceeding shall not constitute a discharge of any of AES's obligations hereunder.

All remedies afforded FPL hereunder are separate and cumulative and are in addition to all rights and remedies under the Power Sale Agreement and the Related Documents and may be exercised in any order, either separately or otherwise, and neither the exercise nor failure to exercise any right or remedy shall be deemed a waiver of any right.

AES represents to FPL that (i) AES Cedar Bay is a wholly-owned subsidiary of AES, (ii) AES has knowledge of AES Cedar Bay's financial condition and affairs and agrees that it will keep informed of AES Cedar Bay's financial condition and affairs while this guarantee letter is in force, and (iii) the execution and performance of this guarantee letter are in furtherance of the business purpose of AES.

This guarantee letter shall be deemed to be a contract made under the laws of the State of Florida without regard to principals of conflicts of laws.

This guarantee letter shall bind AES and its respective successors and assigns and shall inure to the benefit of FPL and its successors and assigns.

This guarantee letter shall not be effective unless and until the Florida Public Service Commission approves the Power Sale Agreement.

APPLIED ENERGY SERVICES, INC.,

By:
Its:

(Corporate Seal)

APPENDIX L

CONSENT TO COLLATERAL ASSIGNMENT FORM

150075 Hearing Exhibits 000335

CB-15-00208

CONSENT AND AGREEMENT OF FLORIDA POWER & LIGHT COMPANY
TO
ASSIGNMENT OF THE AMENDED AND RESTATED AGREEMENT FOR THE
PURCHASE OF FIRM CAPACITY AND ENERGY
BETWEEN AES CEDAR BAY, INC.
AND FLORIDA POWER & LIGHT COMPANY
("Consent and Agreement")

Florida Power & Light Company, a Florida corporation ("FPL"), hereby acknowledges notice of and consents to the Assignment of the Amended and Restated Agreement for the Purchase of Firm Capacity and Energy ("Power Sale Agreement"), dated as of July 2, 1990, between AES Cedar Bay, Inc. ("AES Cedar Bay"), a Delaware corporation, and _____ ("Assignee") (herein called the "Assignment" the defined terms therein being used herein with the same meaning except as otherwise indicated herein), and hereby confirms to AES Cedar Bay and the Assignee that with respect to the Power Sale Agreement:

(i) subject to the terms of this Consent and Agreement, all obligations of FPL under the Power Sale Agreement shall inure to the benefit of the Assignee to the same extent as if the Assignee were originally a party thereto in the place of AES Cedar Bay;

(ii) the Assignee shall not be liable for any of the obligations or duties of AES Cedar Bay under the Power Sale Agreement, nor shall the Assignment give rise to any duties or obligations whatsoever on the part of the Assignee owing to FPL; provided, however, any takeover of the Facility and the rights of AES Cedar Bay under the Power Sale Agreement by the Assignee, or the foreclosure and sale of the Facility and the assignment of AES Cedar Bay's rights under the Power Sale Agreement to a new operator, shall be on terms requiring (A) a remedy of all existing Events of Default under the Power Sale Agreement to the extent required and/or permitted pursuant to Sections 3.6.6 and 3.7 thereof, (B) a written undertaking by the new operator to perform in compliance with all provisions of the Power Sale Agreement and (C) entry into an agreement(s) with FPL providing security equivalent to or greater than that provided by AES Cedar Bay under the Power Sale

Agreement; and provided further that such new operator is in the reasonable opinion of FPL reasonably qualified to perform the assumed obligations;

(iii) FPL agrees that:

(A) prior to any exercise by FPL of its remedies under the Power Sale Agreement with respect to any event of default by AES Cedar Bay thereunder FPL will afford the Assignee (until such time as all obligations of AES Cedar Bay under that certain loan agreement(s) dated [ ] between AES Cedar Bay and Assignee have been performed in full or until such time that the Assignee has notified FPL of the termination of the Assignment) the opportunity (but not the obligation) for sixty days (or such longer period of time as may be acceptable to FPL in its sole discretion) (the "Lender Cure Period") following the occurrence of such event of default:

(i) to assume or cause a new lessee or purchaser of the Facility (as defined in the Power Sale Agreement) to assume, all of the rights and obligations of AES Cedar Bay arising under the Power Sale Agreement upon and after such assumption, provided that such assuming party (a) is, in the reasonable opinion of FPL, reasonably qualified to perform the assumed obligations (including effecting a cure of all events of default under the Power Sale Agreement which are capable of cure, including the (x) payment of any sums, (y) execution and delivery of the agreement(s) or contract(s) described in Section 3.6.1 of the Power Sale Agreement and (z) compliance with Section 3.6.8 of the Power Sale Agreement; provided, however, in no event shall an assumption by the Assignee or new lessee or purchaser toll or extend the periods of time set forth in Sections 3.6.3 or 3.6.4 of the Power Sale Agreement beyond such Lender Cure Period, except with respect to Section 3.6.4 thereof, which shall be further extended on a month by month basis, provided that each and every Monthly

Capacity Factor (as defined in the Power Sale Agreement) subsequent to the first Monthly Billing Period (as defined in the Power Sale Agreement) after an event of default under Section 3.6.4 of the Power Sale Agreement is at least 87% until such event of default is cured) and (b) enters into an agreement with FPL providing security equivalent to or greater than that provided by AES Cedar Bay under the Power Sale Agreement; and

(ii) to cure such events of default which are capable of cure, including the (a) payment of any sums, (b) execution and delivery of the agreement(s) or contract(s) described in Section 3.6.1 of the Power Sale Agreement and (c) compliance with Section 3.6.8 of the Power Sale Agreement.

However, upon the occurrence of an event of default under Section 3.6.5 of the Power Sale Agreement, nothing herein shall prevent or delay FPL from proceeding against AES Cedar Bay or any trustee or receiver appointed thereunder; and

(B) it will not, without at least ten days prior written notice to the Assignee, materially amend, supplement or otherwise modify the Power Sale Agreement in any manner which would have a material adverse effect upon the rights of the Assignee thereunder;

(iv) FPL will continue to pay to AES Cedar Bay all payments which FPL may be required to make under or pursuant to the Power Sale Agreement, the right to receive which has been assigned under the Assignment, unless and until FPL shall have received written notice from the Assignee, addressed to it at Post Office Box 029100, Miami, Florida, Attention: Director, Bulk Power Markets Department, of a Default or Event of Default, whereupon FPL will make any and all payments which it may be required thereafter to make under or pursuant to the Power Sale Agreement, subject to Sections 12.8 and 21.1 of the Power Sale Agreement, the right to receive which has been assigned under the Assignment, directly to the Assignee at its address at _____, unless and until FPL

shall have received notice in writing from the Assignee that all Defaults and all Events of Default have been cured or waived pursuant thereto, whereupon FPL will make all payments which FPL may be required thereafter to make under or pursuant to the Power Sale Agreement to AES Cedar Bay. Any party may, at any time, by written notice designate any different person(s) or address(es) for receipt of notices and correspondence; and

(v) in the event that the Power Sale Agreement is rejected by a trustee or debtor-in-possession in any bankruptcy or insolvency proceeding regarding AES Cedar Bay, and if within sixty days after such rejection the Assignee or its designee(s) shall so request and undertake in writing to FPL that it intends and is legally authorized to perform the obligations of AES Cedar Bay in accordance with the terms of Sections 3.6.6 and 3.7 of the Power Sale Agreement, FPL will execute and, subject to the approval of the Florida Public Service Commission, deliver to the Assignee or such designee(s) a new agreement for the purchase of firm capacity and energy ("New Agreement") pursuant to which the Assignee or designee(s) shall agree to sell and deliver to FPL and FPL shall agree to pay for, to the extent required under the Power Sale Agreement, the electrical output of the Facility. Such New Agreement shall be for the balance of the then remaining term under the Power Sale Agreement before giving effect to such rejection and shall contain the same conditions, agreements, terms, provisions and limitations as the Power Sale Agreement (except for any requirements that have been fulfilled by AES Cedar Bay prior to such rejection). The billing determinates (i.e., those factors used in determining the Capacity Factor as defined in the Power Sale Agreement) and data under the New Agreement shall take into account the billing determinates and associated data existing under the Power Sale Agreement before giving effect to such rejection. References in this Consent and Agreement to the "Power Sale Agreement" shall be deemed also to refer to the New Agreement.

Pursuant to Section 21.4 of the Power Sale Agreement, FPL will send copies of notices required to be sent to AES Cedar Bay under the Power Sale Agreement to the Assignee at _____.

FPL hereby represents and warrants to the Assignee that [subject to the accuracy of such representations and warranties at the time of execution]:

(i) FPL is a corporation duly organized and existing in good standing under the laws of the State of Florida;

(ii) the making and performance of the Power Sale Agreement and this Consent and Agreement have been duly authorized by all necessary corporate action on the part of FPL, do not require any stockholder approval and do not contravene any law binding on FPL or contravene FPL's charter documents or by-laws or any material term of any indenture, credit agreement or other contractual agreement to which FPL is a party or by which it is bound;

(iii) each of the Power Sale Agreement and this Consent and Agreement is the legal, valid and binding obligation of FPL, enforceable against FPL in accordance with its respective terms, except as limited by bankruptcy, insolvency and other laws pertaining to creditors' rights generally and equitable limitations on the enforceability of specific remedies; and

(iv) (a) FPL has duly performed and complied with all covenants, agreements and conditions contained in the Power Sale Agreement and this Assignment required to be performed or complied with by it on or before the date hereof; (b) the Power Sale Agreement, as of the date hereof, is in full force and effect and has not been further amended; and (c) to FPL's knowledge without investigation, no event has occurred and is continuing or would result from the consummation of any transaction contemplated by the Power Sale Agreement and this Assignment to take place on the date hereof that constitutes, or with the giving of notice or the passage of time or both would constitute, an Event of Default as defined in the Power Sale Agreement and this Assignment or a breach thereof or would give any party thereto the right to terminate either thereof; and

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(v) FPL has not been given notice of any other assignment of the Power Sale Agreement; provided, however, that FPL makes no representation or warranty that there have been no other assignments of the Power Sale Agreement of which FPL has not received written notice;

Notwithstanding any of the provisions of this Consent and Agreement, nothing contained herein shall alter the terms of the Power Sale Agreement or relieve AES Cedar Bay of any of its obligations thereunder.

Dated as of _____, 199[ ]

FLORIDA POWER & LIGHT COMPANY

By: _____
Title

FIRST AMENDMENT TO THE AMENDED AND RESTATED AGREEMENT FOR THE PURCHASE OF FIRM CAPACITY AND ENERGY BETWEEN AES CEDAR BAY, INC. AND FLORIDA POWER & LIGHT COMPANY

This First Amendment to the Amended and Restated Agreement for the Purchase of Firm Capacity and Energy Between AES Cedar Bay, Inc. and Florida Power & Light Company, dated as of July 2, 1990 (the "PPA"), by and between Florida Power & Light Company ("FPL") and Cedar Bay Generating Company, Limited Partnership ("Cedar Bay" or "AES Cedar Bay"), the successor in interest to AES Cedar Bay, Inc., (the "Amendment") is made and entered into as of the 19th day of August, 2002. FPL and Cedar Bay are referred to individually as a "Party" and collectively as the "Parties." The Amendment and the PPA are collectively referred to herein as the "Amended PPA." Unless otherwise defined herein, all capitalized terms shall have the meaning set forth in the PPA.

WITNESSETH:

WHEREAS, Cedar Bay owns a coal-fired electric cogeneration plant located in Jacksonville, Florida (the "Facility");

WHEREAS, Cedar Bay and FPL are parties to the PPA;

WHEREAS, Cedar Bay filed a complaint against FPL in the Circuit Court, Fourth Judicial Circuit, in and for Duval County, Florida, Case No. 97-07037-CA, *Cedar Bay Generating Company, Limited Partnership v. Florida Power & Light Company*, concerning the PPA for breach of contract with respect to the PPA (the "Litigation");

WHEREAS, FPL has paid in full with statutory interest the Final Judgment, entered in this Litigation on August 12, 1999 ("Final Judgment"), and the Final Costs Judgment, entered in this Litigation on June 21, 2000 ("Final Costs Judgment"), and the Parties have agreed to enter into this Amendment according to the terms and in consideration of the promises set forth below to, among other things, settle all outstanding matters covered in the Litigation, including paragraphs 1 and 2 of the Declaratory Judgment dated September 7, 1999 (the "Declaratory Judgment"); and

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements hereinafter set forth, and intending to be legally bound hereby, the Parties agree as follows:

1. (a) This Amendment shall become effective on the Effective Date, which shall be the later of: (1) the date on which the Florida Public Service Commission ("FPSC") issues a final determination approving this Amendment, in form and substance acceptable to each Party in its sole discretion, as to which no appeal is pending and which

is no longer appealable ("Final Order"); (2) the date on which the Lenders (as defined in Section 1.30 of the PPA) deliver to FPL and FPL delivers to the Lenders a release of claims in form and substance substantially similar to that contained in Attachment B hereto ("Lender Release") in accordance with paragraph 20 below, (3) the date of execution of the First Amendment to Consent and Agreement by and among FPL, Cedar Bay, and Paribas ("Amended Consent"), on behalf of the Secured Parties; provided, however, that this Amendment shall not become effective unless the Lenders, within sixty (60) days of the execution of this Amendment by both Parties (unless such period is extended in writing by the Parties) confirm in a writing to the Parties that (x) the Amendment is acceptable in form and substance to the Lenders, and (y) the Lenders have executed the Lender Release and Paribas, as agent, has executed the Amended Consent and both the executed Lender Release and executed Amended Consent are being held in escrow; and provided further, that this Amendment shall not become effective and it shall be null and void if, on or before the Effective Date , either Party has notified the other Party that any order approving this Amendment (the "Order") is not acceptable in form and substance. FPL acknowledges that AES Cedar Bay shall notify FPL that it does not wish the Amendment to become effective if AES Cedar Bay is requested to do so by the Lenders. Such written notice shall be sent via hand delivery, facsimile, or electronic mail such that it is received by the other party on or before the Effective Date. Notices shall be sent to FPL at:

Florida Power & Light Company
9250 W. Flagler Street
Miami, Florida 33174
Attn: Director of Resource Planning
Fax: 305-552-2905
E-mail: rsilva@fpl.com

and to Cedar Bay at:

Cedar Bay Generating Company, Limited Partnership
c/o PG&E National Energy Group
7500 Old Georgetown Road
Bethesda, MD 20814
Attn: Stephen A. Herman
Fax: (301) 280-6913
E-mail: steve.herman@neg.pge.com

Each Party has the right to provide such notice, in its sole discretion for any reason or for no reason, without the incurrence of any liability to the other Party.

(b) The acceptance of the Lender Release is not an admission by FPL of any liability to the Lenders, any and all liability to the Lenders being expressly denied by FPL. FPL and AES Cedar Bay acknowledge that, as a precondition to a determination by AES Cedar Bay that the Order, in form and substance, is acceptable to AES Cedar

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Bay, AES Cedar Bay must receive a determination from the Lenders that the Order, in form and substance, is acceptable to the Lenders.

2. (a) Within 30 days of the execution of this Amendment by both Parties, the Parties will jointly submit a petition to the FPSC for approval of this Amendment ("Petition"). Each Party will use diligent good faith efforts to obtain approval of the Amendment by the FPSC; provided, however, that this obligation does not give rise to any liability by either Party to the other Party. Either Party shall have the right to withdraw the Petition in its sole discretion for any reason or for no reason at any time prior to the date of the Final Order.

(b) Within three (3) business days after execution of the Amendment by the last signatory thereto, the Parties shall file with the Circuit Court in Duval County, Florida a Joint Motion to Stay the Litigation Pending Effectiveness of the Amendment. Within 3 business days after the Effective Date of the Amendment, the Parties shall file a Joint Motion (i) to Dismiss the Litigation With Prejudice, and (ii) to Vacate Paragraphs Numbered 1 and 2 of the Declaratory Judgment. Further, the Parties hereby agree that, as of the Effective Date of this Amendment, to the extent the Declaratory Judgment, including but not limited to all or any portion thereof which is not vacated, is inconsistent with the terms of this Amendment and/or the Parties' rights and obligations set forth herein, the Amendment shall govern, and in the case of any conflict or inconsistency between this Amendment and the Declaratory Judgment, this Amendment shall govern.

(c) The Parties shall execute the Amended Consent on the same date that they execute the Amendment. Within three (3) business days after execution of the Amended Consent by the Parties, Cedar Bay shall forward the executed Amended Consent to the Lenders.

3. The following subsection 1.3a shall be added following the end of Section 1.3 of the PPA:

> Notwithstanding anything in Section 1.3 or in Section 1.36 to the contrary, during the first twelve consecutive Monthly Billing Periods commencing on April 1, 2001, and ending on March 31, 2002 (such twelve consecutive Monthly Billing Periods comprising the "First Period"), the calculation of the Annual Capacity Factor shall be computed by adding the sum of the Monthly Capacity Factor(s) for each Monthly Billing Period during the First Period (i.e., the Monthly Capacity Factor actually achieved by the Facility) which has elapsed since April 1, 2001 to the sum of the Deemed Monthly Capacity Factor(s) for each Monthly Billing Period during the First Period which has not elapsed since April 1, 2001, and dividing that result by twelve. This calculation shall be performed at the end of each Monthly Billing Period until twelve Monthly Billing Periods have elapsed since April 1, 2001. For the avoidance of doubt, the hourly Energy to be used in the calculation of the

Monthly Capacity Factor for April 2001 for each hour during any Scheduled Maintenance Period that occurs during April 2001 shall be 240.375 MWH. For any hour during any other Scheduled Maintenance Period that occurs during the First Period, the hourly Energy to be used in the calculation of the Monthly Capacity Factor for the Monthly Billing Period in which such Scheduled Maintenance Period hour occurs shall be the product of the Committed Capacity and the Annual Capacity Factor at the end of the previous Monthly Billing Period, calculated in accordance with the first two sentences of this Subsection 1.3a.

4. The following subsection 1.4a shall be added following the end of Section 1.4 of the PPA:

Notwithstanding anything in Section 1.4 or in Section 1.39 to the contrary, during the first twelve consecutive Monthly Billing Periods commencing on April 1, 2001, and ending on March 31, 2002 (such twelve consecutive Monthly Billing Periods comprising the "First Period"), the calculation of the Annual On-peak Capacity Factor shall be computed by adding the sum of the Monthly On-peak Capacity Factor(s) for each Monthly Billing Period during the First Period (i.e., the Monthly On-peak Capacity Factor actually achieved by the Facility) which has elapsed since April 1, 2001 to the sum of the Deemed Monthly On-peak Capacity Factor(s) for each Monthly Billing Period during the First Period which has not elapsed since April 1, 2001 and dividing that result by twelve. This calculation shall be performed at the end of each Monthly Billing Period until twelve Monthly Billing Periods have elapsed since April 1, 2001. For the avoidance of doubt, the hourly Energy to be used in the calculation of the Monthly On-peak Capacity Factor for April 2001 for each hour during any Scheduled Maintenance Period that occurs in April 2001 shall be 234.250 MWH. For any hour during any other Scheduled Maintenance Period that occurs during the First Period, the hourly Energy to be used in the calculation of the Monthly On-peak Capacity Factor for the Monthly Billing Period in which such Scheduled Maintenance Period hour occurs shall be the product of the Committed Capacity and the Annual On-peak Capacity Factor at the end of the previous Monthly Billing Period, calculated in accordance with the first two sentences of this Subsection 1.4a.

5. Section 1.11 of the PPA (definition of Capacity Factor) is deleted and the following substituted in lieu thereof:

Capacity Factor - the Annual Capacity Factor, plus one-half the Annual On-peak Capacity Factor minus 47% (*i.e.*, 94% / 2)

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through the end of the calendar year 2006 and 47.5% (*i.e.*, 95% / 2) thereafter. For purposes of determining the Capacity Factor, the Annual On-peak Capacity Factor shall not be greater than 100%.

6. (a) A new Section 1.13a (definition of "Deemed Monthly Capacity Factor") shall be added to the PPA as follows:

Deemed Monthly Capacity Factor - 96.15%

(b) A new Section 1.13b (definition of "Deemed Monthly On-peak Capacity Factor") shall be added to the PPA as follows:

Deemed Monthly On-peak Capacity Factor - 93.7%

7. Section 1.7 of the PPA (definition of Available Committed Capacity) shall be amended by adding the following at the end thereof:

However, notwithstanding anything to the contrary herein, if Indicated Capability is (i) equal to or less than Committed Capacity, the Available Committed Capacity shall not exceed the Indicated Capability or (ii) greater than Committed Capacity, the Available Committed Capacity shall not exceed the Committed Capacity.

8. Section 1.24 of the PPA (definition of FPL Operating Limits) shall be amended by inserting after "(iii) Maximum Sustained Rate: 2.5 MW per minute" the following: "up to and including Committed Capacity and 1.5 MW per minute above Committed Capacity."

9. Section 1.36 of the PPA (definition of Monthly Capacity Factor) is deleted and the following substituted in lieu thereof:

Monthly Capacity Factor – the total Energy (not to exceed 250 MWH during any hour) during the Monthly Billing Period for which the calculation is made, divided by the product of (i) the Committed Capacity during the Monthly Billing Period and (ii) the sum of the hours during the Monthly Billing Period. For purposes of calculating the Monthly Capacity Factor, the following factors shall be considered when applicable: (A) Scheduled Maintenance Periods, (B) any Dispatch Hour and/or any hour, or part of an hour, that AES Cedar Bay elects under Section 7.4 to continue to operate the Facility, rather than decommit the Facility as requested by FPL, and (C) periods of Force Majeure. The hourly Energy to be used in the calculation of factor (A) shall be the product of the Annual Capacity Factor and the Committed Capacity, of factor (B) shall be

the Available Committed Capacity, and of factor (C) shall be the actual Energy during the event of Force Majeure, except during the first two Monthly Billing Periods involving such Force Majeure, when it shall be the greater of (i) the actual Energy or (ii) the lesser of (a) the product of the Committed Capacity and 87% or (b) the product of the Committed Capacity and the Annual Capacity Factor. For purposes of calculating the Monthly Capacity Factor, hourly Energy deliveries (i) shall not exceed those which could be produced by the Committed Capacity, with the exception of those hours when FPL, pursuant to Section 7.3(b), DISPATCH, CONTROL, OPERATION AND MAINTENANCE OF THE FACILITY, requests that the real power output be equal to the Peak Capability of the Facility and (ii) shall be reduced, when applicable, pursuant to Section 7.8, DISPATCH, CONTROL, OPERATION AND MAINTENANCE OF THE FACILITY.

10. Section 1.39 of the PPA (definition of Monthly On-peak Capacity Factor) is deleted and the following substituted in lieu thereof:

Monthly On-peak Capacity Factor – the total Energy (not to exceed 258 MWH during any On-peak Hour) during On-peak Hours for the Monthly Billing Period for which the calculation is made, divided by the product of (i) the Committed Capacity during the Monthly Billing Period and (ii) the sum of the On-peak Hours during the Monthly Billing Period. For purposes of calculating the Monthly On-peak Capacity Factor, the following factors shall be considered when applicable: (A) Scheduled Maintenance Periods; (B) any Dispatch Hour and/or any hour, or part of an hour, that AES Cedar Bay elects under Section 7.4 to continue to operate the Facility, rather than decommit the Facility as requested by FPL, and (C) periods of Force Majeure. The hourly Energy to be used in the calculation of factor (A) shall be the product of the Annual On-peak Capacity Factor and the Committed Capacity, of factor (B) shall be (i) the Available Committed Capacity for each On-peak Hour in which FPL (a) Dispatches the Facility's Energy output to not more than 175 MWH or (b) decommits the Facility, (ii) the Indicated Capability, not to exceed 258 MWH, for each On-peak Hour in which FPL Dispatches the Facility's Energy output above 175 MWH on Automatic Generation Control ("AGC") unless the Energy output of the Facility in such hour is 3.0 MWH or more below the Energy output required by FPL pursuant to FPL's Dispatch and Control Rights for such hour, in which case it shall be the Energy output of the Facility, not to exceed 258 MWH during such hour, or (iii) the Indicated Capability, not to exceed 258 MWH, for each On-peak Hour in which FPL manually dispatches the Facility's Energy output above 175 MWH unless the Energy output of the Facility in such

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hour is less than the Energy output required by FPL pursuant to FPL's Dispatch and Control Rights for such hour, in which case it shall be the Energy output of the Facility, not to exceed 258 MWH, during such hour, and of factor (C) shall be the actual Energy during the event of Force Majeure, except during the first two Monthly Billing Periods involving such Force Majeure, when it shall be the greater of (i) the actual Energy or (ii) the lesser of (a) the product of the Committed Capacity and 94% prior to January 1, 2007 and 95% thereafter or (b) the product of the Committed Capacity and the Annual On-peak Capacity Factor. For purposes of calculating the Monthly On-peak Capacity Factor, (i) hourly Energy deliveries shall not exceed 258 MW for any hour, with the exception of those On-peak Hours when FPL, pursuant to Section 7.3(b), DISPATCH, CONTROL, OPERATION AND MAINTENANCE OF THE FACILITY, requests that the real power output be equal to the Peak Capability of the Facility and (ii) shall be reduced, when applicable, pursuant to Section 7.8, DISPATCH, CONTROL, OPERATION AND MAINTENANCE OF THE FACILITY.

11. A new Section 1.40a definition of "Indicated Capability" shall be added to the PPA as follows:

1.40a Indicated Capability - the capability of the Facility specified by AES Cedar Bay not to exceed the lower of the Facility's current actual MW capability or 110% of AES Cedar Bay's Committed Capacity. AES Cedar Bay shall provide data specifying the Facility's Indicated Capability at all times in accordance with written procedures to be mutually agreed upon by AES Cedar Bay and FPL. Such data shall be communicated from the Facility to FPL's system control center via a remote terminal unit (RTU) or other mutually agreeable form of communication. For billing and payment purposes, the term "Indicated Capability" shall refer to the integrated value of the Facility's Indicated Capability during each clock hour. Unless otherwise agreed to by FPL and AES Cedar Bay in writing, such capability will be utilized by FPL as the upper limit capability of the Facility in FPL's AGC algorithm whenever FPL (a) exercises its Dispatch and Control Rights and (b) controls the Facility through AGC.

12. Section 7.3 of the PPA shall be deleted and the following substituted in lieu thereof:

(a) Consistent with Section 7.4, FPL shall have Dispatch and Control Rights to commit and decommit the Facility and to control the real and reactive power delivered from the Facility to FPL's system in any manner which FPL deems appropriate subject to

FPL's Operating Limits. Separate and distinct from FPL's right to request pursuant to its Dispatch and Control Rights that the real power output be equal to the Peak Capability of the Facility under Section 7.3(b), FPL shall have the right, but not the obligation, subject to FPL's Operating Limits, to Dispatch the real power output of the Facility up to, but not in excess of, the Indicated Capability of the Facility on an integrated hourly basis; provided, however, that if the Indicated Capability is greater than 252 MW, FPL shall not have the right (except pursuant to its right to request that the real power output be equal to the Peak Capability of the Facility) to request that the real power output of the Facility exceed the Indicated Capability during any hour or part of any hour. FPL shall not have the right to request that AES Cedar Bay deliver Energy in excess of Committed Capacity except to the extent FPL has requested AES Cedar Bay to deliver Energy at Peak Capability in accordance with Section 7.3(b) or AES Cedar Bay has specified an Indicated Capability equal to or in excess of Committed Capacity.

(b) Except during any Dispatch Hour, control of the Capacity and Energy shall be AES Cedar Bay's responsibility ("Cedar Bay Control"). During Dispatch, control of the Facility will either be by AES Cedar Bay manual control under the direction of FPL or Automatic Generation Control by FPL's system control center as determined by FPL. Notwithstanding anything in this Section 7.3 to the contrary, FPL may at times request that the real power output be equal to the Peak Capability of the Facility, but shall not reduce the real power output of the Facility below the Minimum Load without decommitting the Facility. AES Cedar Bay shall meet this request or, within thirty calendar days, notify FPL in writing of the engineering or operational circumstances which prevented AES Cedar Bay from complying with FPL's request. FPL's request shall be made orally with as much prior notice to AES Cedar Bay as practicable and FPL shall specify that it is requesting the Facility to deliver Energy at "Peak Capability". Any request by FPL to AES Cedar Bay to deliver Energy in excess of Committed Capacity shall not be considered a request to deliver Energy at Peak Capability unless (i) expressly so specified by FPL and (ii) unless within 24 hours after receipt by AES Cedar Bay of any such request by FPL, AES Cedar Bay provides written confirmation via telecopier to FPL of (a) FPL's request for Peak Capability and (b) AES Cedar Bay's compliance therewith. FPL shall not under any circumstance have the obligation to request the real power output be equal to the Peak Capability of the Facility. Notwithstanding anything to the contrary in Section 7.3(d), whether, when and the extent to which FPL (i) requests Cedar Bay to deliver Energy at Peak Capability, (ii) elects

not to request the real power output be equal to the Peak Capability of the Facility, including, but not limited to, FPL's request for Energy in excess of Committed Capacity without requesting the Peak Capability of the Facility under this Section 7.3(b), or (iii) takes into account Monthly Capacity Payments to be paid to AES Cedar Bay in exercising its rights under subsections (i) or (ii) of this sentence shall not give rise to any liability on the part of FPL, including, but not limited to, any claim for breach of contract and/or for breach of any covenant of good faith and fair dealing.

(c) As part of its Dispatch and Control Rights, FPL has the right to decide solely in its discretion whether and when to, as determined by FPL, (i) place or continue to maintain the Facility on AES Cedar Bay manual control under the direction of FPL, (ii) place or continue to maintain the Facility on Automatic Generation Control by FPL's system control center, (iii) take the Facility off Dispatch by placing the Facility under Cedar Bay Control, (iv) allow the Facility to continue to operate under Cedar Bay Control, or (v) in order to confirm the Facility's ability to operate at Indicated Capability, seek to increase the output of the Facility to Indicated Capability and/or commit the Facility. FPL's exercise of its sole discretion pursuant to this subsection 7.3(c) shall not give rise to any liability on the part of FPL, including, but not limited to, any claim for breach of contract and/or for breach of any covenant of good faith and fair dealing.

(d) Notwithstanding anything to the contrary in the Amended PPA (except as otherwise provided in Section 7.3(c) and the last two sentences of Section 7.3(b)), FPL shall not consider or take into account Monthly Capacity Payments to be paid to AES Cedar Bay hereunder in (i) determining whether and when to commit or decommit the Facility, or (ii) determining the level of output FPL requires from the Facility when the Facility is not under Cedar Bay Control if such consideration would have the effect of decreasing, in any Monthly Billing Period, AES Cedar Bay's Monthly Capacity Payments; and provided, however, that nothing in the Amended PPA shall limit FPL's right to interrupt or reduce deliveries from the Facility pursuant to Section 6.8(i) and (ii).

13. Section 7.5 is amended by adding "Notwithstanding Section 7.3," before the words "FPL shall not be required to accept".

14. Section 12.4 of the PPA shall be amended by adding "(a) Except as provided in subsection (b)," before "Calculation" and adding at the end thereof:

(b) Other than when FPL requests the Facility to deliver Energy at Peak Capability in accordance with Section 7.3(b), for (i) any On-peak Hour in which the Facility delivers Energy in excess of 258 MWH and (ii) any hour other than an On-peak Hour in which the Facility delivers Energy in excess of 250 MWH, FPL shall pay AES Cedar Bay the amount specified in Section 12.4(a) plus an amount equal to one-half of any positive difference between (x) FPL's actual As-available Avoided Energy Costs for that hour and (y) the rate as determined pursuant to Section 12.4(a) above times the Energy deliveries in excess of (a) 258 MWH during any On-peak hour or (b) 250 MWH during any hour other than an On-peak hour.

15. A new Section 22.10 shall be added to the PPA as follows:

22.10 Prior to 4:00 p.m. the day before, FPL will notify the AES Cedar Bay control room by facsimile of FPL's projected hourly As-available Avoided Energy Costs for each hour of the following day(s) using the most recent projected rate available. FPL offers no guarantees with regard to the accuracy of the projected hourly As-available Avoided Energy Costs, which are prepared and provided for planning purposes only and should not be relied upon. In addition, any failure by FPL to send projected hourly As-Available Avoided Energy Costs to AES Cedar Bay will not give rise to liability on the part of FPL. Further, AES Cedar Bay hereby agrees to treat as proprietary to FPL and confidential any and all projected hourly As-available Avoided Energy Costs information provided to AES Cedar Bay by FPL, to use such information solely for the purpose of operating the Facility as set forth in the Agreement, and not to disclose this information to any other person or entity, including but not limited to, any affiliate, parent, subsidiary, or related company, other than a person or entity that is employed in the operation or management of the Facility, for 90 days after the day for which such projected hourly As-available Avoided Energy Costs apply. For each month that FPL makes any payments to Cedar Bay in accordance with Section 12.4(b) above, FPL shall include in the Monthly Billing Statement its actual hourly As-available Avoided Energy Costs for the preceding Monthly Billing Period.

16. (a) Section A.1 of Appendix A to the PPA shall be amended by deleting A.1.4 through A.1.6 and substituting the following in lieu thereof:

A.1.4 In the event that the Capacity Factor is at least 87% but not greater than 95%, then the Monthly Capacity Payment shall be calculated from the following formula:

MCP=CC*(BCC+OMC)

A.1.5. In the event that the Capacity Factor is greater than 95% but not greater than 98%, then the Monthly Capacity Payment shall be calculated from the following formula:

MCP=[(1+(0.02667*((CF*100)-95)))*CC*BCC]+OMC*CC

A.1.6 In the event that the Capacity Factor is greater than 98%, then the Monthly Capacity Payment shall be calculated from the following formula:

MCP=[(1.08+(.006*((CF*100)-98)))*CC*BCC]+OMC*CC

(b) Section A.2 of Appendix A shall be amended by deleting A.2.4 through A.2.6 and substituting the following in lieu thereof:

A.2.4 In the event that the Capacity Factor is at least 87% but not greater than 95%, then the Monthly Capacity Payment shall be calculated from the following formula:

MCP=CC*(BCC+OMC)

A.2.5. In the event that the Capacity Factor is greater than 95% but not greater than 98%, then the Monthly Capacity Payment shall be calculated from the following formula:

MCP=[(1+(0.01667*((CF*100)-95)))*CC*BCC]+OMC*CC

A.2.6 In the event that the Capacity Factor is greater than 98%, then the Monthly Capacity Payment shall be calculated from the following formula:

MCP=[(1.05+(.004*((CF*100)-98)))*CC*BCC]+OMC*CC

17. Notwithstanding anything in Appendix A or in this Amendment to the contrary, (a) with respect to Monthly Capacity Payments for Monthly Billing Periods beginning April 1, 2001, such Monthly Capacity Payments shall be recalculated within 30 days after the Effective Date in accordance with the terms and conditions of this Amendment, (b) with respect to the Monthly Payment for Energy delivered pursuant to Section 12.4(b) such Monthly Energy Payments shall be recalculated within 30 days after the Effective Date for Monthly Billing Periods beginning May 1, 2001 in accordance with the terms and conditions of this Amendment. Amounts which have already been paid by FPL to Cedar Bay for deliveries beginning April 1, 2001 (with respect to Monthly Capacity Payments) or May 1, 2001 (with respect to Energy Payments) shall be

adjusted to reflect the recalculation, and (i) any positive difference between the amount already paid by FPL and the amount which results from the recalculation shall be paid by FPL to Cedar Bay within 30 days of the Effective Date or (ii) any negative difference between the amount already paid by FPL and the amount which results from the recalculation shall be paid by Cedar Bay to FPL within 30 days after the Effective Date.

18. FPL agrees to pay no later than 20 business days after the Effective Date, $100,000 to Cedar Bay by wire transfer to the bank account as designated by letter dated September 9, 2002 from the Collateral Agent no later than 10 business days after the Effective Date.

19. Cedar Bay and FPL shall provide a mutual release of all claims related to the Litigation substantially in the form of Attachment A (Form of Release) simultaneously with the signing of this Amendment.

20. Within three business (3) days after the date of the Final Order the Lenders shall deliver to FPL, and FPL shall deliver to the Lenders, executed originals of the Lender Release, in counterpart. Each counterpart Lender Release shall be dated as of the date of delivery and each counterpart Lender Release shall be delivered on the same date. Within three business (3) days after the date of the Final Order the Lenders shall deliver to the Parties originals of the Amended Consent executed by Paribas, as agent, in counterpart. Each counterpart Amended Consent shall be dated as of the date of delivery of the Amended Consent by the Lenders to the Parties.

21. This Amendment is binding upon and shall inure to the benefit of the Parties and the licensees, representatives, transferees, affiliates, subsidiaries, direct and indirect owners, successors, heirs and/or assigns of the Parties hereto. This Amendment, together with the PPA, contains the entire agreement between the Parties hereto with respect to the subject matter hereof, supersedes any and all prior oral and written agreements relating thereto, including, but not limited to, the letter dated May 2, 1991, from AES Cedar Bay to FPL and countersigned by Jim Scalf of FPL, and may not be modified, amended, or amplified except by a written document executed by the Parties hereto.

22. This Amendment shall be governed by the laws of the State of Florida applicable to contracts made or to be performed in Florida, without regard to the conflicts of law principles thereof. The Parties hereto consent to the personal jurisdiction and venue of the federal and state courts in the State of Florida, and agree that all disputes or litigation regarding this Amendment shall be submitted to and determined by said courts.

23. Each Party hereto expressly warrants and represents that it has any requisite corporate or partnership approval, as the case may be, to execute and deliver this Amendment and that each of the persons executing this Amendment has the necessary and appropriate authority to do so; that there are no pending agreements, transactions, or negotiations to which it is a party that would render this Amendment or any part thereof void, voidable, or unenforceable; that no authorization, consent or approval of any

governmental entity other than the FPSC, as set forth in paragraph 1 above, is required to make this Amendment valid and binding upon it; and that this Amendment constitutes its legal, valid and binding obligation.

24. This Amendment may be executed by the Parties in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement and a facsimile signature shall be deemed to have the same effect as an original signature. One fully executed original shall be distributed to each Party.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first above written.

FLORIDA POWER & LIGHT COMPANY	CEDAR BAY GENERATING COMPANY, LIMITED PARTNERSHIP
By: Paul J Evanson	By: P. Chrisman Iribe
Title: President, Florida Power & Light Company	Title: P. Chrisman Iribe President

Q.

Please provide a copy of the steam sales agreement.

A.

Documents responsive to this request are confidential, labeled as Bates Nos. CB-15-00228 through CB-15-00355.

Documents responsive to Staff's First Request for Production No. 3 (Bates Nos. CB-15-00228 through CB-15-00355) are confidential in their entirety.

37

FPL's Responses to Staff's Second Request for Production of Documents (Nos. 5-6)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 37
PARTY: STAFF
DESCRIPTION: FPL's Responses to Staff's Second Request for Production of Documents

Q.

Please provide the cover page and pages 82 thru 87 of FPL's Ten Year Power Plant Site Plan, 2015-2024.

A.

Documents responsive to this request are provided as Bates Nos. CB-15-012929 through CB-15-012935.



Ten Year Power Plant Site Plan

2015-2024

Submitted To:

Florida Public
Service Commission

Miami, Florida
April 2015

rates for all customers, including non-participating customers. The locations of these additional PV facilities will be determined at a later date. While the ultimate amount of PV that will be installed under this voluntary program cannot be known at this time, it is estimated that the project could result in approximately 2 MW (nameplate, DC) of community-located PV installations supported by over 10,000 customer participants by the end of the three-year pilot.

b) **C&I Solar Partnership Pilot Program:**

This is a research program that will be conducted in partnership with interested commercial and industrial (C&I) customers over an approximate five year period. Limited investments will be made in PV facilities located at customer sites in selected geographic areas of FPL's service territory. The objective of this portion of the pilot program is to examine the effect of high DG PV penetration on FPL's distribution system and to determine how best to address any problems that may be identified. FPL will site approximately 5 MW (nameplate, DC) of PV facilities in areas where DG PV already exists to better study feeder loading impacts. PV installations at Daytona International Speedway, and FIU's Engineering Center campus in West Miami-Dade County have been selected based largely on their interconnection with targeted circuits. In addition, this pilot program will also install a battery storage facility of approximately 1 MW capacity. This facility will be used to investigate the interoperability, and optimization, of multiple DG technologies. A multi-year research partnership agreement has been executed with FIU for the university to assist FPL in the battery storage research and development plan, and in the analyses that will subsequently be conducted.

III.G FPL's Fuel Mix and Fuel Price Forecasts

1. FPL's Fuel Mix

Until the mid-1980s, FPL relied primarily on a combination of fuel oil, natural gas, and nuclear energy to generate electricity with significant reliance on oil–fired generation. In the early 1980s, FPL began to purchase "coal-by-wire." In 1987, coal was first added to the fuel mix through FPL's partial ownership (20%) and additional purchases (30%) from the St. Johns River Power Park (SJRPP). This allowed FPL to meet its customers' energy needs with a more diversified mix of energy sources. Additional coal resources were added with the partial acquisition (76%) of Scherer Unit 4 which began serving FPL's customers in 1991.

The trend since the early 1990s has been a steady increase in the amount of natural gas that FPL uses to produce electricity due, in part, to the introduction of highly efficient and cost-effective CC generating units and the ready availability of natural gas. FPL placed into commercial operation two new gas-fired CC units at the West County Energy Center (WCEC) site in 2009. A third new CC unit was added to the WCEC site in 2011. In addition, FPL has completed the modernization of its Cape Canaveral and Riviera Beach plant sites and is currently modernizing its existing Port Everglades plant site by removing the steam generating units that previously operated at the site and replacing them with one highly efficient new CC unit. The new CC units at each of these three sites will provide highly efficient generation that will dramatically improve the efficiency of FPL's generation system in general and, more specifically, the efficiency with which natural gas is utilized.

In addition, FPL increased its utilization of nuclear energy through capacity uprates of its four existing nuclear units. With these uprates, more than 520 MW of additional nuclear capacity have been added to the FPL system. FPL is also pursuing plans to obtain licenses, permits, and approvals to construct and operate two new nuclear units at its existing Turkey Point site that, in total, would add approximately 2,200 MW of new nuclear generating capacity.

In regard to utilizing renewable energy, FPL has 110 MW of solar generating capacity consisting of: a 75 MW solar thermal steam generating facility at FPL's existing Martin site, a 25 MW PV facility in DeSoto County, and a 10 MW PV facility in Brevard County. The DeSoto facility was placed into commercial operation in 2009. The other two solar facilities were placed into commercial operation in 2010. As discussed in the preceding section, FPL is planning to add three new approximately 74.5 MW (nameplate, AC) PV facilities by the end of 2016.

FPL's future resource planning work will continue to focus on identifying and evaluating alternatives that would most cost-effectively maintain and/or enhance FPL's long-term fuel diversity. These fuel diverse alternatives may include: the purchase of power from renewable energy facilities, additional FPL-owned renewable energy facilities, obtaining additional access to diversified sources of natural gas such as liquefied natural gas (LNG) and natural gas from the Mid-Continent unconventional reserves, securing gas reserves, preserving FPL's ability to utilize fuel oil at its existing units, and increased utilization of nuclear energy. (As previously discussed, new advanced technology coal-fired generating units are not currently considered as viable options in Florida in the ten-year reporting period of this document due, in part, to current projections of relatively small differences in fuel costs between coal and natural gas, significantly higher capital costs for coal units compared to CC units, greater efficiencies of CC units, and concerns over environmental regulations that would impact coal units more

negatively than CC units.) The evaluation of the feasibility and cost-effectiveness of these, and other possible fuel diversity alternatives, will be part of FPL's on-going resource planning efforts.

FPL's current use of various fuels to supply energy to customers, plus a projection of this "fuel mix" through 2024 based on the resource plan presented in this document, is presented in Schedules 5, 6.1, and 6.2 later in this chapter.

2) FPL's Fossil Fuel Cost Forecasts

Fossil fuel price forecasts, and the resulting projected price differentials between fuels, are major drivers used in evaluating alternatives for meeting future resource needs. FPL's forecasts are generally consistent with other published contemporary forecasts. A November 2014 fuel cost forecast was used in the analyses whose results led to the resource plan presented in this 2015 Site Plan.

Future oil and natural gas prices, and to a lesser extent, coal prices, are inherently uncertain due to a significant number of unpredictable and uncontrollable drivers that influence the short- and long-term price of oil, natural gas, and coal. These drivers include U.S. and worldwide demand, production capacity, economic growth, environmental requirements, and politics.

The inherent uncertainty and unpredictability of these factors today and in the future clearly underscores the need to develop a set of plausible oil, natural gas, and solid fuel (coal) price scenarios that will bound a reasonable set of long-term price outcomes. In this light, FPL developed and utilized Low, Medium, and High price forecasts for fossil fuels in some of its 2014 and early 2015 resource planning work, particularly in regard to analyses conducted as part of the nuclear cost recovery filing work.

FPL's Medium price forecast methodology is consistent for oil and natural gas. For oil and natural gas commodity prices, FPL's Medium price forecast applies the following methodology:

a. For 2015 through 2016, the methodology used the November 3, 2014 forward curve for New York Harbor 0.7% sulfur heavy oil, ultra-low sulfur diesel (ULSD) fuel oil, and Henry Hub natural gas commodity prices;

b. For the next two years (2017 and 2018), FPL used a 50/50 blend of the November 3, 2014 forward curve and the most current projections at the time from The PIRA Energy Group;

150075 Hearing Exhibit 000363

c. For the 2019 through 2035 period, FPL used the annual projections from The PIRA Energy Group; and,

d. For the period beyond 2035, FPL used the real rate of escalation from the Energy Information Administration (EIA). In addition to the development of oil and natural gas commodity prices, nominal price forecasts also were prepared for oil and natural gas transportation costs. The addition of commodity and transportation forecasts resulted in delivered price forecasts.

FPL's Medium price forecast methodology is also consistent for coal prices. Coal prices were based upon the following approach:

a. Delivered price forecasts for Central Appalachian (CAPP), Illinois Basin (IB), Powder River Basin (PRB), and South American coal were provided by JD Energy; and,

b. The coal price forecast for SJRPP and Plant Scherer assumes the continuation of the existing mine-mouth and transportation contracts until expiration, along with the purchase of spot coal, to meet generation requirements.

The development of FPL's Low and High price forecasts for oil, natural gas, and coal prices were based on the historical volatility of the 12-month forward price, one year ahead. FPL developed these forecasts to account for the uncertainty that exists within each commodity as well as across commodities. These forecasts reflect a range of reasonable forecast outcomes.

3. **Natural Gas Storage**

FPL was under contract through August 2014 for 2.5 billion cubic feet (Bcf) of firm natural gas storage capacity in the Bay Gas storage facility located in Alabama. The Bay Gas storage facility is interconnected with the Florida Gas Transmission (FGT) pipeline. FPL amended the transaction with Bay Gas on September 1, 2014 to increase the capacity to 4.0 Bcf of firm natural gas storage capacity. FPL has predominately utilized natural gas storage to help mitigate gas supply problems caused by severe weather and/or infrastructure problems.

Over the past several years, FPL has acquired upstream transportation capacity on several pipelines to help mitigate the risk of off-shore supply problems caused by severe weather in the Gulf of Mexico. While this transportation capacity has reduced FPL's off-shore exposure, a portion of FPL's supply portfolio remains tied to off-shore natural gas sources. Therefore, natural gas storage remains an important tool to help mitigate the risk of supply disruptions.

As FPL's reliance on natural gas has increased, its ability to manage the daily "swings" that can occur on its system due to weather and unit availability changes has become more

challenging, particularly from oversupply situations. Natural gas storage is a valuable tool to help manage the daily balancing of supply and demand. From a balancing perspective, injection and withdrawal rights associated with gas storage have become an increasingly important part of the evaluation of overall gas storage requirements.

As FPL's system grows to meet customer needs, it must maintain adequate gas storage capacity to continue to help mitigate supply and/or infrastructure problems and to provide FPL the ability to manage its supply and demand on a daily basis. FPL continues to evaluate its gas storage portfolio and is likely to subscribe for additional gas storage capacity to help increase reliability, provide the necessary flexibility to respond to demand changes, and diversify the overall portfolio.

4. **Securing Additional Natural Gas:**

The recent trend of increasing reliance upon natural gas to produce electricity for FPL's customers is projected to continue due to FPL's growing load. The addition of highly fuel-efficient CC units at Cape Canaveral and Riviera Beach due to completed modernization projects, the on-going Port Everglades modernization project, plus the potential for additional CC capacity, will reduce the growth in natural gas use from what it otherwise might have been due to the high fuel-efficiency levels of these new CC units. In addition, FPL plans to add a significant amount of new PV facilities that utilize no fossil fuel. However, these efficiency gains do not fully offset the effects of FPL's growing load. Therefore, FPL will need to secure more natural gas supply, more firm gas transportation capacity, and secure gas reserves in the future as fuel requirements dictate. The issue is how to secure these additional natural gas resources in a manner that is economical for FPL's customers and which maintains and/or enhances the reliability of natural gas supply and deliverability to FPL's generating units.

FPL has historically purchased the gas transportation capacity required for new natural gas supply from two existing natural gas pipeline companies. As more natural gas is delivered through these two pipelines, the impact of a supply disruption on either pipeline becomes more problematic. Therefore, FPL issued a Request for Proposals (RFP) in December 2012 for gas transportation capacity to meet FPL's system natural gas requirements beginning in 2017. The RFP encouraged bidders to propose new gas transportation infrastructure to meet Florida's growing need for natural gas. A third pipeline would benefit FPL and its customers by increasing the diversity of FPL's fuel supply sources, increasing the physical reliability of the pipeline delivery system, and enhancing competition among pipelines.

The RFP process was completed in June 2013, and the winning bidders were Sabal Trail Transmission, LLC (Sabal Trail) and Florida Southeast Connection, LLC (FSC). The contracts

150075 Hearing Exhibit 000365

with Sabal Trail and FSC were reviewed by the FPSC and approved for cost recovery in late 2013. The order approving this cost recovery became final in January 2014. Sabal Trail and FSC are currently in the process of obtaining Federal Energy Regulatory Commission approval for the new pipelines. The planned in-service date for the pipelines is May 2017.

5. **Nuclear Fuel Cost Forecast**

This section reviews the various steps needed to fabricate nuclear fuel for delivery to the nuclear power plants, the method used to forecast the price for each step, and other comments regarding FPL's nuclear fuel cost forecast.

a) **Steps Required for Nuclear Fuel to be delivered to FPL's Plants**

Four separate steps are required before nuclear fuel can be used in a commercial nuclear power reactor. These steps are summarized below.

(1) Mining: Uranium is produced in many countries such as Canada, Australia, Kazakhstan, and the United States. During the first step, uranium is mined from the ground using techniques such as open pit mining, underground mining, in-situ leaching operations, or production as a by-product from other mining operations, such as gold, copper, or phosphate rocks. The product from this first step is the raw uranium delivered as an oxide, U3O8 (sometimes referred to as yellowcake).

(2) Conversion: During the second step, the U3O8 is chemically converted into UF6 which, when heated, changes into a gaseous state. This second step further removes any chemical impurities and serves as preparation for the third step, which requires uranium to be in a gaseous state.

(3) Enrichment: The third step is called enrichment. Natural uranium contains 0.711% of uranium at an atomic mass of 235 (U-235) and 99.289% of uranium at an atomic mass of 238 (U-238). FPL's nuclear reactors use uranium with a higher percentage of up to almost five percent (5%) of U-235 atoms. Because natural uranium does not contain a sufficient amount of U-235, the third step increases the percentage amount of U-235 from 0.711% to a level specified when designing the reactor core (typically in a range from approximately 2.2% to as high as 4.95%). The output of this enrichment process is enriched uranium in the form of UF6.

(4) Fabrication: During the last step, fuel fabrication, the enriched UF6 is changed to a UO2 powder, pressed into pellets, and fed into tubes, which are sealed and bundled

Q.

Please provide all alternative fuel price forecasts the Company used to test the reasonableness of the natural gas and coal price forecasts filed in response to Staff's 1st Set of Interrogatories, No. 1.

A.

FPL has no responsive documents. Although the Company uses outside sources such as PIRA and EIA to provide a baseline for its medium case fuel price forecasts, it does not compare its official forecasts with outside sources.

38

FPL's Responses to Staff's Third Request for Production of Documents (Nos. 7, 8, and 9-10 (CONFIDENTIAL))

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 38
PARTY: STAFF
DESCRIPTION: FPL's Responses to Staff's Third Request for Production of Documents

Q.

Provide a copy of any order, correspondence or guidance issued by the Federal Energy Regulatory Commission (FERC) relating to the Cedar Bay Transaction.

A.

Documents responsive to this request are provided as Bates No. CB-15-012964 through CB-15-012981.

152 FERC ¶ 61,013
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;
Philip D. Moeller, Cheryl A. LaFleur,
Tony Clark, and Colette D. Honorable.

Florida Power & Light Company — Docket No. EC15-102-000

ORDER AUTHORIZING PROPOSED TRANSACTION

(Issued July 2, 2015)

1. On March 23, 2015, pursuant to section 203(a)(1) of the Federal Power Act (FPA)[1] and Part 33 of the Commission's regulations,[2] Florida Power & Light Company (FPL) requested Commission authorization for a transaction (Proposed Transaction) in which FPL, the buyer, will acquire from CBAS Power Holdings, LLC (CBAS Power Holdings), the seller, all of the outstanding ownership interests (Cedar Bay Interests) in CBAS Power, Inc. (CBAS), which is the upstream owner of a 250 megawatt (MW) generating facility (Facility) located in Jacksonville, Florida. FPL states that it currently buys all the capacity and electric power from the Facility pursuant to a long-term power purchase agreement (Power Purchase Agreement).

2. As discussed below, we have reviewed the Proposed Transaction under the Commission's Merger Policy Statement[3] and authorize the Proposed Transaction under FPA section 203 as consistent with the public interest.

[1] 16 U.S.C. § 824b(a)(1) (2012). FPL states that, while it is unclear whether authorization for the Proposed Transaction is required under section 203, as a precautionary measure, FPL is seeking authorization without requiring analysis of the applicable jurisdiction. Application at 12-13 & n.15.

[2] 18 C.F.R. §§ 33.1-33.11 (2014).

[3] *See Inquiry Concerning the Commission's Merger Policy Under the Federal Power Act: Policy Statement*, Order No. 592, FERC Stats. & Regs. ¶ 31,044 (1996),

I. Background

A. Description of the Buyer, Seller, and the Power Purchase Agreement

1. Buyer

3. FPL states that it is a wholly owned subsidiary of NextEra Energy, Inc. (NextEra), which is one of the largest electric power companies in North America, and which owns through all its subsidiaries approximately 44,900 MW of generating capacity in 25 states in the U.S. and four provinces in Canada. According to FPL, NextEra is the largest generator of renewable energy in North America, operating approximately 17 percent of the installed base of U.S. wind power production capacity and approximately 11 percent of the installed base of U.S. utility-scale solar power production capacity as of December 31, 2014. FPL states that NextEra also owns and operates one of the largest fleets of nuclear power stations in the U.S., with eight reactors at five sites located in four states, representing approximately six percent of U.S. nuclear power electric generating capacity as of December 31, 2014. FPL explains that NextEra Energy Resources, LLC (NEER) is the main vehicle through which NextEra holds and manages its competitive power businesses. Through its subsidiaries, NEER owns, develops, constructs, manages, and operates independent power projects that sell energy, capacity, and ancillary services in multiple domestic markets outside of Florida. FPL adds that NEER, through its subsidiaries, owns and operates generation facilities that total approximately 19,800 MW in net generating capacity as of December 31, 2014.[4]

4. FPL states that it is a rate-regulated utility engaged in the generation, transmission, distribution, and sale of electric energy in Florida. FPL is vertically integrated, with approximately 25,100 MW of generating capacity in service as of December 31, 2014. FPL provides service to approximately 4.7 million retail customers via an integrated 70,000-mile transmission and distribution system that links its generation facilities to its customers. FPL maintains interconnection facilities with neighboring utilities and

reconsideration denied, Order No. 592-A, 79 FERC ¶ 61,321 (1997) (Merger Policy Statement). *See also FPA Section 203 Supplemental Policy Statement*, FERC Stats. & Regs. ¶ 31,253 (2007), *order on clarification and reconsideration*, 122 FERC ¶ 61,157 (2008) (Supplemental Policy Statement). *See also Revised Filing Requirements Under Part 33 of the Commission's Regulations*, Order No. 642, FERC Stats. & Regs. ¶ 31,111 (2000), *order on reh'g*, Order No. 642-A, 94 FERC ¶ 61,289 (2001). *See also Transactions Subject to FPA Section 203*, Order No. 669, FERC Stats. & Regs. ¶ 31,200 (2005), *order on reh'g*, Order No. 669-A, FERC Stats. & Regs. ¶ 31,214, *order on reh'g*, Order No. 669-B, FERC Stats. & Regs. ¶ 31,225 (2006).

[4] Application at 4.

wholesale power providers in order to buy and sell wholesale electricity outside its service territory and to enhance the reliability of its own and neighboring networks. FPL states that its load consists primarily of retail customers, although wholesale power sales customers comprise a small percentage of its load. FPL states that it does not have market-based rate authority in peninsular Florida.[5]

2. Seller

5. FPL states that CBAS Power Holdings is a subsidiary of The Carlyle Group, a global alternative investment management firm. FPL adds that CBAS Power Holdings owns 100 percent of CBAS, which in turn owns 100 percent of Gray Hawk Power Corporation (Gray Hawk). FPL explains that Gray Hawk has two subsidiaries, Cedar Bay Cogeneration, LLC (CB Cogen) and Cedar Power, LLC (Cedar Power). CB Cogen owns a 78 percent general partnership interest and a 2 percent limited partnership interest in Cedar Bay Generating Company, Limited Partnership (Cedar Bay). Cedar Power owns 100 percent of Cedar I Power, LLC (Cedar I). Cedar I owns 100 percent of Cedar II Power, LLC (Cedar II). Cedar II owns a 20 percent general partnership interest in Cedar Bay, which owns and operates the 250 MW coal-fired topping cycle cogeneration Facility. FPL states that the Facility is a qualifying facility (QF) located in Duval County, Florida that includes interconnection facilities necessary to interconnect to the grid.[6] According to FPL, the Facility is interconnected with the transmission system of Jacksonville Electric Authority pursuant to an Interconnection and Transmission Service Agreement executed in January 1990, and since amended.[7] FPL states that Cedar Bay, the owner of the Facility, does not have Commission-authorization to sell energy at market-based rates.

3. Power Purchase Agreement

6. FPL states that Cedar Bay and FPL are parties to a Power Purchase Agreement under which FPL purchases all of the firm capacity and electric energy from the Facility, while the steam from the Facility is sold to a nearby paper mill. FPL maintains that the Power Purchase Agreement was originally executed in 1988 by FPL and a previous owner of the Facility, but has since been amended. FPL asserts that the Power Purchase Agreement pricing was based on state-wide avoided costs required by the Florida Public Service Commission (Florida Commission) at the time the Power Purchase Agreement

[5] *Id.* at 4-5.

[6] FPL states that the original certification of QF status was filed in 1989 in Docket No. QF89-126. Application at 8 & n.8.

[7] This non-jurisdictional agreement is not on file with the Commission.

was executed. Delivery of energy from Cedar Bay to FPL is achieved through wheeling the energy across the transmission system of Jacksonville Electric Authority to a delivery point at a point of interconnection between FPL and Jacksonville Electric Authority.[8]

7. FPL asserts that the capacity pricing of the Power Purchase Agreement is "far above" market prices and FPL's avoided costs.[9] For example, FPL states that in 2014, FPL paid $10.8 million in capacity payments and operations and maintenance (O&M) fees to Cedar Bay each month. FPL explains that, under the Power Purchase Agreement, these capacity prices increase yearly, such that by the end of the term of the Power Purchase Agreement, which is currently scheduled to terminate in 2024, monthly payments will surpass $14 million. FPL estimates that, if the Power Purchase Agreement were to run its full term, FPL's payments for capacity, capacity bonus, and O&M would total approximately $1.5 billion on a nominal basis. FPL adds that, although the energy pricing under the Power Purchase Agreement is not above market, due to the high capacity price, the "all in" price of the energy from the Cedar Bay Facility in 2014 was over $178/megawatt hour (MWh), compared to an average FPL avoided cost of $27/MWh.[10] FPL explains that consummation of the Proposed Transaction will enable FPL to terminate the Power Purchase Agreement and save its retail and wholesale ratepayers approximately $70 million in capacity and energy payments over the remaining term of the Power Purchase Agreement, calculated on a net present value basis.[11]

B. Description of the Proposed Transaction

8. FPL states that pursuant to the Purchase and Sale Agreement between FPL and CBAS dated December 10, 2014, FPL will pay CBAS Power Holdings $520.5 million for the Cedar Bay Interests, which are defined as 100 percent of the equity interest in CBAS.[12] FPL asserts that the estimated fair value of the Facility and other net assets and liabilities exclusive of the Power Purchase Agreement is approximately $0. FPL asserts that the $520.5 million purchase price reflects the fair value related to terminating the

[8] Application at 6.

[9] *Id.* at 7.

[10] *Id.*

[11] *Id.* at 1-2.

[12] *Id.* at 7.

Power Purchase Agreement, thereby avoiding continued monthly capacity payments at above-market prices both immediately and in the long-term.[13]

9. FPL states that it intends to contract with Cedar Bay Operating Services, LLC to continue operating the Facility and to preserve the corporate legal structure for ownership of the Facility, as a protection from any unforeseen contingent losses that could arise from the prior operation of the Facility. FPL states that it anticipates dispatching the Facility until at least 2016, but at an approximately 5 percent capacity factor instead of at the current approximately 50 percent capacity factor.[14] Due to the expected availability of a new interstate natural gas pipeline system to fuel its natural gas-fired units, FPL projects that it will retire the Facility in early 2017.[15] FPL adds that the Facility is neither needed at present, nor in 2017, to meet the reliability criteria FPL uses for its planning purposes.

10. FPL states that it filed a petition with the Florida Commission on March 6, 2015, requesting approval of the Proposed Transaction, including the accounting treatment (Florida Petition). FPL explains that, in the Florida Petition, it sought permission to treat the $520.5 million purchase price and associated income tax gross up of $326.9 million as regulatory assets that would be recovered through FPL's retail Capacity Cost Recovery Clause.[16] FPL explains that recovery is premised on the following: (1) amortization of the regulatory assets over roughly 10 years (which corresponds to the remaining term of the Power Purchase Agreement); and (2) a return on the unamortized balance of the purchase price calculated at FPL's weighted average cost of capital that is used for its retail adjustment clause proceedings. FPL asserts that it is appropriate to recover these costs through the Cost Recovery Clause because capacity and O&M payments paid to Cedar Bay are currently recovered through this Clause and termination of the Power Purchase Agreement would eliminate these payments. FPL states that Florida Commission approval of this recovery is a condition precedent to closing the Proposed Transaction.

11. FPL adds that it will request authorization under section 205 of the FPA[17] to recover what it refers to as the "net regulatory asset" through FPL's cost of service

[13] *Id.* (citing Gerrish Aff. at 5-6).

[14] *Id.* at 7-8 (citing Gerrish Aff. at 6-7).

[15] *Id.*; Gerrish Aff. at 5-6.

[16] Application at 11-12.

[17] 16 U.S.C. § 824d (2012).

production formula rates in the power sales agreements of its two long-term wholesale requirements customers, Florida Keys Electric Cooperative (Florida Keys) and Lee County Electric Cooperative (Lee County).[18]

12. FPL further anticipates that it or its subsidiary, Cedar Bay, will file under section 205 of the FPA for Commission approval of a cost-based power sales arrangement, which would take the place of the terminated Power Purchase Agreement upon closing of the Proposed Transaction.[19]

13. FPL states that customers will receive at least three benefits from the Proposed Transaction. First, the Proposed Transaction will terminate FPL's obligation to make high capacity payments under the Power Purchase Agreement. Second, while FPL anticipates retiring the Facility in 2017, if economic conditions change, FPL may continue to operate it; thus, FPL asserts that, by keeping the Facility in service, it maintains for its customers the option of continued fuel reliability and diversity. Third, FPL points out that the Facility is a high emitter of carbon dioxide. FPL states that reducing the Facility's rate of dispatch from 50 percent to 5 percent per year will reduce carbon dioxide emissions in Florida by nearly a million tons per year.[20]

II. Notice of Filing and Responsive Pleadings

14. Notice of the Application was published in the *Federal Register*, 80 Fed. Reg. 16,668 (2015), with interventions and protests due on or before April 13, 2015. Timely motions to intervene and comments were filed by Florida Keys on April 10, 2015 and by Lee County on April 13, 2015. Florida Keys and Lee County ask the Commission to authorize the Proposed Transaction because it is their understanding that the Proposed Transaction will overall lower payments under their formula rate full requirements contracts.

[18] Application at 9, 12. While FPL does not define "net regulatory asset," it seems to refer to the sum of the $520.5 million purchase price plus the $326.9 million tax gross up minus the $4.9 million regulatory liability associated with the plant book/tax difference. *See* Exh. TWG-2; Application at 12 & n.14; Attachment 2 (FPL Proposed Accounting Entries). We will use the term "regulatory assets."

[19] Application at 8.

[20] *Id.*; Gerrish Aff. at 6.

III. Discussion

A. Procedural Matter

15. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure,[21] the timely, unopposed motions to intervene serve to make Florida Keys and Lee County parties to this proceeding.

B. Substantive Matters

1. Standard of Review under FPA Section 203

16. FPA section 203(a)(4) requires the Commission to approve a transaction if it determines that the transaction will be consistent with the public interest.[22] The Commission's analysis of whether a transaction is consistent with the public interest generally involves consideration of three factors: (1) the effect on competition; (2) the effect on rates; and (3) the effect on regulation.[23] FPA section 203(a)(4) also requires the Commission to find that the transaction "will not result in cross-subsidization of a non-utility associate company or the pledge or encumbrance of utility assets for the benefit of an associate company, unless the Commission determines that the cross-subsidization, pledge, or encumbrance will be consistent with the public interest."[24] The Commission's regulations establish verification and informational requirements for entities that seek a determination that a transaction will not result in inappropriate cross-subsidization or pledge or encumbrance of utility assets.[25]

[21] 18 C.F.R. § 385.214 (2014).

[22] 16 U.S.C. § 824b(a)(4) (2012). Approval of the Proposed Transaction is also required by other regulatory agencies pursuant to their respective statutory authority before the Proposed Transaction may be consummated. *See* Application Exhibit L. Our findings under FPA section 203 do not affect those agencies' evaluation pursuant to their respective statutory authority.

[23] Merger Policy Statement, FERC Stats. & Regs. ¶ 31,044 at 30,111.

[24] 16 U.S.C. § 824b(a)(4) (2012).

[25] 18 C.F.R. § 33.2(j) (2014).

2. Analysis of the Proposed Transaction

a. Effect on Horizontal Competition

i. Applicant's Analysis

17. FPL states that the Proposed Transaction raises no horizontal market power concerns. FPL asserts that its generation market share will not increase in the relevant geographic market as a result of the Proposed Transaction. Specifically, FPL explains that it already has a long-term Power Purchase Agreement for the entire electric power output of the Facility and thus already contractually controls the output of the Facility. Although the Proposed Transaction involves a change of ownership of the Facility, FPL points out that there will be no change in the disposition of its output or its treatment as a resource controlled by FPL. Therefore, FPL asserts that the Proposed Transaction does not have any effect on horizontal competition and there is no need to submit an Appendix A analysis under the Commission's regulations.[26]

ii. Commission Determination

18. In analyzing whether a transaction will adversely affect competition, the Commission examines the effects on concentration in the generation markets and whether the transaction otherwise creates the incentive and ability to engage in behavior harmful to competition, such as withholding of generation.[27]

19. We find that the Proposed Transaction will not have an adverse effect on horizontal competition. FPL has a long-term Power Purchase Agreement for the entire output of the Facility and thus already contractually controls the output of the Facility.[28] While the Proposed Transaction will result in a change in ownership of the Facility, there will be no change in the disposition of its output.[29] Thus, there will be no change in

[26] Application at 16 (citing 18 C.F.R. § 33.3(a)(2)(i) (2014)); Solomon Aff. at 3.

[27] *Nevada Power Corp.*, 149 FERC ¶ 61,079, at P 28 (2014).

[28] FPL states that it has included the Facility among the generation owned and controlled by FPL in prior market power analysis for the FPL balancing authority area, including in the context of applications under sections 203 and 205 of the FPA. Application at 16.

[29] *See, e.g., Cleco Power LLC*, 144 FERC ¶ 62,162 (2013) (finding no impact on concentration where purchaser of facility already controlled its output); *Pub. Serv. Co. of Colorado*, 132 FERC ¶ 62,032 (2010); *Black Hills Wyoming, Inc.*, 123 FERC ¶ 62,236 (2008); *Virginia Elec. & Power Co.*, 110 FERC ¶ 62,077 (2005).

FPL's market concentration in any relevant geographic market as a result of the Proposed Transaction.[30]

b. Effect on Vertical Competition

i. Applicant's Analysis

20. According to FPL, the Proposed Transaction also raises no vertical market power concerns. FPL states that Cedar Bay only owns limited interconnection facilities necessary to connect the Facility to the transmission system in order to effectuate wholesale power sales. Furthermore, the Proposed Transaction does not involve any new combination of transmission or gas assets.

ii. Commission Determination

21. As the Commission has previously found, transactions that combine electric generation assets with inputs to generating power (such as natural gas, transmission, or fuel) can harm competition if the transaction increases an entity's ability or incentive to exercise vertical market power in wholesale electricity markets. For example, by denying rival entities access to inputs or by raising their input costs, an entity created by a transaction could impede entry of new competitors or inhibit existing competitors' ability to undercut an attempted price increase in the downstream wholesale electricity market.[31]

22. We find that the Proposed Transaction will not have an adverse effect on vertical competition. As FPL points out, Cedar Bay only owns limited interconnection facilities and the Proposed Transaction does not involve any new combination of transmission or gas assets. Moreover, access to FPL's transmission is governed by the FPL open access transmission tariff.

c. Effect on Rates

i. Applicant's Analysis

23. FPL asserts that the Proposed Transaction will not have an adverse impact on rates. On the contrary, FPL estimates that the Proposed Transaction will result in an

[30] Thus, we agree with FPL that there is also no need for an Appendix A analysis, also referred to as a Delivered Price Test or Competitive Screen Analysis. *See Supplemental Merger Policy Statement*, FERC Stats. & Regs. ¶ 31,253 at n.57 (no need to perform complete Appendix A analysis where overlap in combined relevant geographic market is *de minimis*).

[31] *Exelon Corp.*, 138 FERC ¶ 61,167, at P 112 (2012).

approximately $70 million cumulative benefit on a net present value basis due to termination of the Power Purchase Agreement. FPL derives this value from the projected $1.038 billion reduction in capacity payments that would have been required by the Power Purchase Agreement over the remaining 10 years of the term of the agreement, weighed against the $881 million cost of acquiring the Facility[32] and the $86 million in incremental fuel, purchased power, variable operating expenses, and environmental compliance costs associated with dispatching other generators on the FPL system.[33]

24. As noted above, FPL states that it has two long-term wholesale full requirements customers, Lee Country and Florida Keys, each of which are billed under cost of service production formula rate contracts.[34] FPL asserts that approximately $1.4 million of the $70 million in benefits, calculated on a net present value basis, accrue to Lee County and Florida Keys as a proportionate share of total system benefits.[35] FPL further explains that total revenue requirements associated with the net regulatory assets[36] are higher in the years immediately after the Proposed Transaction closes, but these costs decline as the balance of the net regulatory assets declines and after the Facility is expected to be retired, resulting in a slight increase in the initial years before a larger decrease produces these benefits. According to FPL, the net effect of the Proposed Transaction on these two long-term wholesale full requirements formula rate customers will be an overall rate decrease over the period corresponding to the remaining term of the Power Purchase Agreement.[37] FPL states that, in a later filing, it will seek Commission authority pursuant

[32] The acquisition price is comprised of the regulatory assets ($520.5 million Power Purchase Agreement and respective tax gross up of $326.9 million), operating expenses, asset retirement obligation, interest expense, return on equity, and income tax. Exh. TWG-2.

[33] FPL pays for energy from the Facility based on the unit cost for coal at the Saint Johns River Power Park times a fixed heat rate. FPL states that, under current economic conditions, the Facility produces energy at a net loss to its immediate owner because the fuel for the Facility costs more than FPL pays for the energy output. Gerrish Aff. at 4.

[34] Application at 9 & n.9. These contract rates are on file with the Commission. *See Florida Power & Light Co.*, Docket No. ER13-1998-000 (Sept. 5, 2013) (revising agreement with Florida Keys) (delegated letter order); *Florida Power & Light Co.*, Docket No. ER13-2090-000 (Sept. 17, 2013) (accepting revisions to agreement with Lee County) (delegated letter order).

[35] Application at 9; Deaton Aff. at 5.

[36] For background on the regulatory assets, *see supra* text at PP 10-11.

[37] Application at 9, 18; Deaton Aff. at 3-5.

to section 205 of the FPA to recover under each of Florida Keys' and Lee County's respective formula rates the net regulatory assets created as a result of the Proposed Transaction.[38]

25. FPL adds that it has four wholesale requirements customers[39] whose power purchase agreements are priced through stated base rates and formula fuel rates. FPL states that the costs associated with the regulatory assets will not be recovered from any of these wholesale stated rate customers. FPL notes that three of these customers' power purchase agreements will expire in 2016, and one will expire in 2017. FPL states that it anticipates that its fuel costs will incrementally increase as a result of the Proposed Transaction, which will consequently cause an average 0.17 percent increase in fuel costs for these four wholesale stated rate customers. FPL estimates that the total incremental fuel cost paid by the four customers over their remaining contract terms will be less than $40,000.[40] FPL states that this minimal increase reflects prudently incurred costs of utility service associated with least cost dispatch of FPL's generation fleet for the relevant period.

26. FPL argues that the "significant economic benefits" that the two long-term wholesale full requirements formula rate customers will receive through the Proposed Transaction will offset the incidental $40,000 increase in fuel costs that is expected for FPL's four wholesale stated-rate customers with contracts approaching the end of their terms. FPL states that, as a matter of policy, the Commission has held that ratepayers should bear prudently incurred costs of utility service.[41] Additionally, FPL maintains that the Commission has found that there is no adverse effect on rates where costs may increase in one area of the utility's operations but lower costs that more than offset any increase are expected elsewhere.[42] FPL argues that such is the case here, where benefits

[38] Application at 9-10, 18.

[39] FPL states that these customers are City of Wauchula, City of New Smyrna Beach, City of Blountstown, and City of Winter Park.

[40] Application at 19; Deaton Aff. at 5-6.

[41] Application at 18 & n.37 (citing *Startrans IO, L.L.C.*, 122 FERC ¶ 61,307, at P 28 (2008) (approving section 203 application despite "some increase in transmission rates").

[42] *Id.* at 19 & n.38 (citing *Policy Statement on Hold Harmless Commitments: Proposed Policy Statement*, 150 FERC ¶ 61,031, at P 4, n.7 (2015) (stating that where "sufficient potential economic benefits that offset the projected increase in rates . . . [exist], the analysis of the effect on rates ends with a finding that there is no adverse effect because of those offsetting benefits") (citing *Bluegrass Generation Co., L.L.C.*,

in the form of lower costs to retail customers and to two long-term wholesale full requirements formula rate customers are much more substantial than the increase in fuel costs to shorter-term wholesale requirements customers served under stated (base) rates.

27. With respect to transmission rates subject to the Commission's jurisdiction, FPL states that the Proposed Transaction will have no adverse effect. FPL asserts that it has a stated rate for open access transmission service and the Proposed Transaction involves no transmission plant. FPL therefore concludes that the acquisition of the Facility and termination of the Power Purchase Agreement will have no impact on unbundled transmission rates.

28. Thus, FPL asserts that the Proposed Transaction will not have an adverse effect on the rates charged to either wholesale power service customers or transmission service customers and no additional ratepayer protections, such as a hold harmless commitment, are necessary.[43]

ii. Commission Determination

29. Based on the representations made in the Application, we find that the Proposed Transaction will not have an adverse effect on rates. We emphasize at the outset that our analysis of rate effects under section 203 of the FPA differs from the analysis of whether rates are just and reasonable under section 205 of the FPA. Our focus here is on the effect that the Proposed Transaction will have on jurisdictional rates, whether that effect is adverse, and whether any adverse effect will be offset or mitigated by benefits that are likely to result from the Proposed Transaction.[44]

139 FERC ¶ 61,094, at P 41 (2012) (finding no adverse effect on rates because increases in capacity charges may be offset by a savings in energy rates)); Merger Policy Statement, FERC Stats. & Regs. ¶ 31,044 at 30,123 (noting that an increase in rates "can be consistent with the public interest if there are countervailing benefits that derive from the transaction"); *ALLETE, Inc.*, 129 FERC ¶ 61,174, at P 20 (2009) (determining "[e]ven though the Proposed Transaction will result in rate increases for ALLETE's and Minnkota's customers . . . [because] there are benefits associated with the Proposed Transaction . . . we find that [it] will not have an adverse impact on rates.")).

[43] *Id.* at 19.

[44] *See, e.g.,* Merger Policy Statement, FERC Stats. & Regs. ¶ 31,044 at 30,123 (noting that an increase in rates "can be consistent with the public interest if there are countervailing benefits that derive from the transaction"); *see also ITC Midwest LLC*, 133 FERC ¶ 61,169, at P 24 (2010); *ALLETE, Inc.*, 129 FERC ¶ 61,174 at P 19; *Startrans IO,*

30. With respect to transmission rates, we note that the Proposed Transaction does not involve the transfer of transmission facilities that are part of the bulk transmission system and that FPL has a stated rate for open access transmission service. Therefore, we find that the Proposed Transaction will not adversely affect transmission rates.

31. Based on the representations made by FPL, we find that the Proposed Transaction will not have an adverse effect on wholesale electricity rates.[45] Both Florida Keys and Lee County support the Proposed Transaction and none of FPL's other wholesale customers intervened or filed protests in the proceeding.

32. FPL states that, in the future, it intends to seek recovery of the regulatory assets related to the early termination of the Power Purchase Agreement through its long-term wholesale full requirements customers' formula rates. If FPL seeks to recover the regulatory assets, then, as FPL acknowledges, it must submit a filing in a new FPA section 205 docket.[46] In authorizing the Proposed Transaction, we make no determination in this section 203 proceeding regarding recovery of the regulatory assets.

d. Effect on Regulation

i. Applicant's Analysis

33. FPL states that the Proposed Transaction will not have an adverse impact on federal or state regulation. Specifically, FPL asserts that the Proposed Transaction will not diminish the Commission's regulatory authority over the Facility.[47] FPL explains that it expects to file, or, because the Facility will be owned by an FPL subsidiary, its subsidiary, Cedar Bay, will file pursuant to section 205 of the FPA a cost-based sales arrangement to cover sales from the Facility to FPL.[48] With respect to state regulation, FPL states that the Facility will still be subject to state regulation as a generation asset owned by FPL and that approval from the Florida Commission is required to consummate the Proposed Transaction.

L.L.C., 122 FERC ¶ 61,307 at PP 25-28; *ITC Holdings Corp.*, 121 FERC ¶ 61,229, at PP 120-128 (2007).

[45] *Cf. Boston Edison Co.*, 117 FERC ¶ 61,083, at PP 30, 33 (2006).

[46] 16 U.S.C. § 824d.

[47] Application at 20.

[48] *Id.* at 8, 20.

ii. Commission Determination

34. We find no evidence that either state or federal regulation will be impaired by the Proposed Transaction. We find that the Proposed Transaction will not create a regulatory gap at the federal level because sales of electric power from the Facility will be subject to Commission jurisdiction under section 205 of the FPA[49] when FPL (or its subsidiary, Cedar Bay) files the cost-based sales arrangement to cover sales from the Facility to FPL. We further find that the Proposed Transaction will not create a regulatory gap at the state level because the Proposed Transaction requires approval from the Florida Commission and because the Facility will still be subject to state regulation.

e. Cross-Subsidization

i. Applicant's Analysis

35. FPL asserts that, based on facts and circumstances known to it or that are reasonably foreseeable, the Proposed Transaction will not result in, at the time of the Proposed Transaction or in the future: (1) any transfer of facilities between a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, and an associate company; (2) any new issuance of securities by a traditional public utility associate company that has captive customers or that owns, or provides transmission service over, jurisdictional transmission facilities, for the benefit of an associate company; (3) any new pledge or encumbrance of assets of a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, for the benefit of an associate company; or (4) any new affiliate contracts between a non-utility associate company and a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, other than non-power goods and service agreements subject to review under sections 205 and 206[50] of the FPA.[51]

ii. Commission Determination

36. Based on FPL's representations, we find that the Proposed Transaction will not result in the cross-subsidization of a non-utility associate company by a utility company,

[49] 16 U.S.C. § 824d.

[50] 16 U.S.C. § 824e (2012).

[51] Application at Exh. M.

or in a pledge or encumbrance of utility assets for the benefit of an associate company. We note that no party has argued otherwise.

37. When a controlling interest in a public utility is acquired by another company, whether a domestic company or a foreign company, the Commission's ability to adequately protect public utility customers against inappropriate cross-subsidization may be impaired absent access to the parent company's books and records. Section 301(c) of the FPA gives the Commission authority to examine the books and records of any person who controls, directly or indirectly, a jurisdictional public utility insofar as the books and records relate to transactions with or the business of such public utility. The approval of the Proposed Transaction is based on such examination ability.

3. Other Considerations

38. Order No. 652 requires that sellers with market-based rate authority timely report to the Commission any change in status that would reflect a departure from the characteristics the Commission relied upon in granting market-based rate authority.[52] To the extent that the foregoing authorization results in a change in status, FPL is advised that it must comply with the requirements of Order No. 652. #In addition, FPL shall make any appropriate filings under section 205 of the FPA to implement the Proposed Transaction.

39. Information and/or systems connected to the bulk power system involved in this transaction may be subject to reliability and cybersecurity standards approved by the Commission pursuant to FPA section 215.[53] Compliance with these standards is mandatory and enforceable regardless of the physical location of the affiliates or investors, information database, and operating systems. If affiliates, personnel or investors are not authorized for access to such information and/or systems connected to the bulk power system, a public utility is obligated to take the appropriate measures to deny access to this information and/or the equipment/software connected to the bulk power system. The mechanisms that deny access to information, procedures, software, equipment, etc., must comply with all applicable reliability and cybersecurity standards. The Commission, North American Electric Reliability Corporation or the relevant regional entity may audit compliance with reliability and cybersecurity standards.

[52] *Reporting Requirements for Changes in Status for Public Utilities with Market-Based Rate Authority*, Order No. 652, 70 Fed. Reg. 8253 (Feb. 18, 2005), FERC Stats. & Regs. ¶ 31,175, *order on reh'g*, 111 FERC ¶ 61,413 (2005). *See* 18 C.F.R. § 35.42.

[53] 16 U.S.C. § 824o (2012).

4. Accounting

40. FPL provided *pro forma* accounting entries recording the effects of the Proposed Transaction on the books of FPL.[54] As noted above, FPL proposes to record a regulatory asset related to the CBAS purchase price, which was equivalent to the fair value of the early-terminated Power Purchase Agreement, as a regulatory asset of $520.5 million. Additionally, it is recording the associated income tax gross up of $326.9 million as a regulatory asset. FPL proposes to amortize the regulatory assets to Account 557, Other Expenses, over the remaining Power Purchase Agreement period at the transaction date, which is 112 months.

41. Also as noted above, FPL states that the regulatory assets would be recovered through its retail Capacity Cost Recovery Clause and that it has filed a petition with the Florida Commission requesting approval of the recovery and accounting treatment.[55] FPL indicates that, in the future, it may seek recovery of a portion of the regulatory assets through its long-term wholesale full requirements customers' formula rates. We will approve FPL's proposed accounting for the regulatory assets and amortization. This accounting approval is for accounting purposes only and subject to a determination by a regulatory body (e.g., FERC, Florida Commission) that such amounts are recoverable for ratemaking purposes. If rate recovery of all or part of an amount included in this account is disallowed, the disallowed amount shall be charged to Account 426.5, Other Deductions, or Account 435, Extraordinary Deductions, in the year of the disallowance.

42. Additionally, FPL's *pro forma* journal entries also reflect the purchase of FPL's equity interest in CBAS. FPL proposes to record its ownership interest in CBAS on its books, in Account 123.1, Investment in Subsidiary Company, which is generally consistent with the equity method of accounting and the Commission's requirements.[56] However, FPL proposes to record additional journal entries to transfer acquired assets and liabilities (e.g., asset retirement cost and obligations, accumulated deferred income taxes, and regulatory liabilities) to an FPL subsidiary. Also, while FPL's journal entries reflect the account names it intends to use, they do not provide estimated amounts and explanations related to these transfers to the FPL subsidiary. Accordingly, our approval

[54] *See* FPL's April 1, 2015 Errata, Docket No. EC15-102-000, Attachment: #Journal Entries Revising Attachment 2 of the Application.

[55] Application at 8.

[56] *Revisions in the Uniform System of Accounts, and Annual Reports Form No. 1 and No. 2 to Adopt the Equity Methods of Accounting for Long-Term Investments in Subsidiaries*, Order No. 469, 49 F.P.C. ¶ 326, *reh'g denied*, 49 F.P.C. ¶ 1028 (1973).

of FPL's accounting for its acquired equity interest in CBAS is subject to our review of the proposed final accounting entries.

43. Finally, FPL must submit its proposed final accounting for the Proposed Transaction within six months of the consummation of the Proposed Transaction. The accounting submission must provide all accounting entries made to the books and records of FPL related to the Proposed Transaction, including appropriate narrative explanations describing the basis of such entries.

The Commission orders:

(A) The Proposed Transaction is hereby authorized, as discussed in the body of this order.

(B) FPL must inform the Commission of any material change in circumstances that departs from the facts or representations that the Commission relied upon in authorizing the Proposed Transaction within 30 days from the date of any material change in circumstances.

(C) The foregoing authorization is without prejudice to the authority of the Commission or any other regulatory body with respect to rates, service, accounts, valuation, estimates or determinations of costs, or any other matter whatsoever now pending or which may come before the Commission.

(D) Nothing in this order shall be construed to imply acquiescence in any estimate or determination of cost or any valuation of property claimed or asserted.

(E) The Commission retains authority under sections 203(b) and 309 of the FPA to issue supplemental orders as appropriate.

(F) FPL shall make any appropriate filings under section 205 of the FPA, as necessary, to implement the Proposed Transaction.

(G) FPL must submit its proposed final accounting for the Proposed Transaction within six months of the consummation of the Proposed Transaction. The accounting submission must provide all accounting entries made to the books and records of FPL related to the proposed transaction, including appropriate narrative explanations describing the basis of such entries.

(H) FPL shall notify the Commission within 10 days of the date on which the Proposed Transaction is consummated.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

Q.

The following requests refer to the Rebuttal Testimony of FPL Witness Herr.

Please refer to page 7, line 22 through page 8, Line 15. Please provide a copy of the ASC 820 guidelines as referenced in this section for determining the FV of the PPA.

A.

The relevant guidance is a combination of several paragraphs of ASC 820, starting with the definition of a Market Participant which is contained in the glossary of ASC 820-10-20:

Market Participants
Buyers and sellers in the principal (or most advantageous) market for the asset or liability that have all of the following characteristics:
a. They are independent of each other, that is, they are not related parties, although the price in a related-party transaction may be used as an input to a fair value measurement if the reporting entity has evidence that the transaction was entered into at market terms;
b. They are knowledgeable, having a reasonable understanding about the asset or liability and the transaction using all available information, including information that might be obtained through due diligence efforts that are usual and customary;
c. They are able to enter into a transaction for the asset or liability;
d. They are willing to enter into a transaction for the asset or liability, that is, they are motivated but not forced or otherwise compelled to do so.

ASC 820-10-35-36 states that "Valuation techniques used to measure fair value shall maximize the use of relevant observable inputs and minimize the use of unobservable inputs."

Additionally, guidance regarding Level 3 Inputs in ASC 820-10-35-54A states "A reporting entity shall develop unobservable inputs using the best information available in the circumstances, which might include the reporting entity's own data. In developing unobservable inputs, the reporting entity may begin with its own data, but it shall adjust those data if reasonably available information indicates that other market participants would use different data or there is something particular to the reporting entity that is not available to other market participants (for example, an entity-specific synergy)."

The full text of ASC 820 (which includes Accounting Standards Update 2011-04 revisions in track changes mode) can be accessed at:
http://www.fasb.org/cs/BlobServer?blobcol=urldata&blobtable=MungoBlobs&blobkey=id&blobwhere=1175820271238&blobheader=application%2Fpdf.

Q.

The following requests refer to the Rebuttal Testimony of FPL Witness Herr.

Please refer to page 8, lines 17-19. Please provide copies of both pricing schedules referenced in this section.

A.

Documents responsive to this request are confidential, labeled as Bates No. CB-15-012982.

Documents responsive to Staff's Third Request for Production No. 9 (Bates No. CB-15-012982) are confidential in their entirety.

Q.

The following requests refer to the Rebuttal Testimony of FPL Witness Hartman.

Please refer to page 6, line 4 through page 7, line 3. Please provide any documentation the Company has to support the claims being made in this section.

A.

Documents responsive to this request are confidential, labeled as Bates Nos. CB-15-012983 through CB-15-012992. Non-responsive portions have been redacted.

Documents responsive to Staff's Third Request for Production No. 10 (Bates No. CB-15-012983 through CB-15-012992) are confidential in their entirety.

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FPL's Responses to OPC's First Set of Interrogatories (Nos. 1-3, 4 (CONFIDENTIAL), and 5)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 39
PARTY: STAFF
DESCRIPTION: FPL's Responses to OPC's First Set of Interrogatories (Nos. 1-3, 4

150075 Hearing Exhibit 000393

Q.

Assume a termination date of August 1, 2015. Did FPL calculate the cost of terminating the PPA pursuant to Appendix B of the PPA? If so, what is the nominal cost of terminating the PPA, and what is the net present value (NPV) of terminating the PPA?

A.

No, FPL did not calculate the cost of terminating the PPA pursuant to Appendix B, as FPL has no such right of termination. Appendix B calculates the payments from Cedar Bay to FPL should the contract be terminated early due to a default by Cedar Bay. Pursuant to the PPA, the termination fee is calculated monthly. At the end of February, 2015, the Termination Fee was $1.422 billion.

Q.

Did FPL calculate the retirement and dismantlement costs for retiring and dismantling the Cedar Bay Facility? If so, what were those costs?

A.

Yes. As indicated on page 6, lines 1 through 8 in FPL Witness Ousdahl's direct testimony, FPL estimated the current net cost of dismantlement, net of salvage, to be $4.2 million ($4.5 million on a nominal basis). This was determined based on an independent demolition estimate prepared by NorthStar Demolition and Remediation LP. The independent estimate is included as Attachment I to FPL's response to Staff's First Set of Interrogatories No. 25.

Q.

Did FPL calculate the costs of environmental remediation should the Cedar Bay Facility be retired and dismantled? If so, what are those costs?

A.

FPL did not separately calculate environmental remediation costs; they are incorporated within the dismantlement costs provided in response to OPC's First Set of Interrogatories No. 2. It should be noted that remediation costs will be minimal: there is no asbestos, ash is disposed of off site, the site is a zero discharge facility, monitoring wells on site indicate no additional contamination, and the land lease specifies no subsurface clean-up upon dismantlement of the facility.

Q.

Did FPL calculate the monthly O&M costs if FPL were to purchase the Cedar Bay Facility? If so, what are those costs?

A.

Please refer to the Financial Model, labeled as Bates Nos. CB-15-00551 through CB-15-00552 and CB-15-00553 through CB-15-00571 (confidential), provided in FPL's response to OPC's First Request for Production of Documents No. 2 and Attachment I (confidential) to this response. The financial model includes annual base O&M costs on Bates No. CB-15-00553 (confidential). These annual costs include base plant operations and maintenance expenses, land lease expenses, and rail lease expenses net of sub-lease rail rental revenue which is projected starting in 2017. The monthly O&M costs can be calculated by dividing the annual costs by 4 months for 2015, and by dividing the annual costs by 12 months for each year thereafter, except for the land lease in 2017 which is divided by 6 months as it is assumed to end mid-year 2017.

Monthly O&M Costs

Year	O&M ($000)	Land Lease ($000)	Rail Lease ($000)	Total Monthly O&M ($000)
2015	[redacted]			
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				

Q.

Did FPL calculate the monthly fuel costs for operating the Cedar Bay Facility at 5% capacity factor as stated in paragraph 15 of the Petition? If so, what are those costs?

A.

FPL estimates average monthly fuel costs of $955,336 based upon a 5% dispatch factor and Cedar Bay's current unit cost of fuel. FPL intends to use coal from SJRPP starting in 2016, should the transaction close, and this was used in our financial analysis. This would result in an average monthly fuel cost of about $859,800 in 2016 at a 5% capacity factor.

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 23 day of April 2015 before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Thomas L. Hartman, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory number(s) 1, and 3 through 5 from **CITIZENS FIRST SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 1-5)** in Docket No. 150075-EI, and that the responses are true and correct based on his personal knowledge.

Thomas L. Hartman

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 23 day of April, 2015.

Notary Public
State of Florida, at Large

My Commission Expires:

MARITZA MIRANDA-WISE
MY COMMISSION # FF 002868
EXPIRES: May 30, 2017
Bonded Thru Notary Public Underwriters

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 17th day of April, 2015, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Kim Ousdahl, who is personally known to me, and she acknowledged before me that she provided the answers to interrogatory number 2 from **OPCS FIRST SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 1-5)** in Docket No. 150075-EI, and that the responses are true and correct based on her personal knowledge.

Kim Ousdahl

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 17th day of April, 2015.

Notary Public
State of Florida, at Large

My Commission Expires: 11-24-2017

JANET KELLY
NOTARY PUBLIC
STATE OF FLORIDA
Comm# FF072656
Expires 11/24/2017

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FPL's Responses to OPC's Second Set of Interrogatories (Nos. 6-10 and 14-16)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 40
PARTY: STAFF
DESCRIPTION: FPL's Responses to OPC's Second Set of Interrogatories (Nos. 6-10 and

Q.

On page 3, paragraph 6 of the Petition, FPL states, "FPL's 2014 average avoided cost is $27 per MWh compared to Cedar Bay Genco's "all in" price under the PPA of more than $178 per MWh." When was the first point in time, in the past, that the all in price under the PPA exceed FPL's avoided cost per MWh?

a. What was the price difference at that point in time?

A.

In February 1994, prices under the PPA first exceeded FPL's avoided cost. This was the first full operating month under the contract. See FPL's response to OPC's Second Set of Interrogatories No. 7 for a discussion of the basis for the PPA pricing.

a. At that time, total cost under the PPA was $54.81/MWh. FPL's avoided cost was $33.80/MWh that month.

Q.

When the all in price under the PPA first exceeded FPL's avoided cost per MWh, did FPL consider buying out the PPA at that point in time?

a. If so, why was a buy-out not proposed to the Commission?

b. If not, why not?

A.

FPL did not consider a buyout of the Cedar Bay PPA when the all in price under the PPA first exceeded FPL's avoided cost per MWh. Please see FPL's answer to subpart b below.

a. FPL did not propose a buyout of the contract to the FPSC in 1994.

b. The PPA is a long term contract between the parties, FPL and Cedar Bay. At the time of entering the contract, it was priced at the FPSC approved state-wide avoided unit, and the FPSC approval expressly provided that it was in the customers' interest to enter into the contract. FPL has negotiated with and amended the contract in the past to benefit FPL's customers. Changing circumstances, including changed ownership of Cedar Bay, refinancing of the project by its owners, and the development of the market for shale gas have made possible the recent negotiations that led to mutually agreeable terms for terminating the contract.

As noted in FPL's response to OPC's Second Set of Interrogatories No. 6, Cedar Bay's PPA first exceeded FPL's avoided cost in its first full month of operation under a long term contract. The Cedar Bay facility, and its PPA, have provided long term fuel supply diversity and fuel cost diversity. Termination of the contract in its first month, given the long term nature of its benefits, would have been inappropriate, even if agreement could have been achieved. The benefit of the fuel cost diversity was demonstrated in the 2007 through 2008 time frame when gas prices rose – generation at Cedar Bay during that two year period provided our customers $49 million in nominal dollar savings compared to FPL's avoided unit.

The situation today is different, however. First the reduced remaining tenor of the PPA reduces the economic value of fuel cost diversity. The need for fuel supply diversity has been ameliorated by an abundance of on-shore fuel supply sources due to shale gas and the addition of the new gas pipeline into the state. (FPL will own Cedar Bay and plans on having it available for operation until the availability of the new pipeline is assured.) Additionally, FPL's system performance has changed dramatically over the last decade with system efficiency improving by over 15% making gas even more cost effective compared to coal. Finally, the fixed price components of the PPA (capacity and O&M costs) continue to increase over the remaining life of the PPA while FPL's costs have continued to decline.

The result of these changes is that now FPL has been able to negotiate a transaction that has the result of buying out the PPA which generates $71 million (CPVRR) savings for the customer.

Q.

On page 8 of FPL's "Response of Florida Power & Light Company" filed March 31, 2015, in Docket 150100-EI, FPL discussed the proposed Cedar Bay transaction and states the proposed Cedar Bay transaction contains, "unique provisions to reduce environmental risks." Please list all of the provisions in the proposed Cedar Bay transactions that FPL believes will reduce environmental risks and identify which of those provisions FPL finds "unique."

A.

First, the site is owned by Rock-Tenn and leased to Cedar Bay. Rock-Tenn's predecessor used portions of the site for disposal including lime and debris. During construction of the plant, AES, the developer, addressed contamination under Florida Department of Environmental Protection's oversight as part of the site certification process. Ground water at the site has been monitored since that time and no need for additional investigation or remediation has been identified. The Rock-Tenn lease releases Cedar Bay from liability for the presence of hazardous materials on the site before 1991 and from any additional contamination caused by Rock-Tenn during the term of the lease. Second, the facility is a zero liquid discharge facility, which means that no process water is released and surface and storm water are controlled and recycled. Site drainage is toward the center of the site where storm drains, storm water runoff and secondary containment runoff are collected and treated in the zero liquid discharge facility. Third, there is no on-site fly ash or bottom ash storage, other than a very short term basis to await shipping off site. Fourth, all above ground storage tanks have secondary containment, there are no underground storage tanks. Finally, the site is covered by a Pollution Liability insurance policy with AIG with a $20 million policy limit, which the policy will transfer to FPL upon closing of the transaction. It is the combination of these provisions that makes the Cedar Bay Transaction unique.

Q.

Where, exactly, is the coal used at Cedar Bay sourced from?

A.

Cedar Bay's coal is currently sourced through Nally & Hamilton Enterprises on an exclusive basis. Nally & Hamilton obtains the coal from mines in eastern Kentucky.

Q.

Why is coal sourced from Central Appalachia but the price is limited to the price at St. John's River Power Park?

A.

There is no requirement in the PPA that Cedar Bay use Central Appalachian coal; however, they have chosen to do so for their own reasons, including economics and combustion properties of the coal. They have successfully test burned other coals, including Colombian. The PPA specifies that the coal price for SJRPP will be used to establish the price FPL will pay for energy.

Q.

What other items being recovered (either historically or currently) through the CCR Clause does FPL think are most analogous to the proposed Cedar Bay recovery? Why?

A.

FPL is aware of two items, both of which were buyouts of previous PPA contracts: the Osceola and Okeelanta settlement (FPL), and the Tiger Bay settlement (Duke Energy Florida). As approved by the Commission in Docket No. 000982-EI, Order No. PSC-00-2341-FOF-EI, FPL was allowed to recover the costs associated with the termination of two QF contracts, Osceola and Okeelanta, with 21% recovered through FPL's Fuel Clause and 79% recovered through FPL's CCR Clause. Duke Energy Florida, known as Florida Power Corporation at the time, was allowed by the Commission in Docket No. 970096-EQ, Order No. PSC-97-0652-S-EQ to recover the majority of the costs associated with the termination of its QF contract with Tiger Bay through the Fuel Clause and CCR clause (the remaining costs were recovered through base rates). In both instances, the utilities were authorized to establish regulatory assets for the buyout payments, with the regulatory assets recovered via amortization through the Fuel and CCR Clauses (amortized over five years in the case of the Osceola and Okeelanta PPA, and amortized at an annual amount equivalent to the avoided PPA capacity payments in the case of the Tiger Bay PPA). As stated in FPL witness Barrett's direct testimony, the utilities were also permitted to earn a return on the unamortized balance of the regulatory assets based on the terms of the settlements that were specific to the facts and circumstances of those cases.

Q.

What materials on site at the Cedar Bay facility are classified as "hazardous waste" as that term is defined by 42 U.S.C. § 6903(5), and CFR Title 40, Part 261?

A.

Cedar Bay has very small quantities of materials that would generate hazardous waste. Cedar Bay Genco is a Conditionally Exempt Small Quantity Generator of hazardous waste as defined by 40 CFR 261 meaning the facility generates less than 100 kg per month. The majority of hazardous wastes are classified as Hazardous Waste Number D001 as having characteristics of ignitability. These wastes streams are from materials used in maintenance functions such as degreasers, solvents, spray paints and cleaners. Some paints and epoxies used for maintenance also contain constituents classified as D001.

Q.

Please list any other materials on site at the Cedar Bay facility that are classified as hazardous waste by any other laws or regulations (and provide a citation for the relevant law or regulation) that are not listed in the preceding interrogatory.

A.

Cedar Bay does not use any other materials on site that would produce a hazardous waste stream. Cedar Bay has implemented a program of review and approval for all materials used on site for maintenance purposes intended to reduce and eliminate materials containing hazardous constituents.

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 6th day of May 2015 before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Thomas L. Hartman, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory number(s) 6 through 10, 15 and 16 from **CITIZENS SECOND SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 6-16)** in Docket No. 150075-EI, and that the responses are true and correct based on his personal knowledge.

Thomas L. Hartman

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 6 day of May, 2015.

Notary Public
State of Florida, at Large

My Commission Expires:

MARITZA MIRANDA-WISE
MY COMMISSION # FF 002868
EXPIRES: May 30, 2017
Bonded Thru Notary Public Underwriters

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 4th day of May, 2015, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Kim Ousdahl, who is personally known to me, and she acknowledged before me that she provided the answers to interrogatory numbers 11 through 14 from **CITIZENS SECOND SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 6-16)** in Docket No. 150075-EI, and that the responses are true and correct based on her personal knowledge.

Kim Ousdahl

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 4th day of May, 2015.

Notary Public
State of Florida, at Large

My Commission Expires: 11/24/2017

JANET KELLY
NOTARY PUBLIC
STATE OF FLORIDA
Comm# FF072656
Expires 11/24/2017

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FPL's Responses to OPC's Third Set of Interrogatories (Nos. 17-25, 27-32, 34-36 and 38-40)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 41
PARTY: STAFF
DESCRIPTION: FPL's Responses to OPC's Third Set of Interrogatories (Nos. 17-25,

150075 Hearing Exhibit 000414

Q.

It is stated in the Hartman testimony on Page 8 that "The UPLAN production costing model was used to quantify the system impacts of the Cedar Bay Transaction as well as the impact of various alternative fuel and emission sensitivities." Does the UPLAN production cost model forecast the production costs for the whole term of the Economic Evaluation (September 2015 through 2024)? If not, which years are modeled?

A.

UPLAN was used for the whole term of the economic evaluation.

Q.

One of the claimed benefits of the Cedar Bay Transaction put forward by FPL in Florida Power & Light Company's Petition for Approval of Arrangement To Mitigate Impact of Unfavorable Cedar Bay Power Purchase Obligation ("Petition") is that it "is expected to yield environmental benefits" (see page 6). This benefit is also echoed in the Hartman testimony (see Page 10). Please explain and describe in detail the manner in which emission reductions and/or environmental benefits are incorporated in the Economic Evaluation supporting the claimed Net Customer Savings of $70M (NPV).

A.

The transaction will result in a substantial reduction in SO2, NOx and CO2 emissions from the Cedar Bay facility because it is projected to operate at a much lower capacity factor and will be retired much earlier than if the PPA were to remain in effect. Because emission costs are not passed through to FPL under the PPA, however, no direct economic benefit to customers from the reduced emissions is claimed in the analysis. On the other hand, operating the Cedar Bay facility at a low capacity factor and retiring it early will result in marginally higher emissions from FPL's own facilities. These costs for these increased emissions are incorporated in the economic analysis and reflected as a reduction in the net customer savings.

Q.

In the Hartman testimony, there is a brief discussion on the natural gas and emissions cost sensitivity analysis that was conducted (see page 10 and 11), please describe in greater detail the underlying factors, and the interrelationships between the factors, that are driving the results as presented in the table on Page 11 of the Hartman testimony. Additionally, please describe why the Net Benefits are reduced when the Emission Costs are increased.

A.

The sensitivities to the price of natural gas assumed natural gas prices which were approximately 20% higher and 20% lower than the base gas price assumptions. The high gas price sensitivity resulted in a reduction of Net Benefits (CPVRR) ranging from $63 to $66 million. This reduction in net benefits is due to the higher cost of the gas generation that replaces Cedar Bay generation when it is retired. The low gas price sensitivity resulted in an increase in Net System Benefits (CPVRR) ranging from $34 to $35 million. This increase in Net Benefits is due to the lower cost of the gas generation that replaces Cedar Bay generation when it is retired.

As explained in the response to Interrogatory No. 18, the reduced operation and early retirement of the Cedar Bay facility under FPL ownership will result in a significant reduction in system air emissions but FPL does not pay for emissions costs under the Cedar Bay PPA. On the other hand, reduced operation and early retirement of the Cedar Bay facility will result in a small increase in emissions from FPL units that are dispatched in its place. The cost of additional emissions from the FPL units is included in FPL's economic analysis as a reduction in Net Benefits. Thus, increasing emissions costs in the sensitivity analysis would result in a further reduction in the Net Benefits.

Q.

Please confirm that FPL is acquiring the "Equity" of CBAS Power, Inc. ("CBAS") by acquiring 100% of the common stock or outstanding shares of CBAS. (Witness Ousdahl testimony, Page 3, Lines 9 -13).

A.

FPL confirms that under the Purchase and Sales Agreement, FPL will purchase 100% of the equity ownership interest in CBAS.

Q.

Please confirm that CBAS will become a 100% subsidiary of FPL and that the subsidiary structure of CBAS will be retained by FPL and that "CBAS will retain ownership, including all rights and obligations, of the Facility through its wholly owned subsidiary." (Witness Ousdahl testimony, Page 3, Lines 15- 17)

A.

FPL confirms that CBAS will become a 100% wholly owned subsidiary of FPL, that the subsidiary structure of CBAS will be retained by FPL, and that CBAS will retain ownership, including all rights and obligations of the facility through its wholly owned subsidiary.

Q.

Please confirm that the Purchase and Sale Agreement ("Agreement") is a stock purchase of CBAS outstanding stock/shares and not a specific purchase of the Cedar Bay generating facility (Cedar Bay Facility) assets.

A.

FPL confirms that the Purchase and Sales Agreement contemplates a stock purchase of CBAS and is not structured as a specific purchase of the Cedar Bay Facility assets.

Q.

Please confirm that the Agreement is a stock purchase of CBAS outstanding stock/shares and not a specific purchase or buyout of the Cedar Bay Power Purchase Agreement ("PPA").

A.

FPL confirms that the Agreement contemplates a stock purchase of CBAS. In conjunction with that stock purchase and immediately upon closing FPL will cancel the existing PPA.

Q.

Please provide the specific cite(s) in the 18 Code of Federal Regulations ("C.F.R.") Part 101, Electric Plant Instruction 5, Electric Plant Purchased or Sold, which Witness Ousdahl references on Page 5, Lines 1 - 10 that permits or exempts the electric utility property (Cedar Bay Facility) to not be recorded at "net book value" by FPL.

A.

The CFR requires acquired utility property to be recorded at Net Book Value. However, there is specific FERC precedent that is applicable in this case which directs electric utilities to record the acquisition cost of co-generation facilities at fair value. See FPL's response to OPC's Second Request for Production of Documents No. 26 for such precedent.

Q.

Please provide the original cost and the accumulated depreciation for the Cedar Bay Facility as of December 31, 2013 and 2014, and the most current balances to date recorded on the books of Cedar Bay Genco or the appropriate CBAS subsidiary.

A.

FPL does not have access to the original cost associated with the Cedar Bay Facility. However, per Cedar Bay Generating Company, LP financial statements, the gross plant and accumulated depreciation for the Cedar Bay generating plant, equipment, and various fixtures and improvement, for December 31, 2013 and December 31, 2014 are shown below. Note, this is the most recent information available to FPL.

($ millions)	12/31/2013	12/31/2014
Gross Plant	$ 517.6	$ 517.9
Accumulated Depreciation	237.4	248.3
Net Book Value	$ 280.2	$ 269.6

Q.

In regards to the specific regulatory book/tax treatment associated with FPL's proposed recordation of the loss on the termination of the PPA (Witness Ousdahl, Page 9, Lines 3- 13), please provide the detailed calculations that support the income tax gross up amount of $326.9M, associated with the PPA loss, which is shown on Exhibit KO-1, Page 1 of 2, Line 3.

A.

As shown below, the $326.9 million tax gross up is calculated by multiplying the loss on the PPA times the effective income tax rate (federal and state) divided by 1 minus the effective tax rate.

$520.5* 38.575% / (1-38.575%) = $326.9 Million

Q.

In regards to the "Deferred Tax Asset- Book/Tax Diff on Acquired Plant" item on Exhibit KO-1, Page 1 of 2, Line 4, please provide a detailed description of the item including each component and the detailed calculations which result in the $4.9M amount shown in the Exhibit.

A.

The book/tax difference on the acquired plant relates to the carry over tax basis of the assets purchased. The estimated total future tax depreciation to be recognized after the acquisition date is $7.9 million dollars. The tax benefit associated with this amount is recognized as a deferred tax asset and will be reversed over the life of the plant. The recognition of this tax benefit at the acquisition date gives rise to a gain, which will be deferred and recorded as a regulatory liability.

Tax Basis at Acquisition Date	$7.9 Million
Future Tax Benefits related to the Recognition of the tax basis at the Current Federal and state statutory rates ($7.9 Million * 38.575%)	$3.0 Million
Gross up of Deferred Tax Asset for Revenue Requirements ($3.0 Million / 1 - 38.575%)	$4.9 Million

Q.

On Page 7, Lines 21-23 and Page 8, Lines 1-6, of Witness Barrett's testimony, is Mr. Barrett portraying the Cedar Bay Transaction, (which FPL is proposing to record as a business combination under ASC 805) as being equivalent to buying out a purchase power agreement? If no, please provide a detailed explanation.

A.

The Cedar Bay Transaction includes and, in fact, one of its primary sources of customer value derives from, buying out the purchase power agreement ("PPA") between Cedar Bay and FPL. However, in addition to allowing FPL to cancel the PPA, the transaction allows FPL to take ownership of the facility, which provides additional favorable economics for our customers as well as important strategic benefits and options compared to a straight buyout. Further detail on the benefits of the transaction are provided in Mr. Barrett's prefiled testimony.

Q.

Based on a review of facility permits, it appears that the facility built in 1994 controls NOx, SO2, and particulate through an array of devices. Please describe the type, capacity, allowable and historical emissions rate, and removal efficiency of each control device.

A.

Emissions from the facility are controlled through a number of mechanisms. First, the Circulating Fluidized Bed ("CFB") technology used is inherently a low combustion temperature process, reducing NOx. Additionally, limestone injection in the bed removes SO_2 as part of the combustion process. Ammonia is injected prior to the cyclone for additional NOx control. The cyclone separates large particles from the flue gas stream, and returns them to the bed. Small particles are collected in a fabric filter baghouse. FPL does not have data on individual component removal efficiency as the emissions control is an integrated system. 2013 emissions and comparison to permits are provided in FPL's response to FIPUG's Second Request for Production of Documents No. 13, labeled as Bates No. CB-15-006808 through CB-15-006814.

Q.

Please state whether FP&L's contract with Cedar Bay Genco is predicated upon the Cedar Bay facility continuing to maintain qualifying facility (QF) status.

A.

The Power Purchase Agreement between Cedar Bay and FPL specifically requires that Cedar Bay maintains its status as a qualifying cogeneration facility pursuant to FERC or FPSC regulations.

Q.

Please state FP&L's understanding of the criteria the Cedar Bay facility must meet to maintain QF status.

A.

In order to maintain its QF status, Cedar Bay must comply with the requirements of CFR 292.203(b) and CFR 292.205(a). 292.203(b) requires that a cogeneration facility must either self certify as a QF or file an application with the FERC for certification, which has been granted. 292.205(a) requires that the useful thermal output of the facility must be no less than 5% of the total energy output during the first 12 month period following initial operation and any calendar year thereafter.

Q.

Please explain, in detail, how the current steam offtake contract with the linerboard facility referenced in the Petition will affect and interact with the proposed purchase. Will FPL undertake the obligations of the steam offtake contract? If not, why not? If so, how?

A.

FPL is purchasing the equity interest in CBAS Power, the indirect owner of all the interests in Cedar Bay Generating Company Limited Partnership ("Cedar Bay Genco"). The steam sales agreement is between Rock-Tenn and Cedar Bay Genco. The legal entities, and their contractual obligations, will remain after closing of the proposed transaction. Accordingly, the obligations under the steam sales agreement will remain with Cedar Bay Genco and it will comply with these obligations in the normal course of business.

Q.

Please explain what hazardous materials are being used and stored on site, and in what quantities and in what type of vessel is each hazardous material stored?

A.

Please refer to Attachment I to this response.

Hazardous Materials Storage

Material	Location	Tank Size/Volume (gals)	Piping Volume	Containment Provisions
Ammonium Hydroxide	South of power block	25000-horizontal on saddles (2) positive displacement pumps Tank shell diameter - 138"	2"stainless to Boiler A,B,C - 500' - 82 gal NH4OH injection at cyclones	concrete containment-drain to stormwater drain piping drain to power block
High temp anti-foam	Zero Discharge Zero Discharge	450 (Day tank) (2)3000	Pumps 4A,4B,4C,4D-1/2"piping runs to BC & Crstallizer 0.5 gal/each 1" steel piping to day tank -125'-5 gal.	concrete containment of zd - drains to filter press sump HDPE containment- drains to ground
Calcium Chloride(CaCl2)	Zero Discharge	6,000	1'&2"piping to platform - 5 gal. 1' piping to BC Feedtank-100" -4 gal.	concrete containment of zd - drains to filter press sump drains to zd filter press sump
Calcium Hydroxide(Lime)	Zero Discharge - Silo	4,710cu.ft.	3" piping to densadeg mixing zone @100" 36-40 gallons slurry mixture	within zd containment solid batch tank to zd filter press sump
Nalco Cat polymer ferric sulfate	Zero Discharge	5,300	(2) dedicated pumps to 1" pvc piping that feeds inlet wastewater or P7 pumps - 180" - 8 gallons	concrete containment of zd - drains to filter press sump
#2 Fuel Oil (low sulfur)	west of railroad track limestone facility fire pump-emergency diesel emergency feedwater pump N. of power block	60000-vertical 24' diameter/18.6'height 1000 convault tank 275 250 with 25 gal fuel tank 6430 gal.	Tank to burner pumps-450',8"pipe (1150 gal) Tee to limestone-250',1.5" pipe(23 gal) no piping - dedicated dispenser Tank to pump-12' of0.25"pipe(0.12gal) steel piping to fw pump day tank-40' of 1"(1.5 gal) day tank feed to burner pumps	concrete containment concrete containment on tank concrete containment-blind sump concrete containment on tank concrete containment
Nalco Cationic Polymer	Zero Discharge	(2) 2000	1/2" pvc pipe to P7 pumps and inlet wastewater	concrete containment of zd - drains to filter press sump
Sodium Hydroxide(NaOH)	Zero Discharge Demineralizer	5000-horizontal,8'diam.x16.3OAL 23800-horizontal,12'diam.x26'	Pumps 47A,47B,38A,38B,13A,13B 2"feed to BC's & Crystallizer 120"-20 Tank pump to regen/dilution station - 2" line @40"-7 gal.	concrete containment/drain to zd sump concrete containment/drain to chemical waste sump
Sodium Hypochlorite	Cooling tower Zero Discharge	7,500 8,500	Milton Roy pump 1 1/2" pvc to tower-80" 35 gallons pumps 17A &17B 1 "feed to inlet wastewater/densedeg effluent-150' - 6	concrete containment - pumps to cooling tower concrete containment/drain to zd sump
Sulfuric Acid(H2SO4)	Cooling tower Zero Discharge	11040 horizontal,8'diamx15.6' 5000-horizontal,8'diamx16.2'	(2) vertical pumps-1" ss line@125'-5.2 gallons. Densedeg effluent-200',1/2"pipe(2 gals per pipe) RO inlet-300',1/2"(3 gals per pipe) side stream softener-200',1/2"pipe-2 gals.) Brine concentrator feed tank-250',1/2"pipe-2.5 gal.	concrete containment-dedicated sump pump to tower concrete containment - drain to filter press sump
Sodium Carbonate	Zero Discharge - Silo	4,710cu.ft.	3" piping to densadeg mixing zone @100" 36-40 gallons	within zd containment solid batch tank to zd filter press sump

Florida Power & Light Company
Docket No. 150075-EI
OPC's 3rd Set of Interrogatories
Attachment I, Interrogatory No. 35
Page 1 of 1

Q.

For any and environmental site assessments of the Cedar Bay Facility, please explain, in detail, any historical contamination identified.

A.

Historical records of site contamination, monitoring and environmental assessments are included in FPL's confidential response to FIPUG's Second Request for Production of Documents No. 13, labeled as Bates Nos. CB-15-001256 through CB-15-002554.

Q.

Supporting documents to the Petition reference federal regulatory initiatives, such as CASPR, MATS, .Regional Haze, NSPS, and the Clean Power Plan. Please explain, in detail, the anticipated specific impacts of all federal and state regulatory initiatives on the Cedar Bay facility. Please identify costs, emissions reduction, and timing in your response.

A.

Cedar Bay Genco is currently in compliance with MATS, and NSPS, with no additional actions required for compliance. At the dispatch levels anticipated by FPL, Cedar Bay Genco will have adequate allocated NOx allowances to comply with CASPR with no additional cost. The NAAQS final rule has not yet been issued, but it is not anticipated to have any impact on Cedar Bay Genco at this time. The final Clean Power Plan ("CPP") has not yet been issued, however with FPL estimating to shut down the facility at the end of 2016, the CPP will have no direct impact on Cedar Bay Genco, and, in fact, the retiring of Cedar Bay will make compliance by the State of Florida easier.

Q.

With regards to current contracts encompassing lime supply, ash disposal, and fluidized bed residue removal and transport, please explain, in detail, the following:

a) What provisions are being made to ensure consistent environmental services on a going forward basis? Specifically through, at least, 2018?

b) Given the nature of off-site transport and disposal, at which point does custody transfer occur for each contract listed above?

c) What contract indemnifications are in place to protect the facility owner (current and proposed) from third-party actions against bad acts of the environmental service provider(s)?

d) Please identity the office and name of the individual(s) responsible for developing, negotiating, and managing third-party contracts referenced in this interrogatory.

A.

a) Since FPL is acquiring the entity rather than an asset purchase, the existing contracts with Cedar Bay Genco remain in place.

b) Custody transfers for ash and fluidized bed residue when loaded on the trucks at the Cedar Bay facility. Limestone custody transfers at the sellers facility.

c) The limestone haulage contract has indemnification provisions for the limestone transport. Both of the ash disposal contracts include strong indemnification language regarding the transportation, use and disposal of the ash by the contractors. The ash and limestone supply contracts and the limestone haulage contract have been produced in FPL's response to FIPUG's Second Request for Production of Documents No. 13, labeled as Bates No. CB-15-007782 through CB-15-008002 (confidential).

d) The existing contracts have been negotiated by Cogentrix on behalf of Cedar Bay Genco under a management agreement. FPL has not yet identified the responsible individual.

Q.

Please explain in detail the basis for FPL's conclusion for running the Cedar Bay facility only up to 5% capacity should the Petition be approved.

A.

With operations under the PPA, the facility is fully staffed for operating on a 24 x 7 basis year round. This results in a very high staffing level, to support the expected dispatch under the PPA. When FPL analyzed the economics of operating the facility after acquiring it through the proposed transaction, however, it became apparent that the facility would not be dispatched at nearly as high a level because FPL would be bearing the full fuel and other variable costs associated with the facility's operation. At the projected lower economic dispatch under FPL's ownership, FPL's economic evaluation showed that continued full staffing of the facility was not the least-cost operational scenario. Rather, the evaluation showed that the least-cost approach would be to reduce the plant staffing to the level needed to support a standard 40 hour week. This reduced staffing level will be sufficient to support three shifts per day while the plant is running, but only on the expected, infrequent basis. As a result, FPL's least-cost operational approach results in an anticipated limitation of dispatch to 5% capacity factor on an annual basis. The economic analysis used in FPL's evaluation of the proposed transaction assumes the budget and production associated with a dispatch at a 5% or lower level, in order to achieve the least-cost solution.

Please note that, if conditions change such that a subsequent economic evaluation indicates a higher dispatch level would be in our customer's interest, staffing could be added to support the higher dispatch.

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 18 day of May 2015 before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Juan E. Enjamio, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory numbers 17 and 18 and co-sponsored the answer to interrogatory numbers 19 from **CITIZENS THIRD SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 17-40)** in Docket No. 150075-EI, and that the responses are true and correct based on his personal knowledge.

Juan E. Enjamio

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 18th day of May, 2015.

Notary Public
State of Florida, at Large

My Commission Expires:

Notary Public State of Florida
Lily A Rodriguez
My Commission EE 875612
Expires 02/17/2017

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 21st day of May 2015 before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Thomas L. Hartman, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory numbers 19 and 30 through 40 and co-sponsored the answers to interrogatory numbers 17 through 18 from **CITIZENS THIRD SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 17-40)** in Docket No. 150075-EI, and that the responses are true and correct based on his personal knowledge.

Thomas L. Hartman

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 21 day of May, 2015.

Notary Public
State of Florida, at Large

My Commission Expires:

MARITZA MIRANDA-WISE
MY COMMISSION # FF 002868
EXPIRES: May 30, 2017
Bonded Thru Notary Public Underwriters

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 15th day of May, 2015, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Kim Ousdahl, who is personally known to me, and she acknowledged before me that she provided the answers to interrogatory numbers 20 through 28 from **CITIZENS THIRD SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 17-40)** in Docket No. 150075-EI, and that the responses are true and correct based on her personal knowledge.

Kim Ousdahl

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 15th day of May, 2015.

Notary Public
State of Florida, at Large

My Commission Expires: 11/24/2017

JANET KELLY
NOTARY PUBLIC
STATE OF FLORIDA
Comm# FF072656
Expires 11/24/2017

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 14th day of May 2015 before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Robert E. Barrett, who is personally known to me, and he acknowledged before me that he provided the answer to interrogatory number 29 from **CITIZENS THIRD SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 17-40)** in Docket No. 150075-EI, and that the responses are true and correct based on his personal knowledge.

Robert Barrett
Robert E. Barrett

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 14th day of May, 2015.

Notary Public
State of Florida, at Large

My Commission Expires:

DEBRA A. NEGER
MY COMMISSION # FF216854
EXPIRES: July 10, 2019

42

FPL's Responses to OPC's Fourth Set of Interrogatories (Nos. 43 and 47)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 42
PARTY: STAFF
DESCRIPTION: FPL's Responses to OPC's Fourth Set of Interrogatories (Nos. 43 and 47)

Q.

Referring to Sections 7.12 and 7.13 of the Restated Agreement for the Purchase of Firm Capacity and Energy Between AES Cedar Bay, Inc. and Florida Power & Light Company, dated July 2, 1990, please state a) whether independent engineering reviews have been conducted as required, b) the name of the firm or firms conducting each review, and c) whether the Parties have ever agreed to conduct the reviews in a manner or frequency other than that described in Section 7.12.

A.

a. Yes they have.

b. In 2013, an independent engineering review ("IER") was performed by URS. In 2007, an IER was performed by Black & Veatch. FPL does not have records of IERs that were performed earlier in time.

c. No.

Q.

Referring to the statement made in the Hartman testimony, "While there are performance standards that Cedar Bay Genco must meet in order to qualify for these payments, Cedar Bay Genco reliably achieves those standards and, recent years, has consistently earned the potential performance bonus", please responds to the following:

a. Please outline, with reference to source material, and describe in detail what these performance standards are.

b. Please describe in detail (including, but not limited to, dates, committed capacity, and capacity factor) the instances in which Cedar Bay Genco earned a "potential performance bonus".

A.

a. In order to earn a capacity payment, Cedar Bay Genco must maintain a "Capacity Factor", as that term is defined in the PPA in excess of 57%. Cedar Bay Genco earns the full capacity payment if the Capacity Factor is at least 87%. The capacity payment is reduced 2% for each 1% the Capacity Factor is below 87%. A small performance bonus is earned if the Capacity Factor is above 93%, and a 5% bonus is earned if the Capacity Factor is in excess of 98%.

b. The attached table lists the month, billing capacity factor (i.e. Capacity Factor as defined in the PPA), monthly capacity factor (i.e. energy production for the month divided by the Committed Capacity times the number of hours in the month), and the energy produced for the month for all months with Capacity Factor in excess of 93%. The Committed Capacity for all months was 250 MW.

CEDAR BAY

Months with Capacity Bonus

Month	Billing Cap. Fac.	Monthly capacity factor	Energy (MW)
Apr-14	102.094%	7.699%	14,320
Nov-13	101.823%	30.935%	57,540
Feb-14	101.817%	7.537%	14,019
Mar-14	101.817%	68.406%	114,922
Dec-13	101.806%	32.062%	57,712
Jan-14	101.805%	0.000%	0
May-14	101.795%	66.453%	119,616
Oct-13	101.712%	55.574%	100,034
Oct-14	101.534%	56.582%	101,848
Sep-13	101.163%	48.337%	89,907
Aug-14	101.139%	59.402%	110,489
Sep-14	101.135%	53.458%	99,431
Jul-14	101.124%	61.798%	111,236
Jan-15	101.112%	0.000%	0
Feb-15	101.112%	0.000%	0
Dec-14	101.111%	14.995%	26,990
Jun-14	101.106%	60.542%	112,608
Nov-14	101.099%	30.412%	56,566
Aug-13	100.882%	58.141%	108,141
Jun-12	100.444%	45.026%	83,748
Apr-04	100.435%	61.157%	113,753
May-04	100.429%	97.057%	174,703
May-12	100.291%	48.953%	88,116
Jul-04	100.274%	101.629%	182,932
Jul-13	100.148%	49.417%	88,950
Jun-04	100.039%	88.989%	165,520
May-10	99.765%	80.299%	144,537
Aug-04	99.534%	89.253%	166,010
Aug-10	99.363%	92.373%	171,814
Mar-04	99.180%	49.548%	86,214
Jul-12	99.123%	58.344%	105,019
Oct-10	99.082%	66.335%	119,402
Jun-10	98.946%	82.431%	153,322
Mar-12	98.897%	33.745%	58,717
Sep-12	98.821%	49.281%	91,662
Mar-10	98.754%	22.926%	38,516
Apr-10	98.652%	39.913%	74,237
Jan-12	98.594%	26.283%	48,887
Feb-04	98.433%	89.788%	167,006
Jun-13	98.355%	50.989%	94,839
Dec-11	98.189%	46.204%	83,167

CEDAR BAY

Months with Capacity Bonus

Feb-12	98.154%	0.000%	0
Feb-13	98.114%	0.000%	0
Jan-13	98.091%	0.000%	0
Dec-12	98.038%	0.000%	0
Nov-12	98.026%	3.659%	6,805
Feb-10	98.016%	82.538%	153,520
Aug-12	97.989%	52.875%	98,347
Oct-12	97.987%	49.372%	88,869
May-13	97.921%	54.252%	97,654
Apr-13	97.904%	3.451%	6,419
Jan-96	**97.812%**	**82.737%**	**153,891**
Jul-96	97.806%	99.946%	179,903
Aug-11	97.783%	55.722%	103,643
Nov-95	97.712%	32.349%	60,169
Feb-96	**97.647%**	**79.394%**	**147,673**
Dec-95	**97.612%**	**93.848%**	**168,926**
Jul-95	97.610%	91.843%	165,318
Mar-96	**97.549%**	**100.464%**	**174,807**
Aug-96	97.470%	91.980%	171,083
Mar-13	97.455%	49.164%	82,595
Oct-95	97.447%	92.711%	166,879
Feb-11	97.440%	55.976%	104,116
Jan-04	97.403%	98.076%	182,422
Jun-96	**97.321%**	**94.760%**	**176,253**
Aug-95	97.256%	94.616%	175,986
Nov-11	97.229%	28.058%	52,188
Oct-11	97.154%	48.994%	88,189
Apr-96	**97.140%**	**30.065%**	**55,921**
Apr-94	97.047%	72.969%	135,723
Dec-03	97.033%	98.821%	177,877
May-96	96.919%	97.477%	175,459
Sep-95	96.867%	92.727%	172,472
Sep-11	96.826%	57.826%	107,556
Jul-10	96.821%	82.594%	148,669
Jun-95	96.763%	86.805%	161,458
Nov-03	96.731%	47.638%	88,608
Oct-03	96.702%	102.147%	183,864
Sep-05	96.675%	91.234%	169,696
Jan-10	96.633%	91.422%	170,045
Nov-05	96.451%	50.448%	93,834
Dec-05	96.399%	100.876%	181,578
Sep-10	96.392%	77.369%	143,907
Nov-10	96.377%	34.990%	65,082
Dec-09	96.279%	79.520%	143,135

CEDAR BAY

Months with Capacity Bonus

Feb-06	96.242%	82.170%	152,836
Oct-96	96.070%	95.085%	171,152
Jun-11	96.014%	64.180%	119,375
Jul-11	96.014%	66.319%	119,375
Sep-96	95.856%	80.740%	150,176
Apr-11	95.839%	70.081%	130,351
Jan-06	95.805%	77.030%	143,276
Mar-94	95.794%	106.350%	178,667
Dec-96	95.702%	92.257%	166,063
May-11	95.672%	72.841%	131,113
Oct-05	95.655%	90.610%	163,098
Apr-97	95.638%	85.180%	158,434
Feb-97	95.617%	80.053%	148,898
Dec-04	95.593%	102.700%	184,860
Dec-10	95.539%	69.809%	125,656
Oct-04	**95.498%**	**99.850%**	179,730
Jan-97	95.491%	92.886%	172,769
Mar-97	95.407%	49.042%	82,390
Sep-04	**95.352%**	**62.785%**	**116,779**
Apr-06	95.349%	6.470%	12,035
Jan-11	95.334%	70.943%	131,954
Nov-04	95.295%	45.868%	85,315
May-97	95.159%	94.815%	170,668
Sep-03	95.084%	97.569%	181,478
Mar-06	95.060%	90.352%	151,792
Mar-11	95.051%	8.166%	13,719
Oct-09	94.976%	76.508%	137,715
Nov-09	94.976%	30.504%	56,738
Apr-12	94.963%	5.554%	10,330
Jun-03	94.948%	92.064%	171,240
Jul-03	94.817%	102.310%	184,157
Aug-03	94.699%	95.794%	178,177
May-95	94.692%	102.641%	184,753
May-94	94.424%	46.700%	84,060
Sep-99	94.084%	90.439%	168,217
Sep-97	**94.040%**	**90.744%**	**168,783**
Jun-06	94.032%	95.996%	178,552
Dec-99	**93.938%**	**96.460%**	**173,628**
Nov-99	93.691%	72.539%	134,923
Oct-99	93.648%	51.706%	93,071
Jun-97	93.610%	81.326%	151,266
May-06	93.546%	84.997%	152,995
Mar-95	93.503%	101.204%	170,023
Feb-95	93.442%	83.722%	155,724

CEDAR BAY

Months with Capacity Bonus

Feb-05	93.283%	81.135%	150,910
Oct-97	**93.270%**	**91.628%**	**164,931**
May-03	93.250%	99.342%	178,815
Aug-97	**93.239%**	**94.296%**	**175,390**
Apr-95	93.236%	29.471%	54,815
Jul-97	93.147%	98.629%	177,533
Sep-09	93.068%	68.451%	127,319
Aug-05	93.036%	94.249%	175,303
Jan-95	93.020%	91.424%	170,049
Feb-94	93.009%	85.299%	158,656

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 22nd day of May 2015 before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Thomas L. Hartman, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory number(s) 41 through 48 from **CITIZENS FOURTH SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 41-48)** in Docket No. 150075-EI, and that the responses are true and correct based on his personal knowledge.

Thomas L. Hartman

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 22nd day of May, 2015.

Notary Public
State of Florida, at Large

My Commission Expires:

JACQUELINE S. BUSSEY
MY COMMISSION # FF 103317
EXPIRES: July 16, 2018
Bonded Thru Notary Public Underwriters

43

FPL's Responses to OPC's Fifth Set of Interrogatories (Nos. 49 (CONFIDENTIAL), 51 (CONFIDENTIAL), and 52)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 43
PARTY: STAFF
DESCRIPTION: FPL's Responses to OPC's Fifth Set of Interrogatories (Nos. 49

Q.

Referring to FPL's response to the Staffs interrogatories question No. 14, please describe, in detail, the manner in which the monthly Billing Capacity Factor is calculated and determined, including all the components that are used in the calculation. Please provide specific source references within that description (e.g. Annual Capacity Factor, Monthly On-Peak Capacity Factor, Scheduled Maintenance Periods, etc.). Please provide a detailed example, using a historical month, to help illustrate the description.

A.

Unless otherwise indicated, capitalized terms are as defined in the Amended and Restated Agreement for the Purchase of Firm Capacity and Energy Between AES Cedar Bay, Inc. and Florida Power & Light Company (the "PPA"). The Capacity Factor is defined in Paragraph 5 of the First Amendment to the PPA (the "First Amendment") as the Annual Capacity Factor plus one-half the Annual On-peak Capacity Factor minus 47%. The Annual Capacity Factor is defined in Section 1.3 of the PPA as the sum of the twelve Monthly Capacity Factors preceding the date of calculation, divided by twelve. The Annual On-peak Capacity Factor is defined in Section 1.4 of the PPA as the sum of the twelve consecutive Monthly On-peak Capacity Factors preceding the date of calculation divided by twelve.

Paragraph 9 of the First Amendment defines the Monthly Capacity Factor as the total Energy (not to exceed 250 MWH during any hour) during the Monthly Billing Period for which the calculation is made divided by the product of (i) the Committed Capacity during the Monthly Billing Period and (ii) the sum of the hours during the Monthly Billing Period. During Scheduled Maintenance Periods, the hourly Energy to be used in the calculation is the product of the Annual Capacity Factor and the Committed Capacity. During any Dispatch Hour, the hourly Energy to be used shall be the Committed Capacity, unless FPL requests dispatch at Peak Capability, in which case it will be the actual hourly Energy delivered. During a period of Force Majeure, the hourly Energy shall be the actual Energy delivered during the event, except for the first two months when it will be the greater of the actual Energy or the lesser of 87% of the Committed Capacity or the product of the Annual Capacity Factor and the Committed Capacity.

Paragraph 10 of the First Amendment defines the Monthly On-peak Capacity Factor as the total Energy (not to exceed 258 MWH during any On-peak hour) during the Monthly Billing Period for which the calculation is made divided by the product of (i) the Committed Capacity during the Monthly Billing Period and (ii) the sum of the On-peak hours during the

Monthly Billing Period. During Scheduled Maintenance Periods, the hourly Energy to be used in the calculation is the product of the Annual On-peak Capacity Factor and the Committed Capacity. During any Dispatch Hour, the hourly Energy to be used shall be the Available Committed Capacity if FPL decommits the Facility, or dispatches the Facility at an Energy not greater than 175 MWH. If FPL dispatches the Facility at greater than 175 MWH it shall be the Indicated Capability (as defined in Paragraph 11 of the First Amendment), not to exceed 258 MWH. During a period of Force Majeure, the hourly Energy shall be the actual Energy delivered during the event, except for the first two months when it will the greater of the actual Energy or the lesser of 95% (after January 1, 2007) of the Committed Capacity or the product of the Annual On-peak Capacity Factor and the Committed Capacity.

Please see confidential Attachment I to this Interrogatory for an example calculation of the Monthly Capacity Factor and Monthly On-Peak Capacity Factor for the month of November, 2014. The calculation is done in a spreadsheet, versus computer calculations used in the billing program. The difference between the actual invoice amounts and the spreadsheet represents the cumulative effect of rounding. The actual capacity factor for the month (defined as actual Energy delivered divided by hours in the month) is 31.4%. The calculated Monthly Capacity Factor is 99.4%, the calculated Monthly On-peak Capacity Factor is 100.9%.

Documents responsive to OPC's Fifth Set of Interrogatories No. 49 are confidential in their entirety.

Q.

Referring to FP&L's response to Staffs 1st Set of Interrogatories, Interrogatory No. 9:

a) Please provide a breakdown of Cedar Bay operating and maintenance costs for each of the four environmental control system identified (CEMS, S02 controls, NOx controls, and particulate controls) by the following categories for the each of the three years used to comprise the stated "three year historical average" and identify the years averaged:

i. Operating labor
ii. Maintenance labor
iii. Contract O&M
iv. Reagent costs

b) Please state which of the annual costs categories identified vary directly with the amount of generation?

c) Please provide total Cedar Bay generation for each of the years in the "three year historical average" and identify the years used to produce the average.

A.

Please see confidential Attachment I to this Interrogatory.

Florida Power & Light Company
Docket No. 150075-EI
OPC's 5th Set of Interrogatories
Attachment I, Interrogatory No. 51
Pages 1 through 11

Documents responsive to OPC's Fifth Set of Interrogatories No. 51 are confidential in their entirety.

Q.

Referring to FP&L's response to Staff Interrogatory No. 12, FPL states, should the Cedar Bay transaction be approved, "[t]he transaction will require a one year PPA in 2018 to maintain FPL's 20% reserve margin ."

a) Please explain in detail FP&L's projected needs to meet the 20% reserve margin in 2018, including but not limited to capacity and availability.

b) Based on FP&L's predicted needs for a PPA in 2018, what is the estimated cost of the PPA FP&L asserts it needs? Please explain in detail the cost calculation and the assumptions used.

A.

a) In order to meet the 20% reserve margin criterion, and with the retirement of the Cedar Bay facility, FPL projects it will need a one-year PPA of 322 MW in 2018. In the case where the Cedar Bay facility is available to FPL until 2024, in 2018 FPL would need a one-year PPA of 72 MW.

b) The short term PPA of 322 MW will result in a one year cost of $13.5 million incurred in 2018. This cost was determined based on an assumed cost for short term capacity in 2018 of $3.48/kW per month, or $41.76/kW per year, multiplied by the capacity of the short term PPA. The cost of this PPA was included in the economic analysis which determined that retirement of Cedar Bay in 2016 would result in $70 million in savings to FPL's customers.

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 29th day of May 2015 before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Thomas L. Hartman, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory numbers 49 through 51 from **CITIZENS FIFTH SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 49-52)** in Docket No. 150075-EI, and that the responses are true and correct based on his personal knowledge.

Thomas L. Hartman

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 29 day of May, 2015.

Notary Public
State of Florida, at Large

My Commission Expires:

MARITZA MIRANDA-WISE
MY COMMISSION # FF 002868
EXPIRES: May 30, 2017
Bonded Thru Notary Public Underwriters

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 29th day of May 2015 before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Juan E. Enjamio, who is personally known to me, and he acknowledged before me that he provided the answer to interrogatory number 52 from **CITIZENS FIFTH SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NOS. 49-52)** in Docket No. 150075-EI, and that the responses are true and correct based on his personal knowledge.

Juan E. Enjamio

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 29th day of May, 2015.

Traci D. Goldwire
Notary Public
State of Florida, at Large

TRACI D. GOLDWIRE
Notary Public - State of Florida
My Comm. Expires Jul 31, 2015
Commission # EE 117539

My Commission Expires: July 31, 2015

44

FPL's Responses to OPC's Sixth Set of Interrogatories (No. 53)

See also the Confidential portions of Staff Exhibit 48

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 44
PARTY: STAFF
DESCRIPTION: FPL's Responses to OPC's Sixth Set of Interrogatories (No. 53)[Bates

150075 Hearing Exhibit 000458

Q.

During, or in months preceding, the negotiations that led to the proposed transaction in this Docket, did FPL make or receive any offers or indicative proposals for either terminating (for example, a "buyout" of) the existing PPA, the purchase of CBAS or any other type of transaction intended to reduce FPL's cumulative cost obligation to Cedar Bay Generating Company/Cogentrix/The Carlyle Group related to the Cedar Bay PPA? If so, for each offer, indicative proposal or other transaction:

a) Who made (initiated?) each offer, indicative proposal or other transaction?

b) What were essential, principal terms of each offer, indicative proposal or other transaction?

c) To the extent that any offer, indicative proposal or other transaction was ultimately rejected by FPL, please explain why.

d) What were essential, principal terms of each counter to each offer, indicative proposal or other transaction?

e) To the extent that any counter to any offer, indicative proposal or other transaction was ultimately rejected by FPL, please explain why.

A.

In March 2014, Carlyle proposed a PPA buyout or, alternatively, a purchase of CBAS which is the transaction in this docket. The letter was provided in FPL's Response to FIPUG's Third Request for Production of Documents No. 14 which are confidential and labeled as Bates Nos. CB-15-012957 through CB-15-012963. Other than the transaction in this docket, during or in the months preceding the negotiations, FPL has neither received nor made an offer for any transaction regarding Cedar Bay.

a) through e) are not applicable.

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 16th day of July 2015 before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Thomas L. Hartman, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory number 53 from **CITIZENS SIXTH SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT (NO. 53)** in Docket No. 150075-EI, and that the responses are true and correct based on his personal knowledge.

Thomas L. Hartman

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 16th day of July, 2015.

Notary Public
State of Florida, at Large

My Commission Expires:

MARITZA MIRANDA-WISE
MY COMMISSION # FF 002868
EXPIRES: May 30, 2017
Bonded Thru Notary Public Underwriters

45

FPL's Responses to OPC's First Request for Production of Documents (Nos. 1, 2 (CONFIDENTIAL), Excerpt from 4 (BN 572-593 only – CONFIDENTIAL), 5 (CONFIDENTIAL, 6, 10 (CONFIDENTIAL), and 11)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 45
PARTY: STAFF
DESCRIPTION: FPL's Responses to OPC's First Request for Production of Documents

Q.

Please provide a copy of the original PPA and all subsequent amendments.

A.

Please see documents produced by FPL in response to Staff's First Request for Production of Documents No. 2, labeled as Bates Nos. CB-15-00003 through CB-15-00227.

Q.

Witness Hartman, on p. 9 of his testimony, states the net present value of standard payments and potential performance payments over the remaining life of the PPA is $1,038 million. Please provide all analyses showing the calculations used to reach:

a. the NPV of standard payments is $993.4 million; and
b. the NPV of potential performance bonus payments us $44.3 million

A.

a. Documents responsive to this request are confidential. Please refer to the attached Financial Model, labeled as Bates Nos. CB-15-00551 through CB-15-00571, which calculates the NPVs on Bates Nos. CB-15-00554 through CB-15-00556. The NPV of standard payments is equal to the sum of the $885.5 million NPV of capacity payments and the $107.8 million NPV of O&M contract payments. Please see FPL's response to OPC's First Request for Production of Documents No. 1 for the contractual payments shown in Appendix A. The NPVs for capacity and O&M payments sum to $993.3 million, an immaterial difference to the $993.4 million as stated in FPL witness Hartman's testimony.

b. Please see response to subpart a., as well as the response to OPC's First Request for Production of Documents No. 1 for the contractual payments shown in Appendix A. The $44.3 million NPV of bonus payments is calculated on Bates Nos. CB-15-00554 through CB-15-00556 (confidential). The projected capacity bonus payments are calculated as 5% of the capacity payments assuming a capacity factor of 98%. Refer to Bates No. CB-15-00553 (confidential) for the projected capacity bonus payment calculation.

FUEL COST SENSITIVITIES

CPVRR Net Cost/(Net Benefit) of Transaction (millions, 2015$)

Environmental Cost \ Gas Cost	Low	Base	High
Low	(106)	(72)	(9)
Base	(105)	(70)	(6)
High	(104)	(69)	(3)

Results of FPL's Economic Evaluation[1]

	(dollars in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Nominal Total	Present Value[9]
A	Discount Factor[2]	0.99	0.94	0.88	0.81	0.76	0.70	0.66	0.61	0.57	0.53		
B	Amortization[3]	$ 30	$ 90	$ 90	$ 90	$ 90	$ 90	$ 90	$ 90	$ 90	$ 90	$ 842	$ 612
C	Operating Expenses[4]	8	17	1	1	1	1	1	1	1	1	30	27
D	Asset Retirement Obligation[5]	1	3	-	-	-	-	-	-	-	-	4	4
E	Interest Expense[6]	3	10	8	7	6	5	4	3	2	1	49	40
F	Return on Equity[7]	10	30	26	23	19	16	12	9	5	2	151	121
G	Income Tax	6	19	16	14	12	10	8	5	3	1	95	76
H	Total Cost of Acquiring CBAS	58	169	142	135	128	121	115	108	101	94	1,171	881
I	FPL System Impact[8]	3	9	3	15	11	9	15	18	22	22	127	86
J	Capacity Payment	(42)	(129)	(134)	(139)	(144)	(149)	(155)	(161)	(167)	(173)	(1,393)	(993)
K	Capacity Bonus	(2)	(6)	(6)	(6)	(6)	(7)	(7)	(7)	(7)	(8)	(62)	(44)
L	Total Avoided Costs of PPA	(43)	(135)	(140)	(145)	(151)	(156)	(162)	(168)	(174)	(181)	(1,455)	(1,038)
M	Net Customer Costs/(Savings)	$ 17	$ 43	$ 5	$ 5	$ (11)	$ (25)	$ (32)	$ (42)	$ (51)	$ (64)	$ (156)	$ (70)

1) Totals may not sum due to rounding
2) Discount Factor is based on weighted average cost of capital of 7.51% discounted to September 1, 2015
3) Reflects amortization of regulatory asset associated with $520.5 MM PPA and respective $326.9 MM tax gross up, less the $4.9 MM regulatory liability associated with the plant book/tax difference
4) Operating Expenses include operations and maintenance, land lease, rail lease, and change in net working capital
5) Reflects amortization of ARO Asset and accretion of ARO Liability
6) Interest expense assumes cost of debt of 5.05%
7) Assumes after-tax return on equity of 10.5%
8) Includes incremental system fuel costs, start-up costs, variable O&M, environmental compliance costs, and short-term purchases
9) Present value is calculated as the sum the annual values multiplied by the respective discount factor

Documents responsive to OPC's First Request for Production No. 2 (Bates Nos. CB-15-00553 through CB-15-00571) are confidential in their entirety.

Q.

Please provide all environmental analyses of the Cedar Bay Facility that either FPL performed, FPL contracted another party to perform, or FPL used or referenced in determining that FPL would petition the Commission for approval to purchase the Cedar Bay Facility.

A.

Documents responsive to this request are confidential, labeled as Bates Nos. CB-15-00572 through CB-15-00975. FPL notes that documents Bates Nos. CB-15-00572 through CB-15-00593 constitute work product materials prepared by or at the request of the counsel and in anticipation of litigation. FPL waives its work product privilege objection on those pages for purposes of this proceeding.

Documents responsive to OPC's First Request for Production No. 4 (Bates Nos. CB-15-00572 through CB-15-00975) are confidential in their entirety.

Q.

Please provide all liability analyses of the Cedar Bay Facility that either FPL performed, FPL contracted another party to perform, or FPL used or referenced in determining that FPL would petition the Commission for approval to purchase the Cedar Bay Facility.

A.

Documents responsive to this request, labeled as Bates Nos. CB-15-00976 through CB-15-00984, are confidential and also constitute work product materials prepared by legal counsel. For those pages, FPL waives its work product privilege for purposes of this proceeding, except the redacted portions. Please also see the documents produced by FPL in response to OPC's First Request for Production of Documents No. 4, labeled Bates Nos. CB-15-00572 through CB-15-00593.

Privilege Log:

Document	Date	General Description	Privilege	Author	Recipients of Document
Material Contract Summary	June 2014	Evaluation of contracts to be assumed under Cedar Bay Transaction	Attorney Work Product (mental impressions)	Adam Sheinken, Esq.	Thomas L. Hartman, Charles Lande, Esq. Wade Litchfield, Esq.

Documents responsive to OPC's First Request for Production No. 5 (Bates Nos. CB-15-00976 through CB-15-00984) are confidential in their entirety.

Q.

Please provide all dismantlement and retirement analyses of the Cedar Bay Facility that either FPL performed, FPL contracted another party to perform, or FPL used or referenced in determining that FPL would petition the Commission for approval to purchase the Cedar Bay Facility.

A.

Please refer to the documents provided herein, labeled as Bates Nos. CB-15-00985 through CB-15-01028 as well as Attachment I to FPL's response to Staff's First Set of Interrogatories, Question No. 25.

Cedar Bay:

Purpose and timing
On January 16, 2015, a walk down was conducted to determine a budgetary value to remove the assets from the site.

Attendees
Cedar Bay Generating Co LP site representatives – Operated by Cogentrix
Tracy Paterson II Plant GM
Mark R. Chaffee Chief Civil Structural Engineer
Steven J. Busbin Engineering Manager

FPL
Randal Voyles – FPL capital projects GM

Cedar Bay – Plant description
The Site is an existing coal fired power station producing a nominal 290 GMW and a net 260MW at maximum capability. This consists of 3 equal sized pyroflow circulating boiler firing a low surfer coal using limestone to capture the free sulfur materials. Prior to this decade was potentially a technology that could relatively environmentally friendly. Through a header system a consensual steam turbine produces the electrical power to the grid via step up transformers.

At a very high level the infrastructure in support of this is consists of the following:

Coal system

- Rail delivery system including diesel powered locomotive
- Coal Car dumping station
- Coal storage yard
- Coal crushing
- Tripper conveyor
- Paper refuge blending and drying area to
- Other coal handling equipment – conveyors, silos, gravimetric feeders, structures

Lime stone system

- Truck unloading
- Blowers
- Silo bughouses
- Williams heated Pulverizes
- Screw conveyors
- Distribution systems into the boiler

Boilers

- 3 pyroflow natural circulation boilers
- Cyclone separators
- Waterwalls, convection section, sonic soot removal system, Omega tubes
- Primary Fans
- Secondary air Fans
- ID fans
- Blowers

Ash capture removal and system

- Water cooled rotary screw conveyors
- Drag chains
- Baghouses
- Pneumatic fly ash conveyance system
- Stack

Power generation equipment

- Boiler Water treatment systems
- Clarifier
- Chlorinators
- Demonetization
- Cation and anion resin beds
- Feed pumps
- Low, medium and high feedwater heaters
- Steam condensers
- Condensate pumps

Steam Turbine/Generator

- Hydrogen cooled Generator
- Hydrogen recovery, cooling, and storage systems
- Oil lubrication
- Step up transformers
- Aux transformers
- Power distribution
- Motor Control cantors
- Transformers
- Cabling. Electrical manholes and safety systems
- Grounding
- Lightning protection
- Transmission lines (short~ ½ mile)

- Exciter

Other

- Control and protection
- Valves
- Gas systems
- Piping
- Storm water recovery systems
- Collection and storage basins
- Pumps
- Clean up system (very sophisticated)
- Tankage

Critical Spare Parts

A nominal number of spare parts are stored around the plant, this includes motors, tubing, pumps and so forth. Most are located on the Turbine Deck

Administration facilities

- Admin building
- Maintenance employee rooms
- Machine shops
- Electrical shops
- I&C maintenance facilities
- Mobile equipment as follows

Physical address:
9640 Eastport Road (32218)
Jacksonville, FL 32226
Located at 30.423581, -81.607984

The following is an aerial picture represents the general plant. The plant was designed by Black and Veatch and construction completed in 1991-1992



The Plant is very well operated and maintained resulting in a high level capacity factor/availability for circulating fluid bed boiler of this vintage. This will support the potential to reduce the cost of dismantlement of the facilities.

Basis of Estimate: Current Day Feb 2015

Exclusions:

No foundation removal

No hazardous waste removal

No Asbestos

No lead Paint

No Mercury devices

No PCP equipment
No removal of Major removal of coal, ash limestone, water, chemicals

Included:
All equipment, structures, hardware, lubrication oils, pumps, motors, skids, pipe, conduit, cabling as listed above. Fill in the coal unloading pit, removal of the residual layer of coal in the coal yard. Title would be transferred for everything at the site unless specifically excluded.

Execution strategy:
Market and Sell all equipment on the site to the extent possible first as systems and secondary at the component level. Followed by dismantlement activities using conventional methods. The ability to minimize the final cost of this effort is highly dependent upon the need of other similar power producers and the timing of their need, the value of the materials that can be scrapped, and the distance to the end users. We would actively auction or Bid the entire site as an EPC approach to support us in this effort. This has demonstrated to provide us with the lower risk and highest market value. Our experience stems from Cape, Rivera, port everglades, cutler, Sanford, and numerous ancillary supporting systems in the NEE portfolio.

Schedule:
Recommended this effort take 24-30 months from notice to proceed to complete. Although this can be substantially shorter; time has shown that the longer durations typically result in a lower end cost. This works in two ways, it allows us to locate viable buyers in need, or time the salvage market to recover the highest salvage value attainable.

Budgetary cost:
The recommended cost of this effort is:

- **P90 cost of $4.5M** this is considered to be conservative due to the current timing the plant will continue to operate for several more years, cost of escalation of the resource pool, volatility of the salvage market, and the potential for whole sailing the equipment on the international market. There is of course equal potential for upside or down side. Dependent upon the level of upside there is potential that the marketability of the plant would result in a null cost or even some moneys being returned.
- **P50 cost of $1.0M** with a range of $0 to a cost of $2.0M

As an example the following salvage markets have trended downward since peaking in 2008-2010 time period. The majority of the savings values are in the steel, cooper, Stainless areas. Scrap Steel has somewhat returned to the higher level due to the reduction in inventory and the same trend is expected yet has not materialized yet for the other metals. Additionally, since this is a budgetary effort and not a great deal of effort was put forth to estimate the amount of materials the resulting weights may increase providing further savings.

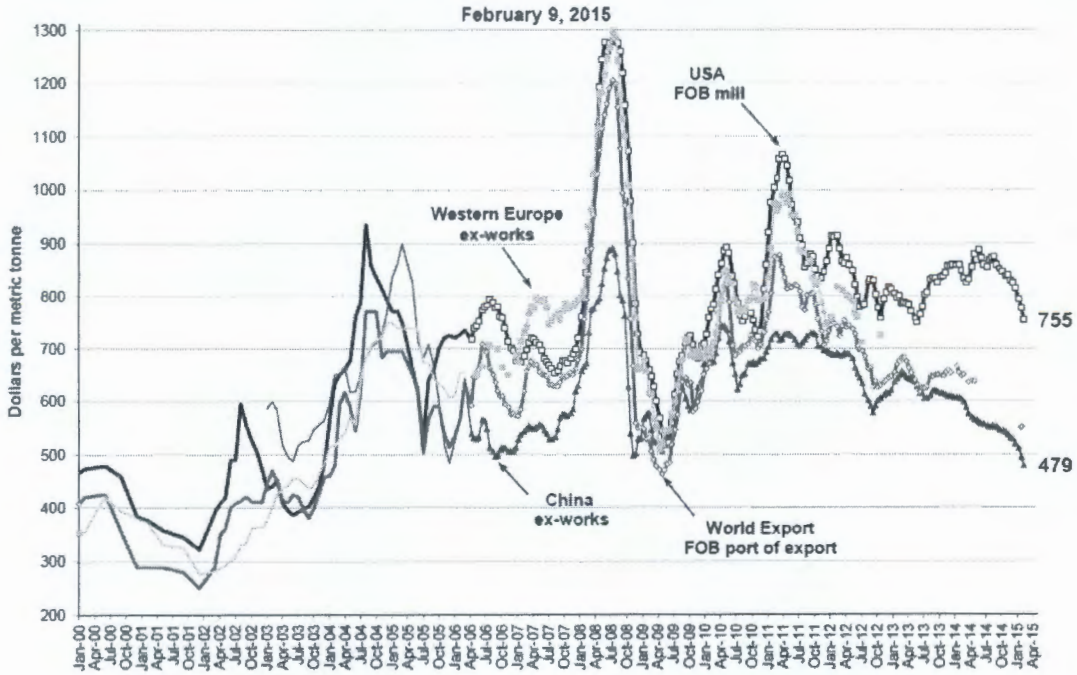
Trend Charts for Metals Markets



SteelBenchmarker™ CRC Price

USA, China, Western Europe and World Export

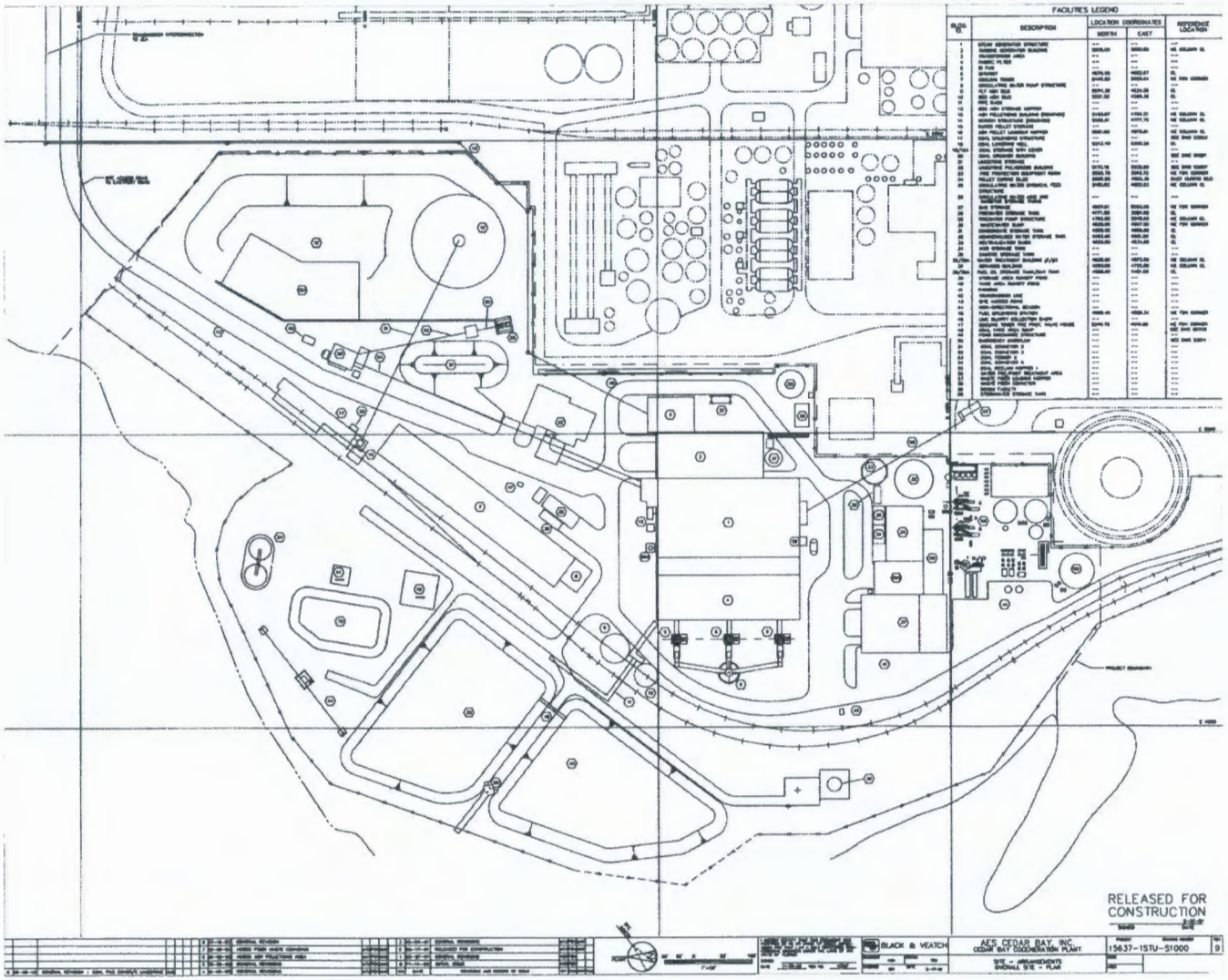
(WSD's PriceTrack data, Jan. 2000 - March 2006; SteelBenchmarker data begins April 2006)



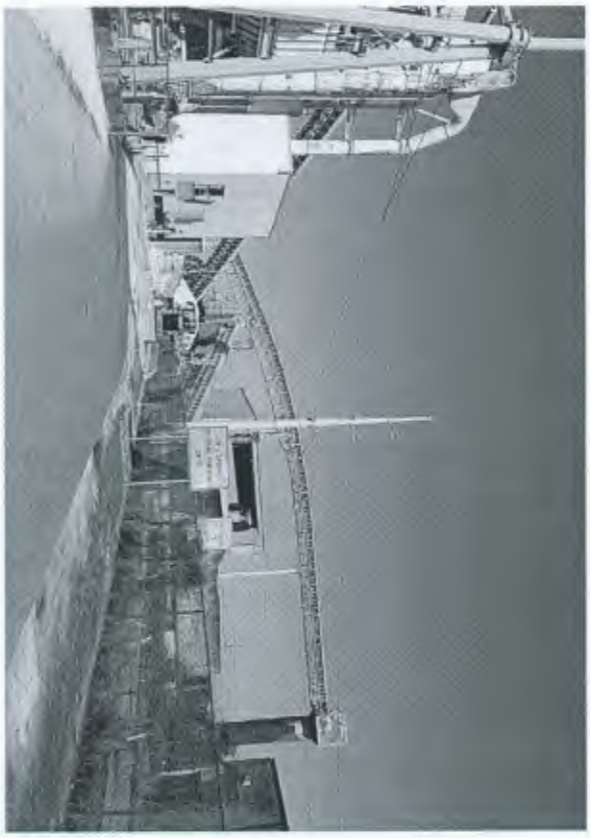
Appendix supporting information:
Appendix A
Budgetary Vendor information

Appendix B
Pictures

Appendix C
Plant documentation


FACILITIES LEGEND
RELEASED FOR CONSTRUCTION
BLACK & VEATCH
AES CEDAR BAY, INC.
CEDAR BAY COGENERATION PLANT

CB-15-00992



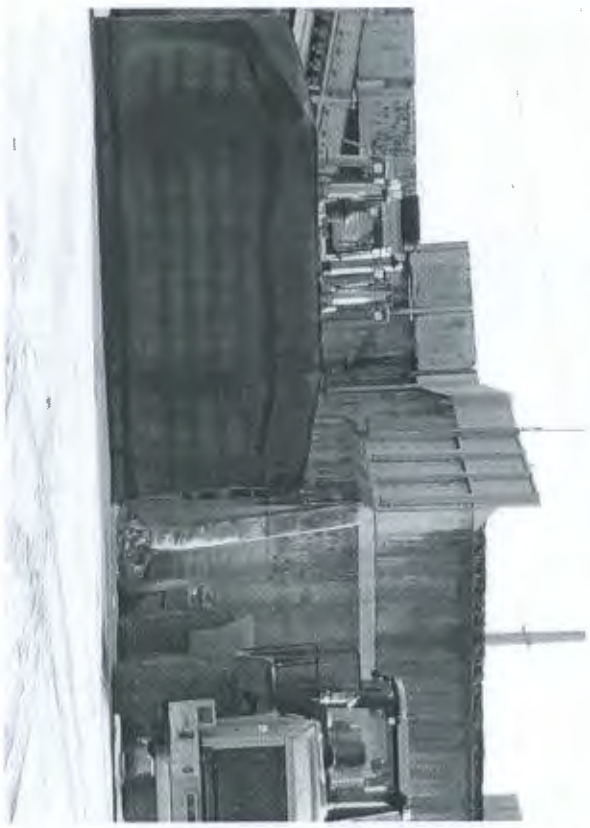






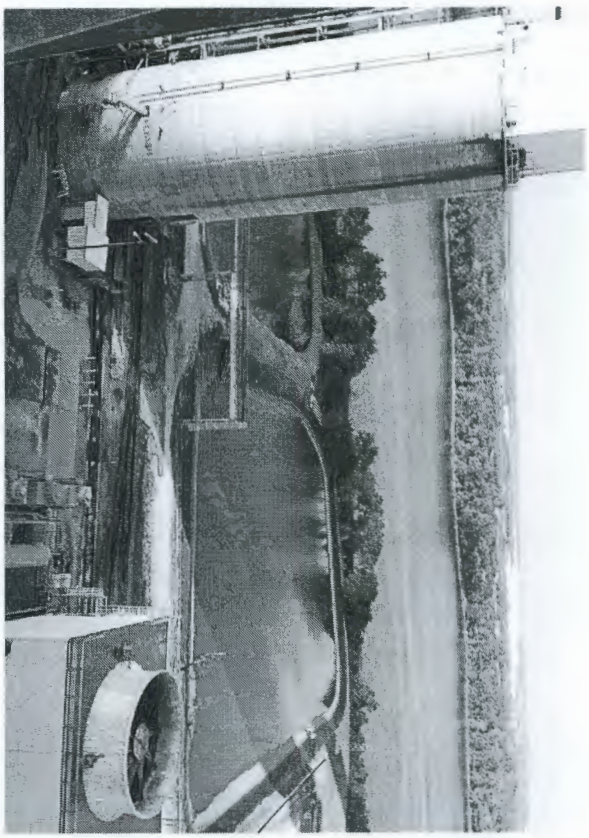


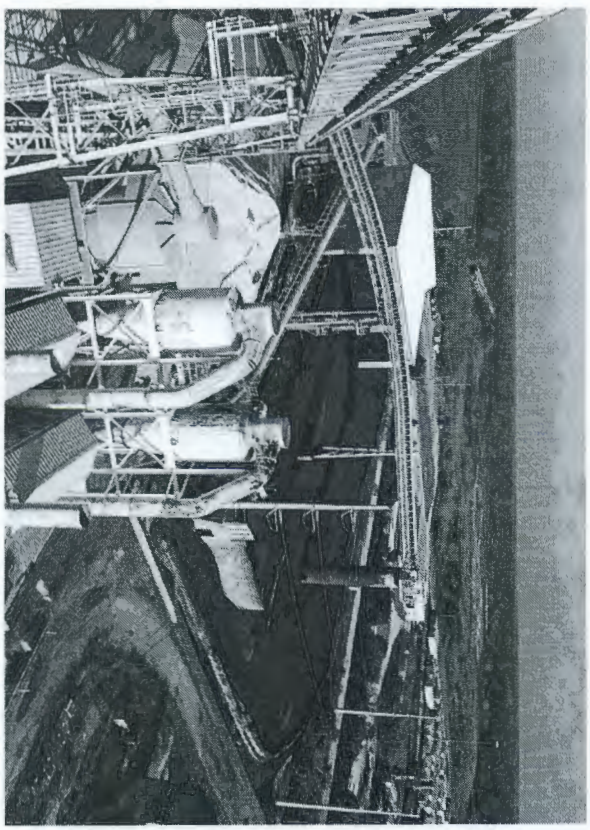


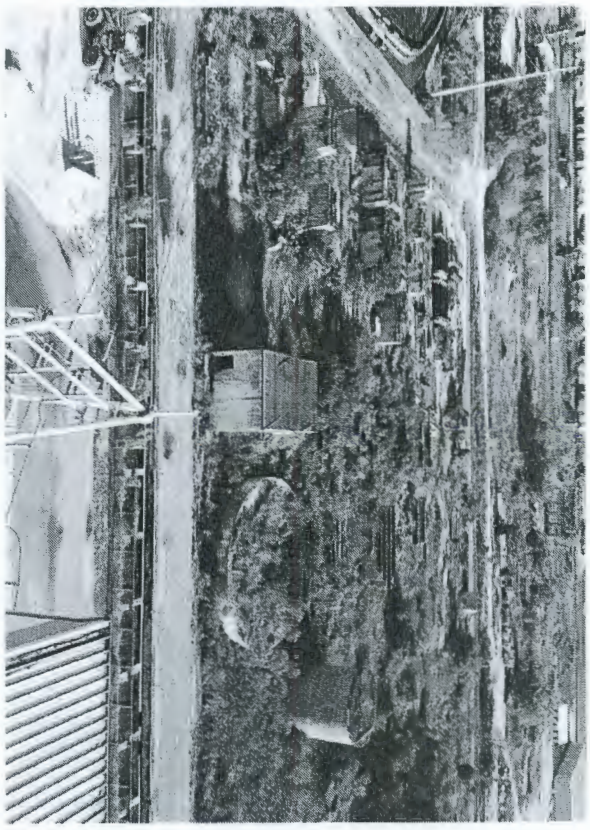


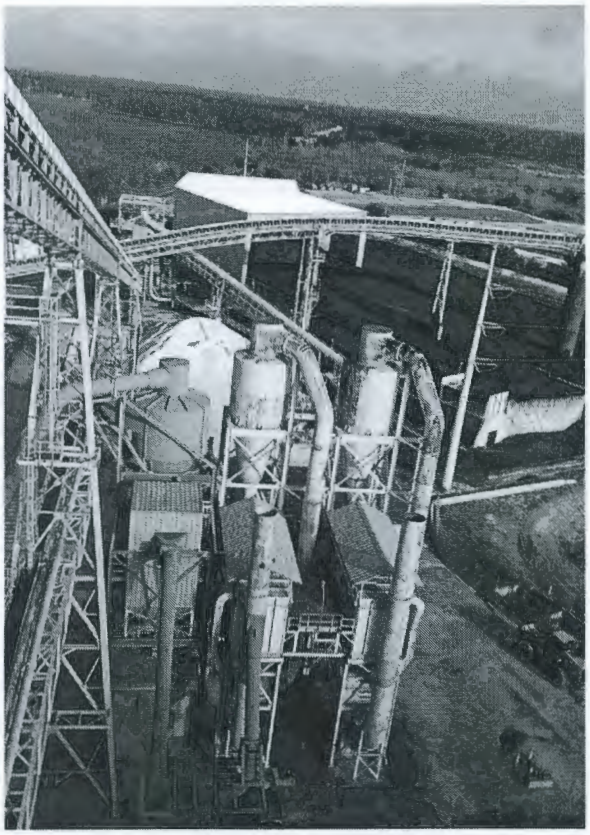
















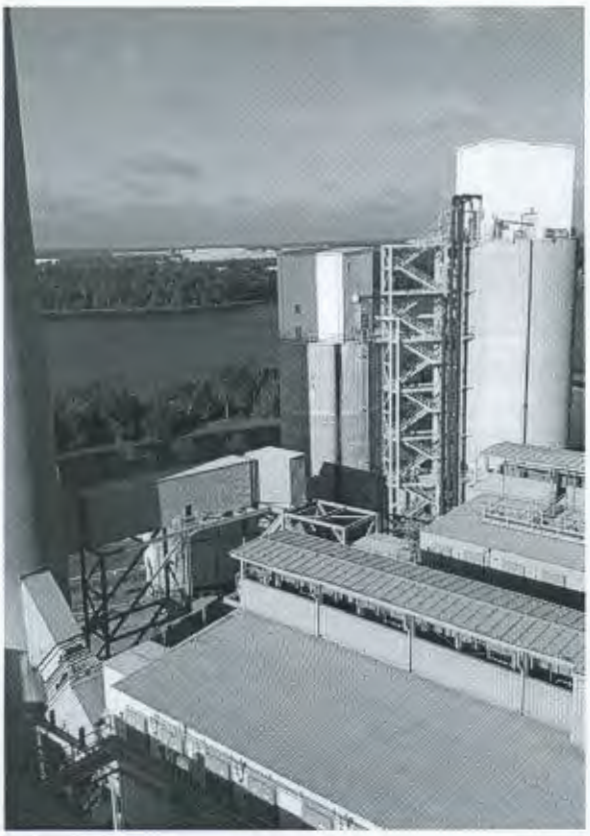


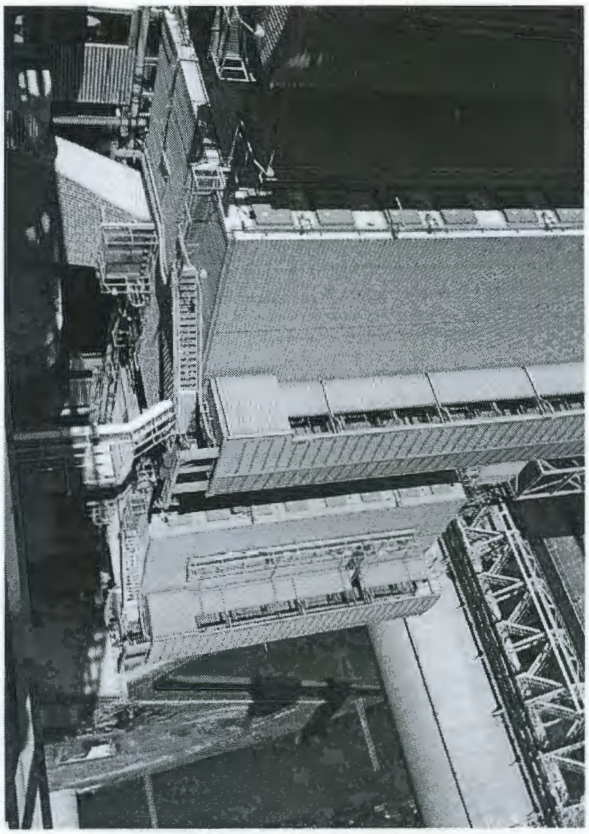


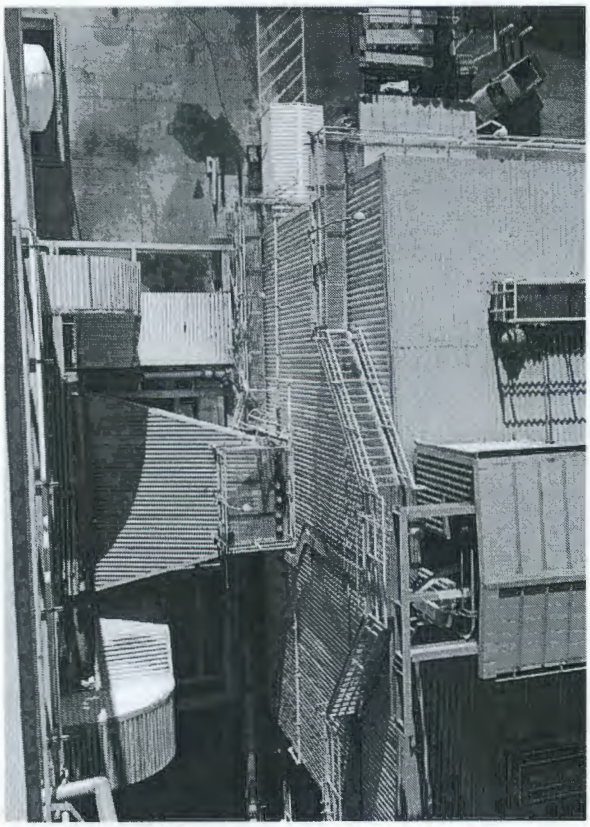













TOSHIBA


Toshiba
A C GENERATOR
PHASE
POLES
VOLTS
RATING
POWER
EXCITATION
STATOR
STATOR
STATOR INSULATION
STANDARD
SERIAL NO.
TOSHIBA CORPORATION


STEAM TURBINE
TYPE
RATED OUTPUT
RATED SPEED
STEAM CONDITIONS
INITIAL PRESSURE
INITIAL TEMPERATURE
REHEAT TEMPERATURE
EXHAUST PRESSURE (abs.)
MACHINE NO. T-5974
MANUFACTURED IN 1992
TOSHIBA CORPORATION





February 12, 2015

Florida Power & Light
PGD Technical Services
700 Universe Blvd.
Juno Beach, FL 33408

Mr. Randal Voyles
Technical Services Manager

Re: Budget Estimate for Cedar Bay Plant
NorthStar Proposal No. 15-02-09

Dear Mr. Voyles,

NorthStar Demolition and Remediation LP is pleased to provide this budget estimate for the demolition of the Cedar Bay facility. The budget estimate was developed based on information gathered during a site inspection and drawings provided by the facility. This budget estimate includes the removal of the coal powered steam generator structure with 3 individual boiler units, one chimney stack, turbine generator building and condensers, all above ground structures listed on the Overall Site Plan (15637-1STU-S1000), such as transformers, cooling tower, fly and bed ash silos, cured pellet storage, coal storage, crushing and conveyance, limestone storage, pulverizing and conveyance, circulating water structure, misc. tanks and systems for water, fuel, acid and caustics, water treatment building, coal unloading structure, storage area runoff and yard area runoff ponds, misc. outbuildings, etc. All work will be to top of foundation or slab at or near grade.

Additionally, as this plant has only recently shut down and the equipment had been maintained to the highest level of quality, there are many items that potentially have a much greater value as a reusable asset rather than being sold as scrap. Because of the state of these materials, NorthStar feels that it would be of benefit to both FPL and NorthStar if we could partner in the marketing and sales of as much of this equipment as possible as this could increase our asset recovery well above $5.5 million.

In order to maximize FPL's return on its capital investment, we feel that additional marketing time is required to explore the international market on a piece by piece basis. NorthStar has relationships with many end user buyers and brokers that could be used for the liquidation of miscellaneous pieces and parts for this plant. They specialize in this type of equipment and have a vast client basis worldwide. Based on the extremely clean condition of the plant, we feel that this relationship would best serve FPL if we could spend time immediately marketing the equipment while it is still in place. This would allow us time to bring in our out-of-country clients to view and make "firm" offers on this equipment.

The assumptions made in the development of this estimate include the following;

- Work will be performed 5 days per week 10 hours per day
- The work can be completed within 12-14 months.
- FP&L will make all utility disconnects and relocations.
- All line break and hazardous material removal including universal wastes will be performed by FPL.
- Assumed no lead abatement besides employee protection during torch activities.
- Excludes any damage to existing concrete slabs and foundations to remain.
- Excludes any ash, coal, limestone and process waste cleanup and disposal.
- Asbestos is excluded from the pricing

Budget Estimate of Cost

Project Overhead	$650,000
Stack and Concrete Silos	$590,000
Boiler and ancillary structures	$3,250,000
Misc Buildings, cooling tower	$870,000
Water Treatment/Condensers	$650,000
Turbine	$350,000
Total Cost	**$6,360,000**
Scrap Recovery Credit	**($2,237,750)**
Net Cost to FPL	**$4,122,250**

Budget Estimate for Salvage Recovery

Steel Scrap	11000	Gross Tons	$140/ton	$1,540,000
Sales	Pumps/valves/motors			$300,000
Copper	140,000	Pounds	$1.95/lb.	$273,000
Stainless Tubes	115,000	Pounds	$0.65/lb.	$74,750
Misc.				$50,000
			Total Scrap	**$2,237,750**

Thank you for the opportunity to provide you with this budget estimate. Please feel free to call with any questions. Chris Schillesci 985-705-2641
Regards,

Chris Schillesci
Sr. Project Manager
NorthStar Demolition and Remediation LP

ALTA/ACSM LAND TITLE SURVEY

A PORTION OF WEBB PLACE, SUBDIVISION OF THE JOHN BROWARD GRANT, SECTION 46, TOWNSHIP 1 SOUTH, RANGE 27 EAST, DUVAL COUNTY, FLORIDA, AS DEPICTED IN PLAT BOOK 1, PAGES 7 AND 8, OF THE FORMER PUBLIC RECORDS OF SAID COUNTY, ALSO BEING A PORTION OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 6222, PAGE 504, TOGETHER WITH A PORTION OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 7101, PAGE 1756, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY.



VICINITY MAP
(NOT TO SCALE)

PARCEL DESCRIPTIONS (per Title Commitment):

EXHIBIT A (FACILITY SITE) (Official Records Book 7101, Page 1756):

PARCEL A:
A portion of Webb Place, of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 and said subdivision (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'36" West, a distance of 1,325.63 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'36" West, along the Northerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot Public Right of Way, as now established); run thence North 10° 23' 26" West along said Westerly right of way line, a distance of 890.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217-2228 of the Current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217-2228, the following three courses and distances: First Course; South 67°49'33" West, a distance of 316.33 feet to a point; Second Course; South 49° 13' 44" West, a distance of 270.00 feet to a point; Third Course; South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'36" West, along said said line a distance of 618.79 feet to a point; run thence North 40°46'38" West, a distance of 138.34 feet to a point; run thence South 49°13'44" West, a distance of 150.00 feet to a point; run thence North 40°46'38" West, a distance of 275.00 feet to a point; run thence South 49°13'21" West, a distance of 100 feet to a point; run thence South 40°46'38" East, a distance of 830.77 feet to an intersection with said Westerly prolongation of said Northerly line of Section 22 of said subdivision; run thence South 89°57'36" West, along said line, a distance of 134.73 feet to the Point of Beginning.

From the Point of Beginning thus described, run South 40°46'38" East, a distance of 427.65 feet to a point; run thence South 03°45'19" West, a distance of 74.96 feet to a point; run thence South 41°14'41" East, a distance of 54.38 feet to a point; run thence South 48°09'38" West, a distance of 42.00 feet to a point; run thence South 41°14'41" East, a distance of 10.00 feet to a point; run thence South 48°09'38" West, a distance of 268.67 feet to a point; run thence South 40°50'22" East, a distance of 485.00 feet to a point; run thence South 48°09'38" West, a distance of 150.00 feet to a point; run thence South 40°50'22" East, a distance of 220.00 feet to a point; run thence South 48°09'38" West, a distance of 210.00 feet to a point; run thence South 40°50'22" East, a distance of 188.98 feet to a point on the Westerly line of the Brevard River; run thence in a General Northeasterly and Northwesterly direction, along said Brevard River, the following Three Courses and Distances: First Course; North 27°35'52" East, a distance of 2,350 feet, more or less, to the Mean High Water Line of the Brevard River; run thence in a General Northwesterly and Northeasterly direction, along said Mean High Water Line, with said Westerly prolongation of the Northerly line of Section 22 of said subdivision, said point lying South 89°57'36" West, along aforementioned line, a distance of 385 feet, more or less, from the Point of Beginning; run thence South 89°57'36" East, along aforementioned line, a distance of 385 feet, more or less to the Point of Beginning.

TOGETHER WITH:

PARCEL B:
A portion of Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For a Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'36" West, a distance of 1,325.63 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'36" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot Public Right of Way, as now established); run thence North 10°23'26" West, along said Westerly right of way line, a distance of 890.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217-2228 of the Current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217-2228, the following three courses and distances: First Course; South 67°49'33" West, a distance of 316.33 feet to a point; Second Course; South 49° 13' 44" West, a distance of 270.00 feet to a point; Third Course; South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'36" West, along said said line a distance of 618.79 feet to a point; run thence North 40°46'38" West, a distance of 138.34 feet to a point; run thence South 49°13'44" West, a distance of 150.00 feet to a point; run thence North 40°46'38" West, a distance of 275.00 feet to a point; run thence South 49°13'21" West, a distance of 100 feet to a point; run thence South 40°46'38" East, a distance of 830.77 feet to an intersection with said Westerly prolongation of said Northerly line of Section 22 of said subdivision; run thence South 89°57'36" West, along said line, a distance of 134.73 feet to the Point of Beginning.

From the Point of Beginning thus described, run South 40°46'38" East, a distance of 427.65 feet to a point; run thence South 03°45'19" West, a distance of 74.96 feet to a point; run thence South 41°14'41" East, a distance of 54.38 feet to a point; run thence South 48°09'38" West, a distance of 42.00 feet to a point; run thence South 41°14'41" East, a distance of 10.00 feet to a point; run thence South 48°09'38" West, a distance of 268.67 feet to a point; run thence South 40°50'22" East, a distance of 485.00 feet to a point; run thence South 48°09'38" West, a distance of 150.00 feet to a point; run thence South 40°50'22" East, a distance of 220.00 feet to a point; run thence South 48°09'38" West, a distance of 210.00 feet to a point; run thence South 40°50'22" East, a distance of 188.98 feet to a point on the Westerly line of the Brevard River; run thence in a General Northeasterly and Northwesterly direction, along said Brevard River, the following Three Courses and Distances: First Course; North 27°35'52" East, a distance of 2,350 feet, more or less, to the Mean High Water Line of the Brevard River; run thence in a General Northwesterly and Northeasterly direction, along said Mean High Water Line, with said Westerly prolongation of the Northerly line of Section 22 of said subdivision, said point lying South 89°57'36" West, along aforementioned line, a distance of 385 feet, more or less, from the Point of Beginning; run thence North 89°57'36" East, along aforementioned line, a distance of 385 feet, more or less to the Point of Beginning.

Containing 30.4 acres, more or less.

TOGETHER WITH:

LEASE PARCEL 1:
A portion of Webb Place, subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Duval County, Florida, as depicted in Plat Book 1, pages 7 and 8, of the former Public Records of said county, also being a portion of those lands described and recorded in Official Records Book 6222, page 504, of the current Public Records of said county, being more particularly described as follows:

For a Point of Reference, commence at the corner common to the Easterly line of said Webb Place and Subsections 19 and 22, of said Section 46, said corner bearing South 89°58'16" West, 1,325.63 feet from the Northeasterly corner of said Subsection 22; thence South 89°58'28" West, along the Westerly prolongation of the Northerly line of said Subsection 22, a distance of 578.30 feet to its intersection with the Westerly right of way line of Eastport Road, a 66 foot right of way as presently established; thence North 10°23'24" West, along said Westerly right of way line, a distance of 890.02 feet; thence South 79°36'36" West, departing said Westerly right of way line, 508.51 feet to a point lying on the Northerly line of those lands described and recorded in Official Records Book 6652, page 2217 of said current Public Records; thence Westerly and Southerly along the Northerly and Westerly line of said land, the following 3 courses: Course 1, thence South 67°50'04" West, 316.33 feet; Course 2, thence South 49°13'16" West, 270.00 feet; Course 3, thence South 40°45'44" East, 644.88 feet to an intersection with said Westerly prolongation of the Northerly line of Subsection 22; thence South 89°58'28" West, departing said Westerly line and along said Westerly prolongation, 618.79 feet; thence North 40°48'07" West, 138.34 feet; thence North 49°11'36" West, 150.00 feet; thence North 40°48'07" East, 275.00 feet; thence South 49°10'53" East, 100.00 feet; thence South 40°48'07" East, 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Subsection 22; thence South 89°58'28" West, along said Westerly prolongation, 134.73 feet to the Northeasterly corner of those lands described in Exhibit "A", Parcel "A", as recorded in said Official Records Book 7101, page 1756 and the Point of Beginning.

From said Point of Beginning, thence Southerly along the Easterly line of said Parcel "A" the following 10 courses: Course 1, thence South 40°49'07" East, 427.65 feet; Course 2, thence South 03°45'31" West, 74.96 feet; Course 3, thence South 41°14'28" East, 54.38 feet; Course 4, thence South 48°10'30" West, 42.00 feet; Course 5, thence South 41°14'28" East, 10.00 feet; Course 6, thence South 48°10'10" West, 268.67 feet; Course 7, thence South 40°49'50" East, 485.00 feet; Course 8, thence South 48°10'10" West, 150.00 feet; Course 9, thence South 40°49'50" East, 220.00 feet; Course 10, thence South 48°10'10" West, 15.00 feet to the Northerly most corner of those lands described in Exhibit "A", Parcel "D", as recorded in said Official Records Book 7101, page 1756; thence South 40°49'50" East, departing said Easterly line and along the Northeasterly line of said Parcel "D", 191.10 feet to the Easterly most corner thereof, said corner lying on a curve concave Southeasterly having a radius of 1115.15 feet; thence Southwesterly, along the Southeasterly line of said Parcel "D", and along the arc of said curve, through a central angle of 10°56'22", an arc length of 105.15 feet to a point on said curve, said arc being subtended by a chord bearing and distance of South 30°21'36" West, 101.71 feet; thence South 48°10'10" West, continuing along said Southeasterly line and along the Southerly line of said Parcel "A", 184.71 feet to a point hereinafter referred to as Reference Point "A"; thence continue South 48°10'10" West, along said Southerly line, 44 feet, more or less, to its intersection with the Easterly Mean High Water Line of the Brevard River; thence along the meanderings of said Easterly Mean High Water Line the following 4 courses: Course 1, thence Westerly, departing said Southerly line, 680 feet, more or less; Course 2, thence Northwesterly, 1060 feet, more or less; Course 3, thence Northeasterly, 817 feet, more or less; Course 4, thence Northerly, 277 feet, more or less, to the Northeast corner of said Parcel "A"; thence South 89°58'28" East, departing said Easterly Mean High Water Line and along the Northerly line of said Parcel "A", said line also being the Westerly prolongation of the Northerly line of Subsection 22, a distance of 47 feet, more or less, to a point on said line, said point bearing North 21°09'04" West, 174.61 feet from said Reference Point "A"; thence continue South 89°58'28" East, along said last said line, 314.13 feet to the Point of Beginning.

Containing 30.4 acres, more or less.

TOGETHER WITH:

LEASE PARCEL 2:
A portion of Webb Place, subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Duval County, Florida, as depicted in Plat Book 1, pages 7 and 8, of the former Public Records of said county, also being a portion of those lands described and recorded in Official Records Book 6222, page 504, of the current Public Records of said county, being more particularly described as follows:

For a Point of Reference, commence at the corner common to the Easterly line of said Webb Place and Subsections 19 and 22, of said Section 46, said corner bearing South 89°58'16" West, 1,325.63 feet from the Northeasterly corner of said Subsection 22; thence South 89°58'28" West, along the Westerly prolongation of the Northerly line of said Subsection 22, a distance of 578.30 feet to its intersection with the Westerly right of way line of Eastport Road, a 66 foot right of way as presently established; thence North 10°23'24" West, along said Westerly right of way line, a distance of 890.02 feet; thence South 79°36'36" West, departing said Westerly right of way line, 508.51 feet to a point lying on the Northerly line of those lands described and recorded in Official Records Book 6652, page 2217 of said current Public Records; thence Westerly along said Northerly line the following 2 courses: Course 1, thence South 67°50'04" West, 316.33 feet; Course 2, thence South 49°14'16" West, 270.00 feet; thence South 77°53'56" West, departing said Northerly line, 280.31 feet to the Point of Beginning.

From said Point of Beginning, thence South 41°08'35" East, 524.12 feet; thence South 48°53'10" West, 105.08 feet; thence South 43°49'39" West, 230.33 feet; thence South 34°07'42" West, 105.42 feet; thence North 40°42'13" West, 663.30 feet; thence North 53°38'04" East, 90.52 feet; thence North 53°53'35" East, 170.27 feet; thence North 53°50'15" East, 176.08 feet to the Point of Beginning.

Containing 6.51 acres, more or less

LEASE PARCEL 3:
A portion of Webb Place, subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Duval County, Florida, as depicted in Plat Book 1, pages 7 and 8, of the former Public Records of said county, also being a portion of those lands described and recorded in Official Records Book 6222, page 504, of the current Public Records of said county, being more particularly described as follows:

For a Point of Reference, commence at the corner common to the Easterly line of said Webb Place and Subsections 19 and 22, of said Section 46, said corner bearing South 89°58'16" West, 1,325.63 feet from the Northeasterly corner of said Subsection 22; thence South 89°58'28" West, along the Westerly prolongation of the Northerly line of said Subsection 22, a distance of 578.30 feet to its intersection with the Westerly right of way line of Eastport Road, a 66 foot right of way as presently established; thence North 10°23'24" West, along said Westerly right of way line, a distance of 890.02 feet; thence South 79°36'36" West, departing said Westerly right of way line, 508.51 feet to a point lying on the Northerly line of those lands described and recorded in Official Records Book 6652, page 2217 of said current Public Records; thence Westerly along said Northerly line the following 2 courses: Course 1, thence South 67°50'04" West, 316.33 feet; Course 2, thence South 49°14'16" West, 270.00 feet; thence South 77°53'56" West, departing said Northerly line, 280.31 feet to the Point of Beginning.

From said Point of Beginning, thence South 41°08'35" East, 524.12 feet; thence South 48°53'10" West, 105.08 feet; thence South 43°49'39" West, 230.33 feet; thence South 34°07'42" West, 105.42 feet; thence North 40°42'13" West, 663.30 feet; thence North 53°38'04" East, 90.52 feet; thence North 53°53'35" East, 170.27 feet; thence North 53°50'15" East, 176.08 feet to the Point of Beginning.

Containing 6.51 acres, more or less

From said Point of Beginning, thence South 53°50'15" West, 441.86 feet to a point on a curve concave Northeasterly having a radius of 855.79 feet; thence Northwesterly along the arc of said curve, through a central angle of 23°29'30", an arc length of 351.36 feet to a point on said curve, said arc being subtended by a chord bearing and distance of North 35°37'40" West, 348.86 feet; thence North 28°46'40" West, 84.88 feet; thence North 49°11'36" East, 370.75 feet; thence South 40°48'52" East, 383.13 feet to the Point of Beginning.

Containing 3.49 acres, more or less.

EXHIBIT B (ALL SITE) (Official Records Book 7101, Page 1756):

PARCEL A:
Portions of Sections 19, 22, 34, and Webb Place, subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, according to Plat recorded in Plat Book 1, Pages 7 and 8, former Public Records of Jacksonville, Duval County, Florida, being more particularly described as follows:

For point of reference, commence at a concrete monument located at the point of intersection of the North line of said Section 22 of said subdivision, with the East line of Webb Place, of said subdivision, said monument lying South 89°57'36" West, a distance of 1,325.63 feet from a concrete monument located at the Northeast corner of said Section 22; run thence South 89°57'36" West, along the Northerly prolongation of said North line of Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot Public Right of Way, as now established); run thence North 10°23'26" West, along said Westerly right of way line, a distance of 1,239.34 feet to a point; run thence South 80°21'22" West, parallel with the Southerly right of way line of Kraft Road (a 60 foot right of way, not now established), a distance of 1,638.58 feet to a point; run thence South 73°26' East, a distance of 1,845.0 feet to a point for the Point of Beginning.

From the Point of Beginning thus described, run North 73°26' West, a distance of 1,845.0 feet to a point; run thence North 80°21'22" East, parallel with said Southerly right of way line of Kraft Road, a distance of 1,638.58 feet to a point on the Westerly right of way line of Eastport Road; run thence South 10°23'26" East, along said Westerly right of way line, a distance of 4,786.00 feet to a concrete monument of the point of curvature; run thence in a Southeasterly direction, along the arc of a curve in the Southwesterly right of way line of said Eastport Road, said curve being concave to the Northeast and having a radius of 582.96 feet, an arc distance of 317.83 feet to a concrete monument of the point of tangency, the aforementioned arc having a chord bearing and distance of South 23°45'21" East, 314.04 feet; run thence South 41°08'46" East, along said Southwesterly right of way line, a distance of 806.21 feet to a concrete monument; run thence in a Southeasterly direction, along the arc of a curve to said Westerly right of way line, not tangent to last described line, said curve being concave to the Northeast and having a radius of 1132.24 feet, an arc distance of 201.17 feet to a concrete monument at the point of tangency, the aforementioned arc having a chord bearing and distance of South 36°04'49" East, 175.74 feet; run thence South 73°53'14" West, along the Northerly right of way line of said Eastport Road, a distance of 166.73 feet to a concrete monument at the intersection of said Northerly line, with the Northerly right of way line of Hechacher Drive, as now established; run thence in a Westerly direction, along the arc of a curve in last mentioned Northerly right of way line, said curve not being tangent to last described line, said curve being concave to the South and having a radius of 788.78 feet, an arc distance of 367.82 feet to a concrete monument of a point on a second non-tangent curve, the aforementioned arc having a chord bearing and distance of South 72°37'12" West, 363.70 feet; run thence in a Southwesterly direction, along the arc of a curve in the Northwesterly right of way line of said Hechacher Drive, said curve being concave to the Southeast and having a radius of 463.08 feet, an arc distance of 275.68 feet to the point of tangency, the aforementioned arc having a chord bearing and distance of South 59°21'37" West, 271.63 feet; run thence South 43°00'58" West, along said Northwesterly right of way line, a distance of 129.62 feet to a point on the Southeasterly line of lands described and recorded in Official Records Volume 1344, Page 281, Public Records of said County; run thence North 58°33'00" West, along said Southeasterly line, a distance of 2,465.40 feet to the point of curvature; run thence in a Northwesterly direction, along the arc of a curve in said Southeasterly deed line, said curve being concave to the Northeast and having a radius of 1000.00 feet, an arc distance of 122.00 feet to the Westerly corner of said deed, the aforementioned arc having a chord bearing and distance of North 53°23'18" West, 121.92 feet; run thence in a Northerly direction, along the waters of the Brevard River, following the meanderings of same, a distance of 3,150 feet, more or less, to a point which bears South 87°08'54" West from the Point of Beginning; run thence North 87°08'54" East, a distance of 40 feet, more or less, to the Point of Beginning.

TOGETHER WITH:

PARCEL B:
Portions of Sections 16, 19, 22, 23, and Webb Place, subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, according to plat recorded in Plat Book 1, Page 7 and 8, former Public Records of Jacksonville, Duval County, Florida, being more particularly described as follows:

For a Point of Reference, commence at a concrete monument located at the point of intersection of the North line of said Section 22 of said subdivision, with the East line of Webb Place of said subdivision, said monument lying South 89°57'36" West, a distance of 1,325.63 feet from a concrete monument located at the Northeast corner of said Section 22; run thence South 89°57'36" West, along said North line, a distance of 1,325.63 feet to said concrete monument located at the Northeast corner of said Section 22; run thence South 76°37'10" West, a distance of 146.58 feet to a point for Point of Beginning.
From the Point of Beginning thus described, run North 00°24'15" West, a distance of 682.91 feet to a point; run thence North 53°54'47" East, a distance of 1,076.13 feet to a point; run thence South 80°07'28" East, a distance of 417.87 feet to a point; run thence South 38°36'37" East, a distance of 454.27 feet to a point; run thence South 43°25'48" West, a distance of 677.46 feet to a point; run thence South 46°36'50" East, a distance of 1,315.38 feet to a point; run thence South 54°36'17" West, a distance of 1,833.10 feet to a point lying on the Easterly prolongation of the Northerly line of lands described in Official Records Volume 3204, Page 401, Public Records of said County; run thence South 89°57'39" West, along said Easterly prolongation and along said Northerly line, a distance of 742.41 feet to the Northeasterly corner of said lands; run thence South 01°02'21" East, along said Northerly line of said lands, a distance of 202.96 feet to the Easterly corner of lands described in Official Records Volume 3204, Page 401, Public Records of said County; run thence North 54°36'50" West, along the Southeasterly line of said lands, a distance of 210.85 feet to a point lying on the Northeasterly right of way line of Eastport Road (a 66 foot right of way, as now established); run thence North 41°08'46" West, along said Northeasterly right of way line, a distance of 300.02 feet to a point lying on the Northeasterly line of said lands described in Official Records Volume 3204, Page 401; run thence North 54°36'17" East, along said Northeasterly line, a distance of 211.16 feet to the Northerly corner thereof; run thence North 51°36'05" West, a distance of 346.25 feet to a point; run thence North 28°44'44" West, a distance of 825.65 feet to a point; run thence North 10°08'26" West, a distance of 798.53 feet to a point; run thence South 79°36'04" West, perpendicular to the Easterly right of way line of said Eastport Road, a distance of 200.85 feet to a point lying on said Easterly right of way line; run thence North 10°23'26" West, along said Easterly right of way line, a distance of 434.92 feet to a point; run thence North 79°36'04" East, perpendicular to said Easterly right of way line, a distance of 418.58 feet to a point; run thence South 10°23'26" East, parallel to said Easterly right of way line, a distance of 432.37 feet to a point; run thence North 79°36'07" East, a distance of 731.66 feet to a point; run thence North 53°38'14" East, a distance of 226.35 feet to a point; run thence North 63°51'10" East, a distance of 297.62 feet to the Point of Beginning.

LESS AND EXCEPT:

A portion of Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 and said subdivision (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'36" West, a distance of 1,325.63 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'36" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot Public Right of Way, as now established); run thence North 10° 23' 26" West along said Westerly right of way line, a distance of 890.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217-2228 of the Current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217-2228, the following three courses and distances: First Course; South 67°49'33" West, a distance of 316.33 feet to a point; Second Course; South 49° 13' 44" West, a distance of 270.00 feet to a point; Third Course; South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'36" West, along said said line a distance of 618.79 feet to a point; run thence North 40°46'38" West, a distance of 138.34 feet to a point; run thence South 49°13'44" West, a distance of 150.00 feet to a point; run thence North 40°46'38" West, a distance of 275.00 feet to a point; run thence South 49°13'21" West, a distance of 100 feet to a point; run thence South 40°46'38" East, a distance of 830.77 feet to an intersection with said Westerly prolongation of said Northerly line of Section 22 of said subdivision; run thence South 89°57'36" West, along said line, a distance of 134.73 feet to the Point of Beginning.

From the Point of Beginning thus described, run South 40°46'38" East, a distance of 427.65 feet to a point; run thence South 03°45'19" West, a distance of 74.96 feet to a point; run thence South 41°14'41" East, a distance of 54.38 feet to a point; run thence South 48°09'38" West, a distance of 42.00 feet to a point; run thence South 41°14'41" East, a distance of 10.00 feet to a point; run thence South 48°09'38" West, a distance of 268.67 feet to a point; run thence South 40°50'22" East, a distance of 485.00 feet to a point; run thence South 48°09'38" West, a distance of 150.00 feet to a point; run thence South 40°50'22" East, a distance of 220.00 feet to a point; run thence South 48°09'38" West, a distance of 210.00 feet to a point; run thence South 40°50'22" East, a distance of 188.98 feet to a point on the Westerly line of the Brevard River; run thence in a General Northeasterly and Northwesterly direction, along said Brevard River, the following Three Courses and Distances: First Course; North 27°35'52" East, a distance of 2,350 feet, more or less, to the Mean High Water Line of the Brevard River; run thence in a General Northwesterly and Northeasterly direction, along said Mean High Water Line, with said Westerly prolongation of the Northerly line of Section 22 of said subdivision, said point lying South 89°57'36" West, along aforementioned line, a distance of 385 feet, more or less, from the Point of Beginning; run thence North 89°57'36" East, along aforementioned line, a distance of 385 feet, more or less to the Point of Beginning.

AND:

A portion of Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For a Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'36" West, a distance of 1,325.63 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'36" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot Public Right of Way, as now established); run thence North 10°23'26" West, along said Westerly right of way line, a distance of 890.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217-2228 of the Current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217-2228, the following three courses and distances: First Course; South 67°49'33" West, a distance of 316.33 feet to a point; Second Course; South 49° 13' 44" West, a distance of 270.00 feet to a point; Third Course; South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'36" West, along said said line, a distance of 618.79 feet to a point; run thence North 40°46'38" West, a distance of 138.34 feet to a point; run thence South 49°13'44" West, a distance of 150.00 feet to a point; run thence North 40°46'38" West, a distance of 275.00 feet to a point; run thence South 49°10'21" West, a distance of 100 feet to a point; run thence North 40°46'38" East, a distance of 830.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'36" West, along said said line, a distance of 134.73 feet to a point; run thence South 67°49'33" West, a distance of 427.65 feet to a point; run thence South 03°45'19" West, a distance of 74.96 feet to a point; run thence South 41°14'41" East, a distance of 54.38 feet to a point; run thence South 48°09'38" West, a distance of 42.00 feet to a point; run thence South 41°14'41" East, a distance of 10.00 feet to a point; run thence South 48°09'38" West, a distance of 268.67 feet to a point; run thence South 40°50'22" East, a distance of 485.00 feet to a point; run thence South 48°09'38" West, a distance of 150.00 feet to a point; run thence South 40°50'22" East, a distance of 220.00 feet to a point; run thence South 48°09'38" West, a distance of 210.00 feet to a point; run thence South 40°50'22" East, a distance of 188.98 feet to a point on the Westerly line of the Brevard River; run thence in a General Northeasterly and Northwesterly direction, along said Brevard River, the following Three Courses and Distances: First Course; North 27°35'52" East, a distance of 2,350 feet, more or less, to the Mean High Water Line of the Brevard River; run thence in a General Northwesterly and Northeasterly direction, along said Mean High Water Line, with said Westerly prolongation of the Northerly line of Section 22 of said subdivision, said point lying South 89°57'36" West, along aforementioned line, a distance of 385 feet, more or less, from the Point of Beginning; run thence North 89°57'36" East, along aforementioned line, a distance of 385 feet, more or less to the Point of Beginning.

CERTIFIED TO:
Barclays Bank PLC, a Public Limited Company as Administrative and Collateral Agent; Cedar Shoals Ownership Company LP, a Delaware Limited Partnership; and Fidelity National Title Insurance Company, a California Corporation.

THIS IS TO CERTIFY THAT THIS MAP AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH 2011 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/ACSM LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 1, 2, 3, 4, 6(b), 6, 8, 11(b), 13, 14, 15, 16, 17, 18, 20(a) AND 21 OF TABLE A THEREOF. THE FIELDWORK WAS COMPLETED ON JANUARY 24, 2013.

DATE: JANUARY 24, 2013

NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER.

RMA
ROBERT M. ANGAS ASSOCIATES, INC.
SURVEYORS • PLANNERS • CIVIL ENGINEERS
14775 Old St. Augustine Road, Jacksonville, FL 32258
Tel: (904) 642-8550 Fax: (904) 642-4165
Certificate of Authorization No.: LB 3624

DAMON J. KELLY
PROFESSIONAL SURVEYOR AND MAPPER
STATE OF FLORIDA LS No. 6264
mail@rmaangas.com

SHEET 1 OF 9
SEE SHEET 9 FOR GENERAL NOTES.

REVISED MARCH 12, 2013 TO DEPICT ALL LANDS DESCRIBED IN REVISED TITLE COMMITMENT. (NO No. 13-145.01)

CAD FILE: I:\Survey\Workers\Cogentrix Users Boy\Bmp\Generating Site Sup 2012 Rev.dwg FIELD BOOK: ETP 2024 DRAWN BY: DMS CHECKED BY: DJK
COUNTY: DUVAL ORDER NO.: 12-146.00 FILE NO.: 12SC-38.00M

ALTA/ACSM LAND TITLE SURVEY

A PORTION OF WEBB PLACE, SUBDIVISION OF THE JOHN BROWARD GRANT, SECTION 46, TOWNSHIP 1 SOUTH, RANGE 27 EAST, DUVAL COUNTY, FLORIDA, AS DEPICTED IN PLAT BOOK 1, PAGES 7 AND 8, OF THE FORMER PUBLIC RECORDS OF SAID COUNTY, ALSO BEING A PORTION OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECOROS BOOK 6222, PAGE 504, TOGETHER WITH A PORTION OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 7101, PAGE 1756, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY.

EASEMENT DESCRIPTIONS (per Title Commitment):

SOUTH RAILROAD EASEMENT (Official Records Book 7101, Page 1756):
A portion of Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'56" West, a distance of 1,325.63 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 feet public right of way, as now established); run thence North 10°23'56" West, along said Westerly right of way line, a distance of 880.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Record Volume 6652, Pages 2217-2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217-2228, the following three courses and distances: First Course: South 67°49'32" West, a distance of 316.23 feet to a point; Second Course: South 49°13'44" West, a distance of 270.00 feet to a point; Third Course; South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'56" West, along last said line, a distance of 618.79 feet to a point; run thence North 40°49'39" West, a distance of 138.34 feet to a point; run thence South 49°11'04" West, a distance of 100.00 feet to a point; run thence North 40°49'39" West, a distance of 275.00 feet to a point; run thence South 49°10'21" West, a distance of 100.00 feet to a point; run thence South 40°49'39" East, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'56" West, along last said line, a distance of 134.73 feet; run South 40°46'39" East, a distance of 427.65 feet to a point; run thence South 03°45'19" West, a distance of 74.96 feet to a point; run thence South 41°14'41" East, a distance of 54.38 feet to a point; run thence South 49°09'38" West, a distance of 42.00 feet to a point; run thence South 41°14'41" East, a distance of 10.00 feet to a point; run thence South 49°09'38" West, a distance of 269.67 feet to a point; run thence South 40°50'22" East, a distance of 485.00 feet to a point; run thence South 49°09'38" West, a distance of 155.00 feet to a point; run thence South 40°50'22" East, a distance of 220.00 feet to a point; run thence South 49°09'38" West, a distance of 210.00 feet to a point; run thence South 40°50'22" East, a distance of 188.86 feet to a point for Point of Beginning.

From the Point of Beginning thus described, run South 34°16'48" East, a distance of 103.22 feet to a point on a curve leading Southeasterly; run thence Southeasterly, along and around the arc of a curve, concave Easterly and having a radius of 118.15 feet, an arc distance of 70.04 feet, said arc being subtended by a chord bearing and distance of South 34°16'48" East, 69.02 feet; run thence South 34°16'48" East, a distance of 516.34 feet to a point; run thence North 48°03'36" East, a distance of 75.72 feet to a point; run thence South 41°56'04" East, a distance of 105.22 feet to a point; run thence South 33°14'16" West, a distance of 5.06 feet to a point for the Point of Beginning.

From the Point of Beginning thus described, run South 34°16'48" East, a distance of 103.22 feet to a point on a curve leading Southeasterly; run thence Southeasterly, along and around the arc of a curve, concave Easterly and having a radius of 118.15 feet, an arc distance of 70.04 feet, said arc being subtended by a chord bearing and distance of South 34°16'48" East, 69.02 feet; run thence South 34°16'48" East, a distance of 516.34 feet to a point; run thence North 48°03'36" East, a distance of 75.72 feet to a point; run thence South 41°56'04" East, a distance of 105.22 feet to a point; run thence South 33°14'16" West, a distance of 5.06 feet to a point for the Point of Beginning.

From the Point of Beginning thus described, run South 33°14'16" West, a distance of 40.05 feet to a point; run thence South 53°57'14" East, a distance of 87.85 feet to a point; run thence North 85°18'30" East, a distance of 218.08 feet to a point of curvature of a curve, leading Southeasterly; run thence Southeasterly, along and around the arc of a curve, concave Southwesterly and having a radius of 569.94 feet, an arc distance of 471.18 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 71°06'27" East, 457.88 feet; run thence South 47°19'24" East, along said tangent line, a distance of 205.72 feet to the point of curvature, leading Southeasterly; run thence Southerly, along and around the arc of a curve concave Westerly and having a radius of 150.00 feet, an arc distance of 117.81 feet to the point of reverse curvature of a curve, leading Southerly, said arc being subtended by a chord bearing and distance of South 24°48'24" East, 114.81 feet; run thence Southerly, along and around the arc of said curve, an arc distance of 208.62 feet, said arc being subtended by a chord bearing and distance of South 18°24'04" East, 206.89 feet; run thence North 55°31'17" East, 179.60 feet to a point; run thence North 34°28'43" West, a distance of 12.50 feet to a point; run thence North 55°31'17" East, a distance of 4.28 feet to a point; run thence North 34°28'43" West, a distance of 780.54 feet to a point; run thence South 85° 18' 30" West, a distance of 471.75 feet to a point; run thence North 53°57'14" West, a distance of 74.98 feet to the Point of Beginning

TRANSMISSION RIGHT OF WAY EASEMENT (Official Records Book 7101, Page 1756):
A portion of Section 19 and Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'56" West, a distance of 1,325.63 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 feet public right of way, as now established); run thence North 10°23'56" West, along said Westerly right of way line, a distance of 880.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Record Volume 6652, Pages 2217-2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217-2228, the following three courses and distances: First Course: South 67°49'32" West, a distance of 316.23 feet to a point; Second Course: South 49°13'44" West, a distance of 270.00 feet to a point; Third Course; South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'56" West, along last said line, a distance of 618.79 feet to a point; run thence North 40°49'39" West, a distance of 138.34 feet to a point; run thence South 49°11'04" West, a distance of 100.00 feet to a point; run thence North 40°49'39" West, a distance of 275.00 feet to a point; run thence South 49°10'21" West, a distance of 100.00 feet to a point; run thence South 40°49'39" East, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'56" West, along last said line, a distance of 134.73 feet; run South 40°46'39" East, a distance of 427.65 feet to a point; run thence South 03°45'19" West, a distance of 74.96 feet to a point; run thence South 41°14'41" East, a distance of 54.38 feet to a point; run thence South 49°09'38" West, a distance of 42.00 feet to a point; run thence South 41°14'41" East, a distance of 10.00 feet to a point; run thence South 49°09'38" West, a distance of 269.67 feet to a point; run thence South 40°50'22" East, a distance of 485.00 feet to a point; run thence South 49°09'38" West, a distance of 155.00 feet to a point; run thence South 40°50'22" East, a distance of 220.00 feet to a point; run thence South 49°09'38" West, a distance of 210.00 feet to a point; run thence South 40°50'22" East, a distance of 188.86 feet to a point for Point of Beginning.

From the Point of Beginning thus described, run South 34°16'48" East, a distance of 103.22 feet to a point on a curve leading Southeasterly; run thence Southeasterly, along and around the arc of a curve, concave Easterly and having a radius of 118.15 feet, an arc distance of 70.04 feet, said arc being subtended by a chord bearing and distance of South 34°16'48" East, 69.02 feet; run thence South 34°16'48" East, a distance of 516.34 feet to a point; run thence North 48°03'36" East, a distance of 75.72 feet to a point; run thence South 41°56'04" East, a distance of 105.22 feet to a point; run thence South 33°14'16" West, a distance of 5.06 feet to a point for the Point of Beginning.

From the Point of Beginning thus described continue South 33°14'16" West, a distance of 40.05 feet to a point; run thence South 53°57'14" East, a distance of 87.85 feet to a point; run thence North 85°18'30" East, a distance of 218.08 feet to a point of curvature of a curve, leading Southeasterly; run thence Southeasterly, along and around the arc of a curve, concave Southwesterly and having a radius of 569.94 feet, an arc distance of 471.18 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 71°06'27" East, 457.88 feet; run thence South 47°19'24" East, along said tangent line, a distance of 205.72 feet to the point of curvature, leading Southeasterly; run thence Southerly, along and around the arc of a curve concave Westerly and having a radius of 150.00 feet, an arc distance of 117.81 feet to the point of reverse curvature of a curve, leading Southerly, said arc being subtended by a chord bearing and distance of South 24°48'24" East, 114.81 feet; run thence Southerly, along and around the arc of said curve, an arc distance of 208.62 feet, said arc being subtended by a chord bearing and distance of South 18°24'04" East, 206.89 feet; run thence North 55°31'17" East, 179.60 feet to a point; run thence North 34°28'43" West, a distance of 12.50 feet to a point; run thence North 55°31'17" East, a distance of 4.28 feet to a point; run thence North 34°28'43" West, a distance of 780.54 feet to a point; run thence South 85° 18' 30" West, a distance of 471.75 feet to a point; run thence North 53°57'14" West, a distance of 74.98 feet to the Point of Beginning

LIME AND STORAGE PARCEL (Official Records Book 7101, Page 1756):
A portion of Section 19 of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'56" West, a distance of 1,325.63 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 feet public right of way, as now established); run thence North 10°23'56" West, along said Westerly right of way line, a distance of 880.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217-2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217-2228, the following three courses and distances: First Course: South 67°49'32" West, a distance of 316.23 feet to a point; Second Course: South 49°13'44" West, a distance of 270.00 feet to a point; Third Course; South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'56" West, along last said line, a distance of 618.79 feet to a point; run thence North 40°49'39" West, a distance of 138.34 feet to a point; run thence South 49°11'04" West, a distance of 100.00 feet to a point; run thence North 40°49'39" West, a distance of 275.00 feet to a point; run thence South 49°10'21" West, a distance of 100.00 feet to a point; run thence South 40°49'39" East, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'56" West, along last said line, a distance of 134.73 feet; run South 40°46'39" East, a distance of 427.65 feet to a point; run thence South 03°45'19" West, a distance of 74.96 feet to a point; run thence South 41°14'41" East, a distance of 54.38 feet to a point; run thence South 49°09'38" West, a distance of 42.00 feet to a point; run thence South 41°14'41" East, a distance of 10.00 feet to a point; run thence South 49°09'38" West, a distance of 269.67 feet to a point; run thence South 40°50'22" East, a distance of 485.00 feet to a point; run thence South 49°09'38" West, a distance of 155.00 feet to a point; run thence South 40°50'22" East, a distance of 220.00 feet to a point; run thence South 49°09'38" West, a distance of 210.00 feet to a point; run thence South 40°50'22" East, a distance of 188.86 feet to a point for Point of Beginning.

From the Point of Beginning thus described, run South 49°09'38" West, a distance of 20.00 feet to a point; run thence South 40°50'22" East, a distance of 322.50 feet to a point; run thence South 49°25'03" West, a distance of 26.97 feet to a point; run thence South 40°54'57" East, a distance of 70.04 feet to a point; run thence North 49°25'03" East, a distance of 85.00 feet to a point; run thence South 40°34'57" East, a distance of 483.42 feet to a point; run thence South 21°23'12" East, a distance of 233.68 feet to a point; run thence North 48°03'36" East, a distance of 37.90 feet to a point; run thence South 41°56'04" East, a distance of 91.28 feet to a point; run thence North 21°23'12" West, a distance of 254.46 feet to a point; run thence North 40°34'57" West, a distance of 602.70 feet to a point; run thence South 49°25'03" West, a distance of 98.03 feet to a point; run thence North 40°50'22" West, a distance of 322.88 feet to the Point of Beginning.

PIPELINE EASEMENT (Official Records Book 7101, Page 1756):
A portion of Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at the concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'56" West, a distance of 1,325.63 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 feet public right of way, as now established); run thence North 10°23'56" West, along said Westerly right of way line, a distance of 880.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217-2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217-2228, the following three courses and distances: First Course: South 67°49'32" West, a distance of 316.23 feet to a point; Second Course: South 49°13'44" West, a distance of 270.00 feet to a point; Third Course; South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'56" West, along last said line, a distance of 618.79 feet to a point; run thence North 40°49'39" West, a distance of 138.34 feet to a point; run thence South 49°11'04" West, a distance of 100.00 feet to a point; run thence North 40°49'39" West, a distance of 275.00 feet to a point; run thence South 49°10'21" West, a distance of 100.00 feet to a point; run thence South 40°49'39" East, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'56" West, along last said line, a distance of 134.73 feet; run South 40°46'39" East, a distance of 427.65 feet to a point; run thence South 03°45'19" West, a distance of 74.96 feet to a point; run thence South 41°14'41" East, a distance of 54.38 feet to a point; run thence South 49°09'38" West, a distance of 42.00 feet to a point; run thence South 41°14'41" East, a distance of 10.00 feet to a point; run thence South 49°09'38" West, a distance of 269.67 feet to a point; run thence South 40°50'22" East, a distance of 485.00 feet to a point; run thence South 49°09'38" West, a distance of 155.00 feet to a point; run thence South 40°50'22" East, a distance of 220.00 feet to a point; run thence South 49°09'38" West, a distance of 210.00 feet to a point; run thence South 40°50'22" East, a distance of 188.86 feet to a point for Point of Beginning.

PIPELINE EASEMENT No. 2 (Official Records Book 7101, Page 1756):
A portion of Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'56" West, a distance of 1,325.63 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 feet public right of way, as now established); run thence North 10°23'56" West, along said Westerly right of way line, a distance of 880.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217-2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217-2228, the following three courses and distances: First Course: South 67°49'32" West, a distance of 316.23 feet to a point; Second Course: South 49°13'44" West, a distance of 270.00 feet to a point; Third Course; South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'56" West, along last said line, a distance of 618.79 feet to a point; run thence North 40°49'39" West, a distance of 138.34 feet to a point; run thence South 49°11'04" West, a distance of 100.00 feet to a point; run thence North 40°49'39" West, a distance of 275.00 feet to a point; run thence South 49°10'21" West, a distance of 100.00 feet to a point; run thence South 40°49'39" East, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'56" West, along last said line, a distance of 134.73 feet; run South 40°46'39" East, a distance of 427.65 feet to a point; run thence South 03°45'19" West, a distance of 74.96 feet to a point; run thence South 41°14'41" East, a distance of 54.38 feet to a point; run thence South 49°09'38" West, a distance of 42.00 feet to a point; run thence South 41°14'41" East, a distance of 10.00 feet to a point; run thence South 49°09'38" West, a distance of 269.67 feet to a point; run thence South 40°50'22" East, a distance of 485.00 feet to a point; run thence South 49°09'38" West, a distance of 155.00 feet to a point; run thence South 40°50'22" East, a distance of 220.00 feet to a point; run thence South 49°09'38" West, a distance of 210.00 feet to a point; run thence South 40°50'22" East, a distance of 188.86 feet to a point for the Point of Beginning.

From the Point of Beginning thus described, run South 49°09'38" West, a distance of 20.00 feet to a point; run thence South 40°50'22" East, a distance of 322.50 feet to a point; run thence South 49°25'03" West, a distance of 26.97 feet to a point; run thence South 40°54'57" East, a distance of 70.04 feet to a point; run thence North 49°25'03" East, a distance of 85.00 feet to a point; run thence South 40°34'57" East, a distance of 483.42 feet to a point; run thence South 21°23'12" East, a distance of 233.68 feet to a point; run thence North 48°03'36" East, a distance of 37.90 feet to a point; run thence South 41°56'04" East, a distance of 91.28 feet to a point; run thence North 21°23'12" West, a distance of 254.46 feet to a point; run thence North 40°34'57" West, a distance of 602.70 feet to a point; run thence South 49°25'03" West, a distance of 98.03 feet to a point; run thence North 40°50'22" West, a distance of 322.88 feet to the Point of Beginning.

PUMP STATION EASEMENT (Official Records Book 7101, Page 1756):
A portion of Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'56" West, a distance of 1,325.63 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 feet public right of way, as now established); run thence North 10°23'56" West, along said Westerly right of way line, a distance of 880.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217-2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217-2228, the following three courses and distances: First Course: South 67°49'32" West, a distance of 316.23 feet to a point; Second Course: South 49°13'44" West, a distance of 270.00 feet to a point; Third Course; South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'56" West, along last said line, a distance of 618.79 feet to a point; run thence North 40°49'39" West, a distance of 138.34 feet to a point; run thence South 49°11'04" West, a distance of 100.00 feet to a point; run thence North 40°49'39" West, a distance of 275.00 feet to a point; run thence South 49°10'21" West, a distance of 100.00 feet to a point; run thence South 40°49'39" East, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'56" West, along last said line, a distance of 134.73 feet; run South 40°46'39" East, a distance of 427.65 feet to a point; run thence South 03°45'19" West, a distance of 74.96 feet to a point; run thence South 41°14'41" East, a distance of 54.38 feet to a point; run thence South 49°09'38" West, a distance of 42.00 feet to a point; run thence South 41°14'41" East, a distance of 10.00 feet to a point; run thence South 49°09'38" West, a distance of 269.67 feet to a point; run thence South 40°50'22" East, a distance of 485.00 feet to a point; run thence South 49°09'38" West, a distance of 155.00 feet to a point; run thence South 40°50'22" East, a distance of 220.00 feet to a point; run thence South 49°09'38" West, a distance of 210.00 feet to a point; run thence South 40°50'22" East, a distance of 188.86 feet to a point for Point of Beginning.

From the Point of Beginning thus described, run South 41°56'48" West, a distance of 48.28 feet to a point; run thence North 48°03'36" East, a distance of 75.72 feet to a point; run thence South 43°36'04" East, a distance of 105.22 feet to a point; run thence South 33°14'16" West, 160 feet, more or less, to the Mean High Water Line of the Broward River (formerly known as Cedar Creek); run thence, in a general Northwesterly direction, along last said line, a distance of 80 feet, more or less, to a point which bears South 33°14'16" West, 125 feet, more or less, from the Point of Beginning, run thence North 33°14'16" East, a distance of 125 feet, more or less, to the Point of Beginning.

LIFT STATION EASEMENT (Official Records Book 7101, Page 1756):
A portion of Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'56" West, a distance of 1,325.63 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 feet public right of way, as now established); run thence North 10°23'56" West, along said Westerly right of way line, a distance of 880.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217-2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217-2228, the following three courses and distances: First Course, South 67°49'32" West, a distance of 316.23 feet to a point; Second Course, South 49°13'44" West, a distance of 270.00 feet to a point; Third Course, South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'56" West, along last said line, a distance of 618.79 feet to a point; run thence North 40°49'39" West, a distance of 138.34 feet to a point; run thence South 49°11'04" West, a distance of 100.00 feet to a point; run thence North 40°49'39" West, a distance of 275.00 feet to a point; run thence South 49°10'21" West, a distance of 100.00 feet to a point; run thence South 40°49'39" East, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'56" West, along last said line, a distance of 134.73 feet; run South 40°46'39" East, a distance of 427.65 feet to a point; run thence South 03°45'19" West, a distance of 74.96 feet to a point; run thence South 41°14'41" East, a distance of 54.38 feet to a point; run thence South 49°09'38" West, a distance of 42.00 feet to a point; run thence South 41°14'41" East, a distance of 10.00 feet to a point; run thence South 49°09'38" West, a distance of 269.67 feet to a point; run thence South 40°50'22" East, a distance of 485.00 feet to a point; run thence South 49°09'38" West, a distance of 155.00 feet to a point; run thence South 40°50'22" East, a distance of 220.00 feet to a point; run thence South 49°09'38" West, a distance of 210.00 feet to a point; run thence South 40°50'22" East, a distance of 188.86 feet to a point for Point of Beginning.

From the Point of Beginning thus described, run South 49°09'38" West, a distance of 20.00 feet to a point; run thence South 40°50'22" East, a distance of 322.50 feet to a point; run thence South 49°25'03" West, a distance of 26.97 feet to a point; run thence South 40°54'57" East, a distance of 70.04 feet to a point; run thence North 49°25'03" East, a distance of 85.00 feet to a point; run thence South 40°34'57" East, a distance of 483.42 feet to a point; run thence South 21°23'12" East, a distance of 233.68 feet to a point; run thence North 48°03'36" East, a distance of 37.90 feet to a point; run thence South 41°56'04" East, a distance of 91.28 feet to a point; run thence North 21°23'12" West, a distance of 254.46 feet to a point; run thence North 40°34'57" West, a distance of 602.70 feet to a point; run thence South 49°25'03" West, a distance of 98.03 feet to a point; run thence North 40°50'22" West, a distance of 322.88 feet to the Point of Beginning.

EASEMENT FOR ROAD (Official Records Book 7101, Page 1756):
A portion of Section 19 and Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'56" West, a distance of 1,325.63 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 feet public right of way, as now established); run thence North 10°23'56" West, along said Westerly right of way line, a distance of 880.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217-2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217-2228, the following three courses and distances: First Course, South 67°49'32" West, a distance of 316.23 feet to a point; Second Course, South 49°13'44" West, a distance of 270.00 feet to a point; Third Course, South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'56" West, along last said line, a distance of 618.79 feet to a point; run thence North 40°49'39" West, a distance of 138.34 feet to a point; run thence South 49°11'04" West, a distance of 100.00 feet to a point; run thence North 40°49'39" West, a distance of 275.00 feet to a point; run thence South 49°10'21" West, a distance of 100.00 feet to a point; run thence South 40°49'39" East, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'56" West, along last said line, a distance of 134.73 feet; run South 40°46'39" East, a distance of 427.65 feet to a point; run thence South 03°45'19" West, a distance of 74.96 feet to a point; run thence South 41°14'41" East, a distance of 54.38 feet to a point; run thence South 49°09'38" West, a distance of 42.00 feet to a point; run thence South 41°14'41" East, a distance of 10.00 feet to a point; run thence South 49°09'38" West, a distance of 269.67 feet to a point; run thence South 40°50'22" East, a distance of 485.00 feet to a point; run thence South 49°09'38" West, a distance of 155.00 feet to a point; run thence South 40°50'22" East, a distance of 220.00 feet to a point; run thence South 49°09'38" West, a distance of 210.00 feet to a point; run thence South 40°50'22" East, a distance of 188.86 feet to a point for Point of Beginning.

From the Point of Beginning thus described, run South 53°31'17" East, a distance of 63.20 feet to a point; run thence South 34°28'43" West, a distance of 340.00 feet to a point; run thence South 55°31'17" West, a distance of 98.55 feet to a point on a curve and the Northeasterly right of way line of Heckscher Drive, State Road No. 105 (as said right of way is now established); run thence along said right of way line, the following two courses: First Course, along the arc of said curve, concave Southeasterly and having a radius of 786.78 feet, an arc distance of 104.65 feet to a point on a non-tangent curve, said arc being subtended by a chord bearing and distance of South 52°32'26" West, 104.57 feet; Second Course, along the arc of said curve, concave Southeasterly and having a radius of 483.05 feet, an arc distance of 17.53 feet to a point, said arc being subtended by a chord bearing and distance of South 74°10'02" West, 17.52 feet; thence departing from said right of way line, North 34°28'43" West, a distance of 322.38 feet to a point; run thence North 55°31'17" East, a distance of 156.80 feet to the Point of Beginning.

EASEMENT FOR ROAD (Official Records Book 7101, Page 1756):
A portion of Section 19 and Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'56" West, a distance of 1,325.63 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 feet public right of way, as now established); run thence North 10°23'56" West, along said Westerly right of way line, a distance of 880.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217-2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217-2228, the following three courses and distances: First Course, South 67°49'32" West, a distance of 316.23 feet to a point; Second Course, South 49°13'44" West, a distance of 270.00 feet to a point; Third Course, South 40°46'16" East, a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'56" West, along last said line, a distance of 618.79 feet to a point; run thence North 40°49'39" West, a distance of 138.34 feet to a point; run thence South 49°11'04" West, a distance of 100.00 feet to a point; run thence North 40°49'39" West, a distance of 275.00 feet to a point; run thence South 49°10'21" West, a distance of 100.00 feet to a point; run thence South 40°49'39" East, a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'56" West, along last said line, a distance of 134.73 feet; run South 40°46'39" East, a distance of 427.65 feet to a point; run thence South 03°45'19" West, a distance of 74.96 feet to a point; run thence South 41°14'41" East, a distance of 54.38 feet to a point; run thence South 49°09'38" West, a distance of 42.00 feet to a point; run thence South 41°14'41" East, a distance of 10.00 feet to a point; run thence South 49°09'38" West, a distance of 269.67 feet to a point; run thence South 40°50'22" East, a distance of 485.00 feet to a point; run thence South 49°09'38" West, a distance of 155.00 feet to a point; run thence South 40°50'22" East, a distance of 220.00 feet to a point; run thence South 49°09'38" West, a distance of 210.00 feet to a point; run thence South 40°50'22" East, a distance of 188.86 feet to a point for Point of Beginning.

From the Point of Beginning thus described, run South 41°56'48" West, a distance of 48.28 feet to a point; run thence North 48°03'36" East, a distance of 75.72 feet to a point; run thence South 43°36'04" East, a distance of 105.22 feet to a point; run thence South 33°14'16" West, 160 feet, more or less, to the Mean High Water Line of the Broward River (formerly known as Cedar Creek); run thence, in a general Northwesterly direction, along last said line, a distance of 80 feet, more or less, to a point which bears South 33°14'16" West, 125 feet, more or less, from the Point of Beginning, run thence North 33°14'16" East, a distance of 125 feet, more or less, to the Point of Beginning.

PREPARED BY:
ROBERT M. ANGAS ASSOCIATES, INC.
14775 OLD ST. AUGUSTINE ROAD
JACKSONVILLE, FL 32258 (904) 642-8550
CERTIFICATE OF AUTHORIZATION NO. LB 3864

SHEET 2 OF 9
SEE SHEET 3 FOR GENERAL NOTES.

DAD FILE: J:\Survey\Webb\Eastport Solar Ray\Dwfs\Connecting Site Sup 2017.dwf.dwg | FIELD BOOK: ____ | DRAWN BY: DMS | CHECKED BY: RMA | COUNTY: Duval | SHEET NO.: 12 of 14 | FILE NO.: 1207-1606A

CB-15-01883

150075 Hearing Exhibits 000490

Florida Power & Light Company
Docket No. 150075-EI
OPC's 1st Request for Production
Request No. 6 Page 70 of 84

ALTA/ACSM LAND TITLE SURVEY

A PORTION OF WEBB PLACE, SUBDIVISION OF THE JOHN BROWARD GRANT, SECTION 46, TOWNSHIP 1 SOUTH, RANGE 27 EAST, DUVAL COUNTY, FLORIDA, AS DEPICTED IN PLAT BOOK 1, PAGES 7 AND 8, OF THE FORMER PUBLIC RECORDS OF SAID COUNTY, ALSO BEING A PORTION OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 6222, PAGE 504, TOGETHER WITH A PORTION OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 7101, PAGE 1756, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY.

EASEMENT DESCRIPTIONS (per Title Commitment) (continued):

CAUSEWAY EASEMENT (Official Records Book 7101, Page 1756)
A portion of Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'56" West, a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot public right of way, as now established); run thence North 10°23'56" West, along said Westerly right of way line, a distance of 890.02 feet to a point on said Westerly right of way line; run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217 thru 2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217 thru 2228, the following three courses and distances: First Course: South 67°49'32" West, a distance of 316.23 feet to a point, Second Course: South 49°13'44" West, a distance of 270.00 feet to a point, Third Course: South 40°46'16" East, a distance of 644.86 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22, run thence South 89°57'56" West, along last said line, a distance of 618.79 feet to a point; run thence North 40°49'39" West, a distance of 128.34 feet to a point, run thence South 49°11'04" West, a distance of 100.00 feet to a point, run thence North 40°49'39" West, a distance of 275.00 feet to a point, run thence South 49°10'21" West, a distance of 100.00 feet to a point, run thence South 40°49'39" East, a distance of 230.73 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'56" West, along last said line, a distance of 1029.79 feet to the Point of Beginning.

From the Point of Beginning thus described, continue North 02°51'06" West, a distance of 600.00 feet to a point; run thence North 87°08'54" East, a distance of 150.00 feet to a point, run thence South 02°51'06" East, a distance of 600.00 feet to a point, run thence South 87°08'54" West, a distance of 150.00 feet to the Point of Beginning.

PERMANENT ACCESS ROAD EASEMENT (Official Records Book 7101, Page 1756)
A portion of Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'56" West, a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot public right of way, as now established); run thence North 10°23'56" West, along said Westerly right of way line, a distance of 890.02 feet to a point on said Westerly right of way line, run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217 thru 2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217 thru 2228, the following three courses and distances: First Course: South 67°49'32" West, a distance of 316.23 feet to a point, Second Course: South 49°13'44" West, a distance of 270.00 feet to a point, Third Course: South 40°46'16" East, a distance of 644.86 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'56" West, along last said line, a distance of 618.79 feet to a point; run thence North 40°49'39" West, a distance of 128.34 feet to a point, run thence South 49°11'04" West, a distance of 100.00 feet to a point, run thence North 40°49'39" West, a distance of 275.00 feet to a point, run thence South 49°10'21" West, a distance of 100.00 feet to a point, run thence South 40°49'39" East, a distance of 230.73 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'56" West, along last said line, a distance of 1029.79 feet to the Point of Beginning.

From the Point of Beginning thus described, continue North 10°23'56" East, along said Westerly right of way line of Eastport Road, a distance of 40.04 feet; thence South 77°06'14" West, 158.21 feet; thence South 61°04'42" West, 416.47 feet to the point of curvature of a curve leading Southwesterly; thence Southwesterly, along and around the arc of a curve, concave Northwesterly and having a radius of 465.48 feet, an arc distance of 162.33 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 71°59'07" West, 161.53 feet; thence South 81°53'23" West, along said tangency, a distance of 31.76 feet, to the point of curvature of a curve leading Southwesterly; thence Southwesterly, along and around the arc of a curve, concave Southeasterly and having a radius of 245.08 feet, an arc distance of 126.46 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 66°20'43" West, 125.10; thence South 51°48'04" West, along said tangency, a distance of 42.83 feet, to the point of curvature of a curve leading Northwesterly; thence Northwesterly, along and around the arc of a curve, concave Northerly and having a radius of 100.00 feet, an arc distance of 152.46 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of North 84°31'18" West, 138.12 feet; thence North 40°50'41" West, along said tangency, a distance of 141.15 feet, to the point of curvature of a curve leading Westerly; thence Westerly, along and around the arc of a curve, concave Southerly and having a radius of 20.11 feet, an arc distance of 29.56 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of North 82°56'42" West, 26.97 feet; thence South 54°57'18" West, along said tangency, a distance of 131.41 feet, to the point of curvature of a curve leading Northwesterly; thence Northwesterly, along and around the arc of a curve, concave Northeasterly and having a radius of 60 feet, an arc distance of 88.19 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of North 82°56'11" West, 80.46 feet; thence North 40°49'39" West, along said tangency a distance of 653.03 feet, to an intersection with said Westerly prolongation of the Northerly line of said Section 22, of the subdivision of the John Broward Grant; thence North 89°57'56" East, along last said line, a distance of 52.83 feet, to a point; thence South 40°49'39" East, 818.51 feet to the point of curvature of a curve leading Southeasterly; thence Southeasterly along and around the arc of a curve, concave Northeasterly, and having a radius of 20.00 feet, an arc distance of 29.40 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 82°56'11" East, 26.82 feet, thence North 54°57'18" East, along said tangency, a distance of 131.41 feet, to the point of curvature of a curve, leading Southeasterly; thence Southeasterly, along and around the arc of a curve, concave Southerly, and having a radius 60.11 feet, an arc distance of 88.34 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 82°56'42" East, 80.60 feet, thence South 40°50'41" East, along said tangency, a distance of 141.15 feet to the point of curvature of a curve leading Southeasterly; thence Southeasterly and around the arc of a curve, concave Northeasterly, having a radius of 60.00 feet, and arc distance of 91.48 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 84°31'18" East, 82.87 feet; thence North 51°48'04" East, along said tangency, a distance of 42.83 feet, to the point curvature of a curve leading Northeasterly; thence Northeasterly, along and around the arc of a curve, concave Southeasterly, and having a radius of 289.08 feet, an arc distance of 146.76 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of North 66°20'43" East, 145.19 feet; thence North 80°53'23" East, along said tangency, a distance of 31.76 feet, to the point of curvature, of a curve leading Northeasterly; thence Northeasterly, along and around the arc of a curve, being concave Northeasterly, and having a radius of 429.48 feet, an arc distance of 148.50 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of North 70°59'02" East, 147.76 feet; thence North 61°04'42" East, along said tangency, a distance of 422.10 feet to a point; thence North 77°06'14" East, a distance of 165.56 feet, to an intersection with said Westerly right of way line of Eastport Road, and the Point of Beginning.

CONSTRUCTION WAREHOUSE AND OFFICE AREA (Official Records Book 7101, Page 1756)
A portion of Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'56" West, a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot public right of way, as now established); run thence North 10°23'56" West, along said Westerly right of way line, a distance of 890.02 feet to a point on said Westerly right of way line, run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217 thru 2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217 thru 2228, the following three courses and distances: First Course: South 67°49'32" West, a distance of 316.23 feet to a point, Second Course: South 49°13'44" West, a distance of 270.00 feet to a point, Third Course: South 40°46'16" East, a distance of 644.86 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'56" West, along last said line, a distance of 618.79 feet to a point; run thence North 40°49'39" West, a distance of 128.34 feet to a point, run thence South 49°11'04" West, a distance of 100.00 feet to a point, run thence North 40°49'39" West, a distance of 275.00 feet to a point, run thence South 49°10'21" West, a distance of 100.00 feet to a point, run thence South 40°49'39" East, a distance of 230.73 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'56" West, along last said line, a distance of 1029.79 feet to the Point of Beginning.

From the Point of Beginning thus described, run North 02°51'06" East, a distance of 600.00 feet to a point; run thence North 87°08'54" East, a distance of 150.00 feet to a point, run thence South 02°51'06" East, a distance of 600.00 feet to a point, run thence South 87°08'54" West, a distance of 150.00 feet to the Point of Beginning.

CONSTRUCTION LAYDOWN AREA 1 (Official Records Book 7101, Page 1756)
A portion of Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'56" West, a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot public right of way, as now established); run thence North 10°23'56" West, along said Westerly right of way line, a distance of 890.02 feet to a point on said Westerly right of way line, run thence South 79°36'04" West, a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217 thru 2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217 thru 2228, the following three courses and distances: First Course: South 67°49'32" West, a distance of 316.23 feet to a point, Second Course: South 49°13'44" West, a distance of 270.00 feet to a point, Third Course: South 40°46'16" East, a distance of 644.86 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence South 89°57'56" West, along last said line, a distance of 618.79 feet to a point; run thence North 40°49'39" West, a distance of 128.34 feet to a point, run thence South 49°11'04" West, a distance of 100.00 feet to a point, run thence North 40°49'39" West, a distance of 275.00 feet to a point, run thence South 49°10'21" West, a distance of 100.00 feet to a point, run thence South 40°49'39" East, a distance of 230.73 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said subdivision; run thence South 89°57'56" West, along last said line, a distance of 1029.79 feet to the Point of Beginning.

From the Point of Beginning thus described, run North 02°51'06" East, a distance of 600.00 feet to a point; run thence North 87°08'54" East, a distance of 150.00 feet to a point, run thence South 02°51'06" East, a distance of 600.00 feet to a point, run thence South 87°08'54" West, a distance of 150.00 feet to the Point of Beginning.

CONSTRUCTION LAYDOWN AREA 2 (Official Records Book 7101, Page 1756)
A portion of Section 19 and Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'56" West, a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot public right of way, as now established); run thence North 10°23'56" West, along said Westerly right of way line, a distance of 1,341.87 feet to a point, run thence South 39°21'07" West, a distance of 1483.54 feet to the Point of Beginning.

From the Point of Beginning thus described, run thence North 39°57'23" West, a distance of 330.35 feet; run thence North 70°51'19" West, a distance of 355.62 feet; run thence South 03°55'20" East, a distance of 435.27 feet to the point of curve, leading Southeasterly; run thence Southeasterly, along and around the arc of a curve, being concave Easterly and having a radius of 88.46 feet, an arc distance of 58.52 feet to the point of tangency of said curve said arc being subtended by a chord bearing and distance of South 71°52'30" East a distance of 57.46 feet, run thence along said tangent South 40°49'39" East, a distance of 282.28 feet, run thence North 49°10'21" East, a distance of 351.77 feet; run thence North 58°21'07" East, a distance of 107.85 feet; run thence North 39°57'23" West, a distance of 70.93 feet to the Point of Beginning.

CONSTRUCTION LAYDOWN AREA 3 (Official Records Book 7101, Page 1756)
A portion of Section 19 and Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'56" West, a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot public right of way, as now established); run thence North 10°23'56" West, along said Westerly right of way line, a distance of 1341.87 feet to a point; run thence South 39°21'07" West, a distance of 532.07 feet to the Point of Beginning.

From the Point of Beginning thus described, run thence South 05°39'16" East, a distance of 77.55 feet; run thence South 59°21'07" West, a distance of 438.07 feet, run thence North 17°54'38" West, a distance of 933.07 feet, run thence South 87°31'54" East, a distance of 676.01 feet; run thence South 10°13'24" East, a distance of 201.71 feet; run thence South 01°22'46" West, a distance of 54.12 feet; run thence South 02°24'20" East, a distance of 190.16 feet, run thence South 08°42'09" West, a distance of 163.84 feet, run thence South 05°39'16" East, a distance of 112.50 feet to the Point of Beginning.

CONSTRUCTION LAYDOWN AREA 4 (Official Records Book 7101, Page 1756)
A portion of Section 19 and Webb Place of the subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For Point of Reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said subdivision, (also being the Southerly line of Section 19 of said subdivision), with the Easterly line of said subdivision, said monument lying South 89°57'56" West, a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence South 89°57'56" West, along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66 foot public right of way, as now established); run thence North 10°23'56" West, along said Westerly right of way line, a distance of 1341.87 feet to a point; run thence South 39°21'07" West, a distance of 443.44 feet to the Point of Beginning.

From the Point of Beginning thus described, continue South 59°21'07" West, a distance of 44.31 feet; run thence South 05°39'16" East, a distance of 180.16 feet; run thence North 47°18'53" East, a distance of 122.13 feet, run thence North 01°53'27" West, a distance of 160.40 feet; run thence North 58°09'11" East, 153.94 feet, run thence North 10°53'34" West, a distance of 71.30 feet, run thence South 79°37'56" West, a distance of 75.01 feet, run thence South 33°01'15" West, a distance of 70.78 feet, run thence South 27°56'55" East, a distance of 74.86 feet, run thence South 10°13'24" East, a distance of 227.29 feet, run thence South 01°22'46" West, a distance of 59.43 feet run thence South 02°24'20" East, a distance of 195.29 feet, run thence South 08°42'09" West, a distance of 161.89 feet, run thence South 05°39'16" East, a distance of 64.82 feet to the Point of Beginning.

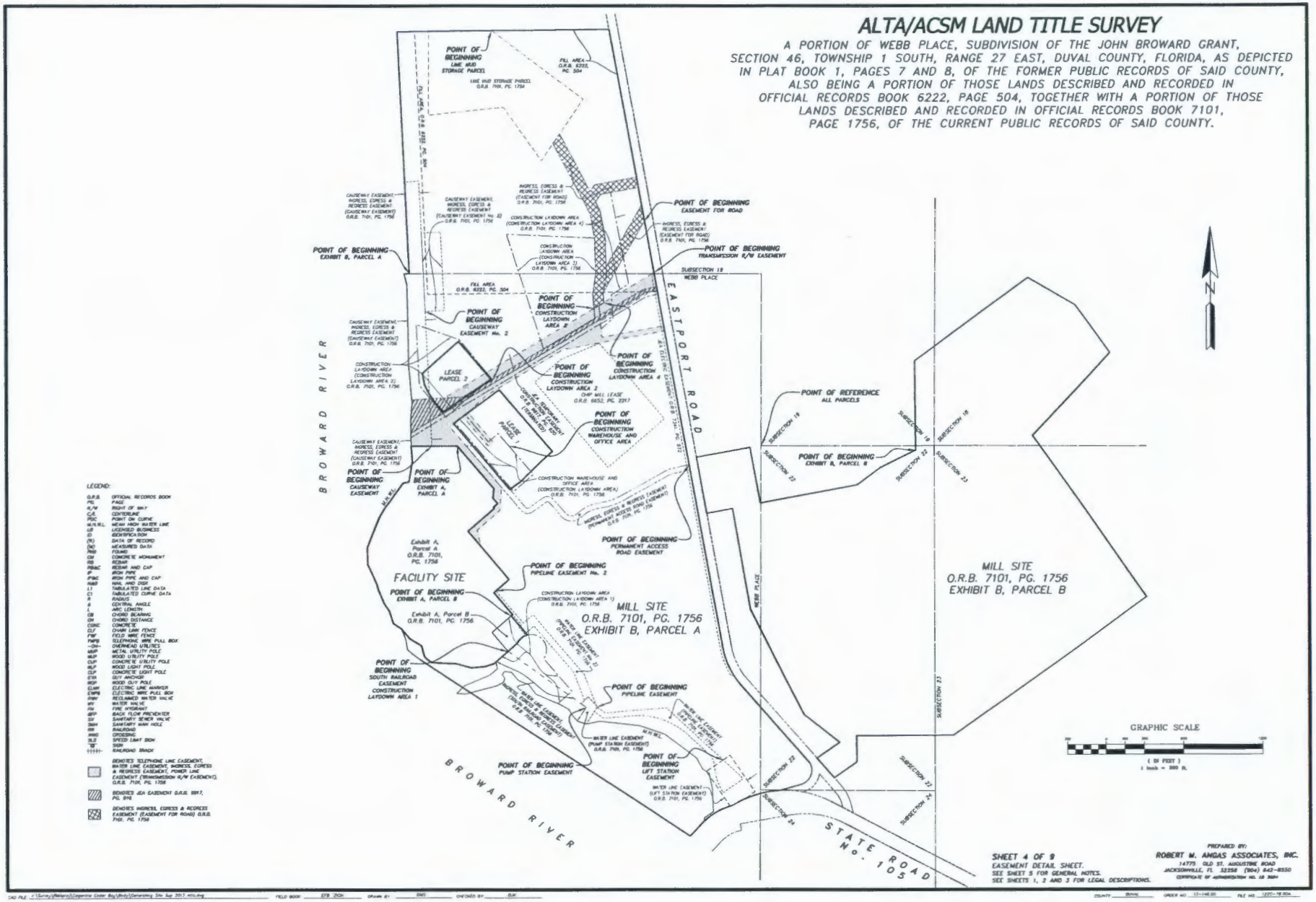
PREPARED BY:
ROBERT W. ANGAS ASSOCIATES, INC.
14775 OLD ST. AUGUSTINE ROAD
JACKSONVILLE, FL 32258 (904) 642-8550
CERTIFICATE OF AUTHORIZATION NO. LB 3624

SHEET 3 OF 9
SEE SHEET 5 FOR GENERAL NOTES.

150075 Hearing Exhibits 000491

ALTA/ACSM LAND TITLE SURVEY

A PORTION OF WEBB PLACE, SUBDIVISION OF THE JOHN BROWARD GRANT, SECTION 46, TOWNSHIP 1 SOUTH, RANGE 27 EAST, DUVAL COUNTY, FLORIDA, AS DEPICTED IN PLAT BOOK 1, PAGES 7 AND 8, OF THE FORMER PUBLIC RECORDS OF SAID COUNTY, ALSO BEING A PORTION OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 6222, PAGE 504, TOGETHER WITH A PORTION OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 7101, PAGE 1756, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY.



LEGEND:

O.R.B.	OFFICIAL RECORDS BOOK
PG.	PAGE
R/W	RIGHT OF WAY
C/L	CENTERLINE
POC	POINT ON CURVE
M.H.W.L.	MEAN HIGH WATER LINE
LB	LICENSED BUSINESS
ID	IDENTIFICATION
(R)	DATA OF RECORD
(M)	MEASURED DATA
FND	FOUND
CM	CONCRETE MONUMENT
RB	REBAR
RB&C	REBAR AND CAP
IP	IRON PIPE
IP&C	IRON PIPE AND CAP
N&D	NAIL AND DISK
L1	TABULATED LINE DATA
C1	TABULATED CURVE DATA
R	RADIUS
Δ	CENTRAL ANGLE
L	ARC LENGTH
CB	CHORD BEARING
CH	CHORD DISTANCE
CONC	CONCRETE
CLF	CHAIN LINK FENCE
FWF	FIELD WIRE FENCE
TMPB	TELEPHONE WIRE PULL BOX
-OH-	OVERHEAD UTILITIES
MUP	METAL UTILITY POLE
WUP	WOOD UTILITY POLE
CUP	CONCRETE UTILITY POLE
WLP	WOOD LIGHT POLE
CLP	CONCRETE LIGHT POLE
GYA	GUY ANCHOR
WGY	WOOD GUY POLE
ELMK	ELECTRIC LINE MARKER
EMPB	ELECTRIC WIRE PULL BOX
RWM	RECLAIMED WATER VALVE
WV	WATER VALVE
FH	FIRE HYDRANT
BFP	BACK FLOW PREVENTER
SV	SANITARY SEWER VALVE
SMH	SANITARY MAN HOLE
RR	RAILROAD
XING	CROSSING
SLS	SPEED LIMIT SIGN
TBT	SIGN
	RAILROAD TRACK

DENOTES TELEPHONE LINE EASEMENT, WATER LINE EASEMENT, INGRESS, EGRESS & REGRESS EASEMENT, POWER LINE EASEMENT (TRANSMISSION R/W EASEMENT), O.R.B. 7101, PG. 1756

DENOTES JEA EASEMENT O.R.B. 9917, PG. 978

DENOTES INGRESS, EGRESS & REGRESS EASEMENT (EASEMENT FOR ROAD) O.R.B. 7101, PG. 1756

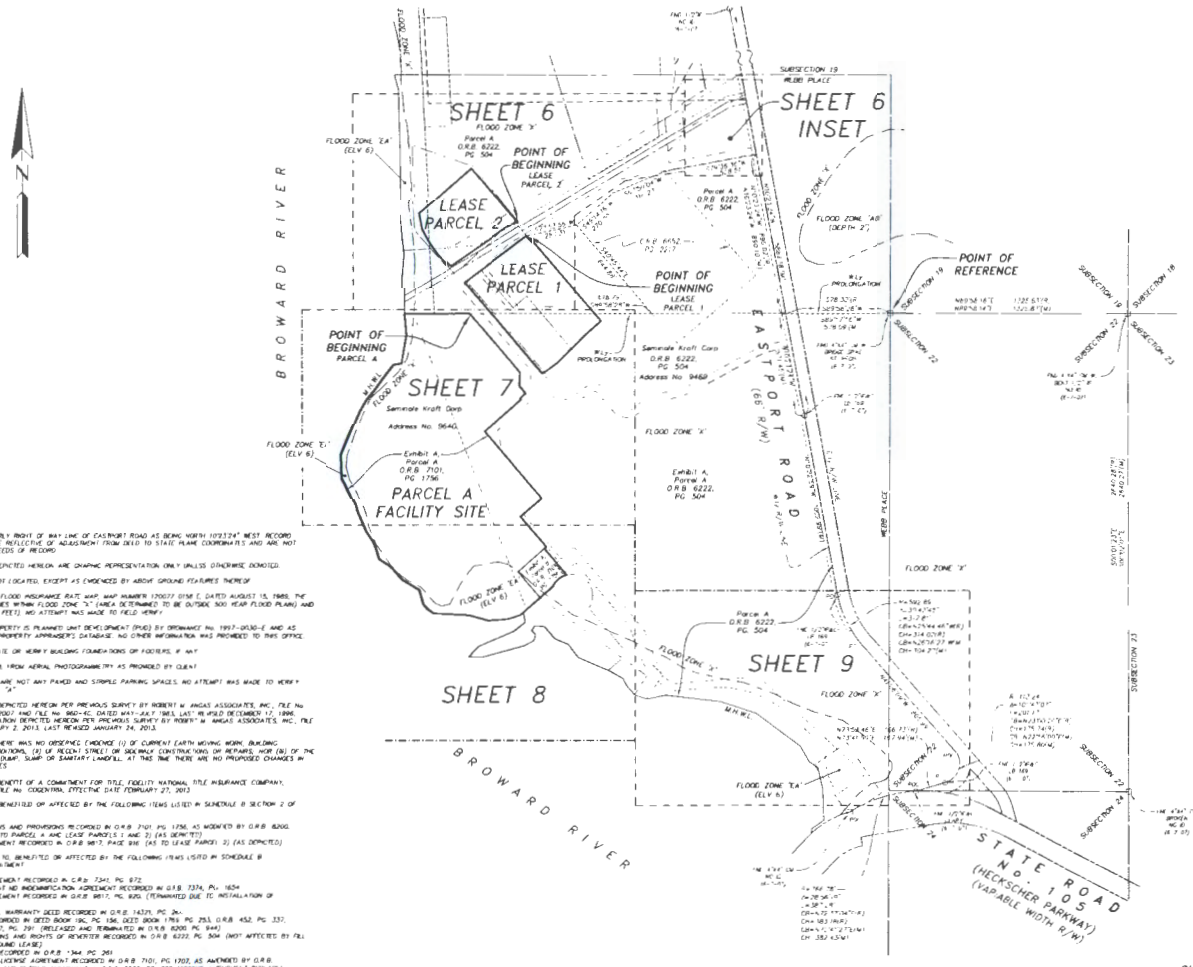
SHEET 4 OF 9
EASEMENT DETAIL SHEET.
SEE SHEET 5 FOR GENERAL NOTES.
SEE SHEETS 1, 2 AND 3 FOR LEGAL DESCRIPTIONS.

PREPARED BY:
ROBERT W. AMGAS ASSOCIATES, INC.
14775 OLD ST. AUGUSTINE ROAD
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CERTIFICATE OF AUTHORIZATION NO. LB 3624

CAD FILE: C:\Survey\Waterro\Carpenter Creek Bay\Body\Generating Site Sup 2013 Alta.dwg
FIELD BOOK: ETB 2624
DRAWN BY: DWS
CHECKED BY: RJK
COUNTY: DUVAL
ORDER NO.: 12-146.00
FILE NO.: 1222-18.004

ALTA/ACSM LAND TITLE SURVEY

A PORTION OF WEBB PLACE, SUBDIVISION OF THE JOHN BROWARD GRANT, SECTION 46, TOWNSHIP 1 SOUTH, RANGE 27 EAST, DUVAL COUNTY, FLORIDA, AS DEPICTED IN PLAT BOOK 1, PAGES 7 AND 8, OF THE FORMER PUBLIC RECORDS OF SAID COUNTY, ALSO BEING A PORTION OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 6222, PAGE 504, TOGETHER WITH A PORTION OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 7101, PAGE 1756, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY, BEING MORE PARTICULARLY DESCRIBED TO THE RIGHT.



ACREAGE SUMMARY TABLE:

PARCEL A	30.4 ACRES±
LEASE PARCEL 1	9.9± ACRES±
LEASE PARCEL 2	3.43 ACRES±
TOTAL	43.42 ACRES±

LEGEND:

O.R.B.	OFFICIAL RECORDS BOOK
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SMH	SANITARY MAN HOLE
RR	RAILROAD
XING	CROSSING
SLS	SPEED LIMIT SIGN
TEL	TELEPHONE
	RAILROAD TRACK

GENERAL NOTES:

1) THIS IS A BOUNDARY SURVEY.

2) BEARINGS BASED ON THE WESTERLY RIGHT OF WAY LINE OF EASTPORT ROAD AS BEING NORTH 10°13'24" WEST. RECORD BEARINGS DEPICTED HEREON ARE REFLECTIVE OF ADJUSTMENT FROM DEED TO STATE PLANE COORDINATES AND ARE NOT TRANSCRIBED HEREON FROM DEEDS OF RECORD.

3) SECTION LINES AND LOT LINES DEPICTED HEREON ARE GRAPHIC REPRESENTATION ONLY UNLESS OTHERWISE DENOTED.

4) UNDERGROUND IMPROVEMENTS NOT LOCATED, EXCEPT AS EVIDENCED BY ABOVE GROUND FIXTURES THEREOF.

5) EXAMINATION OF DUVAL COUNTY FLOOD INSURANCE RATE MAP MAP NUMBER 12031 C 0134 E, DATED AUGUST 15, 1988, THE PROPERTY DESCRIBED HEREON LIES WITHIN FLOOD ZONE "X" (AREA DETERMINED TO BE OUTSIDE 500 YEAR FLOOD PLAIN) AND "AE" (BASE FLOOD ELEVATION 6 FEET). NO ATTEMPT WAS MADE TO FIELD VERIFY.

6) ZONING FOR THE DESCRIBED PROPERTY IS PLANNED UNIT DEVELOPMENT (PUD) BY ORDINANCE No. 1997-0930-E AND AS AMENDED, PER DUVAL COUNTY PROPERTY APPRAISER'S DATABASE. NO OTHER INFORMATION WAS PROVIDED TO THIS OFFICE.

7) NO ATTEMPT WAS MADE TO LOCATE OR VERIFY BUILDING FOUNDATIONS OR FOOTERS, IF ANY.

8) INTERIOR SITE IMPROVEMENTS ARE FROM AERIAL PHOTOGRAMMETRY AS PROVIDED BY CLIENT.

9) OUTSIDE PARCEL OF "A", THERE ARE NOT ANY PAVED AND STRIPED PARKING SPACES. NO ATTEMPT WAS MADE TO VERIFY PARKING SPACES WITHIN PARCEL "A".

10) SOME BOUNDARY INFORMATION DEPICTED HEREON PER PREVIOUS SURVEY BY ROBERT W. ANGAS ASSOCIATES, INC., FILE No. 1780-080(BNL), DATED JUNE 7, 2007 AND FILE No. 960-4C, DATED MAY-JULY 1985, LAST REVISED DECEMBER 17, 1996. MEAN HIGH WATER LINE INFORMATION DEPICTED HEREON PER PREVIOUS SURVEY BY ROBERT W. ANGAS ASSOCIATES, INC., FILE No. 1270-38.000, DATED JANUARY 2, 2013, LAST REVISED JANUARY 24, 2013.

11) FOR THE DEPICTED PROPERTY THERE WAS NO OBSERVED EVIDENCE (I) OF CURRENT EARTH MOVING WORK, BUILDING CONSTRUCTION OR BUILDING ADDITIONS, (2) OF RECENT STREET OR SIDEWALK CONSTRUCTIONS OR REPAIRS, NOR (3) OF THE SITE USED AS A SOLID WASTE DUMP, SUMP OR SANITARY LANDFILL. AT THIS TIME THERE ARE NO PROPOSED CHANGES IN THE STREET RIGHT OF WAY LINES.

12) SURVEY PERFORMED WITH THE BENEFIT OF A COMMITMENT FOR TITLE, FIDELITY NATIONAL TITLE INSURANCE COMPANY, COMMITMENT No. NTI2-3448, FILE No. COSENTINO, EFFECTIVE DATE FEBRUARY 27, 2013.

THE PROPERTY IS SUBJECT TO, BENEFITED OR AFFECTED BY THE FOLLOWING ITEMS LISTED IN SCHEDULE B SECTION 2 OF SAID TITLE COMMITMENT:

ITEM 7) TERMS, CONDITIONS AND PROVISIONS RECORDED IN O.R.B. 7101, PG. 1756, AS MODIFIED BY O.R.B. 8200, PAGE 944. (AS TO PARCEL A AND LEASE PARCELS 1 AND 2) (AS DEPICTED)
ITEM 10) GRANT OF EASEMENT RECORDED IN O.R.B. 9817, PAGE 916. (AS TO LEASE PARCEL 2) (AS DEPICTED)

THE PROPERTY IS NOT SUBJECT TO, BENEFITED OR AFFECTED BY THE FOLLOWING ITEMS LISTED IN SCHEDULE B SECTION 2 OF SAID TITLE COMMITMENT:

ITEM 8) A-A SPECIAL EASEMENT RECORDED IN O.R.B. 7341, PG. 872.
ITEM 9) REVOCABLE PERMIT AND INDEMNIFICATION AGREEMENT RECORDED IN O.R.B. 7374, PG. 1654.
ITEM 11) TEMPORARY EASEMENT RECORDED IN O.R.B. 9817, PG. 925. (TERMINATED DUE TO INSTALLATION OF IMPROVEMENTS)
ITEM 12) FLORIDA SPECIAL WARRANTY DEED RECORDED IN O.R.B. 14329, PG. 34.
ITEM 13) EASEMENTS RECORDED IN DEED BOOK 196, PG. 136, DEED BOOK 1796 PG. 253, O.R.B. 452, PG. 337, AND O.R.B. 2517, PG. 291. (RELEASED AND TERMINATED IN O.R.B. 8200, PG. 944)
ITEM 16) TERMS, CONDITIONS AND RIGHTS OF REVERTER RECORDED IN O.R.B. 6222, PG. 504 (NOT AFFECTS BY FEE LICENSE OF GROUND LEASE)
ITEM 17) RESERVATIONS RECORDED IN O.R.B. 1344, PG. 261.
ITEM 18) SETBACK AND LICENSE AGREEMENT RECORDED IN O.R.B. 7101, PG. 1703, AS AMENDED BY O.R.B. 7101, PG. 1746 AND SECOND AMENDMENT IN O.R.B. 8203, PG. 722 (SECOND AMENDMENT REPLACES EASEMENTS WHICH ARE SUBSEQUENTLY RELEASED AND TERMINATED BY O.R.B. 8200, PG. 944)

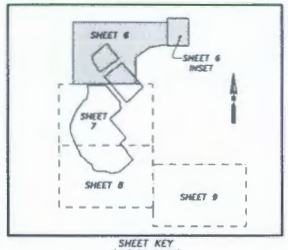
ALL THE ABOVE ITEMS RECORDED IN THE CURRENT PUBLIC RECORDS OF DUVAL COUNTY, FLORIDA.

SHEET 5 OF 9
SURVEY DETAIL SHEET.
SEE SHEETS 1, 2 AND 3 FOR LEGAL DESCRIPTIONS.

PREPARED BY:
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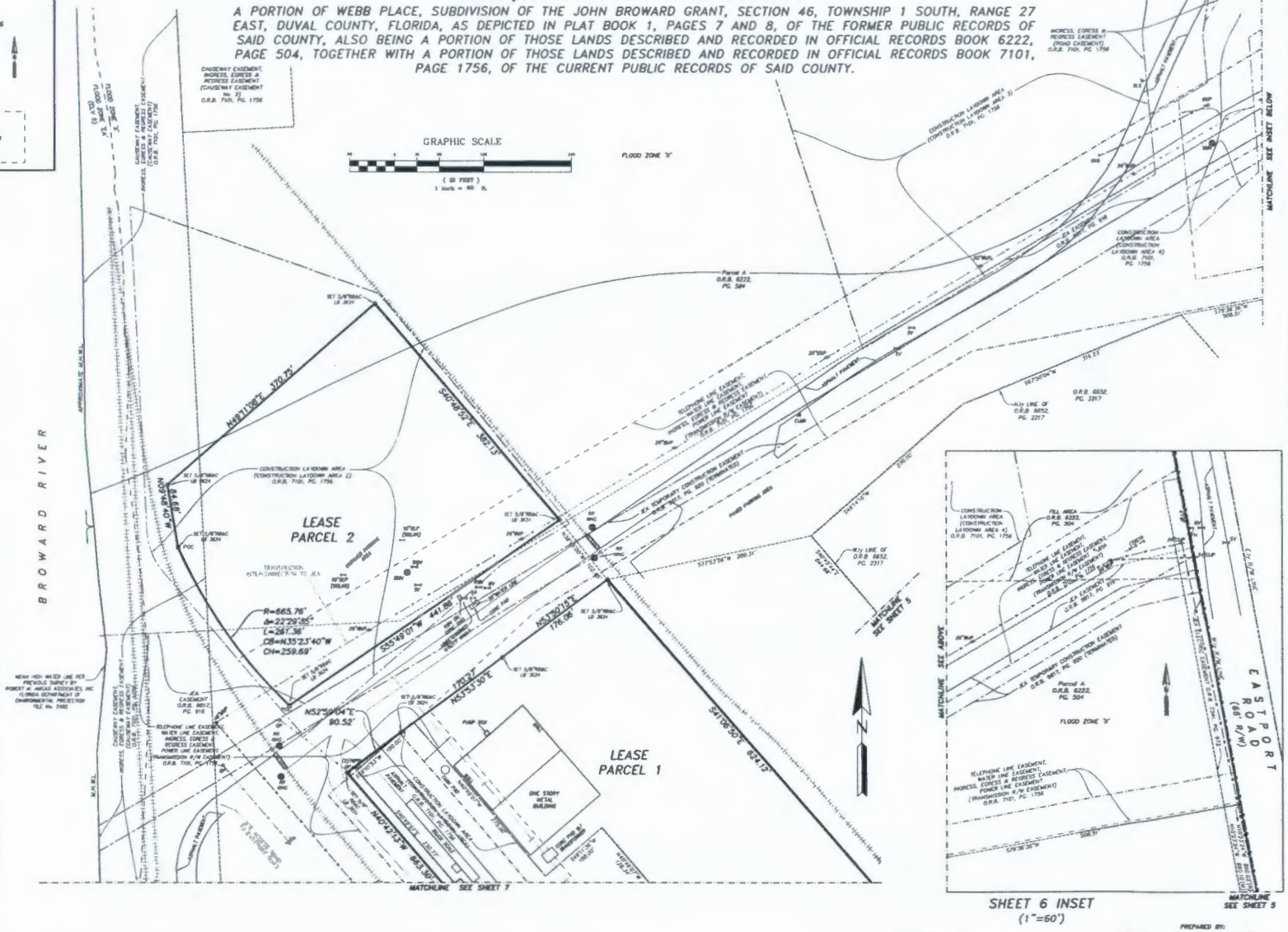


SHEET KEY
(NOT TO SCALE)

LEGEND:

O.R.B.	OFFICIAL RECORDS BOOK
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F.W.	FIELD WIRE FENCE
TWPB	TELEPHONE WIRE PULL BOX
-OH-	OVERHEAD UTILITIES
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BFP	BACK FLOW PREVENTER
SV	SANITARY SEWER VALVE
SMH	SANITARY MAN HOLE
RR	RAILROAD
RRXE	CROSSING
SLE	SPEED LIMIT SIGN
"B"	SIGN
	RAILROAD TRACK

FACILITIES LEGEND	
BLDG. ID.	DESCRIPTION
1	STEAM GENERATOR STRUCTURE
2	RUNNING GENERATOR BUILDING
3	TRANSFORMER AREA
4	FABRIC FILTER
5	ID FAN
6	CHIMNEY
7	COOLING TOWER
8	CIRCULATING WATER PUMP STRUCTURE
9	FLY ASH SILO
10	BED ASH SILO
11	PIPE RACK
12	BED ASH STORAGE HOPPER
13	ASH PUMP/LOADING BUILDING (Transmission Only)
14	SCREEN STRUCTURE
15	CURED PELLET STORAGE
16	ASH PELLET LOADOUT HOPPER
17	COAL UNLOADING STRUCTURE
18	COAL LOWERING WELL
19	COAL STORAGE
20	COAL CRUSHER BUILDING
21	LIMESTONE STORAGE
22	LIMESTONE PULVERIZER BUILDING
23	FIRE PROTECTION EQUIPMENT ROOM
24	PELLET CURING SILOS
25	CIRCULATING WATER CHEMICAL FEED STRUCTURE
26	CIRCULATING WATER ACID AND INHIBITOR STORAGE TANKS
27	GAS STORAGE
28	FIREWATER STORAGE TANK
29	FIREWATER PUMP STRUCTURE
30	WASTEWATER SUMP
31	CONDENSATE STORAGE TANK
32	DEMINERALIZED WATER STORAGE TANK
33	NEUTRALIZATION BASIN
34	ACID STORAGE TANK
35	CAUSTIC STORAGE TANK
36	WATER TREATMENT BUILDING
37	SERVICES BUILDING
38	FUEL OIL STORAGE TANK
39	STORAGE AREA RUNOFF POND
40	YARD AREA RUNOFF POND
41	PARKING
42	TRANSMISSION LINE
43	SITE ACCESS ROAD
44	NON-DIRECTIONAL BEACON
45	FUEL UNLOADING STATION
46	LIME SLURRY COLLECTION BASIN
47	COOLING TOWER FIRE PROT. VALVE HOUSE
48	COAL YARD AREA SUMP
49	POND DISCHARGE STRUCTURE
50	EMERGENCY OVERFLOW
51	COAL CONVEYOR 2
52	COAL CONVEYOR 3
53	COAL FEEDER 3
54	COAL CONVEYOR 4
55	COAL RECLAIM HOPPER 1
56	WATER PRE/POST TREATMENT AREA
57	WASTE FIBER LOADING HOPPER
58	WASTE FIBER CONVEYOR
59	DEMOLITION FACILITY
60	STORMWATER STORAGE TANK



SHEET 6 INSET
(1"=60')

SHEET 6 OF 9
SURVEY DETAIL SHEET.
SEE SHEET 5 FOR GENERAL NOTES.
SEE SHEETS 1, 2 AND 3 FOR LEGAL DESCRIPTIONS.

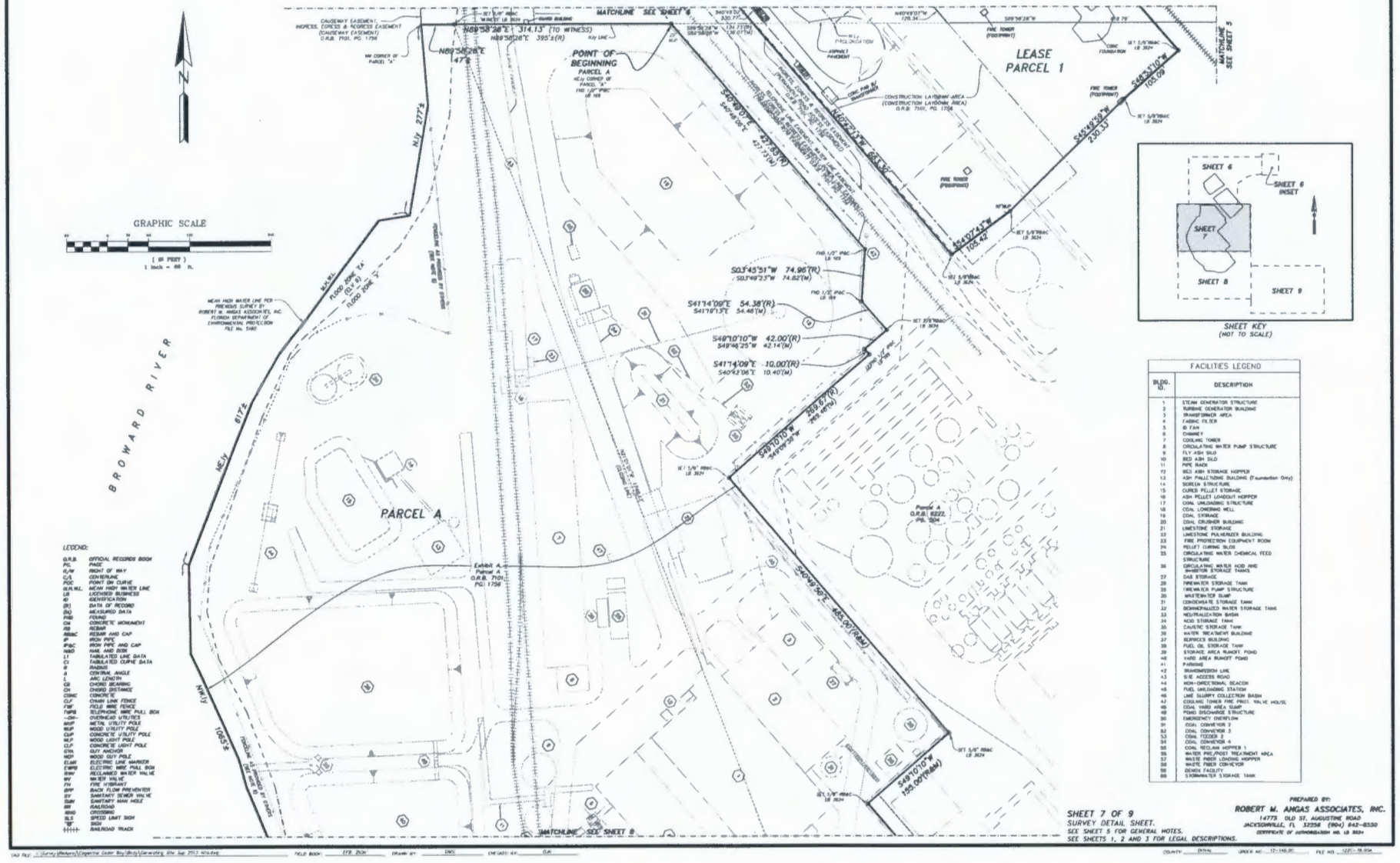
PREPARED BY:
ROBERT M. ANGAS ASSOCIATES, INC.
14775 OLD ST. AUGUSTINE ROAD
JACKSONVILLE, FL 32258 (904) 642-8550
CERTIFICATE OF AUTHORIZATION NO. LB 3864

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CB-15-01197

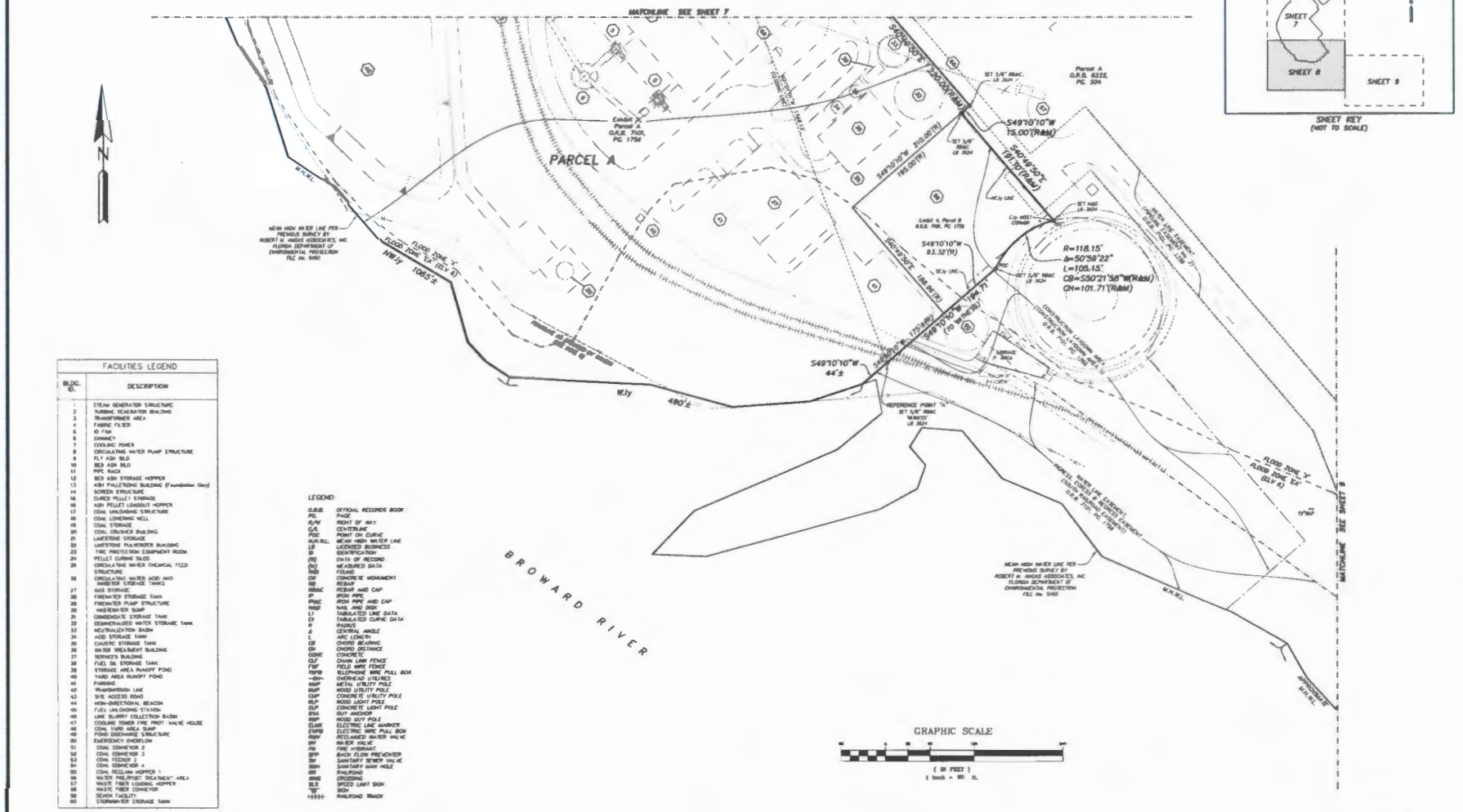
ALTA/ACSM LAND TITLE SURVEY

A PORTION OF WEBB PLACE, SUBDIVISION OF THE JOHN BROWARD GRANT, SECTION 46, TOWNSHIP 1 SOUTH, RANGE 27 EAST, DUVAL COUNTY, FLORIDA, AS DEPICTED IN PLAT BOOK 1, PAGES 7 AND 8, OF THE FORMER PUBLIC RECORDS OF SAID COUNTY, ALSO BEING A PORTION OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 6222, PAGE 504, TOGETHER WITH A PORTION OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 7101, PAGE 1756, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY.


POINT OF BEGINNING
PARCEL A
LEASE PARCEL 1
PARCEL A
BROWARD RIVER
GRAPHIC SCALE
(IN FEET)
1 inch = 60 ft.
MATCHLINE SEE SHEET 6
MATCHLINE SEE SHEET 5
MATCHLINE SEE SHEET 8
SHEET 6
SHEET 6 INSET
SHEET 7
SHEET 8
SHEET 9
SHEET KEY
(NOT TO SCALE)
LEGEND:
O.R.B. OFFICIAL RECORDS BOOK
P.O.B. POINT OF BEGINNING
M.H.W.L. MEAN HIGH WATER LINE
(M) MEASURED DATA
(R) DATA OF RECORD
FOUND
SET
R/W RIGHT OF WAY
C/L CENTERLINE
P.C. POINT OF CURVE
P.T. POINT OF TANGENCY
L.B. LICENSED BUSINESS
I.D. IDENTIFICATION
R=1065.5'
Δ=10°00'00"
L=186.00'
CH=185.74'
CH BRG=S45°00'00"E
N89°58'28"E 314.13' (TO WITNESS)
N89°58'28"E 395'±(R)
N89°58'28"E 47'±
N.W. CORNER OF PARCEL "A"
N.W. CORNER OF PARCEL "A"
FND 1/2" IRON PIPE
SET 5/8" IRON ROD
N.W. CORNER OF PARCEL "A"
N.W. CORNER OF PARCEL "A"
N.W. CORNER OF PARCEL "A"

ALTA/ACSM LAND TITLE SURVEY

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FACILITIES LEGEND	
BLDG. ID.	DESCRIPTION
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2	TURBINE GENERATOR BUILDING
3	TRANSFORMER AREA
4	FABRIC FILTER
5	ID FAN
6	CHIMNEY
7	COOLING TOWER
8	CIRCULATING WATER PUMP STRUCTURE
9	FLY ASH SILO
10	BED ASH SILO
11	PIPE RACK
12	BED ASH STORAGE HOPPER
13	ASH PALLETIZING BUILDING (Foundation Only)
14	SCREEN STRUCTURE
15	CURED PELLET STORAGE
16	ASH PELLET LOADOUT HOPPER
17	COAL UNLOADING STRUCTURE
18	COAL LOWERING WELL
19	COAL STORAGE
20	COAL CRUSHER BUILDING
21	LIMESTONE STORAGE
22	LIMESTONE PULVERIZER BUILDING
23	FIRE PROTECTION EQUIPMENT ROOM
24	PELLET CURING SILOS
25	CIRCULATING WATER CHEMICAL FEED STRUCTURE
26	CIRCULATING WATER ACID AND CAUSTIC STORAGE TANKS
27	GAS STORAGE
28	FIREWATER STORAGE TANK
29	FIREWATER PUMP STRUCTURE
30	WASTEWATER SUMP
31	CONDENSATE STORAGE TANK
32	DEMINERALIZED WATER STORAGE TANK
33	NEUTRALIZATION BASIN
34	ACID STORAGE TANK
35	CAUSTIC STORAGE TANK
36	WATER TREATMENT BUILDING
37	SERVICE'S BUILDING
38	FUEL OIL STORAGE TANK
39	STORAGE AREA RUNOFF POND
40	YARD AREA RUNOFF POND
41	PARKING
42	TRANSMISSION LINE
43	SITE ACCESS ROAD
44	NON-DIRECTIONAL BEACON
45	FUEL UNLOADING STATION
46	LIME SLURRY COLLECTION BASIN
47	COOLING TOWER FIRE PROT. VALVE HOUSE
48	COAL YARD AREA SUMP
49	POND DISCHARGE STRUCTURE
50	EMERGENCY OVERFLOW
51	COAL CONVEYOR 2
52	COAL CONVEYOR 3
53	COAL FEEDER 2
54	COAL CONVEYOR 4
55	COAL RECLAIM HOPPER 1
56	WATER TREATMENT TANK AREA
57	WASTE FIBER LOADING HOPPER
58	WASTE FIBER CONVEYOR
59	DEMOLITION FACILITY
60	STORMWATER STORAGE TANK

LEGEND:

O.R.B.	OFFICIAL RECORDS BOOK
PG.	PAGE
R/W	RIGHT OF WAY
C/L	CENTERLINE
POC	POINT ON CURVE
M.H.W.L.	MEAN HIGH WATER LINE
LB	LICENSED BUSINESS
ID	IDENTIFICATION
(R)	DATA OF RECORD
(M)	MEASURED DATA
FND	FOUND
CM	CONCRETE MONUMENT
RB	REBAR
RBAC	REBAR AND CAP
IP	IRON PIPE
IPAC	IRON PIPE AND CAP
NAIL	NAIL AND DISK
LT	TABULATED LINE DATA
CT	TABULATED CURVE DATA
R	RADIUS
Δ	CENTRAL ANGLE
L	ARC LENGTH
CB	CHORD BEARING
CH	CHORD DISTANCE
CONC	CONCRETE
CLF	CHAIN LINK FENCE
FWF	FIELD WIRE FENCE
TELPED	TELEPHONE WIRE PULL BOX
-OHW-	OVERHEAD UTILITIES
MMP	METAL UTILITY POLE
WUP	WOOD UTILITY POLE
CUP	CONCRETE UTILITY POLE
WLP	WOOD LIGHT POLE
CLP	CONCRETE LIGHT POLE
GYA	GUY ANCHOR
WGP	WOOD GUY POLE
ELMK	ELECTRIC LINE MARKER
ELPB	ELECTRIC WIRE PULL BOX
RWV	RECLAIMED WATER VALVE
WV	WATER VALVE
FH	FIRE HYDRANT
BFP	BACK FLOW PREVENTER
SV	SANITARY SEWER VALVE
SMH	SANITARY MAN HOLE
RR	RAILROAD
XING	CROSSING
SLS	SPEED LIMIT SIGN
SI	SIGN
++++	RAILROAD TRACK

GRAPHIC SCALE
(IN FEET)
1 inch = 60 ft.

SHEET 8 OF 9
SURVEY DETAIL SHEET.
SEE SHEET 2 FOR GENERAL NOTES.
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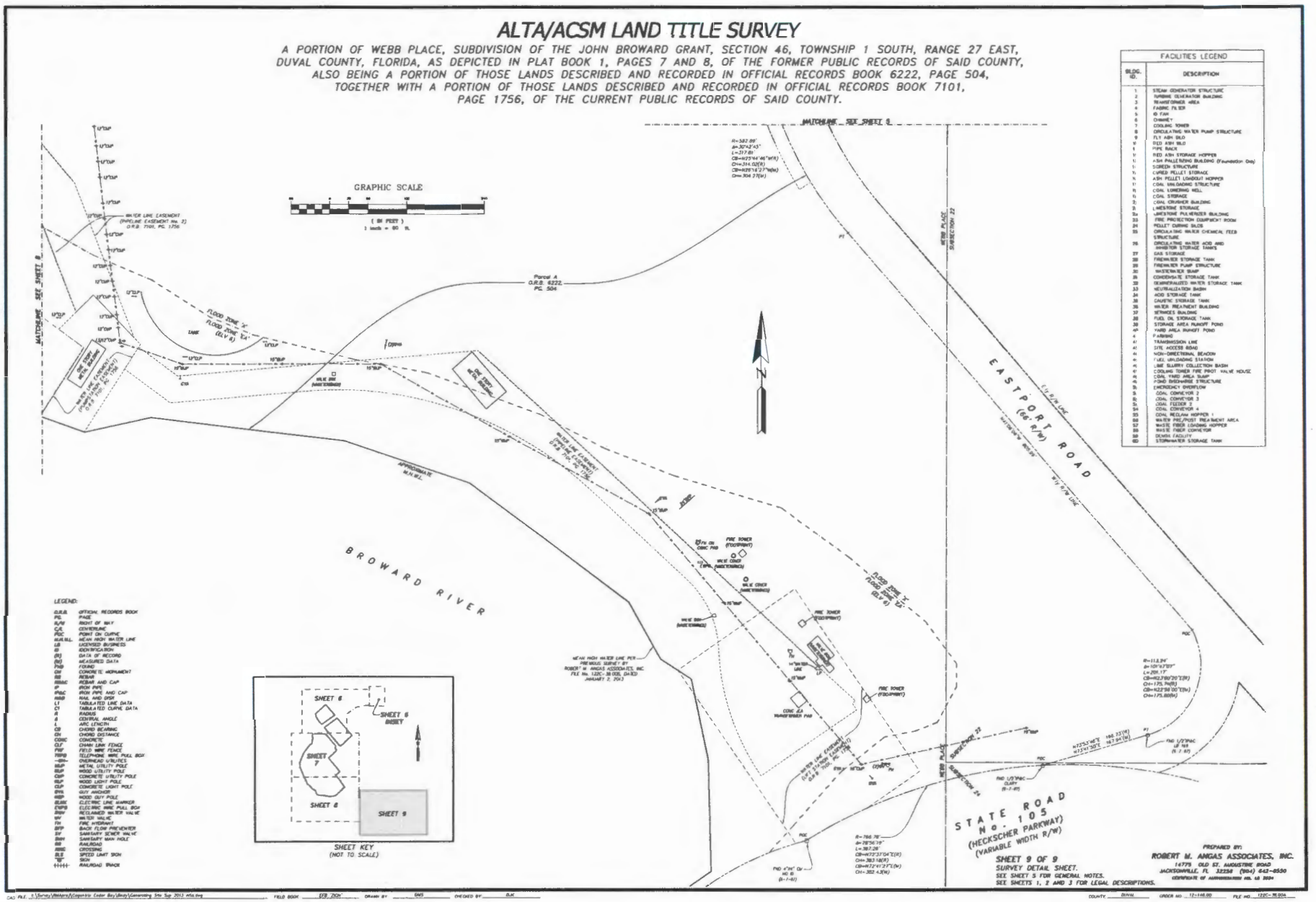
PREPARED BY:
ROBERT M. ANGAS ASSOCIATES, INC.
14779 OLD ST. AUGUSTINE ROAD
JACKSONVILLE, FL 32258 (904) 642-8990
CERTIFICATE OF AUTHORIZATION NO. LB 3624

CAD FILE: J:\Survey\Historical\Coastal Solar Sky\dwg\Generating Site Sup 2013 Alta.dwg FIELD BOOK: ETB 350' DRAWN BY: BMD CHECKED BY: RJK
COUNTY: DUVAL SHEET NO.: 14-148.08 FILE NO.: 1320-16.004

CS-15-01098

ALTA/ACSM LAND TITLE SURVEY

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29	FIREWATER PUMP STRUCTURE
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31	CONDENSATE STORAGE TANK
32	DEMINERALIZED WATER STORAGE TANK
33	NEUTRALIZATION Basin
34	ACID STORAGE TANK
35	CAUSTIC STORAGE TANK
36	WATER TREATMENT BUILDING
37	WTANKS BUILDING
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40	YARD AREA RUNOFF POND
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50	LIMOSCHOY OVERFLOW
51	COAL CONVEYOR 2
52	COAL CONVEYOR 3
53	COAL FEEDER 2
54	COAL CONVEYOR 4
55	COAL RECLAIM HOPPER 1
56	WATER PRE/POST TREATMENT AREA
57	WASTE FIBER LOADING HOPPER
58	WASTE FIBER CONVEYOR
59	DEMOS FACILITY
60	STORMWATER STORAGE TANK

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IP&C	IRON PIPE AND CAP
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CH	CHORD DISTANCE
CONC	CONCRETE
C/F	CHAIN LINK FENCE
FWF	FIELD WIRE FENCE
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SMH	SANITARY MAN HOLE
RR	RAILROAD
RRX	CROSSING
SLE	SPOTED LIMIT SIGN
TP	SIGN
++++	RAILROAD TRACK

PREPARED BY:
ROBERT M. ANGAS ASSOCIATES, INC.
14775 OLD ST. AUGUSTINE ROAD
JACKSONVILLE, FL 32258 (904) 642-8550
CERTIFICATE OF AUTHORIZATION NO. LB 3004

SHEET 9 OF 9
SURVEY DETAIL SHEET.
SEE SHEET 5 FOR GENERAL NOTES.
SEE SHEETS 1, 2 AND 3 FOR LEGAL DESCRIPTIONS.

CAD FILE: I:\Survey\Webbers\Cooper\St Cedar Bay\Bray\Generating Site Sup 2013 Alta.dwg FIELD BOOK 078, 260C DRAWN BY GMS CHECKED BY RJK COUNTY DUVAL ORDER NO. 12-146.00 FILE NO. 122C-16.004

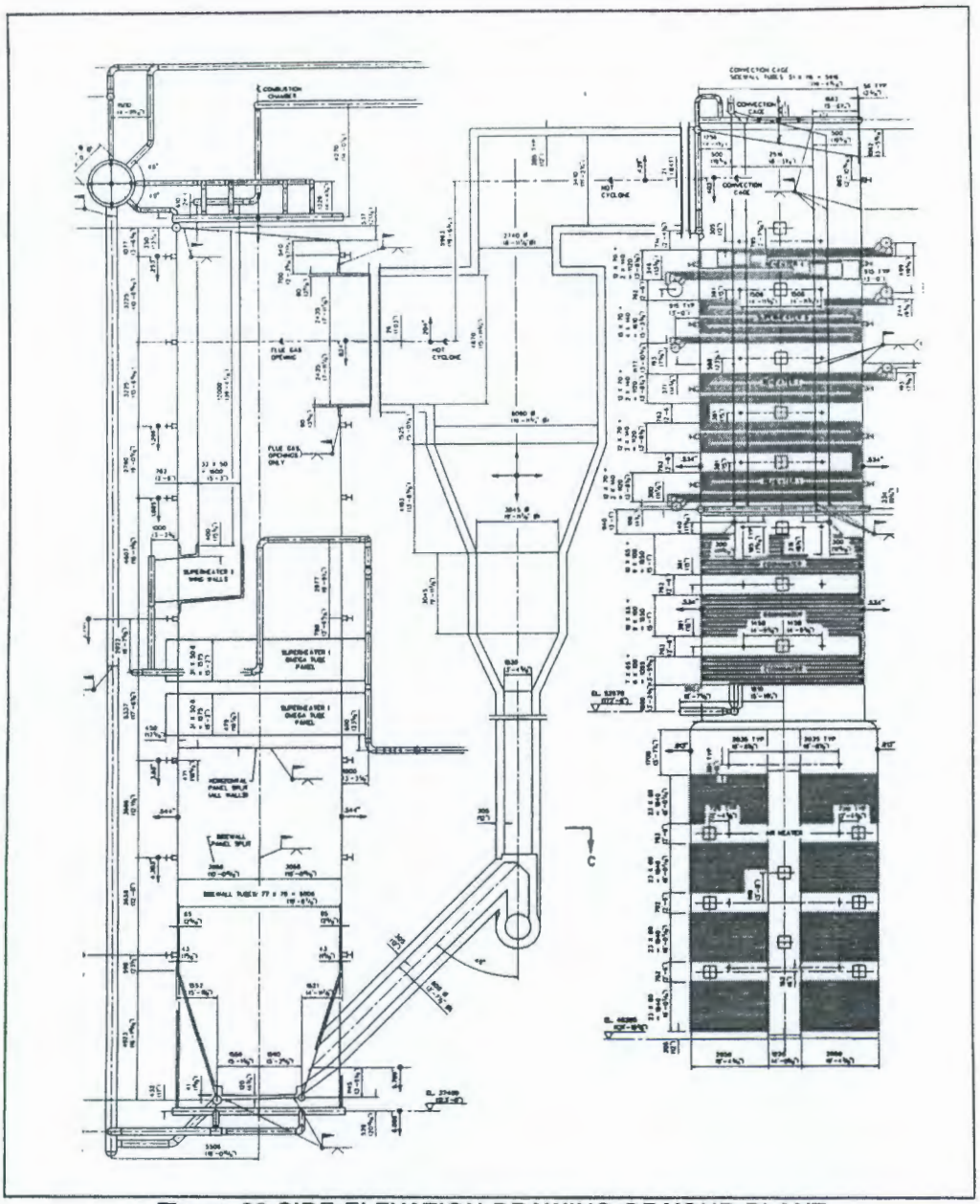


Figure 32 SIDE ELEVATION DRAWING OF YOUR PLANT

TOSHIBA

E- KC00478

INSTRUCTION MANUAL

DESIGN DATA AND CONSTRUCTION

FOR 343,000 kVA GENERATOR

TOSHIBA CORPORATION

KF2011

	Page
1.1 GENERAL DESCRIPTION	2
1.1.1 General	2
1.1.2 Design Data	3
1.2 DESCRIPTION OF EQUIPMENT	5
1.2.1 Generator Structure	5
1.2.2 Attachment Drawings	32

1.1 GENERAL DESCRIPTION

1.1.1 General

This instruction manual gives overall design data and descriptions of 343,000kVA generator and its auxiliary units installed at AES CEDAR BAY COGEN.PLANT

The electrical power output capability of a single generator is 291,550kW at a power factor of 0.85 lagging. The generator which is located in the power house at EL 132'-0", is mechanically driven by its associated steam turbine, electrically excited by the static thyristor rectifier excitation system and internally cooled by hydrogen gas and stator cooling water.

CB-15-01014
150075 Hearing Exhibits 000501

1.1.2 Design Data

a. Type

Three phase synchronous generator totally enclosed, direct coupled to steam turbine.

b. Cooling System

Stator winding : Direct water cooled

Stator core : Hydrogen cooled

Rotor winding : Direct hydrogen cooled

c. Rating

Rating	Continuous
Nominal rated capacity at 45Psi g hydrogen pressure	343 MVA
Power factor	0.85 (lagging)
Rated hydrogen pressure	45Psi g
Number of phases	3
Number of poles	2
Frequency	60 Hz
Rates speed	360 rpm
Terminal voltage	20 kV
Short circuit ratio at rated MVA	Not less than 0.58 (343 MVA base)
Insulation Class-Stator	Class F
-Rotor	Class F
Excitation	Static excitation system with thyristor

d. Cooling Gas

Cooling gas flow rate through generator : 1059 ^{Cf}/s(at 45psi g)

Cooling gas inlet temperature : 115 ° F

Cooling gas outlet temperature : 151 ° F

e. Water flow through stator winding : 174 g/min

f. Hydrogen Gas cooler

Quantity : 4 units/one generator

Cooling water flow rate per unit : 343 g/min

Total cooling water flow : 1372 g/min

Cooling water inlet temperature : 97 °F

Cooling water outlet temperature : 1106 °F

Head loss : Approx. 10.8 ft Aq

Cooling water quality : Fresh water

TOSHIBA

E-KS100195
-a

INSTRUCTION MANUAL

GENERAL DESCRIPTION

TOSHIBA CORPORATION

KF201I

92. 5. 11

92. 5. 12

E-KS100195-0

General Description

This turbine is a tandem-compound reheat unit with double-flow , low pressure stages. The design incorporates features which have proved their reliability and efficiency in a large number of units operting at comparable conditions.

This turbine has an opposed-flow, high-pressure reheat section and double-flow, low-pressure section. The high-pressure steam initially enters the turbine near the middle of the high pressure span and flows through the high-pressure stages toward the turbine end of the unit. The steam leaves the high-pressure section and returns to the reheat section of the boiler. The reheated steam returns to the turbine through the combined reheat valves, and again enters the turbine near the middle of the high-pressure span. The steam then flows toward the generator through the reheat stages. After passing through the reheat stages, the steam enters the single crossover pipe from which steam enters the double-flow section. After passing through the low-pressure stages, the steam is exhaused downward into the condenser.

The exhaust hood is keyed to the foundation plates around its side of the hood to prevent axial movement.
The turbine expands axially from this point. The front standard is free to slide axially on its foundation plate, but the standard and hood are guided to prevent transverse movement.

All of the shells and hood are provided with bolted, horizontal joints for access to the steam path parts for inspection and maintenance. The joints of the shells and hood are accurately machined to give full metal-to metal contact and to assure a steam-tight joint.

92. 5. 11

TOSHIBA

E-KS200243α

INSTRUCTION MANUAL

RATING AND DESIGN DATA

TOSHIBA CORPORATION

K F201

TOSHIBA

E-KS200243a
PAGE 1

Rating and Design Data

1. Type of Turbine	Tandem Compound 2 Cylinders 2 Flow Exhaust Reheat Turbine
2. Rated Output	285,000 kW
3. Rated Speed	3,600 rpm
4. Direction of Rotation	Counter-clock-wise (seeing from turbine end)

5. Steam Conditions

Main Steam Pressure at MSV inlet	1,890 psig
Main Steam Temperature at MSV inlet	1000 F
Reheat Steam Temperature at CRV inlet	1000 F

6. Exhaust Vacuum	3" Hg abs.
7. Number of Extractions	6

8. Number of Stages

HP Turbine	7 Stages
IP Turbine	4 Stages
LP Turbine	6 Stages x 2 Flows
Number of Wheels	23

K.F.2006

Sec. 2

DWG.NO.4KA39752

SHIPPING DIMENSION AND WEIGHT

FOR

MAJOR ITEMS

FOR

AES CEDAR BAY INC.

CEDAR BAY COGENERATION

JUN 1992

TOSHIBA CORPORATION

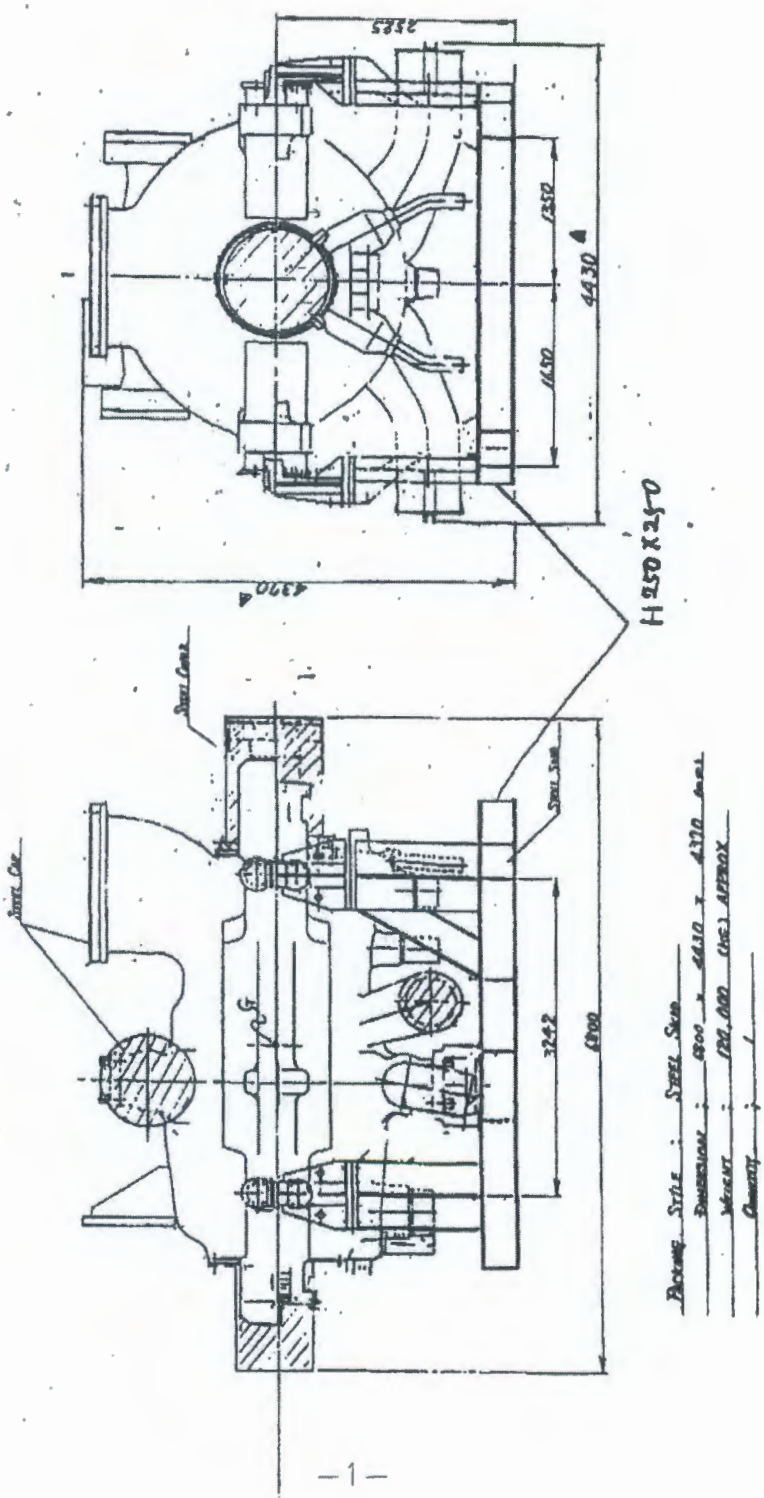
APPROVED BY	CHECKED BY	DRAFTED BY
15/Jun/92	15/Jun/92	12-JUN-'92
T. Kato	T. Kato	R. Ishiwata

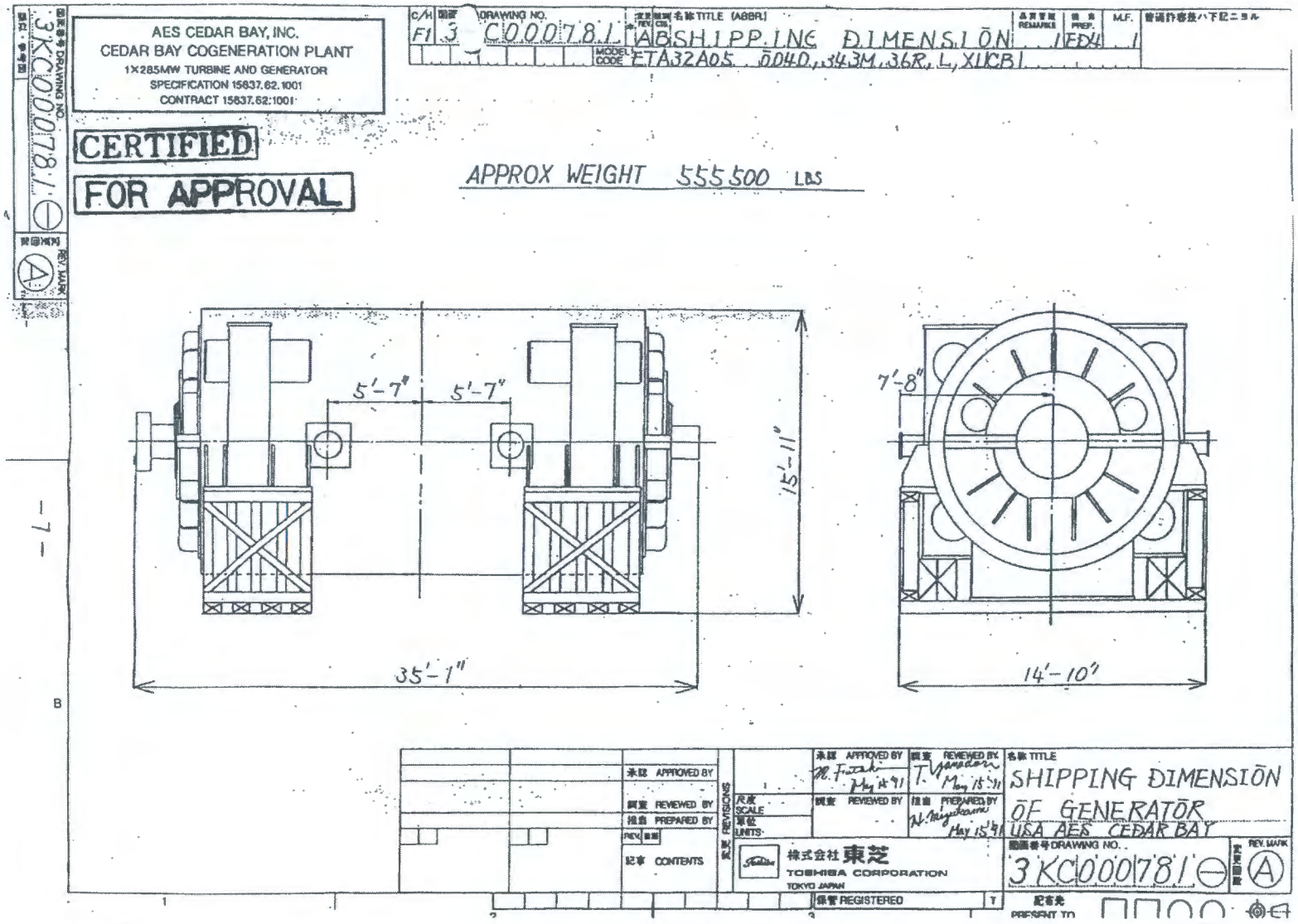
- I N D E X -

ITEM	DRG. No.	PAGE
1. SHIPPING DIMENSION AND WEIGHT OF HIP TURBINE ASSEMBLY --	PRELIMINALY	P 1
2. SHIPPING DIMENSION AND WEIGHT OF LP OUT CASING UPPER----	LATER	
3. SHIPPING DIMENSION AND WEIGHT OF LP OUT CASING LOWER----	LATER	
4. SHIPPING DIMENSION AND WEIGHT OF LP INNER CASING UPPER--	LATER	
5. SHIPPING DIMENSION AND WEIGHT OF LP INNER CASING LOWER--	LATER	
6. SHIPPING DIMENSION AND WEIGHT OF HIP TURBINE ROTOR------	LATER	
7. SHIPPING DIMENSION GENERATOR ----------	3KC000781REV. A	P 7

PRELIMINARY

SHIPPING DIMENSION AND
WEIGHT OF HIP TURBINE
ASSEMBLY





Florida Power & Light Company
Docket No. 150075-EI
OPC's 1st Request for Production
Request No. 6, Page 40 of 44

CB-15-01024

150075 Hearing Exhibits 000511

TOSHIBA

E-KS200244 2
PAGE 1

Weight List of Main Parts of Steam Turbine(lbs)

1. HIP Turbine		
Outer Casing Upper		60,000
Outer Casing Lower		63,000
HP Inner Casing Upper		10,800
HP Inner Casing Lower		11,000
Rotor(with Blades)		33,800
2. LP Turbine		
Outer Casing Upper		33,000
Outer Casing Lower		93,000
Inner Casing Upper		39,000
Inner Casing Lower		39,000
Rotor(with Blades)		78,100
3. Cross-over Pipe		16,600
4. Front Standard		42,000
5. Main Steam Valves		
Main Stop Valve		22,000
Control Valves No.1 No.6		19,000
Combined Reheat Valve(per one set)		33,000
6. Oil Tank with AOP,TOP and EOP Motors	excluding lube oil	34,000
	including lube oil	67,700
7. Oil Conditioner	excluding lube oil	4,321
	including lube oil	8,179

KF2006

TOSHIBA

E-KS200244 2
PAGE 1

Weight List of Main Parts of Steam Turbine(lbs)

1. HIP Turbine		
Outer Casing Upper		60,000
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Outer Casing Upper		33,000
Outer Casing Lower		93,000
Inner Casing Upper		39,000
Inner Casing Lower		39,000
Rotor(with Blades)		78,100
3. Cross-over Pipe		16,600
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Main Stop Valve		22,000
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Combined Reheat Valve(per one set)		33,000
6. Oil Tank with AOP,TOP and EOP Motors	excluding lube oil	34,000
	including lube oil	67,700
7. Oil Conditioner	excluding lube oil	4,321
	including lube oil	8,179

KF2056

Documents responsive to OPC's First Request for Production No. 10 (Bates Nos. CB-15-01029 through CB-15-01132) are confidential in their entirety.

Q.

Please provide copies of all filings made to FERC that were filed due to the proposed purchase of the Cedar Bay Facility.

A.

Documents responsive to this request are provided as Bates Nos. CB-15-01133 through CB-15-01255. The FERC filing also included as an attachment the Purchase and Sale Agreement between FPL and CBAS Power Holdings LLC, which is not included here because FPL previously filed it as Confidential Exhibit TLH-2.

Florida Power & Light Company, 801 Pennsylvania Avenue, N.W., Suite 220, Washington, D.C. 20004-2604
Telephone: (202) 347-7082, Fax: (202) 347-7076

PUBLIC VERSION
PRIVILEGED AND CONFIDENTIAL INFORMATION
HAS BEEN REMOVED
PURSUANT TO 18 C.F.R. § 388.112

March 23, 2015

Kimberly D. Bose, Secretary
Nathaniel J. Davis, Sr., Deputy Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: *Florida Power & Light Company*, Docket No. EC15-__-000, Application for Authorization Under Section 203 of the Federal Power Act and **Request for Expedited Action**

Dear Ms. Bose and Mr. Davis:

Pursuant to section 203(a)(1) of the Federal Power Act ("FPA")[1] and Part 33 of the regulations of the Federal Energy Regulatory Commission ("FERC" or "Commission"),[2] Florida Power & Light Company ("FPL" or "Applicant") requests Commission authorization for a proposed transaction ("Transaction") in which FPL ("Buyer") will acquire from CBAS Power Holdings, LLC ("Seller") all of the outstanding ownership interests in CBAS Power, Inc., which is the upstream owner of a 250 MW generating facility located in Jacksonville, Florida. FPL currently buys all the capacity and electric power from the facility pursuant to a long-term power purchase agreement.

Request for Expedited Consideration

Applicant submits that expedited consideration is warranted under the Commission's regulations because the Transaction does not involve a merger, consolidation, or reorganization of a traditional utility with a franchise service area and, moreover, because the Transaction (1) does not raise any cross-subsidization issues, (2) does not require an Appendix A analysis, and (3) is consistent with Commission precedent. To avoid a delay and because the Application satisfies the Commission's standards for expedited review under section 33.11(c) of the Commission's regulations,[3] the Applicant respectfully requests that the Commission grant

1 16 U.S.C. § 824b(a)(1).

2 18 C.F.R. Part 33.

3 18 C.F.R. §33.11(c).

expedited review. In particular, Applicant respectfully requests that the Commission grant expedited consideration and act on this application no later than June 30, 2015.

Request for Confidential Treatment

As discussed in Section II of the Application, the Applicant respectfully requests confidential treatment of Exhibit I to the Application, pursuant to section 388.112 of the Commission's regulations.[4] Exhibit I contains the Purchase and Sale Agreement, dated as of December 10, 2014 ("Purchase Agreement") pursuant to which the proposed Transaction will occur. The information contained in the Purchase Agreement is commercially sensitive and not publicly available, and disclosure of the information contained therein may cause substantial harm or result in a competitive disadvantage to the Applicants and other parties. Applicants are electronically filing confidential and public versions of this Application and ask that the confidential version be placed in the Commission's non-public files. Applicants understand that the Commission staff will notify them in advance of any public disclosure of any information contained in Exhibit I.

Accordingly, the Applicant are filing the "Application for Authorization under Section 203 of the Federal Power Act and Request for Expedited Action" (hereinafter, "Application") that contain the confidential material (Exhibit I) and that is marked **"NON PUBLIC VERSION - CONTAINS PRIVILEGED AND CONFIDENTIAL INFORMATION - DO NOT RELEASE PURSUANT TO 18 C.F.R. § 388.112"** and the Application, with the confidential material removed, that is marked **"PUBLIC VERSION - PRIVILEGED AND CONFIDENTIAL INFORMATION HAS BEEN REMOVED PURSUANT TO 18 C.F.R. § 388.112."**[5]

As required by section 33.9 of the Commission's regulations, a proposed protective order and non-disclosure certificate are attached to the filing as Attachment 1.[6]

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4 18 C.F.R. § 388.112.
5 *See* 18 C.F.R. § 33.9.
6 *Id.*

Verification

As required by section 33.7 of the Commission's regulations,[7] Attachment 3 of the Application includes a verification by an authorized representative of the Applicant.

Please do not hesitate to contact the undersigned should you have questions regarding this Application. Thank you for your assistance.

Respectfully submitted,

/s/ Gunnar Birgisson

Gunnar Birgisson, Senior Attorney
Federal Regulatory Affairs
Thomas Orvald, Senior Attorney
Federal Regulatory Affairs
NextEra Energy, Inc.
801 Pennsylvania Ave., NW
Suite 220
Washington, DC 20004
Tel.: (202) 349-3494

Counsel for Florida Power & Light Company

Enclosures

[7] 18 C.F.R. § 33.7.

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Florida Power & Light Company	)	**EC15-___-000**

APPLICATION FOR AUTHORIZATION UNDER SECTION 203 OF THE FEDERAL POWER ACT

Pursuant to section 203(a)(1) of the Federal Power Act ("FPA")[1] and Part 33 of the regulations of the Federal Energy Regulatory Commission ("Commission" or "FERC"),[2] Florida Power & Light Company ("FPL" or "Applicant") requests Commission authorization for a proposed transaction ("Transaction") in which FPL ("Buyer") will acquire from CBAS Power Holdings, LLC ("Seller") all of the outstanding ownership interests in CBAS Power, Inc. (the "Cedar Bay Interests"). FPL respectfully requests that the Commission grant expedited consideration and act on this application no later than June 30, 2015.

I. INTRODUCTION

FPL is party to an Agreement for the Purchase of Firm Capacity and Energy from the 250 MW generator (the "Facility") indirectly owned by Seller ("Power Purchase Agreement" or "PPA"), under which FPL buys all the capacity and electricity produced by the Facility. The PPA, which was originally executed in 1988 and still has nearly ten years remaining, requires FPL to pay for capacity from an inefficient coal-fired generator at rates that are far above market prices. Consummation of the Transaction will enable FPL to terminate the PPA and save its retail and wholesale ratepayers a total of approximately $70 million in capacity and energy

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1 16 U.S.C. § 824b (2012). *See* Section V *infra*.

2 18 C.F.R. §§ 33.1-33.11 (2014).

payments over the remaining term of the PPA, calculated on a net present value basis. FPL expects that it will retire the Facility in early 2017, due to the anticipated availability of a new interstate natural gas pipeline system to fuel its natural-gas fired units.

Approval of the Transaction is consistent with the Commission's policy of encouraging utilities to buy-down or buy-out high cost power supply contracts with Qualifying Facilities ("QFs") in a manner that benefits a utility's ratepayers. The PPA costs are well above FPL's avoided cost rates. Accordingly, Commission approval of the Transaction would not only allow for closing of the bilateral arrangement between the parties to the Transaction, but would aid FPL's retail and long-term wholesale requirements customers, who will benefit through the savings achieved from termination of the PPA.

II. REQUEST FOR CONFIDENTIAL TREATMENT

Pursuant to section 388.112(b) of the Commission's regulations,[3] FPL requests confidential treatment for Exhibit I which contains the Purchase and Sale Agreement ("PSA") pursuant to which FPL will purchase 100% of the outstanding ownership in the Cedar Bay Interests. The information contained in the PSA is commercially sensitive and not publicly available, and disclosure of the information contained in the PSA may cause substantial harm or result in a competitive disadvantage to Applicant and other parties. Applicant is electronically filing confidential and public versions of this Application and asks that the confidential version be placed in the Commission's non-public files. Applicant understands that the Commission staff will notify Applicant in advance of any public disclosure of any information contained in Exhibit I.

[3] 18 C.F.R. § 388.112.

Any questions concerning this request for confidential treatment should be directed to the following:

Gunnar Birgisson
Senior Attorney
NextEra Energy, Inc.
801 Pennsylvania Ave., NW, Suite 220
Washington, DC 20004
Tel.: (202) 349-3494
gunnar.birgisson@nee.com

Counsel to Florida Power & Light Company

As required by the Commission's regulations, Applicant has included as Attachment 1 to this Application a proposed protective order under which parties to the proceeding will be able to review the information for which privileged treatment is sought.[4]

III. REQUEST FOR EXPEDITED CONSIDERATION

Pursuant to sections 33.11(b) and (c) of the Commission's regulations, FPL respectfully requests expedited action on this Application. The Application does not involve a merger, consolidation, or reorganization of a traditional utility with a franchise service area. Moreover, as explained herein, the Application is consistent with Commission precedent and does not require analysis under Appendix A of Order No. 592 (the "Merger Policy Statement").[5] The Application therefore qualifies for expedited treatment. Accordingly, Applicant requests that the Commission issue an order authorizing the proposed Transaction by June 30, 2015.

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[4] 18 C.F.R. § 33.8.

[5] *Inquiry Concerning the Commission's Merger Policy Under the Federal Power Act: Policy Statement*, Order No. 592, FERC Stats. & Regs. ¶ 31,044 (1996), *order on reconsideration*, Order No. 592-A, 79 FERC ¶ 61,321 (1997) (codified at 18 C.F.R. pt. 2.26).

IV. DESCRIPTION OF THE PARTIES TO THE TRANSACTION

A. NextEra Energy, Inc. and Its Subsidiaries

FPL is a wholly-owned subsidiary of NextEra Energy, Inc. ("NEE"), which is one of the largest electric power companies in North America, and which owns through all its subsidiaries approximately 44,900 MW of generating capacity in 25 states in the U.S. and 4 provinces in Canada. Through its subsidiaries, NEE is the largest generator in North America of renewable energy, operating approximately 17% of the installed base of U.S. wind power production capacity and approximately 11% of the installed base of U.S. utility-scale solar power production capacity as of December 31, 2014. NEE also owns and operates one of the largest fleets of nuclear power stations in the U.S., with eight reactors at five sites located in four states, representing approximately 6% of U.S. nuclear power electric generating capacity as of December 31, 2014. NextEra Energy Resources, LLC ("NEER") is the main vehicle through which NEE holds and manages its competitive power businesses. Through its subsidiaries, NEER owns, develops, constructs, manages, and operates independent power projects that sell energy, capacity, and ancillary services in multiple domestic markets outside of Florida. NEER, through its subsidiaries, owns and operates generation facilities that total approximately 19,800 MW in net generating capacity as of December 31, 2014.

B. Florida Power & Light Company

FPL is a rate-regulated electric utility engaged primarily in the generation, transmission, distribution and sale of electric energy in Florida. FPL is vertically integrated, with approximately 25,100 MW of generating capacity in service as of December 31, 2014. FPL does not have market-based rate authority in Peninsular Florida. FPL provides service to more than 4.7 million retail customers through an integrated transmission and distribution system, with over 70,000 miles of transmission and distribution lines that link its generation facilities to its

customers. FPL also maintains interconnection facilities with neighboring utilities and wholesale power providers, enabling it to buy and sell wholesale electricity outside its service territory and to enhance the reliability of its own network and support the reliability of neighboring networks. FPL's load consists primarily of retail customers. FPL's wholesale power sales customers, listed in Exhibit F, represent a small percentage of its total load. A more detailed description of FPL's generation and transmission assets is provided in Exhibit B. A map showing FPL's service territory and location of FPL's generation resources is attached as Exhibit K. In addition, FPL's affiliate Florida Southeast Connection, LLC is developing an interstate natural gas pipeline that will increase the sources of fuel for generation in the state and is expected to be in service in early 2017.[6]

C. Cedar Bay and Its Affiliates and Facility

CBAS Power Holdings, LLC ("Seller") is a subsidiary of The Carlyle Group, which is a global alternative investment management firm that is a publicly traded entity listed on NASDAQ. As shown in Exhibit C, Seller owns 100% of CBAS Power, Inc. ("CBAS"),[7] which in turn owns 100% of Cedar Bay Holdings, LLC ("CB Holdings"), which in turn owns 100% of Gray Hawk Power Corporation ("Gray Hawk"). Gray Hawk has two immediate subsidiaries, Cedar Bay Cogeneration, LLC ("CB Cogen") and Cedar Power, LLC ("Cedar Power"). CB Cogen owns a 78% general partnership interest and a 2 % limited partnership interest in Cedar Bay Generating Company, Limited Partnership ("Cedar Bay"). Cedar Power owns 100% of

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6 *Florida Southeast Connection, LLC*, certificate application filed September 26, 2014 in Docket No. CP14-554-000. NextEra Energy Capital Holdings, Inc., a wholly-owned subsidiary of NextEra Energy, Inc., is also a minority investor in another interstate pipeline under development that will connect with Florida Southeast Connection, LLC. *Sabal Trail Transmission, LLC*, certificate application filed November 21, 2014 in Docket No. CP15-17-000.

7 Seller also indirectly owns Cogentrix of Alamosa, LLC (Alamosa) and Sunray Energy, LLC (Sunray), each of which owns operating solar facilities in Colorado and California, respectively. Seller will not convey any ownership interests in Alamosa or Sunray pursuant to the Transaction.

Cedar I Power, LLC ("Cedar I"), which in turn owns 100% of Cedar II Power, LLC ("Cedar II"). Cedar II owns a 20% general partnership interest in Cedar Bay. Cedar Bay owns and operates a coal-fired topping cycle cogeneration facility with a net electrical output of approximately 250 MW (the "Facility"). The Facility is a QF[8] and was initially put in service in 1994. The Facility is further described at page 3 of the affidavit of Timothy W. Gerrish, FPL's Director of Origination, Energy Marketing and Trading, attached as Attachment 4 ("Gerrish Affidavit"). The Facility is located in Duval County, Florida, and interconnects with the transmission system of Jacksonville Electric Authority ("JEA"), pursuant to an Interconnection and Transmission Service Agreement originally executed in January 1990, and since amended. The Facility includes interconnection facilities necessary to interconnect to the grid. Cedar Bay does not have authority from the Commission to sell energy at market-based rates.

D. The PPA

Cedar Bay and FPL are parties to a PPA under which FPL purchases all of the firm capacity and electric energy from the Facility. The PPA was originally executed in 1988 by FPL and a previous owner of the Facility, and has since been amended several times. The PPA pricing was based on state-wide avoided costs required by the Florida Public Service Commission ("Florida PSC") at the time the PPA was executed. Gerrish Affidavit at 4. Delivery of energy from Cedar Bay to FPL is achieved through wheeling the energy across the transmission system of JEA to a delivery point at a point of interconnection between FPL and JEA.

The PPA is currently scheduled to terminate in 2024. Under the PPA, FPL buys all the firm capacity and electric power produced by the Facility, while the steam from the Facility is

[8] The original certification of QF status was filed in Docket No. QF89-126 in 1989.

sold to a nearby paper mill. The capacity pricing of the PPA is far above market prices and FPL's avoided costs. In 2014, FPL paid $10.8 million in capacity payments and operations and maintenance ("O&M") fees to Cedar Bay each month. Under the PPA, these capacity prices increase yearly, so that at the end of the term of the PPA monthly payments will surpass $14 million. The capacity payments under the PPA can also increase due to a performance bonus, which the plant typically receives. It is currently estimated that if the PPA ran its full term, FPL's payments for capacity, capacity bonus, and O&M would amount to a total of approximately $1.5 billion on a nominal basis over the remaining term of the PPA. Energy pricing under the PPA, which is not above market, is priced at a fixed heat rate and the St. Johns River Power Park cost of coal. However, due to the high capacity price, the "all in" price of energy from the Cedar Bay Facility in 2014 was over $178/MWh, compared to an average FPL avoided cost of $27/MWh. *See* Gerrish Affidavit at 4-5, and Exhibits TWG-1 and TWG-2.

E. The Proposed Transaction

FPL and Seller executed the PSA on December 10, 2014. Under the PSA, FPL will pay Seller $520.5 million for the Cedar Bay Interests, which is defined as 100% of the equity interest in CBAS. The estimated fair value of the Facility and other net assets and liabilities exclusive of the PPA is approximately $0. The $520.5 million purchase price, however, represents the fair value related to terminating the PPA, and thereby avoiding continued monthly capacity payments at above-market prices both immediately and in the long-term. Gerrish Affidavit at 5-6.

A simplified corporate organizational chart showing the pre-Transaction and post-Transaction ownership of Cedar Bay and the Facility is included in Exhibit C. FPL plans to contract with Cedar Bay Operating Services, LLC to continue operating the Facility. FPL anticipates that it will dispatch the Cedar Bay Facility until at least 2016, but at a substantially

lower capacity factor (from approximately 50% today to approximately 5%) as needed to meet FPL system needs. Gerrish Affidavit at 6-7. FPL expects to preserve the corporate legal structure for ownership of the Facility, as a protection from any unforeseen contingent losses that could arise from the prior operation of CBAS. Since the Facility will not be directly owned by FPL, but rather by a separate corporate entity that is an FPL subsidiary, FPL anticipates that Cedar Bay will file under section 205 of the FPA for Commission approval of a cost-based sales arrangement, which would take the place of the terminated PPA upon closing of the Transaction.

FPL projects that it will retire the Facility due to the availability of the new interstate natural gas pipeline system to fuel its natural-gas fired units in early 2017. However, if the economics of FPL's system dispatch were to change such that the Facility once again becomes economically viable, the Facility could continue to be operated. *Id.* In this regard, FPL notes that the Facility is neither needed at present, nor in 2017, to meet the reliability criteria that FPL uses for resource planning purposes.

In order to close on the Transaction, approval must be obtained from the Commission and from the Florida PSC. FPL filed a petition with the Florida PSC on March 6, 2015, requesting approval of the arrangement, including the accounting treatment (the "Florida Petition"). The Transaction will close shortly after all regulatory approvals are obtained.

F. Rate Impact of the Transaction

The Transaction results in an approximately $70 million benefit on a net present value basis. This benefit derives from a reduction in capacity payments over ten years that results in $1.038 billion in net present value, the net present value of the acquisition costs of $881 million, and $86 million in incremental fuel, purchased power, variable operating expenses, and

environmental compliance costs associated with dispatching other generators on FPL's system and continued operation of the Facility. Gerrish Affidavit at 7-9, Exhibit TWG-2, and TWG-3.

As explained in the affidavit of Renae B. Deaton, Senior Manager of Cost of Service and Load Research in FPL's Rates & Tariffs Department ("Deaton Affidavit"), attached hereto as Attachment 5, approximately $1.4 million of the $70 million in benefits calculated on a net present value basis accrue to FPL's two long-term wholesale full requirements customers, Lee County Electric Cooperative ("LCEC") and Florida Keys Electric Cooperative ("FKEC"), each of which are billed under cost of service production formula rate contracts that will be in place for 20 years or longer.[9] Specifically, LCEC and FKEC will receive a proportionate share of total system benefits, with LCEC receiving approximately $1.9 million in benefits calculated on a nominal basis and $855,000 on a net present value basis, and FKEC receiving approximately $1.1 million in benefits on a nominal basis and $497,000 on a net present value basis. Exhibit RBD-1 shows the expected financial impact per year, with a slight increase in the initial years before a larger decrease produces these benefits. As shown in Exhibit TWG-2, the total revenue requirements associated with the net regulatory asset are higher in the years immediately after the Transaction closes, as are the plant operating expenses, but these costs decline as the balance of the net regulatory asset declines and after the plant is expected to be retired. Deaton Affidavit at 5. *See* Exhibit RBD-1, for a year-by-year estimate of the financial impact of the Transaction on the payments under these contracts. In a later filing, FPL will seek Commission authority

[9] FPL has two long term wholesale power requirements customers served pursuant to cost of service formula rates on file with the Commission. *See Florida Power & Light Co.*, Docket No. ER13-1998-000, Letter Order (issued September 5, 2013) (revisions to FPL Rate Schedule FERC No. 322, Long-Term Agreement for Full Requirements Electric Service between FPL and FKEC; and *Florida Power & Light Co.*, Docket No. ER13-2090-000, Letter Order (issued September 17, 2013) (accepting revisions to FPL Rate Schedule FERC No. 317, the Long-Term Agreement for Full Electric Requirements Service between FPL and LCEC).

pursuant to section 205 of the FPA to recover the net regulatory asset created as a result of the Transaction under each of the formula rates.

Unlike the LCEC and FKEC formula rates, costs associated with the net regulatory asset will not be recovered from any of FPL's four wholesale requirements customers whose PPAs are priced through stated rates and formula fuel rates. Three of those agreements expire in 2016 and one in 2017. Deaton Affidavit at 5-6. The customers under these agreements, City of Wauchula, [10] City of New Smyrna Beach, [11] City of Blountstown, [12] and City of Winter Park, [13] pay FPL's system average fuel costs as part of the stated rate. The Transaction is anticipated to incrementally affect FPL's fuel costs, as explained above and in the Gerrish Affidavit. Due to this incidental impact of the Transaction, these customers will likely pay slightly higher fuel costs – on average only 0.17% – for the relatively short remaining terms of their agreements. The total incremental fuel cost paid by the four customers over their remaining contract terms is estimated to be less than $40,000. *See* Exhibit RBD-1 at 2.

FPL has communicated with all of the above impacted wholesale power customers about the Transaction. Finally, since the Transaction is intended to terminate a PPA for power sold to FPL from a QF, it will have no impact, adverse or otherwise, on FPL's unbundled open access transmission rates.

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[10] *See* Letter Order, issued September 22, 2011, Docket No. ER11-4212-000 (accepting FPL Rate Schedule No. 400, to provide wholesale requirements power for the full retail load of City of Wauchula, Florida for term beginning October 1, 2011 to December 31, 2016).

[11] The wholesale requirements agreement with City of New Smyrna Beach was entered into pursuant to FPL's cost-based Tariff No. 1 for Sales of Power and Energy, with sales reported to the Commission in electronic quarterly reports.

[12] Since the City of Blountstown, Florida is located west of the Apalachicola River, *i.e.*, outside of Peninsular Florida, FPL's wholesale requirements agreement with City of Blountstown was entered into pursuant to FPL's market-based rate tariff with sales reported to the Commission in FPL's electronic quarterly reports. *See Florida Power & Light Company*, 81 FERC ¶ 61,107 at 61,394 (1997).

[13] The wholesale requirements agreement with City of Winter Park was entered into pursuant to FPL's cost-based Tariff No. 1 for Sales of Power and Energy, with sales reported to the Commission in electronic quarterly reports.

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G. Proposed Accounting Treatment

The Florida Petition requested accounting treatment for the Transaction based on the fair value of the Facility and the fair value of the PPA termination. Under Accounting Standards Codification 805 – Business Combinations, the acquirer in a business acquisition is required to recognize all assets and liabilities at fair value as of the acquisition date. The Transaction meets the definition of a business acquisition as defined by generally accepted accounting principles ("GAAP") because FPL is acquiring the shares of legal entities, which along with their assets and contractual obligations, constitute a business for accounting purposes. In contrast, the Commission's Uniform System of Accounts requires that acquired electric utility property plant and equipment be recorded at net book value (Electric Plant Instruction 5, Electric Plant Purchased or Sold, in 18 C.F.R. Part 101). The Cedar Bay Facility is a QF and currently owned by CBAS, an entity not primarily engaged in the generation or sale of electricity. In addition, the Facility does not provide wholesale services to any other customer. As such, Electric Plant Instruction 5 is not applicable and the Uniform System of Accounts ("USOA") does not require FPL to record the assets at net book value. Accordingly, recording the assets at fair value is appropriate and consistent with both GAAP and the USOA.

The estimated fair value of the Facility and other net assets and liabilities exclusive of the PPA is approximately $0. The $520.5 million purchase price, however, represents the fair value related to the early termination of the PPA, which allows FPL to avoid continued monthly capacity payments at above-market prices both immediately and in the long-term. In the Florida Petition, FPL asked for authority to treat the $520.5 million purchase price and associated income tax gross up of $326.9 million as regulatory assets that would be recovered through

FPL's retail Capacity Cost Recovery Clause ("CCR Clause").[14] Recovery is premised on (i) amortization of the regulatory assets over roughly 10 years (corresponding to the remaining PPA term) and (ii) a return on the unamortized balance of the purchase price calculated at FPL's weighted average cost of capital that is used for its retail adjustment clause proceedings. Recovering these costs through the CCR Clause is appropriate because capacity and O&M payments paid to Cedar Bay under the PPA are currently recovered through the CCR Clause. Termination of the PPA would eliminate these payments, which makes it appropriate to recover through the capacity clause. The FPSC's approval of recovery as set forth in the Florida Petition is a condition precedent to the closing of the Transaction.

For purposes of the Commission's USOA, FPL's proposed accounting treatment for the Transaction is discussed in Section VI of this Application, with *pro forma* accounting entries presented in Attachment 2. FPL will request authorization under section 205 of the FPA to recover the net regulatory asset through FPL's cost of service production formula rates in the LCEC and FKEC power sales agreements.

V. THE TRANSACTION IS CONSISTENT WITH THE PUBLIC INTEREST

Two subsections of Section 203(a)(1) of the FPA are relevant to FPL's request for authorization from the Commission. Section 203(a)(1)(B) requires prior Commission authorization for a public utility to "merge or consolidate, directly or indirectly, such facilities or any part thereof with those of any other person, by any means whatsoever." Section 203(a)(1)(D) requires prior Commission authorization for a public utility to "purchase, lease, or otherwise acquire an existing generation facility— (i) that has a value in excess of $10,000,000;

[14] The facility has a carryover tax basis of approximately $8.0 million at the acquisition date as compared to zero book basis. In accordance with ASC 805, FPL is required to record the tax effect of this book/tax difference as a deferred tax asset. The income taxes on the difference would be recorded as a credit to a regulatory liability (FERC Account 254 – Other Regulatory Liabilities) and be amortized over the remaining life of the PPA (the amortization period proposed to be used for all recoveries) to FERC Account 557, Other Expenses.

and (ii) that is used for interstate wholesale sales and over which the Commission has jurisdiction for ratemaking purposes. Since FPL is a public utility, it may require Commission authorization under section 203(a)(1) of the FPA for the proposed Transaction, which will result in the acquisition of the equity interests of Cedar Bay. In addition, while FPL is not a holding company, it is owned by a holding company, NextEra Energy Inc., which means the Transaction may require approval under FPA section 203(a)(2).[15]

Commission approval under section 203 of the FPA requires a finding that the Transaction will be consistent with the public interest.[16] In determining whether a proposed transaction is consistent with the public interest, the Commission considers four factors: (1) the effect on competition; (2) the effect on rates; (3) the effect on regulation; and (4) whether a proposed transaction will result in cross-subsidization of nonutility associate companies or the pledge or encumbrance of utility assets for the benefit of associate companies.[17] As demonstrated in this application, the Transaction is consistent with the public interest under these criteria as outlined by the Commission in its regulations, in the *Merger Policy Statement*, the *Supplemental Policy Statement*[18] and Order No. 669[19] and warrants approval as explained below.

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15 FPL submits that subsection (D) may not apply as the sales from Cedar Bay to FPL are not rate-regulated by the Commission. The scope of subsection (B) is also somewhat unclear. However, as a precautionary measure FPL seeks Commission approval for the Transaction without requiring an analysis of the applicable jurisdiction. *See Ocean State Power*, 47 FERC ¶ 61,321 at 62,130 (1989) (granting FPA section 203 approval without ruling on threshold jurisdictional question).

16 *See* 16 U.S.C. § 824b(a)(4).

17 *See* 18 C.F.R. § 2.26.

18 *FPA Section 203 Supplemental Policy Statement*, FERC Stats. & Regs. ¶ 31,253 (2007), *order on clarification*, 122 FERC ¶ 61,157 (2008) ("*Supplemental Policy Statement*").

19 *Transactions Subject to FPA Section 203*, Order No. 669, FERC Stats. & Regs. ¶ 31,200 (2005), *order on reh'g*, Order No. 669-A, FERC Stats. & Regs. ¶ 31,214 (2006), *order on reh'g*, Order No. 669-B, FERC Stats. & Regs. ¶ 31,225 (2006).

Moreover, the Transaction is consistent with the Commission's policy of encouraging utilities to buy-out or buy-down above market PPAs with QFs.[20] In this case, the buy-out is accomplished through FPL's acquisition of the Cedar Bay Interests, which provides the best overall financial result for FPL and the Seller. In *West Penn*,[21] the Commission stated that it urged jurisdictional entities to "make every attempt to buy-out (or buy-down) the contract" if they expect the QF contract rate to exceed their avoided cost over the term of the contract.[22] To support this policy, the Commission also announced in *West Penn* that it "will permit the recovery in wholesale rates of a pro rata share of the buy-out or buy-down costs,"[23] but that applicants must demonstrate customer benefits or savings from the buy-out. As stated above, the pricing under the PPA significantly exceeds FPL's avoided costs. By acquiring Cedar Bay and terminating the PPA, FPL can eliminate the high payments associated with the PPA.

The Commission has also authorized the elimination of uneconomic arrangements in non-QF contexts. For example, in *Virginia Electric*, the Commission was asked to authorize Virginia Electric Power Company's ("VEPCO") acquisition of jurisdictional facilities in connection with its purchase of 100% ownership interests in the upstream owners of a 138 MW coal plant (a former QF), which was premised on the subsequent cancellation of the PPA.[24] VEPCO argued in its application that approving the proposed transaction "furthers the

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20 *Kamine/Besicorp Syracuse L.P.*, 78 FERC ¶ 61,356 at 62,499 (1997) ("we have explained in a number of recent cases . . . that we encourage utilities with high cost power purchase contracts with QFs to buy-down or buy-out such contracts" (footnote omitted)).

21 *West Penn Power Co.*, 71 FERC ¶ 61,153 (1995) ("*West Penn*").

22 *Id.* at 61,497. Although the gravamen of the case in *West Penn* was whether "changed circumstances" affecting ongoing avoided cost estimates could permit a recalculation of long-term QF contract rates despite such rates being validly established at the time the legally enforceable obligation was incurred (as opposed to at the time of delivery, the other permissible alternative under the Public Utility Regulatory Policy Act), the Commission also stated it was "appropriate" for a utility to seek to buy-out or buy-down uneconomic QF purchase power agreements. *Id.*

23 *Id.*

24 *Virginia Electric and Power Co.*, 108 FERC ¶ 61,136 at PP 1, 3 (2004) ("*Virginia Electric*").

Commission's policy of encouraging utilities to buy-down or buy-out power supply contracts with QFs."[25] The Commission approved the transaction based on a finding that rates would not increase as a result of the transaction.[26] VEPCO also invoked the Commission's buy-out policy in two other Commission-approved FPA section 203 applications involving QF purchases and PPA cancellations.[27] In fact, in addition to cases involving the cancellation of uneconomic QF PPAs, the Commission has cited its buy-out policy to approve a waiver to its operating and efficiency standards applicable to QFs, as well as a revision of multiple power purchase agreements resulting from a QF ceasing its QF status and entering the competitive generation market. The Transaction is thus fully consistent with the Commission's policy of encouraging boy-outs of uneconomic PPAs.

The Transaction strongly resembles the *Virginia Electric* case, except that it involves a current QF facility. As in that case, the Transaction will result in material rate savings to customers and will advance the purpose and rationale of the Commission policy supporting buy-outs. In addition, as FPL stated in the Florida Petition, the Transaction is expected to yield environmental benefits, as the Cedar Bay Facility is a very high emitter of carbon dioxide ("CO_2"). FPL anticipates that reducing the annual capacity factor from 50% to 5% once it assumes control of the Facility will, in turn, reduce CO_2 emissions in Florida by over a million tons per year. Further, FPL's anticipated retirement of the Facility at the end of 2016 is many

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25 Application for Authorization under Section 203 of the Federal Power Act, Docket No. EC04-104-000 (May 6, 2004).

26 108 FERC ¶ 61,136 at PP 4, 20.

27 *See Virginia Electric and Power Co.*, 94 FERC ¶ 62,139 at 64,208 (2001) (authorizing the acquisition of jurisdictional facilities in connection with purchase of three QFs with combined capacity of 188 MW and the cancellation of VEPCO's existing long-term purchase agreements with the QFs); *See Virginia Electric and Power Co.*, 105 FERC ¶ 62,001 at 64,001 (2003) (authorizing the acquisition of jurisdictional facilities in connection with purchase of a 240 MW QF and the termination of the associated PPA, with estimated cost savings of $1.1 million per year accruing to customers). *See also*, *Florida Power Corp.*, 79 FERC ¶ 62,199 (1997) (authorizing the purchase of jurisdictional facilities in connection with acquisition of a 217 MW QF).

years before it likely would be retired under the current PPA structure. While not directly relevant to the criteria the Commission uses in reaching its decision, FPL highlights this as another benefit of the consummation of the Transaction.

A. The Transaction Will Not Have an Adverse Effect on Competition

The Commission should find that the proposed Transaction will not have an adverse effect on competition in the relevant market because it does not raise any horizontal or vertical market power concerns.

1. The Transaction raises no horizontal market power concerns

Section 33.3(a)(2)(i) of the Commission's regulations states that a horizontal competitive screen analysis is not required if the applicant "[a]ffirmatively demonstrates that . . . the extent of the business transactions in the same geographic markets is *de minimis*."[28] As demonstrated in the affidavit of Julie R. Solomon included as Attachment 6 ("Solomon Affidavit"), applying this standard, no horizontal competitive screen analysis is required with respect to the proposed Transaction because the Transaction will have no impact on competition in the relevant market, *i.e.*, FPL's generation market share will not increase. Solomon Affidavit at 2-3. FPL has a long-term PPA for the entire electric power output of the Facility and thus already contractually controls the output of the Facility through the PPA. Accordingly, FPL has included the Facility among the generation owned and controlled by FPL in prior market power analysis for the FPL balancing authority area, including in the context of applications under section 203 and 205 of the FPA.[29] The Facility also has been included, as an FPL resource that is used to meet its load

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[28] 18 C.F.R. § 33.3(a)(2)(i). *See also Liberty Elec. Power, Inc.*, 110 FERC ¶ 62,152 (2005) (approving transfer of jurisdictional facilities without requiring horizontal competitive screen analysis where parties held only *de minimis* interests in relevant markets).

[29] *See, e.g.*, application of Florida Power & Light Company under section 203 of the FPA, submitted on April 12, 2013 in Docket No. EC13-91-000 (section 203 application for acquisition of facilities owned by City of Vero

and reserve margin requirements, in the company's annual Ten Year Power Plant Site Plan filed with the Florida PSC.[30] As Ms. Solomon concludes, while the Transaction involves a change of ownership of the Facility, there is no change in the disposition of its output or its treatment as a resource controlled by FPL.[31] As such, consummation of the Transaction would have no effect on horizontal market power in the relevant geographic market, and there is no need to submit an Appendix A analysis under the Commission's regulations.[32] *Id.*

2. The Transaction raises no vertical market power concerns

Under section 33.4(a)(1) of the Commission's regulations a vertical competitive analysis is only required when "as a result of a proposed transaction, a single corporate entity has ownership or control over one or more merging entities that provides inputs to electricity products and one or more merging entities that provides electric generation products."[33] Under this standard, no vertical competitive screen analysis is required for the proposed Transaction. Cedar Bay only owns limited interconnection facilities necessary to connect the Facility to the transmission system in order to effectuate wholesale power sales. The Transaction does not involve any new combination of transmission or gas assets. Therefore, the proposed Transaction does not raise any vertical market power concerns.

Beach, Florida); and the testimony of Ms. Solomon in connection with Florida Power & Light Company, Docket No. ER10-1852-008, June 30, 2014 (triennial market power update for the Southeast Region).

30 *See* Florida Power & Light Company, 2014-2023 Ten Year Power Plant Site Plan, FPSC Docket 14000-EI, *available at*: http://www.floridapsc.com/library/FILINGS/14/01462-14/01462-14.pdf.

31 *Public Service Company of Colorado*, 132 FERC ¶ 62,032 (2010). *See*, also, *Black Hills Wyoming, Inc.*, 123 FERC ¶ 62,236; *Puget Sound Energy, Inc.*, 123 FERC ¶ 62,097 (2008); *Virginia Elec. & Power Co.*, 120 FERC ¶ 62,132 (2007) (same); *San Diego Gas & Elec. Co.*, 118 FERC ¶ 62,055 (2007); and *Virginia Elec. & Power Co.*, 110 FERC ¶ 62,077 (2005).

32 *See, e.g., Cleco Power LLC*, 144 FERC ¶ 62,162 (2013) (finding no impact on concentration where the acquirer of a generating facility already controlled the facility by contract).

33 18 C.F.R. § 33.4(a)(1).

B. The Transaction Will Not Have an Adverse Effect on Rates

The Commission's primary concern in assessing the effect on rates is "the protection of wholesale ratepayers and transmission customers."[34] With respect to transmission rates subject to the Commission's jurisdiction, FPL has a stated rate for open access transmission service and the Transaction involves no transmission plant; accordingly, the acquisition of the Facility and termination of the PPA will have no impact, adverse or otherwise, on unbundled transmission rates.[35] With regard to wholesale requirements customers, as discussed in Section IV.F above, the cost savings from the Transaction will directly benefit FPL's two long term wholesale requirements formula rate customers, LCEC and FKEC, resulting in an overall rate decrease over the period corresponding to the remaining term of the PPA (subject to a section 205 filing to recover the net regulatory asset created as a result of the Transaction under each of the formula rates). The significant economic benefits to these two long-term full requirements formula rate customers offset the relatively minor and incidental estimated $40,000 increase in fuel costs that is expected for FPL's four wholesale stated rate customers with contracts approaching the end of their terms.[36]

The Commission has held that, as a general matter of policy, ratepayers should bear prudently incurred costs of utility service.[37] Here, the estimated $40,000 upward fluctuation in fuel costs for stated rate customers simply reflects forecasted system dispatch changes following termination of the PPA. Fuel charges typically increase and decrease for various reasons,

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34 *See New England Power Co.*, 82 FERC ¶ 61,179, at 61,659 (1998).

35 *Florida Power & Light Company*, 138 FERC ¶ 61,063 (2012) (approving comprehensive transmission rate case settlement subject to compliance filing including, inter alia, a $1.59/kw-month stated rate for point to point and network service, effective October 1, 2011). *See* FPL OATT at Schedule 7, Schedule 8, and Attachment H.

36 Based on 2014 billings, the $40,000 in estimated additional fuel costs represents a 0.17% increase on the total bill to be paid by FPL's wholesale customers with stated base rates. Deaton Affidavit at 6.

37 *See* e.g., *Startrans IO, LLC*, 122 FERC ¶ 61,307 at P 28 (2008) (approving Section 203 application despite "some increase in transmission rates").

including for reasons related to generator availability. No costs are being directly allocated to the four stated rate customers as a result of the Transaction. Instead, the impact from slightly increased fuel costs is indirect in nature. This minimal increase is reasonable because it reflects prudently incurred costs of utility service associated with least cost dispatch of FPL's generation fleet for the relevant period. Moreover, the Commission has found that there is no adverse effect on rates where, although costs may increase in one area of the utility's operations, lower costs that more than offset any increase are expected elsewhere.[38] Such is the case here, where benefits in the form of lower costs to retail and two long term wholesale requirements formula rate customers are much more substantial than increased fuel costs to shorter-term wholesale requirements customers served under stated base rates (which will not change as a result of the Transaction).

For the reasons set forth herein, the proposed Transaction will not have an adverse effect on the rates charged to either wholesale power sales customers or transmission service customers[39] and no additional ratepayer protections, such as a hold harmless commitment, are necessary to satisfy this prong of the Commission's public interest test. As explained in section VII, FPL will submit final accounting entries within six months of the date that the Transaction is consummated. Likewise, to deliver economic benefits to LCEC and FKEC, FPL will seek

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[38] *See, e.g., Proposed Policy Statement (Policy Statement on Hold Harmless Commitments)*, 150 FERC ¶ 61,031 at P 4, n.7 (2015) (stating that "where sufficient potential economic benefits that offset the projected increase in rates [exist] . . . the analysis of the effect rates ends with a finding that there is no adverse effect because of those offsetting benefits" citing *Bluegrass Generation Co., L.L.C.*, 139 FERC ¶ 61,094, at P 41 (2012) (finding no adverse effect on rates because increases in capacity charges may be offset by a savings in energy rates)); *see also* Merger Policy Statement, FERC Stats. & Regs. ¶ 31,044 at 30, 123 (noting that an increase in rates "can be consistent with the public interest if there are countervailing benefits that derive from the transaction"); *see also* ALLETE, Inc. 129 FERC ¶ 61,174 at P 20 (2009) (determining "[e]ven though the Proposed Transaction will result in rate increases for ALLETE's and Minnkota's customers . . . [because] there are benefits associated with the Proposed Transaction . . . we find that [it] will not have an adverse impact on rates.").

[39] FPL's retail rates are subject to the FPSC's jurisdiction, which will ensure that just and reasonable rates continue to be charged to FPL's ratepayers after the Transaction is consummated.

Commission authority pursuant to section 205 of the FPA to recover the net regulatory asset created as a result of the Transaction under each of the formula rates.

C. The Transaction Will Have No Adverse Effect on Regulation

The Commission's review of a jurisdictional transaction's effect on federal or state regulation address whether a transaction would result in a regulatory gap.[40] The proposed Transaction will not diminish the Commission's regulatory authority over the Facility; as explained above, because the Facility will be owned by an FPL subsidiary, FPL expects to file under FPA section 205 a cost-based sales arrangement to cover sales from the Facility to FPL. Under this arrangement, sales of electric power from the Facility will be under Commission jurisdiction. Additionally, the Facility will still be subject to state regulation as a generation asset owned by FPL. Approval from the Florida PSC is required for the Transaction to be consummated, which ensures that the concerns of the applicable state regulatory authority are addressed. Accordingly, the proposed Transaction will have no adverse effect on regulation for purposes of the public interest determination by the Commission under section 203 of the FPA.[41]

D. The Transaction Will Not Result in Cross-Subsidization, Pledge or Encumbrance of Utility Assets

Under section 203(a)(4) of the FPA and section 2.26(f) of its regulations,[42] the Commission considers whether a proposed transaction will result in a cross-subsidization of a nonutility associate company by a utility company or in a pledge or encumbrance of utility assets for the benefit of an associate company. The Commission's chief concern with respect to cross-subsidization is whether a proposed transaction would result in a traditional utility with captive customers cross-subsidizing its associate companies to the harm of captive ratepayers. In this

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40 *Merger Policy Statement* at p 30,124.

41 *See* 18 C.F.R. § 2.26(e).

42 18 C.F.R. § 2.26(f).

case, FPL's ratepayers stand to benefit from the Transaction, as explained above, with approximately $70 million in net present value benefits achieved due to the PPA buy-out. As explained in Exhibit M, based on facts and circumstances known to Applicants or that are reasonably foreseeable, the proposed Transaction will not result in, at the time of the Transaction or in the future, cross-subsidization of a nonutility associate company or the pledge or encumbrance of utility assets for the benefit of an associate company.

VI. INFORMATION REQUIRED BY PART 33 OF THE COMMISSION'S REGULATIONS

Pursuant to section 33.2 of the Commission's Regulations,[43] Applicants provide the following information:

A. Exact Name of Applicants and Addresses of Principal Business Offices (18 C.F.R. § 33.2(a))

The exact legal name and address of the principal business office of each of the Applicants is:

Florida Power & Light Company
700 Universe Blvd.
Juno Beach, FL 33408

B. Names and Addresses of Persons Authorized to Receive Notices and Communications in Respect to Application (18 C.F.R. § 33.2(b))

The names of the following persons should be placed on the official service list compiled by the Secretary in this proceeding:[44]

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[43] 18 C.F.R. § 33.2. In a number of prior instances, the Commission has relaxed the full filing requirements of Part 33 of its regulations and allowed the filing of only such information as required to satisfy the minimum statutory requirements of section 203 of the FPA. *See, e.g., El Paso Energy Corp.*, 89 FERC ¶ 62,199 (1999). This Application provides the Commission with the information necessary to determine that the proposed Transaction is consistent with the public interest and will not adversely affect competition, rates or regulation or raise cross-subsidization concerns.

[44] Applicant requests a waiver of Rule 203(b)(3), 18 C.F.R. § 385.203(b)(3), so that a copy of any communications in this proceeding may be served on all persons listed below.

R. Wade Litchfield
Vice President and General Counsel
Florida Power & Light Company
700 Universe Blvd.
Juno Beach, FL 33408
(561) 691-7101
wade.litchfield@fpl.com

Gunnar Birgisson
Sr. Attorney, Federal Regulatory Affairs
Thomas Orvald
Sr. Attorney, Federal Regulatory Affairs
NextEra Energy, Inc.
801 Pennsylvania Ave., NW Suite 220
Washington, DC 20005
Tel.: (202) 349-3494
gunnar.birgisson@nee.com
thomas.orvald@nee.com

Counsel to Florida Power & Light Company

C. Description of the Applicants and the Other Transaction Parties (18 C.F.R. § 33.2(c))

1. All business activities of the Applicants, including authorizations by charter or regulatory approval (Exhibit A) (18 C.F.R. § 33.2(c)(1))

The relevant business activities of Applicants are described above in Part IV. Therefore, Applicants request a waiver of the requirement to file a separate Exhibit A.

2. A list of all energy subsidiaries and energy affiliates, percentage ownership interest in such subsidiaries and affiliates, and a description of the primary business in which each is engaged (Exhibit B) (18 C.F.R. § 33.2(c)(2))

Cedar Bay and relevant affiliates of Applicant are described in Part IV above. In addition, further information about relevant energy subsidiaries and affiliates of FPL is provided in Exhibit B. Applicant respectfully requests a waiver of the need to provide additional information on Seller's energy affiliates because the proposed Transaction will result in Seller divesting all of its ownership interests in Cedar Bay. Therefore, such affiliates are also not relevant to the Commission's evaluation of the proposed Transaction.

3. Organizational charts depicting the Applicant's current and proposed post-Transaction corporate structures (Exhibit C) (18 C.F.R. § 33.2(c)(3))

Simplified organizational charts depicting the ownership of Cedar Bay and the Facility, both pre- and post-Transaction, are provided in Exhibit C. Applicant requests a waiver of the information requirements of 18 C.F.R. § 33.2(c)(3), to the extent waiver may be deemed

necessary, to provide additional information because such information is not relevant to the Commission's evaluation of the proposed Transaction.

4. **Description of all joint ventures, strategic alliances, tolling arrangements or other business arrangements, including transfers of operational control of transmission facilities to Commission approved Regional Transmission Organizations, both current, and planned to occur within a year from the date of filing, to which the Applicants or their parent companies, energy subsidiaries, and energy affiliates are parties, unless the Applicants demonstrate that the proposed Transaction does not affect any of their business interests (Exhibit D) (18 C.F.R. § 33.2(c)(4))**

Other than as described in this Application, Applicant and Seller, their parent companies, energy subsidiaries and energy affiliates are not and will not become parties to any current or planned joint ventures, strategic alliances or other business arrangements as a result of the proposed Transaction, other than the O&M agreement discussed above. Therefore, Applicant requests a waiver of the requirement to file a separate Exhibit D.

5. **Identity of common officers or directors of parties to the proposed Transaction (Exhibit E) (18 C.F.R. § 33.2(c)(5))**

Currently, Applicant and Seller do not have any common officers or directors. The proposed Transaction will not create any common officers or directors between Seller or its affiliates, on the one hand, and FPL or its affiliates, on the other hand. Accordingly, Applicant requests a waiver of the requirement to file a separate Exhibit E.

6. **Description and location of wholesale power sales customers and unbundled transmission services customers served by the Applicant or its parent companies, subsidiaries, affiliates and associate companies (Exhibit F) (18 C.F.R. § 33.2(c)(6))**

Applicant's customer information is included in Exhibit F. Applicant respectfully requests waiver of the requirement of providing this information for its parent companies, affiliates, and associated companies, as such information would not be relevant to the Commission's processing of this application.

D. Description of Jurisdictional Facilities Owned, Operated, or Controlled by the Applicants or Their Parent Companies, Subsidiaries, Affiliates, and Associate Companies (Exhibit G) (18 C.F.R. § 33.2(d))

See section IV of this Application and Exhibit G. FPL requests waiver of 18 C.F.R. § 33.2(d) to the extent it would require the submission of additional information.

E. A Narrative Description of the Proposed Transaction for Which Commission Authorization is Requested (Exhibit H) (18 C.F.R. § 33.2(e))

A description of the proposed Transaction is provided in Part IV of the Application. Additional information regarding the nature and scope of the Transaction is available in the PSA, attached as confidential Exhibit I. Accordingly, Applicants request a waiver of the requirement to file a separate Exhibit H.

1. The identity of all parties involved in the Transaction (18 C.F.R. § 33.2(e)(1))

The parties involved in the proposed Transaction are FPL (Buyer) and CBAS Power Holdings, LLC (Seller), as described in this Application.

2. All jurisdictional facilities and securities associated with or affected by the Transaction (18 C.F.R. § 33.2(e)(2))

The only jurisdictional facilities involved in the proposed Transaction are identified in Part IV above.

3. The consideration for the Transaction (18 C.F.R. § 33.2(e)(3))

The consideration to be paid in connection with the proposed Transaction has been negotiated at arm's length and consists of a payment by FPL to Seller of $520.5 million, as set out in the PSA, which is included in Exhibit I and for which Applicants have requested confidential treatment.

4. The effect of the Transaction on such jurisdictional facilities (18 C.F.R. § 33.2(e)(4))

The effect that the Transaction will have on the jurisdictional facilities is described in Part V above.

F. All Contracts Relating to the Proposed Transaction Together with Copies of All Other Written Instruments Entered Into or Proposed to be Entered Into by the Parties to the Transaction (Exhibit I) (18 C.F.R. § 33.2(f))

The PSA is attached to this Application as Exhibit I. The PSA sets forth the material terms and conditions pursuant to which FPL will acquire the Cedar Bay Interests after receiving necessary regulatory approvals.

The PSA contains confidential information concerning the commercial terms and conditions of the proposed Transaction. As provided in Part I, Applicant requests confidential treatment for the PSA. In accordance with the Commission's regulations, Applicant has provided, in Attachment 1, a proposed protective order. The proposed protective order creates a class of protected materials, "Highly Sensitive Protected Materials," that limits the types of Reviewing Representatives who may view the PSA.

Applicant requests a waiver of any requirement to provide any other documents that may be executed in connection with the proposed Transaction because Applicant does not believe that such documents would provide the Commission with information relevant to its public interest evaluation of the proposed Transaction.

G. A Statement Explaining the Facts Relied Upon to Demonstrate that the Proposed Transaction is Consistent with the Public Interest (Exhibit J) (18 C.F.R. § 33.2(g))

The facts relied upon to demonstrate that the proposed Transaction is consistent with the public interest are set forth in section IV of this Application and the Gerrish, Deaton and Solomon affidavits.

H. A General or Key Map Showing the Properties of Each Party to the Transaction (Exhibit K) 18 C.F.R. § 33.2(h))

The proposed Transaction involves the sale of the equity membership interests in Cedar Bay, which owns the Facility in Duval County, Florida. A map showing the location of the Facility is included in Exhibit K.

I. Licenses, Orders, or Other Approvals Required From Other Regulatory Bodies in Connection with the Proposed Transaction, and the Status of Other Regulatory Actions (Exhibit L) (18 C.F.R. § 33.2(i))

The only approvals required from regulatory bodies in connection with the proposed Transaction are the Commission's authorization under section 203 of the FPA, the order that FPL is seeking pursuant to the Florida Petition, and the Hart-Scott Rodino approval.

J. Explanation (1) of How Applicants Are Providing Assurance that the Proposed Transaction will not Result in Cross-Subsidization of a Nonutility Associate Company or Pledge or Encumbrance of Utility Assets for the Benefit of an Associate Company, or (2) if no Such Assurance can be Provided, an Explanation of How Such Cross-Subsidization, Pledge or Encumbrance Will be Consistent with the Public Interest (Exhibit M) (18 C.F.R. § 33.2(j)(1), (2))

See Exhibit M.

VII. PROPOSED ACCOUNTING ENTRIES[45]

Seller is not required to maintain accounts in accordance with the Commission's Uniform System of Accounts. Therefore, Seller is not required to provide proposed accounting entries showing the effect of the proposed Transaction on account balances. FPL attaches hereto as Attachment 2 its proposed accounting entries with respect to the Transaction. Consistent with Commission practice, FPL will submit final accounting entries within six months of the date that the Transaction is consummated, providing all the accounting entries and amounts related to the Transaction.

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45 18 C.F.R. § 33.5.

VIII. VERIFICATIONS

Pursuant to section 33.7 of the Commission's regulations,[46] signed verifications by persons having authority with respect thereto and having knowledge of the matters set forth in this Application are included as Attachment 3.

IX. CONCLUSION

For the reasons stated above, FPL respectfully requests that the Commission approve the proposed Transaction under section 203 of the FPA as consistent with the public interest, and issue such order by June 30, 2015.

Respectfully submitted,

/s/

R. Wade Litchfield
Vice President and General Counsel
Florida Power & Light Company
700 Universe Blvd.
Juno Beach, FL 33408
(561) 691-7101
wade.litchfield@fpl.com

/s/

Gunnar Birgisson, Senior Attorney
Federal Regulatory Affairs
Thomas Orvald, Senior Attorney
Federal Regulatory Affairs
NextEra Energy, Inc.
801 Pennsylvania Ave., NW
Suite 220
Washington, DC 20004
Tel.: (202) 349-3494
gunnar.birgisson@nee.com
tom.orvald@nee.com

Counsel to Florida Power & Light Company

Dated: March 23, 2015

46 18 C.F.R. § 33.7.

Market-Based Rate Authority and Generation Assets **Appendix B-1**

EXHIBIT B
CERTAIN ENERGY SUBSIDIARIES AND AFFILIATES

Filing Entity and its Energy Affiliates	Docket # where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Location		In-Service Date	Nameplate and/or Seasonal Rating
						Balancing Authority Area	Geographic Region (per Appendix D)		
Pheasant Run Wind, LLC	ER13-2641	Pheasant Run	Pheasant Run Wind, LLC	Pheasant Run Wind, LLC	N/A	MISO	Central	11/25/2013	75 (name-plate)
Tuscola Wind II, LLC	ER13-2458	Tuscola II	Tuscola Wind II, LLC	Tuscola Wind II, LLC	N/A	MISO	Central	11/10/2013	100.3 (name-plate)
Tuscola Bay Wind, LLC[47]	ER12-1660	Tuscola Bay	Tuscola Bay Wind, LLC	Tuscola Bay Wind, LLC	N/A	MISO	Central	11/23/2012	120 (name-plate)
White Oak Energy LLC	ER10-2078	White Oak Energy	White Oak Energy LLC	White Oak Energy LLC	6/10/2011	MISO	Central	11/1/2010	150 (name-plate)

[47] NextEra Energy Partners, LP is the owner of 20% of this facility.

Market-Based Rate Authority and Generation Assets **Appendix B-1**

Filing Entity and its Energy Affiliates	Docket # where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Location		In-Service Date	Nameplate and/or Seasonal Rating
						Balancing Authority Area	Geographic Region (per Appendix D)		
Ashtabula Wind III, LLC	ER11-26	Ashtabula Wind III	Ashtabula Wind III, LLC	Ashtabula Wind III, LLC	N/A	MISO	Central	12/1/2010	62.4 (name-plate)
Baldwin Wind, LLC	ER10-2551	Baldwin Wind	Baldwin Wind, LLC	Baldwin Wind, LLC	N/A	WAUE	Central	10/15/2010	102.4 (name-plate)
Day County Wind, LLC	ER10-825	Day County Wind	Day County Wind, LLC	Day County Wind, LLC	N/A	WAUE	Central	4/1/2010	99 (name-plate)
Garden Wind, LLC	ER10-296	Garden Wind	Garden Wind, LLC	Garden Wind, LLC	N/A	MISO	Central	12/20/2009	150 (name-plate)
Crystal Lake Wind III, LLC	ER10-297	Crystal Lake III	Crystal Lake III, LLC	Crystal Lake III, LLC	N/A	MISO	Central	12/20/2009	66 (name-plate)
Butler Ridge Wind Energy Center, LLC	ER10-2	Butler Ridge	Butler Ridge Wind Energy Center, LLC	Butler Ridge Wind Energy Center, LLC	N/A	MISO	Central	12/5/2009	54 (name-plate)

Market-Based Rate Authority and Generation Assets **Appendix B-1**

Filing Entity and its Energy Affiliates	Docket # where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Location		In-Service Date	Nameplate and/or Seasonal Rating
						Balancing Authority Area	Geographic Region (per Appendix D)		
Wessington Wind Energy Center, LLC	ER10-3	Wessington	Wessington Wind Energy Center, LLC	Wessington Wind Energy Center, LLC	N/A	WAUE	Central	12/5/2009	51 (name-plate)
Wilton Wind II, LLC	ER09-1760	Wilton Wind II	Wilton Wind II, LLC	Wilton Wind II, LLC	N/A	WAUE	Central	10/1/2009	49.5 (name-plate)
Ashtabula Wind II, LLC	ER09-1656	Ashtabula Wind II	Ashtabula Wind II, LLC	Ashtabula Wind II, LLC	N/A	MISO	Central	9/1/2009	120 (name-plate)
Crystal Lake Wind, LLC	ER08-1293	Crystal Lake I	Crystal Lake Wind, LLC	Crystal Lake Wind, LLC	N/A	Alliant (MISO)	Central	11/1/2008	150 (name-plate)
Crystal Lake Wind II, LLC	ER08-1294	Crystal Lake II	Crystal Lake Wind II, LLC	Crystal Lake Wind II, LLC	N/A	Alliant (MISO)	Central	12/1/2008	200 (name-plate)

Market-Based Rate Authority and Generation Assets **Appendix B-1**

Filing Entity and its Energy Affiliates	Docket # where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Location		In-Service Date	Nameplate and/or Seasonal Rating
						Balancing Authority Area	Geographic Region (per Appendix D)		
Osceola Windpower II, LLC	ER08-1296	Osceola II (Endeavor II)	Osceola Windpower II, LLC	Osceola Windpower II, LLC	N/A	Alliant (MISO)	Central	11/1/2008	50 (name-plate)
Ashtabula Wind, LLC	ER08-1297	Ashtabula	Ashtabula Wind, LLC	Ashtabula Wind, LLC	N/A	OTP (MISO)	Central	10/1/2008	148.5 (name-plate)
Story Wind, LLC	ER08-1300	Story County	Story Wind, LLC	Story Wind, LLC	N/A	Alliant (MISO)	Central	11/1/2008	150 (name-plate)
Langdon Wind, LLC	ER08-250	Langdon	Langdon Wind, LLC	Langdon Wind, LLC	N/A	OTP (MISO)	Central	11/1/2007	159 (name-plate)
FPL Energy Oliver Wind I, LLC	ER09-138	Oliver County I	FPL Energy Oliver Wind I, LLC	FPL Energy Oliver Wind I, LLC	N/A	MP (MISO)	Central	11/1/2006	50.6 (name-plate)
FPL Energy Oliver Wind II, LLC	ER08-197	Oliver County II	FPL Energy Oliver Wind II, LLC	FPL Energy Oliver Wind II, LLC	N/A	MP (MISO)	Central	11/1/2007	48 (name-plate)

Market-Based Rate Authority and Generation Assets **Appendix B-1**

Filing Entity and its Energy Affiliates	Docket # where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Location		In-Service Date	Nameplate and/or Seasonal Rating
						Balancing Authority Area	Geographic Region (per Appendix D)		
FPL Energy South Dakota Wind, LLC	ER03-1103	South Dakota Wind	FPL Energy South Dakota Wind, LLC	FPL Energy South Dakota Wind, LLC	N/A	WAUE	Central	10/1/2003	41 (name-plate)
Hawkeye Power Partners, LLC	ER98-2076	Cerro Gordo Wind Project	Hawkeye Power Partners, LLC	Hawkeye Power Partners, LLC	N/A	ALTW (MISO)	Central	6/1/1999	42 (name-plate)
FPL Energy Hancock County Wind, LLC	ER03-34	Hancock County (Iowa)	FPL Energy Hancock County Wind, LLC	FPL Energy Hancock County Wind, LLC	N/A	ALTW (MISO)	Central	12/1/2002	98 (name-plate)
Lake Benton Power Partners II, LLC	ER98-4222	Lake Benton II	Lake Benton Power Partners II, LLC	Lake Benton Power Partners II, LLC	6/1/2000	NSP (MISO)	Central	6/1/1999	106 (name-plate)
FPL Energy North Dakota Wind, LLC	ER03-1104	North Dakota	FPL Energy North Dakota Wind, LLC	FPL Energy North Dakota Wind, LLC	N/A	WAUE	Central	10/1/2003	41 (name-plate)
NextEra Energy Duane Arnold, LLC f/k/a FPL Energy Duane Arnold, LLC[48]	ER09-988 (former docket no. ER05-1281)	Duane Arnold	NextEra Energy Duane Arnold, LLC	NextEra Energy Duane Arnold, LLC	2006	ALTW (MISO)	Central	2/1/1975	601.4 summer/ 622.1 winter

[48] NextEra is the owner of 70 % of this facility.

Market-Based Rate Authority and Generation Assets **Appendix B-1**

Filing Entity and its Energy Affiliates	Docket # where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Location		In-Service Date	Nameplate and/or Seasonal Rating
						Balancing Authority Area	Geographic Region (per Appendix D)		
FPL Energy Burleigh County Wind, LLC	ER06-9	Wilton Wind	FPL Energy Burleigh County Wind, LLC	FPL Energy Burleigh County Wind, LLC	N/A	WAUE	Central	1/1/2006	50 (name-plate)
FPL Energy Mower County, LLC	ER06-1261	Mower County	FPL Energy Mower County, LLC	FPL Energy Mower County, LLC	N/A	ALTW (MISO)	Central	12/1/2006	99 (name-plate)
NextEra Energy Point Beach, LLC f/k/a FPL Energy Point Beach, LLC	ER09-989 (former docket no. ER07-904)	Point Beach	NextEra Energy Point Beach, LLC	NextEra Energy Point Beach, LLC	9/28/2007	WEP (MISO)	Central	1/1/1970	1,197 summer/ 1,217 winter
FPL Energy North Dakota Wind II, LLC	ER03-1105	North Dakota II	FPL Energy North Dakota Wind II, LLC	FPL Energy North Dakota Wind II, LLC	N/A	OTP (MISO)	Central	10/1/2003	21 (name-plate)
Osceola Windpower, LLC	ER07-174	Osceola (Endeavor)	Osceola Windpower, LLC	Osceola Windpower, LLC	N/A	MISO	Central	8/1/2007	100 (name-plate)
Windpower Partners 1993, LLC	QF94-82	Windpower Ptrs '93 (Buffalo Ridge)	Windpower Partners 1993, LLC	Windpower Partners 1993, LLC	12/1/2003, 03/01/2006	NSP (MISO)	Central	5/1/1994	22 (name-plate)
Florida Power & Light Company	ER03-1292	Riviera Beach	Florida Power & Light Company	Florida Power & Light Company	N/A	FPL	Southeast	4/1/2014	1,250 MW (name-plate)

Market-Based Rate Authority and Generation Assets **Appendix B-1**

Filing Entity and its Energy Affiliates	Docket # where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Location		In-Service Date	Nameplate and/or Seasonal Rating
						Balancing Authority Area	Geographic Region (per Appendix D)		
Florida Power & Light Company	ER03-1292	Lauderdale	Florida Power & Light Company	Florida Power & Light Company	N/A	FPL	Southeast	8/1/1970	840 (name-plate)
Florida Power & Light Company	ER03-1292	Fort Myers	Florida Power & Light Company	Florida Power & Light Company	N/A	FPL	Southeast	5/1/1974	1,432 (name-plate)
Florida Power & Light Company	ER03-1292	St Lucie 1	Florida Power & Light Company	Florida Power & Light Company	N/A	FPL	Southeast	5/1/1976	981 (name-plate)
Florida Power & Light Company[49]	ER03-1292	St Lucie 2	Florida Power & Light Company	Florida Power & Light Company	N/A	FPL	Southeast	6/1/1983	853 (name-plate)
Florida Power & Light Company	ER03-1292	Cape Canaveral	Florida Power & Light Company	Florida Power & Light Company	N/A	FPL	Southeast	4/24/2013	1,210 (name-plate)
Florida Power & Light Company	ER03-1292	Sanford	Florida Power & Light Company	Florida Power & Light Company	N/A	FPL	Southeast	6/1/2002	1,980 (name-plate)

[49] FPL is the owner of 85 % of this facility.

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Filing Entity and its Energy Affiliates	Docket # where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Location		In-Service Date	Nameplate and/or Seasonal Rating
						Balancing Authority Area	Geographic Region (per Appendix D)		
Florida Power & Light Company[50]	ER03-1292	St Johns River Power Park	Florida Power & Light Company	Florida Power & Light Company	N/A	FPL	Southeast	3/1/1987	254 (name-plate)
Florida Power & Light Company[51]	ER03-1292	Scherer 4	Florida Power & Light Company	Florida Power & Light Company	N/A	SOCO	Southeast	7/1/1989	643 (name-plate)
Florida Power & Light Company	ER97-3359	West County Energy Center Unit 3	Florida Power & Light Company	Florida Power & Light Company	N/A	FPL	Southeast	5/23/2011	1,219 (name-plate)
Florida Power & Light Company	ER97-3359	Space Coast Solar Energy Center	Florida Power & Light Company	Florida Power & Light Company	N/A	FPL	Southeast	4/16/2010	10 (name-plate)
Florida Power & Light Company	ER97-3359	DeSoto Next Generation Solar Energy Center	Florida Power & Light Company	Florida Power & Light Company	N/A	FPL	Southeast	10/27/2009	25 (name-plate)
Florida Power & Light Company	ER97-3359	West County Energy Center Unit 1	Florida Power & Light Company	Florida Power & Light Company	N/A	FPL	Southeast	8/27/2009	1,219 (name-plate)

[50] FPL is the owner of 20 % of this facility.
[51] FPL is the owner of 76 % of this facility.

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Filing Entity and its Energy Affiliates	Docket # where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Location		In-Service Date	Nameplate and/or Seasonal Rating
						Balancing Authority Area	Geographic Region (per Appendix D)		
Florida Power & Light Company	ER97-3359	West County Energy Center Unit 2	Florida Power & Light Company	Florida Power & Light Company	N/A	FPL	Southeast	11/3/2009	1,219 (name-plate)
Florida Power & Light Company	ER97-3359	Manatee	Florida Power & Light Company	Florida Power & Light Company	N/A	FPL	Southeast	10/1/1976	2,729 (name-plate)
Florida Power & Light Company	ER97-3359	Martin	Florida Power & Light Company	Florida Power & Light Company	N/A	FPL	Southeast	12/1/1980	3,731 (name-plate)
Florida Power & Light Company	ER97-3359	Turkey Point	Florida Power & Light Company	Florida Power & Light Company	N/A	FPL	Southeast	1/1/1967	3,176 (name-plate)
Blue Summit Wind, LLC	N/A	Blue Summit	Blue Summit Wind, LLC	Blue Summit Wind, LLC	N/A	ERCOT	N/A	N/A	135.4 (name-plate)
FPLE Forney, LLC	NA	Forney	FPLE Forney, LLC	FPLE Forney, LLC	N/A	ERCOT	NA	6/1/2003	1,796 (name-plate)
Lamar Power Partners, LLC	NA	Lamar Power Partners	Lamar Power Partners, LLC	Lamar Power Partners, LLC	N/A	ERCOT	NA	7/1/2000, 12/01/2000	1,002 (name-plate)
FPL Energy Callahan Wind, LLC	NA	Callahan Divide	FPL Energy Callahan Wind, LLC	FPL Energy Callahan Wind, LLC	N/A	ERCOT	NA	2/1/2005	114 (name-plate)

Market-Based Rate Authority and Generation Assets

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Filing Entity and its Energy Affiliates	Docket # where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Location		In-Service Date	Nameplate and/or Seasonal Rating
						Balancing Authority Area	Geographic Region (per Appendix D)		
Capricorn Ridge Wind, LLC	NA	Capricorn Ridge	Capricorn Ridge Wind, LLC	Capricorn Ridge Wind, LLC	N/A	ERCOT	NA	11/1/2007	364 (name-plate)
Capricorn Ridge Wind II, LLC	NA	Capricorn Ridge II	Capricorn Ridge Wind II, LLC	Capricorn Ridge Wind II, LLC	N/A	ERCOT	NA	5/1/2008	299 (name-plate)
Indian Mesa Wind Farm, LLC	NA	Indian Mesa	Indian Mesa Wind Farm, LLC	Indian Mesa Wind Farm, LLC	6/1/2002	ERCOT	NA	1/1/2001	83 (name-plate)
FPL Energy Upton Wind, LLC	NA	King Mountain	FPL Energy Upton Wind, LLC	FPL Energy Upton Wind, LLC	N/A	ERCOT	NA	12/1/2001	278 (name-plate)
West Texas Wind Energy Partners, LLC	NA	Southwest Mesa	West Texas Wind Energy Partners, LLC	West Texas Wind Energy Partners, LLC	N/A	ERCOT	NA	7/1/1999	75 (name-plate)
Wolf Ridge Wind, LLC	NA	Wolf Ridge Wind, LLC	Wolf Ridge Wind, LLC	Wolf Ridge Wind, LLC	N/A	ERCOT	NA	5/1/2008	113 (name-plate)
FPL Energy Pecos Wind I - II, LLC	NA	Woodward Mountain (Pecos Wind)	FPL Energy Pecos Wind I - II, LLC	FPL Energy Pecos Wind I - II, LLC	N/A	ERCOT	NA	7/1/2001	160 (name-plate)
FPL Energy Horse Hollow Wind, LLC	NA	Horse Hollow 1-4	FPL Energy Horse Hollow Wind I - IV, LLC	FPL Energy Horse Hollow Wind I - IV, LLC	N/A	ERCOT	NA	11/1/2005, 03/01/2006, 06/01/2006, 09/01/2006	735.5 (name-plate)

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Filing Entity and its Energy Affiliates	Docket # where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Location		In-Service Date	Nameplate and/or Seasonal Rating
						Balancing Authority Area	Geographic Region (per Appendix D)		
Post Wind Farm, LLC	NA	Red Canyon	Post Wind Farm, LLC	Post Wind Farm, LLC	N/A	ERCOT	NA	4/1/2006	84 (name-plate)
Mantua Creek Solar, LLC	ER14-1630	N/A	N/A	N/A	N/A	PJM	Northeast	N/A	N/A
NEPM II, LLC	ER11-4462	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NextEra Energy Power Marketing, LLC	ER09-832	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Energy Storage Holdings, LLC	ER13-752	Energy Storage Holdings	Energy Storage Holdings, LLC	Energy Storage Holdings, LLC	N/A	PJM	Northeast	1/11/2013	1.8 (name-plate)
Paradise Solar Urban Renewal, L.L.C.	N/A	Paradise Solar	Paradise Solar Urban Renewal, L.L.C.	Mantua Creek Solar, LLC	N/A	PJM	Northeast	12/20/2010	5.1 (name-plate)
NextEra Energy Services Massachusetts, LLC (f/k/a Gexa Energy, LLC)	ER10-1951 (former docket no. ER05-714)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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Filing Entity and its Energy Affiliates	Docket # where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Location		In-Service Date	Nameplate and/or Seasonal Rating
						Balancing Authority Area	Geographic Region (per Appendix D)		
FPL Energy Illinois Wind, LLC	ER10-402	Illinois Wind	FPL Energy Illinois Wind, LLC	FPL Energy Illinois Wind, LLC	N/A	PJM	Northeast	12/20/2009	240 (name-plate)
Northeast Energy Associates, L.P.[52]	ER05-236	Bellingham	Northeast Energy Associates, L.P.	Northeast Energy Associates, L.P.	1998	ISO-NE	Northeast	8/1/1991	300 (name-plate)
FPL Energy Cape, LLC	ER00-3068	Cape	FPL Energy Cape, LLC	FPL Energy Cape, LLC	1999	ISO-NE	Northeast	1/1/1970	45 name-plate
FPL Energy Wyman LLC	ER98-3566	Wyman	FPL Energy Wyman LLC	FPL Energy Wyman LLC	1999	ISO-NE	Northeast	1/1/1957/1 958/1965	228 name-plate
FPL Energy Wyman IV LLC[53]	ER98-3564	Wyman 4	FPL Energy Wyman IV LLC	FPL Energy Wyman IV LLC	1999	ISO-NE	Northeast	1/1/1978	620 name-plate
NextEra Energy Seabrook, LLC f/k/a FPL Energy Seabrook, LLC[54]	ER09-990 (former docket no. ER02-1838)	Seabrook	NextEra Energy Seabrook, LLC	NextEra Energy Seabrook, LLC	11/1/2002	ISO-NE	Northeast	8/1/1990	1,246.2 summer/ 1,246.7 winter

52 NextEra is the owner of 50 % of this facility.
53 NextEra is the owner of 84.3 % of this facility.
54 NextEra is the owner of 88 % of this facility.

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Filing Entity and its Energy Affiliates	Docket # where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Location		In-Service Date	Nameplate and/or Seasonal Rating
						Balancing Authority Area	Geographic Region (per Appendix D)		
Bayswater Peaking Facility, LLC	ER02-669	Bayswater	Bayswater Peaking Facility LLC	Bayswater Peaking Facility LLC	N/A	NYISO	Northeast	6/1/2002	53.7 summer/ 53.8 winter
Jamaica Bay Peaking Facility, LLC	ER03-623	Jamaica Bay	Jamaica Bay Peaking Facility, LLC	Jamaica Bay Peaking Facility, LLC	N/A	NYISO	Northeast	7/1/2003	54.3 summer/ 54.7 winter
North Jersey Energy Associates[55]	ER04-187	Sayreville	North Jersey Energy Associates	North Jersey Energy Associates	1998	PJM	Northeast	8/1/1991	271 summer/ 315 winter
Pennsylvania Windfarms, LLC	ER02-2166	Green Mountain	Pennsylvania Windfarms, LLC	Pennsylvania Windfarms, LLC	8/1/2002	PJM	Northeast	5/1/2000	10 (name-plate)
Backbone Mountain Windpower LLC	ER02-2559	Mountaineer Wind	Backbone Mountain Windpower LLC	Backbone Mountain Windpower LLC	6/1/2002	PJM	Northeast	12/1/2002	66 (name-plate)
Meyersdale Windpower LLC	ER04-290	Meyersdale Wind	Meyersdale Windpower LLC	Meyersdale Windpower LLC	N/A	PJM	Northeast	12/1/2003	30 (name-plate)
Mill Run Windpower LLC	ER01-1710	Mill Run Wind	Mill Run Windpower LLC	Mill Run Windpower LLC	4/1/2003	PJM	Northeast	12/1/2001	15 (name-plate)

[55] NextEra is the owner of 50 % of this facility.

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Filing Entity and its Energy Affiliates	Docket # where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Location		In-Service Date	Nameplate and/or Seasonal Rating
						Balancing Authority Area	Geographic Region (per Appendix D)		
Somerset Windpower LLC	ER01-2139	Somerset Wind	Somerset Windpower LLC	Somerset Windpower LLC	4/1/2003	PJM	Northeast	12/1/2001	9 (name-plate)
Waymart Wind Farm L.P.	ER03-1375	Waymart Wind	Waymart Wind Farm L.P.	Waymart Wind Farm L.P.	3/1/2003	PJM	Northeast	10/1/2003	65 (name-plate)
FPL Energy MH50, L.P.	ER99-2917	Marcus Hook 50	FPL Energy MH50, L.P.	FPL Energy MH50, L.P.	1999	PJM	Northeast	1/1/1987	50 summer/ 50 winter
FPL Energy Marcus Hook, L.P.	ER02-1903	Marcus Hook 750	FPL Energy Marcus Hook, L.P.	FPL Energy Marcus Hook, L.P.	N/A	PJM	Northeast	12/1/2004	726.5 summer/ 808.4 winter
Mountain View Solar, LLC	ER14-21	Mountain View	Mountain View Solar, LLC	Mountain View Solar, LLC	N/A	NV Energy	Southwest	11/1/2013	20 (name-plate)
Shafter Solar, LLC[56]	ER15-1016	Shafter Solar	Shafter Solar, LLC	Shafter Solar, LLC	N/A	CAISO	Southwest	3/15/2015	20 (name-plate)
Genesis Solar, LLC[57]	ER13-2112	Genesis Solar	Genesis Solar, LLC	Genesis Solar, LLC	N/A	CAISO	Southwest	10/3/2013	250 (name-plate)

[56] NextEra Energy Partners, LP is the owner of 20% of this facility.
[57] NextEra Energy Partners, LP is the owner of 20% of this facility.

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Filing Entity and its Energy Affiliates	Docket # where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Location		In-Service Date	Nameplate and/or Seasonal Rating
						Balancing Authority Area	Geographic Region (per Appendix D)		
Desert Sunlight 250, LLC	ER13-1991	Desert Sunlight 250	Desert Sunlight 250, LLC	Desert Sunlight 250, LLC	N/A	CAISO	Southwest	8/2/2013	250 (name-plate)
Desert Sunlight 300, LLC	ER13-1992	Desert Sunlight 300	Desert Sunlight 300, LLC	Desert Sunlight 300, LLC	N/A	CAISO	Southwest	7/22/2013	300 (name-plate)
Perrin Ranch Wind, LLC[58]	ER12-676	Perrin Ranch	Perrin Ranch Wind, LLC	Perrin Ranch Wind, LLC	N/A	AZPS	Southwest	1/1/2012	100.8 (name-plate)
North Sky River Energy, LLC	ER12-2444	North Sky River	North Sky River Energy, LLC	North Sky River Energy, LLC	N/A	CAISO	Southwest	11/1/2012	162 (name-plate)
Windpower Partners 1993, LLC	ER12-631	San Gorgonio Wind	Windpower Partners 1993, LLC	Windpower Partners 1993, LLC	N/A	CAISO	Southwest	11/1/2011	49.5 (name-plate)
NextEra Energy Montezuma II Wind, LLC	ER11-4677	Montezuma II Wind	NextEra Energy Montezuma II Wind, LLC	NextEra Energy Montezuma II Wind, LLC	N/A	CAISO	Southwest	11/15/2011	78.2 (name-plate)

[58] NextEra Energy Partners, LP is the owner of 20% of this facility.

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Filing Entity and its Energy Affiliates	Docket # where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Location		In-Service Date	Nameplate and/or Seasonal Rating
						Balancing Authority Area	Geographic Region (per Appendix D)		
Vasco Winds, LLC	ER11-4678	Vasco	Vasco Winds, LLC	Vasco Winds, LLC	N/A	CAISO	Southwest	11/1/2011	78.2 (name-plate)
Hatch Solar Energy Center I, LLC	ER11-3635	Hatch Solar	Hatch Solar Energy Center I, LLC	Hatch Solar Energy Center I, LLC	N/A	EPE	Southwest	N/A	5 (name-plate)
Red Mesa Wind, LLC	ER11-2192	Red Mesa	Red Mesa Wind, LLC	Red Mesa Wind, LLC	N/A	PNM	Southwest	11/25/2010	102 (name-plate)
FPL Energy Montezuma Wind, LLC	ER11-2160	Montezuma Wind	FPL Energy Montezuma Wind, LLC	FPL Energy Montezuma Wind, LLC	N/A	CAISO	Southwest	11/20/2010	38 (name-plate)
Sky River LLC	ER09-901	Sky River	Sky River LLC	Sky River LLC	1991, 2003	CAISO	Southwest	2/1/1991	77 (name-plate)
FPL Energy Cabazon Wind, LLC	ER09-902	Cabazon Wind	FPL Energy Cabazon Wind, LLC	FPL Energy Cabazon Wind, LLC	12/1/2003	CAISO	Southwest	N/A	40 (name-plate)
Diablo Winds, LLC	ER05-222	Diablo Wind	Diablo Winds, LLC	Diablo Winds, LLC	N/A	CAISO	Southwest	12/1/2004	21 (name-plate)
FPL Energy Green Power Wind, LLC	ER04-127	Green Power	FPL Energy Green Power Wind, LLC	FPL Energy Green Power Wind, LLC	12/1/2003	CAISO	Southwest	N/A	17 (name-plate)
High Winds, LLC	ER03-155	High Winds	High Winds, LLC	High Winds, LLC	N/A	CAISO	Southwest	8/1/2003, 12/01/2003	162 (name-plate)

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Filing Entity and its Energy Affiliates	Docket # where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Location		In-Service Date	Nameplate and/or Seasonal Rating
						Balancing Authority Area	Geographic Region (per Appendix D)		
FPL Energy New Mexico Wind, LLC	ER03-179	New Mexico Wind	FPL Energy New Mexico Wind, LLC	FPL Energy New Mexico Wind, LLC	N/A	PNM	Southwest	8/1/2003	204 (name-plate)
Green Ridge Power, LLC	QF98-30	Green Ridge Power	Green Ridge Power, LLC	Green Ridge Power, LLC	1998	CAISO	Southwest	1/1/1983 to 01/01/1994	87.3 (name-plate)
Mojave 3 Wind Power Project, Mojave 5 Wind Power Project[59]	QF88-364, QF88-369	Mojave 3/4/5	Mojave 3 Wind Power Project, Mojave 5 Wind Power Project	Mojave 3 Wind Power Project, Mojave 5 Wind Power Project	1990, 1991, 1997	CAISO	Southwest	12/1/1990	46 (name-plate)
Windpower Partners 1990, L.P.[60]	QF91-42	WindPower Ptrs '90	Windpower Partners 1990, L.P.	Windpower Partners 1990, L.P.	1990 - 2006	CAISO	Southwest	12/1/1990	15 (name-plate)
Windpower Partners 1991, L.P.[61]	QF87-119	WindPower Ptrs '91	Windpower Partners 1991, L.P.	Windpower Partners 1991, L.P.	1990 - 2006	CAISO	Southwest	12/1/1986	24 (name-plate)
Windpower Partners 1991-2, L.P.[62]	QF91-151	WindPower Ptrs '91-2	Windpower Partners 1991-2, L.P.	Windpower Partners 1991-2, L.P.	1990 - 2006	CAISO	Southwest	2/1/1987	28 (name-plate)

59 NextEra is the owner of 54 % of this facility.
60 NextEra is the owner of 50 % of this facility.
61 NextEra is the owner of 50 % of this facility.
62 NextEra is the owner of 50 % of this facility.

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Filing Entity and its Energy Affiliates	Docket # where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Location		In-Service Date	Nameplate and/or Seasonal Rating
						Balancing Authority Area	Geographic Region (per Appendix D)		
Windpower Partners 1992, L.P.[63]	QF89-104	WindPower Ptrs '92	Windpower Partners 1992, L.P.	Windpower Partners 1992, L.P.	1990 - 2006	CAISO	Southwest	12/1/1988	30 (name-plate)
Luz Solar Partners LTD III[64]	QF86-734	SEGS III	Luz Solar Partners LTD III	Luz Solar Partners LTD III	2005	CAISO	Southwest	12/1/1986	30 (name-plate)
Luz Solar Partners LTD IV[65]	QF86-736	SEGS IV	Luz Solar Partners LTD IV	Luz Solar Partners LTD IV	2005	CAISO	Southwest	12/1/1986	30 (name-plate)
Luz Solar Partners LTD V[66]	QF87-402	SEGS V	Luz Solar Partners LTD V	Luz Solar Partners LTD V	2005	CAISO	Southwest	9/1/1987	30 (name-plate)
Luz Solar Partners LTD VI[67]	QF88-33	SEGS VI	Luz Solar Partners LTD VI	Luz Solar Partners LTD VI	2005	CAISO	Southwest	12/1/1988	30 (name-plate)
Luz Solar Partners LTD VII[68]	QF88-34	SEGS VII	Luz Solar Partners LTD VII	Luz Solar Partners LTD VII	2005	CAISO	Southwest	12/1/1988	30 (name-plate)

63 NextEra is the owner of 50 % of this facility.
64 NextEra is the owner of 50 % of this facility.
65 NextEra is the owner of 38 % of this facility.
66 NextEra is the owner of 46 % of this facility.
67 NextEra is the owner of 41 % of this facility.
68 NextEra is the owner of 50 % of this facility.

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Filing Entity and its Energy Affiliates	Docket # where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Location		In-Service Date	Nameplate and/or Seasonal Rating
						Balancing Authority Area	Geographic Region (per Appendix D)		
Luz Solar Partners LTD VIII[69]	QF88-470	SEGS VIII	Luz Solar Partners LTD VIII	Luz Solar Partners LTD VIII	1989	CAISO	Southwest	12/1/1989	80 (name-plate)
Luz Solar Partners LTD IX[70]	QF88-472	SEGS IX	Luz Solar Partners LTD IX	Luz Solar Partners LTD IX	1990	CAISO	Southwest	11/1/1990	80 (name-plate)
Limon Wind III, LLC	ER14-2138	Limon III	Limon Wind III, LLC	Limon Wind III, LLC	N/A	PSCO	Northwest	7/15/2014	200.6 (name-plate)
Limon Wind II, LLC	ER12-2225	Limon Wind II	Limon Wind II, LLC	Limon Wind II, LLC	N/A	PSCO	Northwest	9/1/2012	200 (name-plate)
Limon Wind, LLC	ER12-2226	Limon Wind, LLC	Limon Wind, LLC	Limon Wind, LLC	N/A	PSCO	Northwest	9/1/2012	200 (name-plate)
FPL Energy Stateline II, Inc.	ER10-256	Stateline II	FPL Energy Stateline II, Inc.	FPL Energy Stateline II, Inc.	N/A	PACW	Northwest	N/A	98.9 (name-plate)
Northern Colorado Wind Energy, LLC[71]	ER09-1297	Northern Colorado Wind	Northern Colorado Wind Energy, LLC	Northern Colorado Wind Energy, LLC	N/A	PSCO	Northwest	6/1/2009	175 (name-plate)

[69] NextEra is the owner of 50 % of this facility.
[70] NextEra is the owner of 50 % of this facility.
[71] NextEra Energy Partners, LP is the owner of 20% of this facility.

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Filing Entity and its Energy Affiliates	Docket # where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Location		In-Service Date	Nameplate and/or Seasonal Rating
						Balancing Authority Area	Geographic Region (per Appendix D)		
Peetz Table Wind Energy, LLC	ER07-875	Peetz Table	Peetz Table Wind Energy, LLC	Peetz Table Wind Energy, LLC	N/A	PSCO	Northwest	9/1/2007	200 (name-plate)
Logan Wind Energy LLC	ER07-1157	Logan Wind	Logan Wind Energy LLC	Logan Wind Energy LLC	N/A	PSCO	Northwest	9/1/2007	201 (name-plate)
FPL Energy Vansycle L.L.C.	ER01-838	Stateline	FPL Energy Vansycle L.L.C.	FPL Energy Vansycle L.L.C.	N/A	PACW	Northwest	12/1/2001, 12/01/2002	300 (name-plate)
ESI Vansycle Partners, L.P.	ER98-2494	Vansycle	ESI Vansycle Partners, L.P.	ESI Vansycle Partners, L.P.	N/A	PACW	Northwest	N/A	25 (name-plate)
Palo Duro Wind Interconnection Services, LLC	ER15-58	Palo Duro Interconnection	Palo Duro Interconnection	Palo Duro Interconnection	N/A	SPP	SPP	12/6/2014	0
Seiling Wind Interconnection Services, LLC	ER15-30	Seiling Interconnection	Seiling Interconnection	Seiling Interconnection	N/A	SPP	SPP	12/2/2014	0
Seiling Wind, LLC	ER14-2708	Seiling Wind	Seiling Wind, LLC	Seiling Wind, LLC	N/A	SPP	SPP	10/1/2014	200 MW (name-plate)
Seiling Wind II, LLC	ER14-2709	Seiling Wind II	Seiling Wind II, LLC	Seiling Wind II, LLC	N/A	SPP	SPP	10/1/2014	100 MW (name-plate)

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Filing Entity and its Energy Affiliates	Docket # where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Location		In-Service Date	Nameplate and/or Seasonal Rating
						Balancing Authority Area	Geographic Region (per Appendix D)		
Palo Duro Wind Energy, LLC[72]	ER14-2710	Palo Duro	Palo Duro Wind Energy, LLC	Palo Duro Wind Energy, LLC	N/A	SPP	SPP	10/7/2014	263 MW (name-plate)
Mammoth Plains Wind Project, LLC	ER14-2707	Mammoth Plains	Mammoth Plains Wind Project, LLC	Mammoth Plains Wind Project, LLC	N/A	SPP	SPP	9/19/2014	200 MW (name-plate)
Steele Flats Wind Project, LLC	ER13-2474	Steele Flats	Steele Flats Wind Project, LLC	Steele Flats Wind Project, LLC	N/A	SPP	SPP	10/11/2013	75 MW (name-plate)
Cimarron Wind Energy, LLC	ER13-712	Cimarron Wind	Cimarron Wind	Cimarron Wind Energy, LLC	12/03/2012	SPP	SPP	10/01/2012	165.6 (name-plate)
Ensign Wind, LLC	ER12-2227	Ensign Wind	Ensign Wind, LLC	Ensign Wind, LLC	N/A	MKEC/ SPP	SPP	9/21/2012	98.9 (name-plate)
Minco Wind III, LLC	ER12-1880	Minco Wind III	Minco Wind III, LLC	Minco Wind III, LLC	N/A	SPP	SPP	9/1/2012	100.8 (name-plate)
High Majestic Wind II, LLC	ER12-1228	High Majestic II	High Majestic Wind II, LLC	High Majestic Wind II, LLC	N/A	SPP	SPP	7/1/2012	79.6 (name-plate)
Minco Wind Interconnection Services, LLC	ER12-895	Minco Interconnection	Minco Interconnection	Minco Interconnection	N/A	SPP	SPP	3/15/2012	0

[72] NextEra Energy Partners, LP is the owner of 20% of this facility.

Market-Based Rate Authority and Generation Assets **Appendix B-1**

Filing Entity and its Energy Affiliates	Docket # where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Location		In-Service Date	Nameplate and/or Seasonal Rating
						Balancing Authority Area	Geographic Region (per Appendix D)		
Blackwell Wind, LLC	ER12-569	Blackwell Wind	Blackwell Wind, LLC	Blackwell Wind, LLC	N/A	SPP	SPP	10/1/2012	59.8 (name-plate)
Minco Wind II, LLC	ER11-4428	Minco Wind II	Minco Wind II, LLC	Minco Wind II, LLC	N/A	SPP	SPP	11/8/2011	100.8 (name-plate)
Minco Wind, LLC	ER10-2720	Minco Wind	Minco Wind, LLC	Minco Wind, LLC	N/A	SPP	SPP	11/1/2010	99.2 (name-plate)
Elk City II Wind, LLC	ER11-2037	Elk City II	Elk City II Wind, LLC	Elk City II Wind, LLC	N/A	SPP	SPP	12/1/2010	100.8 (name-plate)
Elk City Wind, LLC[73]	ER10-149	Elk City	Elk City Wind, LLC	Elk City Wind, LLC	N/A	SPP	SPP	11/1/2009	98.9 (name-plate)
High Majestic Wind Energy Center, LLC	ER10-1	Majestic	High Majestic Wind Energy Center, LLC	High Majestic Wind Energy Center, LLC	N/A	SPP	SPP	12/5/2009	79.5 (name-plate)

[73] NextEra Energy Partners, LP is the owner of 20% of this facility.

Market-Based Rate Authority and Generation Assets

Appendix B-1

Filing Entity and its Energy Affiliates	Docket # where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Location		In-Service Date	Nameplate and/or Seasonal Rating
						Balancing Authority Area	Geographic Region (per Appendix D)		
Gray County Wind Energy, LLC	ER01-1972	Gray County	Gray County Wind Energy, LLC	Gray County Wind Energy, LLC	N/A	SPP	SPP	11/1/2001	112 (name-plate)
FPL Energy Sooner Wind, LLC	ER03-1333	Sooner Wind	FPL Energy Sooner Wind, LLC	FPL Energy Sooner Wind, LLC	N/A	SPP	SPP	9/1/2003	51 (name-plate)
FPL Energy Oklahoma Wind, LLC	ER03-1332	Oklahoma Wind	FPL Energy Oklahoma Wind, LLC	FPL Energy Oklahoma Wind, LLC	N/A	SPP	SPP	9/1/2003, 10/01/2003	51 (name-plate)
FPL Energy Cowboy Wind, LLC	ER05-487	Cowboy Wind (Weatherford)	FPL Energy Cowboy Wind, LLC	FPL Energy Cowboy Wind, LLC	N/A	SPP	SPP	4/1/2005	147 (name-plate)
Goshen Wind, LP	FC15-5	Goshen Wind	Goshen Wind, LP	Goshen Wind, LP	N/A	IESO	Canada	1/31/2015	20 (name-plate)
Kerwood Wind, LP	FC14-17	Kerwood Wind	Kerwood Wind, LP	Kerwood Wind, LP	N/A	IESO	Canada	8/19/2014	60 (name-plate)
Bornish Wind, LP	FC14-16	Bornish Wind	Bornish Wind, LP	Bornish Wind, LP	N/A	IESO	Canada	8/14/2014	73 (name-plate)
East Durham Wind LP	FC14-15	East Durham	East Durham Wind LP	East Durham Wind LP	N/A	IESO	Canada	01/2015	23 (name-plate)

Market-Based Rate Authority and Generation Assets

Appendix B-1

Filing Entity and its Energy Affiliates	Docket # where MBR Authority was Granted	Generation Name	Owned by	Controlled by	Date Control Transferred	Location		In-Service Date	Nameplate and/or Seasonal Rating
						Balancing Authority Area	Geographic Region (per Appendix D)		
Vama Wind, Inc.	FC14-13	Vama Wind	Vama Wind, Inc.	Vama Wind, Inc.	N/A	IESO	Canada	07/2014	60 (name-plate)
Summerhaven Wind, LP	FC13-13	Summerhaven	Summerhaven Wind, LP	Summerhaven Wind, LP	N/A	IESO	Canada	08/2013	124.4 (name-plate)
Conestogo Wind, LP	FC13-7	Conestogo Wind	Conestogo Wind, LP	Conestogo Wind, LP	N/A	IESO	Canada	12/2012	22.9 (name-plate)
Moore Solar, Inc.	FC12-6	Moore Solar	Moore Solar, Inc.	Moore Solar, Inc.	2/27/2012	IESO	Canada	02/2011	20 (name-plate)
Sombra Solar, Inc.	FC12-7	Sombra Solar	Sombra Solar, Inc.	Sombra Solar, Inc.	2/27/2012	IESO	Canada	02/2011	20 (name-plate)
Ghost Pine Windfarm, LP	FC11-5	Ghost Pine	Ghost Pine Windfarm, LP	Ghost Pine Windfarm, LP	N/A	AESO	Canada	12/31/2010	81.6 (name-plate)
Mount Miller Wind Energy Limited Partnership	FC11-3	Mount Miller	Mount Miller Wind Energy Limited Partnership	Mount Miller Wind Energy Limited Partnership	12/2010	NPCC	Canada	06/2005	54 (name-plate)
Mount Copper, LP	FC08-11	Mount Copper	Mount Copper, LP	Mount Copper, LP	N/A	NPCC	Canada	6/1/2008	54 (name-plate)
Pubnico Point, LP	FC08-10	Pubnico Point	Pubnico Point, LP	Pubnico Point, LP	N/A	NPCC	Canada	6/1/2008	31(name-plate)

Electric Transmission Assets and/or Natural Gas Intrastate Pipelines and/or Gas Storage Facilities

Appendix B-2

Filing Entity and its Energy Affiliates	Asset Name and Use	Owned by	Controlled by	Date Control Transferred	Location		Size (Miles)
					Balancing Authority Area	Geographic Region	
FPL - Trans.	Combined 500 kV Lines	FPL	FPL	NA	FPL	Southeast	1,106.2
FPL - Trans.	Combined 230 kV Lines	FPL	FPL	NA	FPL	Southeast	2,960.0
FPL - Trans.	Combined 138 kV Lines	FPL	FPL	NA	FPL	Southeast	1,658.0
FPL - Trans.	Combined 115 kV Lines	FPL	FPL	NA	FPL	Southeast	730.6
FPL - Trans.	Combined 69 kV Lines	FPL	FPL	NA	FPL	Southeast	178.1
FPL - Trans.	Seabrook Substation (interconnects Seabrook and 3 345 kV transmission lines)	NEET	ISO-NE	2004	ISO-NE	Northeast	900 ft.
NextEra Energy - Trans.(43% interest)	Sagebrush, a California Partnership (220 kV gen tie)	Sagebrush Partners	Sagebrush Partners	NA	CAISO	Southwest	46
NextEra Energy - Trans.	Sky River LLC (230 kV gen tie) (Wilderness Line) [74]	NextEra Energy	NextEra Energy	NA	CAISO	Southwest	9

[74] The interconnection facilities owned by Peetz Table Wind Energy, LLC, FPL Energy Oliver Wind, LLC, Ashtabula Wind, LLC, Langdon Wind, LLC, Crystal Lake Wind, LLC, Story Wind, LLC, Minco Wind Interconnection Services, LLC, High Majestic Wind Energy Center, LLC, Limon Wind, LLC, Sky River LLC, Genesis Solar, LLC, Desert Sunlight 250, LLC and Desert Sunlight 300, LLC, are used to provide transmission services to affiliated companies. The Commission has granted waiver from the requirement under Order Nos. 888 and 890 to file an OATT and the requirement under Order No. 889 to establish an OASIS. *See Peetz Table Wind Energy, LLC*, 123 FERC ¶ 61,192 (2008); *FPL Energy Oliver Wind, LLC*, 123 FERC ¶ 61,246 (2008); *Ashtabula Wind, LLC*, 127 FERC ¶ 61,215 (2009); 134 FERC ¶ 61,056 (2011); *Langdon Wind, LLC*, 127 FERC ¶ 61,212 (2009); *Crystal Lake Wind, LLC*, 127 FERC ¶ 61,213 (2009); *Story Wind, LLC*, 128 FERC ¶ 61,080 (2009); *Minco Wind Interconnection Services, LLC*, 137 FERC ¶ 61,224 (2011); *High Majestic Wind Energy Center, LLC*, 139 FERC ¶ 61,220 (2012); *Limon Wind, LLC*, 141 FERC ¶ 61,064 (2012), *Sky River LLC*, 143 FERC ¶ 61,241 (2013); *Genesis Solar, LLC*, 145 FERC ¶ 61,142 (2013); *Desert Sunlight 250, LLC et al.*, 145 FERC ¶ 61,065 (2013); *FPL Energy Oklahoma Wind, LLC*, Docket No. OA14-3-000 (issued Nov. 20, 2014); and *Limon Wind II, LLC and Limon Wind III, LLC*, Docket No. OA14-4-000 (issued Feb. 23, 2015).

Electric Transmission Assets and/or Natural Gas Intrastate Pipelines and/or Gas Storage Facilities

Appendix B-2

Filing Entity and its Energy Affiliates	Asset Name and Use	Owned by	Controlled by	Date Control Transferred	Location		Size (Miles)
					Balancing Authority Area	Geographic Region	
NextEra Energy - Trans.	Sky River LLC (230 kV gen tie) (Sky River Line)	NextEra Energy	NextEra Energy	N/A	CAISO	Southwest	18
NextEra Energy – Trans.	Genesis Solar, LLC (220 KV gen tie)	NextEra Energy	NextEra Energy	N/A	CAISO	Southwest	14
NextEra Energy – Trans.	Desert Sunlight 250, LLC and Desert Sunlight 300, LLC (230 kV gen tie)	NextEra Energy	NextEra Energy	N/A	CAISO	Southwest	12
NextEra Energy - Trans.	Peetz Logan Interconnect, LLC (230 kV gen tie)	NextEra Energy	NextEra Energy	NA	PSCo	Northwest	78
NextEra Energy - Trans.	Peetz Table Wind Energy, LLC (230 kV gen tie)	NextEra Energy	NextEra Energy	N/A	PSCo	Northwest	21
NextEra Energy - Trans.	Limon Wind, LLC (345 kV gen tie)	NextEra Energy	NextEra Energy	N/A	PSCo	Northwest	35
NextEra Energy - Trans.	Limon Wind II, LLC	NextEra Energy	NextEra Energy	N/A	PSCo	Northwest	4.5
NextEra Energy - Trans.	Limon Wind III, LLC	NextEra Energy	NextEra Energy	N/A	PSCo	Northwest	9

Electric Transmission Assets and/or Natural Gas Intrastate Pipelines and/or Gas Storage Facilities

Appendix B-2

Filing Entity and its Energy Affiliates	Asset Name and Use	Owned by	Controlled by	Date Control Transferred	Location		Size (Miles)
					Balancing Authority Area	Geographic Region	
NextEra Energy - Trans.	FPL Energy Oliver Wind, LLC (230 kV gen tie)	NextEra Energy	NextEra Energy	NA	MISO	Central	542 ft.
NextEra Energy - Trans.	Ashtabula Wind, LLC (230 kV gen tie)	NextEra Energy	NextEra Energy	NA	MISO	Central	9
NextEra Energy - Trans.	Langdon Wind, LLC (115 kV gen tie)	NextEra Energy	NextEra Energy	NA	MISO	Central	10
NextEra Energy - Trans.	Crystal Lake Wind, LLC (161 kV gen tie)	NextEra Energy	NextEra Energy	NA	MISO	Central	5
NextEra Energy - Trans.	Story Wind, LLC (161 kV gen tie)	NextEra Energy	NextEra Energy	NA	MISO	Central	200 ft.
NextEra Energy - Trans.	Palo Duro Wind Interconnection Services, LLC (345 kV gen tie)	NextEra Energy	NextEra Energy	NA	SPP	SPP	5
NextEra Energy - Trans.	Seiling Wind Interconnection Services, LLC (345 kV gen tie)	NextEra Energy	NextEra Energy	NA	SPP	SPP	23

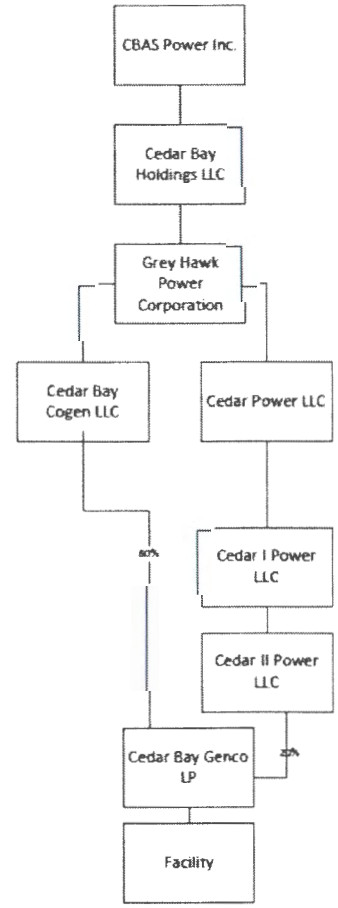
Electric Transmission Assets and/or Natural Gas Intrastate Pipelines and/or Gas Storage Facilities

Appendix B-2

Filing Entity and its Energy Affiliates	Asset Name and Use	Owned by	Controlled by	Date Control Transferred	Location		Size (Miles)
					Balancing Authority Area	Geographic Region	
NextEra Energy - Trans.	Seiling Wind Interconnection Services, LLC (345 kV gen tie)	NextEra Energy	NextEra Energy	NA	SPP	SPP	23.8
NextEra Energy - Trans.	Minco Wind Interconnection Services, LLC (345 kV gen tie)	NextEra Energy	NextEra Energy	NA	SPP	SPP	100 yards
NextEra Energy - Trans.	High Majestic Wind Energy Center, LLC (115 kV gen tie)	NextEra Energy	NextEra Energy	N/A	SPP	SPP	200 ft.
NextEra Energy - Nat. Gas.	NextEra Energy Forney Pipeline, L.P. (Hinshaw pipeline serving NextEra Energy Forney)	NextEra Energy (100% interest)	NextEra Energy	NA	ERCOT	ERCOT	1,000 ft.

EXHIBIT C
ORGANIZATIONAL CHARTS

Florida Power and Light Company
Cedar Bay Transaction
CBAS Legal Structure
Pre-Acquisition



Florida Power and Light Company
Cedar Bay Transaction
CBAS Legal Structure
Post-Acquisition

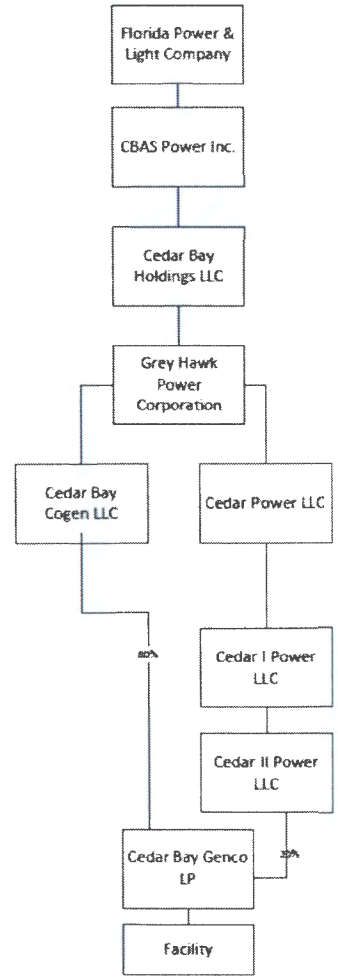


EXHIBIT F
DESCRIPTON OF CUSTOMERS

Pursuant to 18 C.F.R. § 33.2(c)(6) (Exhibit F), and subject to the waiver requested in the body of this Application, following is a list of FPL's wholesale power sale customers:

FPL Wholesale Requirements and Long-Term Power Sales Customers
City of Blountstown (stated base rate)
City of Wauchula (stated base rate)
City of New Smyrna Beach (stated rate)
City of Winter Park (stated base rate)
Florida Keys Electric Cooperative, Inc. (production formula rate)
Lee County Electric Cooperative, Inc. (production formula rate)
Seminole Electric Cooperative, Inc. (stated rate)

The foregoing list only includes FPL power sales customers that constitute requirements (RQ) or long-term firm (LF) customers for purposes of Account 447 in FERC Form No.1 for the year 2014. Non-firm and other types of sales customers to be reported in Account in 447 for the year 2014 are not included.

Following is a list of customers that take network integration and point-to-point service under FPL's Open Access Transmission Tariff as of the date of this Application:

FPL Network Integration Transmission Service Customers
City of Blountstown
City of New Smyrna Beach
City of Vero Beach
City of Wauchula
City of Winter Park
Florida Keys Electric Cooperative, Inc.
Florida Municipal Power Agency
Lee County Electric Cooperative
Seminole Electric Cooperative, Inc.

FPL Point-to-Point Transmission Service Customers

Calpine Energy Services, LP
Cargill Power Markets, LLC
Cargill-Alliant, LLC
New Hope Power Partnership
Orlando Utilities Commission
Progress Energy Florida
City of Homestead
City of Lakeland
City of New Smyrna Beach Utilities Commission
City of Vero Beach
Constellation Energy Commodities Group
Dade County Resource Recovery
Florida Municipal Power Agency
Georgia Transmission Corporation
Rainbow Energy Marketing Corporation
Reedy Creek Improvement District
Seminole Electric Cooperative, Inc.
Southern Company Services, Inc.
Tampa Electric Company
The Energy Authority

EXHIBIT G
JURISDICTIONAL FACILITIES

The jurisdictional facilities of FPL and its affiliates that are relevant to the Commission's evaluation of this Application are described in Section IV of this Application, Exhibit B, and in the testimony and exhibits of Ms. Solomon included in Attachment 6. FPL requests waiver of 18 C.F.R. § 33.2(d) to the extent it would require the submission of additional information in this Exhibit G.

EXHIBIT I

Contracts Related to the Proposed Transaction

PUBLIC VERSION

PRIVILEGED AND CONFIDENTIAL INFORMATION

HAS BEEN REMOVED

EXHIBIT K

MAP

FPL Service Territory

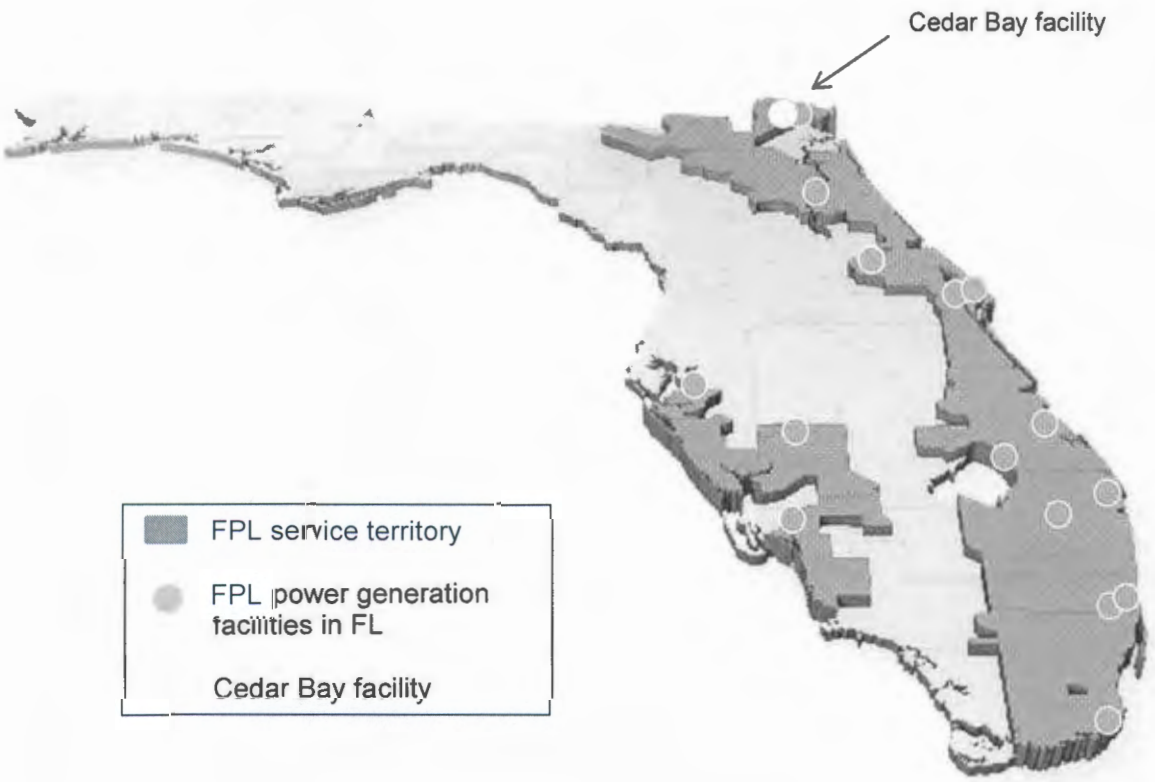


EXHIBIT M

Explanation (1) of how Applicant is Providing Assurance That the Proposed Transaction Will not Result in Cross-Subsidization of a Nonutility Associate Company or Pledge or Encumbrance of Utility Assets for the Benefit of an Associate Company, or (2) if no Such Assurance can be Provided, an Explanation of how Such Cross-Subsidization, Pledge or Encumbrance Will be Consistent With the Public Interest

Section 203(a)(4) of the FPA provides that the Commission must find that a proposed jurisdictional transaction will not result in cross-subsidization of a nonutility associate company or the pledge or encumbrance of utility assets for the benefit of an associate company, unless the Commission finds that such cross-subsidization, pledge or encumbrance is consistent with the public interest.[75] The Commission has stated that "the concern about cross-subsidization is principally a concern over the effect of a transaction on preventing the transfer of benefits from a public utility's captive customers to shareholders of a non-regulated affiliate."[76]

In its *Supplemental Policy Statement*, the Commission stated that it will recognize three classes of transactions that are unlikely to raise the cross-subsidization concerns described in the Order No. 669 rulemaking proceeding.[77] One such class is where a franchised public utility is involved in a transaction with entities that are not its affiliates.[78] As explained in the Application, while FPL is a franchised public utility, it is not affiliated with Seller or Seller's affiliates. Consequently, the Commission should find that Applicant has complied with Exhibit M and that the Transaction does not raise the cross-subsidy concerns described in Order No. 669.

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75 *See* 16 U.S.C. § 824b(a)(4).

76 *Transactions Subject to FPA Section 203*, Order No. 669, FERC Stats. & Regs. ¶ 31,200, at P 167 (2005), *order on reh'g*, Order No. 669-A, FERC Stats. & Regs. ¶ 31,214 (2006), *order on reh'g*, Order No. 669-B, FERC Stats. & Regs. ¶ 31,225 (2006); *see also FPA Section 203 Supplemental Policy Statement*, FERC Stats. & Regs. ¶ 31,253, at P 13 (2007), *order on clarification*, 122 FERC ¶ 61,157 (2008) ("*Supplemental Policy Statement*"); *Cross-Subsidization Restrictions on Affiliate Transactions*, Order No. 707, FERC Stats. & Regs. ¶ 31,264, *order on reh'g*, Order No. 707-A, FERC Stats. & Regs. ¶ 31,272 (2008).

77 *Supplemental Policy Statement* at P 19.

78 *Supplemental Policy Statement* at PP 17-18.

In addition to the Transaction falling within this safe harbor, Applicant represent that, based on facts and circumstances known to them or that are reasonably foreseeable, the proposed Transaction will not result in, at the time of the transaction or in the future, cross-subsidization of a nonutility associate company or pledge or encumbrance of utility assets for the benefit of an associate company. Specifically, there are no existing pledges and/or encumbrances of the assets of traditional utilities involved in the Transaction, and the Transaction will not result in: (a) any transfer of facilities between a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, and an associate company; (b) any new issuance of securities by a traditional public utility associate company that has captive customers or that owns, or provides transmission service over, jurisdictional transmission facilities, for the benefit of an associate company; (c) any new pledge or encumbrance of assets of a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, for the benefit of an associate company; or (d) any new affiliate contract between a nonutility associate company and a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, other than non-power goods and service agreements subject to review under sections 205 and 206 of the FPA. With respect to (d), FPL explains in the Application that it is acquiring the upstream owner of the Facility. The immediate owner of the Facility, Cedar Bay Generating Company, Limited Partnership, will then seek any necessary Commission approvals under section 205 of the FPA to sell energy to FPL. The sales arrangement will help ensure FPL's customers reap the benefits of the Transaction as discussed in this Application.

Therefore, based on facts and circumstances known to Applicants or that are reasonably foreseeable, the proposed Transaction will not result in, at the time of the Transaction or in the future, cross-subsidization of a nonutility associate company or pledge or encumbrance of utility assets for the benefit of an associate company.

ATTACHMENT 1

Protective Order

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Florida Power & Light Company) Docket No. EC15-__-000

Protective Order

(Issued _____, 2015)

1. This Protective Order shall govern the use of all Protected Materials produced by, or on behalf of, any Participant. Notwithstanding any order terminating this proceeding, this Protective Order shall remain in effect until specifically modified or terminated by the Presiding Administrative Law Judge (Presiding Judge) (which includes the Chief Administrative Law Judge) or the Federal Energy Regulatory Commission (Commission).

2. This Protective Order applies to the following two categories of materials: (A) A Participant may designate as protected those materials which customarily are treated by that Participant as sensitive or proprietary, which are not available to the public, and which, if disclosed freely, would subject that Participant or its customers to risk of competitive disadvantage or other business injury; and (B) A Participant shall designate as protected those materials which contain critical energy infrastructure information, as defined in 18 CFR§ 388.113(c)(1) ("Critical Energy Infrastructure Information").

3. Definitions -- For purposes of this Order:

(a) The term "Participant" shall mean a Participant as defined in 18 CFR § 385.102(b).

(b) (1) The term "Protected Materials" means (A) materials (including depositions) provided by a Participant in response to discovery requests and designated by such Participant as protected; (B) any information contained in or obtained from such designated materials; (C) any other materials which are made subject to this Protective Order by the Presiding Judge, by the Commission, by any court or other body having appropriate authority, or by agreement of the Participants; (D) notes of Protected Materials; and (E) copies of Protected Materials. The Participant producing the Protected Materials shall physically mark them on each page as "PROTECTED MATERIALS" or with words of similar import as long as the term "Protected Materials" is included in that designation to indicate that they are Protected Materials. If the Protected Materials contain Critical Energy Infrastructure Information, the Participant producing such information shall additionally mark on each page containing such information the words "Contains Critical Energy Infrastructure Information B Do Not Release".

(2) The term "Notes of Protected Materials" means memoranda, handwritten notes, or any other form of information (including electronic form) which copies or discloses materials described in Paragraph 3(b)(1). Notes of Protected Materials are subject to the same restrictions provided in this order for Protected Materials except as specifically provided in this order.

(3) Protected Materials shall not include (A) any information or document that has been filed with and accepted into the public files of the Commission, or contained in the public files of any other federal or state agency, or any federal or state court, unless the information or document has been determined to be protected by such agency or court, or (B) information that is public knowledge, or which becomes public knowledge, other than through disclosure in violation of this Protective Order. Protected Materials do include any information or document contained in the files of the Commission that has been designated as Critical Energy Infrastructure Information.

(c) The term "Non-Disclosure Certificate" shall mean the certificate annexed hereto by which Participants who have been granted access to Protected Materials shall certify their understanding that such access to Protected Materials is provided pursuant to the terms and restrictions of this Protective Order, and that such Participants have read the Protective Order and agree to be bound by it. All Non-Disclosure Certificates shall be served on all parties on the official service list maintained by the Secretary in this proceeding.

(d) The term "Reviewing Representative" shall mean a person who has signed a Non-Disclosure Certificate and who is:

(1) Commission Trial Staff designated as such in this proceeding;

(2) an attorney who has made an appearance in this proceeding for a Participant;

(3) attorneys, paralegals, and other employees associated for purposes of this case with an attorney described in Subparagraph (2);

(4) an expert or an employee of an expert retained by a Participant for the purpose of advising, preparing for or testifying in this proceeding;

(5) a person designated as a Reviewing Representative by order of the Presiding Judge or the Commission; or

(6) employees or other representatives of Participants appearing in this proceeding with significant responsibility for this docket.

4. Protected Materials shall be made available under the terms of this Protective Order only to Participants and only through their Reviewing Representatives as provided in Paragraphs 7-9.

5. Protected Materials shall remain available to Participants until the later of the date that an order terminating this proceeding becomes no longer subject to judicial review, or the date that any other Commission proceeding relating to the Protected Material is concluded and no longer subject to judicial review. If requested to do so in writing after that date, the Participants shall, within fifteen days of such request, return the Protected Materials (excluding Notes of Protected Materials) to the Participant that produced them, or shall destroy the materials, except that copies of filings, official transcripts and exhibits in this proceeding that contain Protected Materials, and Notes of Protected Material may be retained, if they are maintained in accordance with Paragraph 6, below. Within such time period each Participant, if requested to do so, shall also submit to the producing Participant an affidavit stating that, to the best of its knowledge, all Protected Materials and all Notes of Protected Materials have been returned or have been destroyed or will be maintained in accordance with Paragraph 6. To the extent Protected Materials are not returned or destroyed, they shall remain subject to the Protective Order.

6. All Protected Materials shall be maintained by the Participant in a secure place. Access to those materials shall be limited to those Reviewing Representatives specifically authorized pursuant to Paragraphs 8-9. The Secretary shall place any Protected Materials filed with the Commission in a non-public file. By placing such documents in a non-public file, the Commission is not making a determination of any claim of privilege. The Commission retains the right to make determinations regarding any claim of privilege and the discretion to release information necessary to carry out its jurisdictional responsibilities. For documents submitted to Commission Trial Staff ("Staff"), Staff shall follow the notification procedures of 18 CFR § 388.112 before making public any Protected Materials.

7. Protected Materials shall be treated as confidential by each Participant and by the Reviewing Representative in accordance with the certificate executed pursuant to Paragraph 9. Protected Materials shall not be used except as necessary for the conduct of this proceeding, nor shall they be disclosed in any manner to any person except a Reviewing Representative who is engaged in the conduct of this proceeding and who needs to know the information in order to carry out that person's responsibilities in this proceeding. Reviewing Representatives may make copies of Protected Materials, but such copies become Protected Materials. Reviewing Representatives may make notes of Protected Materials, which shall be treated as Notes of Protected Materials if they disclose the contents of Protected Materials.

8. (a) If a Reviewing Representative's scope of employment includes the marketing of energy, the direct supervision of any employee or employees whose duties include the marketing of energy, the provision of consulting services to any person whose duties include the marketing of energy, or the direct supervision of any employee or employees whose duties include the marketing of energy, such Reviewing Representative may not use information contained in any Protected Materials obtained through this proceeding to give any Participant or any competitor of any Participant a commercial advantage.

(b) In the event that a Participant wishes to designate as a Reviewing Representative a person not described in Paragraph 3 (d) above, the Participant shall seek agreement from the Participant providing the Protected Materials. If an agreement is reached that person shall be a Reviewing Representative pursuant to Paragraphs 3(d) above with respect to those materials. If no agreement is reached, the Participant shall submit the disputed designation to the Presiding Judge for resolution.

9. (a) A Reviewing Representative shall not be permitted to inspect, participate in discussions regarding, or otherwise be permitted access to Protected Materials pursuant to this Protective Order unless that Reviewing Representative has first executed a Non-Disclosure Certificate; provided, that if an attorney qualified as a Reviewing Representative has executed such a certificate, the paralegals, secretarial and clerical personnel under the attorney=s instruction, supervision or control need not do so. A copy of each Non-Disclosure Certificate shall be provided to counsel for the Participant asserting confidentiality prior to disclosure of any Protected Material to that Reviewing Representative.

(b) Attorneys qualified as Reviewing Representatives are responsible for ensuring that persons under their supervision or control comply with this order.

10. Any Reviewing Representative may disclose Protected Materials to any other Reviewing Representative as long as the disclosing Reviewing Representative and the receiving Reviewing Representative both have executed a Non-Disclosure Certificate. In the event that any Reviewing Representative to whom the Protected Materials are disclosed ceases to be engaged in these proceedings, or is employed or retained for a position whose occupant is not qualified to be a Reviewing Representative under Paragraph 3(d), access to Protected Materials by that person shall be terminated. Even if no longer engaged in this proceeding, every person who has executed a Non-Disclosure Certificate shall continue to be bound by the provisions of this Protective Order and the certification.

11. Subject to Paragraph 18, the Presiding Administrative Law Judge shall resolve any disputes arising under this Protective Order. Prior to presenting any dispute under this Protective Order to the Presiding Administrative Law Judge, the parties to the dispute shall use their best efforts to resolve it. Any participant that contests the designation of materials as protected shall notify the party that provided the protected materials by specifying in writing the materials the designation of which is contested. This Protective Order shall automatically cease to apply to such materials five (5) business days after the notification is made unless the designator, within said 5-day period, files a motion with the Presiding Administrative Law Judge, with supporting affidavits, demonstrating that the materials should continue to be protected. In any challenge to the designation of materials as protected, the burden of proof shall be on the participant seeking protection. If the Presiding Administrative Law Judge finds that the materials at issue are not entitled to protection, the procedures of Paragraph 18 shall apply. The procedures described above shall not apply to protected materials designated by a Participant as Critical Energy Infrastructure Information. Materials so designated shall remain protected and subject to the provisions of this Protective Order, unless a Participant requests and obtains a determination from the Commission's Critical Energy Infrastructure Information Coordinator that such materials need not remain protected.

12. All copies of all documents reflecting Protected Materials, including the portion of the hearing testimony, exhibits, transcripts, briefs and other documents which refer to Protected Materials, shall be filed and served in sealed envelopes or other appropriate containers endorsed to the effect that they are sealed pursuant to this Protective Order. Such documents shall be marked "PROTECTED MATERIALS" and shall be filed under seal and served under seal upon the Presiding Judge and all Reviewing Representatives who are on the service list. Such documents containing Critical Energy Infrastructure Information shall be additionally marked "Contains Critical Energy Infrastructure Information B Do Not Release". For anything filed under seal, redacted versions or, where an entire document is protected, a letter indicating such, will also be filed with the Commission and served on all parties on the service list and the Presiding Judge. Counsel for the producing Participant shall provide to all Participants who request the same, a list of Reviewing Representatives who are entitled to receive such material. Counsel shall take all reasonable precautions necessary to assure that Protected Materials are not distributed to unauthorized persons.

13. If any Participant desires to include, utilize or refer to any Protected Materials or information derived therefrom in testimony or exhibits during the hearing in these proceedings in such a manner that might require disclosure of such material to persons other than reviewing representatives, such participant shall first notify both counsel for the disclosing participant and the Presiding Judge of such desire, identifying with particularity each of the Protected Materials. Thereafter, use of such Protected Material will be governed by procedures determined by the Presiding Judge.

14. Nothing in this Protective Order shall be construed as precluding any Participant from objecting to the use of Protected Materials on any legal grounds.

15. Nothing in this Protective Order shall preclude any Participant from requesting the Presiding Judge, the Commission, or any other body having appropriate authority, to find that this Protective Order should not apply to all or any materials previously designated as Protected Materials pursuant to this Protective Order. The Presiding Judge may alter or amend this Protective Order as circumstances warrant at any time during the course of this proceeding.

16. Each party governed by this Protective Order has the right to seek changes in it as appropriate from the Presiding Judge or the Commission.

17. All Protected Materials filed with the Commission, the Presiding Judge, or any other judicial or administrative body, in support of, or as a part of, a motion, other pleading, brief, or other document, shall be filed and served in sealed envelopes or other appropriate containers bearing prominent markings indicating that the contents include Protected Materials subject to this Protective Order. Such documents containing Critical Energy Infrastructure Information shall be additionally marked "Contains Critical Energy Infrastructure Information – Do Not Release."

18. If the Presiding Judge finds at any time in the course of this proceeding that all or part of the Protected Materials need not be protected, those materials shall, nevertheless, be subject to the protection afforded by this Protective Order for three (3) business days from the date of issuance of the Presiding Judge's determination, and if the Participant seeking protection files an interlocutory appeal or requests that the issue be certified to the Commission, for an additional seven (7) business days. None of the Participants waives its rights to seek additional administrative or judicial remedies after the Presiding Judge's decision respecting Protected Materials or Reviewing Representatives, or the Commission's denial of any appeal thereof. The provisions of 18 CFR §§ 388.112 and 388.113 shall apply to any requests under the Freedom of Information Act. (5 U.S.C. § 552) for Protected Materials in the files of the Commission.

19. Nothing in this Protective Order shall be deemed to preclude any Participant from independently seeking through discovery in any other administrative or judicial proceeding information or materials produced in this proceeding under this Protective Order.

20. None of the Participants waives the right to pursue any other legal or equitable remedies that may be available in the event of actual or anticipated disclosure of Protected Materials.

21. The contents of Protected Materials or any other form of information that copies or discloses Protected Materials shall not be disclosed to anyone other than in accordance with this Protective Order and shall be used only in connection with this (these) proceeding(s). Any violation of this Protective Order and of any Non-Disclosure Certificate executed hereunder shall constitute a violation of an order of the Commission.

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Florida Power & Light Company) Docket No. EC15-__-000

NON-DISCLOSURE CERTIFICATE

I hereby certify my understanding that access to Protected Materials is provided to me pursuant to the terms and restrictions of the Protective Order in this proceeding, that I have been given a copy of and have read the Protective Order, and that I agree to be bound by it. I understand that the contents of the Protected Materials, any notes or other memoranda, or any other form of information that copies or discloses Protected Materials shall not be disclosed to anyone other than in accordance with that Protective Order. I acknowledge that a violation of this certificate constitutes a violation of an order of the Federal Energy Regulatory Commission

By: _____

Name: _____

Title: _____

Representing: _____

ATTACHMENT 2

FPL Proposed Accounting Entries

FLORIDA POWER & LIGHT COMPANY
CEDAR BAY TRANSACTION
PROPOSED ACCOUNTING ENTRIES[1]

$ in millions

Line No.	Entry No.	FERC Acct No.	FERC Account Description	Debit
1	1.	101	Asset Retirement Cost[2]	$4.2
2		182	Regulatory Asset - Loss on PPA[3]	$520.5
3		182	Regulatory Asset - Tax Gross-Up[4]	$326.9
4		190	Deferred Tax Asset - Book/Tax Diff on Acquired Plant[5]	$4.9
5		230	Asset Retirement Obligation[2]	
6		131	Cash	
7		254	Regulatory Liability - Def Tax on Plant Book/Tax Diff[3]	
8		283	Deferred Tax Liability - Loss on PPA[4]	
9				
10		Purpose:	To record the stock purchase in CBAS Power, Inc.	
11				
12	2.	557	Other Expenses[6]	$90.3
13		254	Regulatory Liability - Def Tax on Plant Book/tax Diff	$0.5
14		182	Regulatory Asset - Loss on PPA	
15		182	Regulatory Asset - Deferred Taxes on Loss	
16				
17		Purpose:	To record annual amortization of the regulatory assets and liabilities.	
18				
19	3.	123	Investment in Subsidiary	$X.X
20		230	Asset Retirement Obligation	$X.X
21		254	Regulatory Liability - Def Tax on Plant Book/Tax Diff	$X.X
22		101	Asset Retirement Cost	
23		190	Deferred Tax Asset - Book/Tax Diff on Acquired Plant	
24				
25		Purpose:	To transfer acquired assets and liabilities to FPL subsidiary.[7]	

Notes:

(1) The Cedar Bay Facility has a fair value of zero. As such, FPL will record no book basis for the facility.

(2) Represents the estimated amount of dismantlement costs for the Cedar Bay facility, which is expected to be retired at the end of 2016.

(3) In accordance with ASC 805, FPL must recognize the loss associated with terminating the preexisting contractual relationship between FPL and the acquired entity.

(4) The loss on the PPA results in a book/tax difference which will not be recognized in FPL's income tax provision. must collect income taxes associated with the future revenues related to the recovery of the loss in order to recover the full cost associated with the termination of the PPA.

(5) The carryover tax basis of the facility at the acquisition date is approximately $8.0 million as compared to zero book basis. In accordance with ASC 805, FPL is required to record the tax effect on this difference.

(6) Amortization period is over the remaining PPA period at transaction date, which is approximately 112 months.

(7) Entry will also include transfer of actual working capital paid/received at closing.

ATTACHMENT 3

Verifications

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Florida Power & Light Company) **Docket No. EC15-___-000**

VERIFICATION

State of Florida)
)
County of Palm Beach)

NOW, BEFORE ME, the undersigned authority, personally came and appeared, Sam A. Forrest, who, after first being duly sworn by me, did say:

That he is Vice President of Energy Marketing and Trading for Florida Power & Light Company, that he has the authority to verify the foregoing application and exhibits on behalf of Florida Power & Light Company; that he has knowledge of the matters therein; and that to the best of his knowledge, information and belief, the representations made are true and correct.

By: _____

Sam A. Forrest

SUBSCRIBED AND SWORN to before me this 20th day of March, 2015

KAREN PEKSA
Notary Public - State of Florida
My Comm. Expires Oct 23, 2015
Commission # EE 140478

_____
Notary Public

ATTACHMENT 4

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Florida Power & Light Company) **EC15-___-000**

AFFIDAVIT OF TIMOTHY W. GERRISH

March 23, 2015

Q. Please state your name and business address.

A. My name is Timothy W. Gerrish. My business address is 700 Universe Blvd., Juno Beach, FL 33408.

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

A. I am employed by Florida Power & Light Company ("FPL" or the "Company") as Director of Origination in Energy Marketing and Trading.

Q. What are your present job responsibilities?

A. My current responsibilities include: managing the long term marketing and purchasing of energy commodities to support FPL's generation system. Through this function, I assess and negotiate opportunities to enter into procurement or sales of power and coal contracts.

Q. Would you please give a brief description of your educational background and professional experience?

A. I received a Bachelor of Science Degree in Electrical Engineering from Michigan Technological University in 1989, and a Masters of Business Administration Degree in 2001 from the University of North Carolina – Chapel Hill. I have been employed in my current position at FPL since August 24, 2007. From 1998 until 2007, I was employed by Progress Energy's unregulated affiliate, Progress Ventures, LLC. In 2007, Progress Ventures was acquired by Constellation Energy, where I briefly worked prior to joining FPL. Throughout my employment at Progress Ventures I held a number of positions in Energy Marketing and Trading, where I had responsibility for various regulated and unregulated power projects, including responsibility for

negotiation and administering power purchase agreements. Prior to joining Progress Ventures, I was a United States Naval Submarine Officer for nine years.

Q. What is the purpose of your affidavit?

A. My affidavit provides support for FPL's application for Federal Energy Regulatory Commission approval of the acquisition of CBAS Power Inc. ("CBAS") and its subsidiaries from CBAS Power Holdings, LLC (the "Transaction"), including the Cedar Bay generating unit (the "Cedar Bay Facility"). My affidavit addresses the rationale for the Transaction, a summary of the CBAS acquisition contract ("the Purchase and Sale Agreement"), identification of the principal benefits, and quantification of the overall projected cost savings for customers resulting from the Transaction.

Q. Can you provide some background on the Cedar Bay Facility?

A. The Cedar Bay Facility is a 250 MW coal-fired cogeneration unit located in Jacksonville, Florida, and has Qualifying Facility ("QF") status as a co-generator. It uses three circulating fluidized bed boilers and a single steam turbine. Limestone injection into the bed is used for Sulfur Dioxide ("SO2") control. The steam is sold to an adjacent linerboard facility. All of the Cedar Bay Facility's electrical energy and capacity are sold to FPL pursuant to a long term Power Purchase Agreement ("PPA").

The original PPA was executed in 1988 and approved by the Florida Public Service Commission ("FPSC") in Order No. 21468, issued June 28, 1989 in

Docket No. 881570-EQ. The terms of the PPA were negotiated consistent with the FPSC's rules for QFs. Therefore, FPL was obligated to make capacity payments to Cedar Bay based on the approved "avoided unit," which at the time was assumed to be an integrated coal gasification combined cycle unit, as FPSC rules at the time required the use of a state-wide 500 MW coal unit as the avoided unit in a required standard offer contract. The PPA was last amended in 2002, and the amendment was approved by the FPSC in January, 2003. The PPA is scheduled to expire at the end of 2024.

Capacity and O&M payments are fixed in the contract and escalate yearly, as shown in Exhibit TWG-1. Additionally, if the Facility's availability performance meets the contractual threshold, the Facility is eligible for a bonus capacity payment of up to an additional 5%.

The Cedar Bay Facility is dispatchable by FPL consistent with its operating limits. When FPL dispatches the Facility, FPL pays for energy cost using the unit cost for coal at the Saint Johns River Power Park ("SJRPP"), times a fixed heat rate. Under current economic conditions, the Cedar Bay Facility produces energy at a net loss to its its immediate owner, Cedar Bay Generating Company, Limited Partnership ("Cedar Bay Genco") – that is, the fuel for the Facility costs more than FPL pays for the energy output. However, the very high capacity and O&M fixed payments result in the PPA being profitable for its owner.

The overall payments for energy, O&M and capacity costs make the output of this PPA very expensive for FPL's customers. As a reference, the "all in" price of energy from the Cedar Bay Facility in 2014 was over $178/MWh, compared to an average FPL avoided cost of $27/MWh.

Q. Can you briefly summarize the Cedar Bay Transaction?

A. Yes. The complete details of the proposed Cedar Bay Transaction are provided in the Purchase and Sale Agreement, which is provided as Exhibit I to FPL's application. Briefly, FPL will purchase 100% of the equity interests in CBAS from CBAS Power Holdings, LLC for a fixed payment of $520.5 million. As shown in Exhibit C to FPL's application, CBAS owns the Cedar Bay Facility indirectly through a series of wholly-owned subsidiary companies.

At closing of the Transaction, all of the third party debt of the acquired entities will be canceled. Additionally, FPL will purchase the working capital of the Cedar Bay Facility (fuel inventory, spare parts, tools, etc.) and record it at fair value. Immediately after closing, FPL will cancel the existing PPA. Cedar Bay Genco will contract with Cedar Bay Operating Services to operate the Facility under FPL's direction.

FPL currently anticipates that the Facility will be economically dispatched no more than approximately 5% of the time. FPL anticipates operating the Facility through the end of 2016. In early 2017, before the summer peak season, a new interstate natural gas pipeline system into Florida is expected to enter commercial operation and FPL expects that at that time the Facility may

no longer be economic to dispatch and would, based on those circumstances, be retired.

Q. What are the customer benefits of the proposed Transaction?

A. FPL's customers will receive at least three benefits. First, as discussed above, the capacity payments under the PPA in today's market are very high as shown on Exhibit TWG-1. The negotiated Transaction will terminate FPL's obligation to make those payments, thereby saving substantial costs for our customers.

Second, FPL maintains for its customers the option of continued fuel reliability and diversity by keeping the Cedar Bay Facility in service, without the obligation to continue the existing PPA. While FPL currently anticipates retiring the facility at the end of 2016, if economic conditions change we may continue to operate it.

Third, the Cedar Bay Facility is a very high emitter of Carbon Dioxide ("CO_2"). FPL anticipates that changing the rate of dispatch from 50% to 5% per year will reduce CO_2 emissions in Florida by nearly a million tons per year once FPL takes control of the Cedar Bay Facility and dispatches based on its true energy costs. This reduction in CO_2 equates to removing approximately 182,000 vehicles from the roads. This may be a particularly important benefit depending on the scope and timing of implementing the EPA's Clean Power Plan regarding CO_2 emissions.

Q. What is FPL's estimate of customer savings as a result of the proposed Transaction, and how were those savings estimated?

A. Customer savings are estimated to be $70 million cumulative present value revenue requirements ("CPVRR") ($156 million nominal savings) as shown in Exhibit TWG-2. This estimate is the result of an economic evaluation of the revenue requirements to customers under the current PPA structure versus the proposed Transaction. The UPLAN production costing model was used to quantify the system impacts of the Transaction as well as the impact of various alternative fuel and emission sensitivities. The key components of this estimate are the elimination of fixed-cost payments under the PPA, compared to the impact on FPL's system costs if the PPA is no longer in place.

Exhibit TWG-1 shows the two types of fixed-cost payments that FPL is obligated to make under the PPA: capacity and fixed O&M. While there are performance standards that Cedar Bay Genco must meet in order to qualify for these payments, Cedar Bay Genco reliably achieves those standards and, recent years, has consistently earned the potential performance bonus. These payments are also shown in Exhibit TWG-1. Over the remaining life of the PPA, the Net Present Value ("NPV") of the standard payments is $993.4 million. The NPV of potential performance bonus payments is another $44.3 million. Thus, the NPV of the total amount of payments that FPL customers are obligated to make for the Cedar Bay Facility over the remaining life of the PPA is expected to be $1,038 million.

The PPA currently provides both capacity and energy to our customers. The PPA is dispatchable by FPL at favorable energy prices, thereby dispatching

more often than its actual production costs would warrant. Consequently, loss of the PPA would require the dispatch of other FPL units that are more costly than the PPA energy cost to replace the output of the Facility. This impact in differential production costs is estimated through FPL's system cost analysis. FPL's production cost model is run with and without the Cedar Bay Facility and PPA attributes. The difference in CPVRR of the two simulations represents the system cost impact of canceling the PPA as proposed in the Transaction. The system cost impact is estimated at ($86) million, meaning that customers would incur an additional $86 million in costs as a result of dispatching other units on FPL's system to replace the Cedar Bay Facility's energy and capacity. As shown in Exhibit TWG-3, this $86 million consists of $62 million in incremental fuel costs, $14 million in incremental emissions costs, $11 million in incremental purchased power cost, and an approximately $1 million decrease in startup costs and variable operating expenses.

In addition to the system impacts of the Transaction, other components of the economic evaluation include operating costs and fees while FPL operates the Cedar Bay Facility, costs of working capital acquired as part of the Transaction, the costs associated with dismantling the facility at the end of its economic life, costs associated with various contracts assumed as part of the Cedar Bay Transaction (including land lease, steam sales agreements, rail car lease etc.), and the revenue requirement associated with the purchase price (and its associated financing costs) for the Transaction.

Q. What will happen to the Cedar Bay Facility if the Commission approves this transaction?

A. The Cedar Bay Facility will be available to meet the needs of FPL's customer for capacity and energy. We anticipate the Facility will run much less frequently, at a 5% capacity factor versus the current 50% because it will be dispatched based on its true energy costs. Additionally, as a result of the reduced dispatch, the environmental impact of the Facility on Florida will be greatly reduced.

FPL anticipates operating the Cedar Bay Facility at least through 2016. With the new gas pipeline system coming into service in early 2017, FPL believes it will be uneconomic to operate the Facility past that time. If, however, it is shown to be economic at the time, operations could be continued if it would provide additional customer benefits. When FPL determines that the Cedar Bay Facility is no longer needed to meet customers' needs, the Facility will be sold or dismantled.

Q. Does that conclude your affidavit?

A. Yes

Fixed Payment Obligations under Existing Contract:

Year	Capacity Payment ($/MW-mo)	Capacity Bonus at 98% C.F. ($/MW-mo)	O&M Fixed ($/MW-mo)
2015	$ 37,130	$ 1,857	$ 4,430
2016	$ 38,490	$ 1,925	$ 4,610
2017	$ 39,890	$ 1,995	$ 4,800
2018	$ 41,340	$ 2,067	$ 5,000
2019	$ 42,840	$ 2,142	$ 5,210
2020	$ 44,410	$ 2,221	$ 5,420
2021	$ 46,030	$ 2,302	$ 5,640
2022	$ 47,710	$ 2,386	$ 5,870
2023	$ 49,450	$ 2,473	$ 6,110
2024	$ 51,260	$ 2,563	$ 6,360

Results of FPL's Economic Evaluation
Exhibit TGW-2, Page 1 of 1

Results of FPL's Economic Evaluation[1]

	(dollars in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Nominal Total	Present Value[9]
A	Discount Factor[2]	0.99	0.94	0.88	0.81	0.76	0.70	0.66	0.61	0.57	0.53		
B	Amortization[3]	$ 30	$ 90	$ 90	$ 90	$ 90	$ 90	$ 90	$ 90	$ 90	$ 90	$ 842	$ 612
C	Operating Expenses[4]	8	17	1	1	1	1	1	1	1	1	30	27
D	Asset Retirement Obligation[5]	1	3	-	-	-	-	-	-	-	-	4	4
E	Interest Expense[6]	3	10	8	7	6	5	4	3	2	1	49	40
F	Return on Equity[7]	10	30	26	23	19	16	12	9	5	2	151	121
G	Income Tax	6	19	16	14	12	10	8	5	3	1	95	76
H	Total Cost of Acquiring CBAS	58	169	142	135	128	121	115	108	101	94	1,171	881
I	FPL System Impact[8]	3	9	3	15	11	9	15	18	22	22	127	86
J	Capacity and Fixed O&M Payment	(42)	(129)	(134)	(139)	(144)	(149)	(155)	(161)	(167)	(173)	(1,393)	(993)
K	Capacity Bonus	(2)	(6)	(6)	(6)	(6)	(7)	(7)	(7)	(7)	(8)	(62)	(44)
L	Total Avoided Costs of PPA	(43)	(135)	(140)	(145)	(151)	(156)	(162)	(168)	(174)	(181)	(1,455)	(1,038)
M	Net Customer Costs/(Savings)	$ 17	$ 43	$ 5	$ 5	$ (11)	$ (25)	$ (32)	$ (42)	$ (51)	$ (64)	$ (156)	$ (70)

1) Totals may not sum due to rounding
2) Discount Factor is based on weighted average cost of capital of 7.51% discounted to September 1, 2015
3) Reflects amortization of regulatory asset associated with $520.5 MM PPA and respective $326.9 MM tax gross up, less the $4.9 MM regulatory liability associated with the plant book/tax difference
4) Operating Expenses include operations and maintenance, land lease, rail lease, and change in net working capital
5) Reflects amortization of ARO Asset and accretion of ARO Liability
6) Interest expense assumes cost of debt of 5.05%
7) Assumes after-tax return on equity of 10.5%
8) Includes incremental system fuel costs, start-up costs, variable O&M, environmental compliance costs, and short-term purchases
9) Present value is calculated as the sum the annual values multiplied by the respective discount factor

TWG-3

Summary of Incremental System Costs due to Cedar Bay Transaction

	Year	Annual Discount Factor 7.51%	Short Term Purchase (Millions)	System Net Fuel (Millions)	Startup + VOM Costs (Millions)	Emission Costs (Millions)	Total Annual Costs (Millions)
1	**2015**	0.990	0.000	2.020	0.510	0.050	**2.580**
2	**2016**	0.940	0.000	9.030	0.200	0.190	**9.420**
3	**2017**	0.880	0.000	2.740	0.280	0.110	**3.130**
4	**2018**	0.810	10.444	3.940	0.530	0.040	**14.954**
5	**2019**	0.760	0.000	10.990	0.240	0.110	**11.340**
6	**2020**	0.700	0.000	7.190	-0.690	2.860	**9.360**
7	**2021**	0.660	0.000	11.330	-0.360	3.840	**14.810**
8	**2022**	0.610	3.676	11.540	-0.820	3.860	**18.256**
9	**2023**	0.570	0.000	17.080	-0.710	5.240	**21.610**
10	**2024**	0.530	0.000	15.980	-0.890	6.630	**21.720**
	Total NPV =		**10.703**	**62.198**	**-0.546**	**13.833**	**86.187**

UNITED STATES OF AMERICA

BEFORE THE

FEDERAL ENERGY REGULATORY COMMISSION

Florida Power & Light Company) **EC15-___-000**

AFFIDAVIT

State of Florida, FL)

County of Palm Beach)

Timothy W. Gerrish being duly sworn, deposes and states: that he prepared the Affidavit and Exhibits of Timothy W. Gerrish and that the statements contained therein and the Exhibits attached hereto are true and correct to the best of his knowledge and belief.

Timothy W. Gerrish

SUBSCRIBED AND SWORN TO BEFORE ME, this 23 day of March 2015

Notary Public, State of Florida

Print Name: Maritza Miranda-Wise

My Commission Expires: May 30, 2017

MARITZA MIRANDA-WISE
MY COMMISSION # FF 002868
EXPIRES: May 30, 2017
Bonded Thru Notary Public Underwriters

ATTACHMENT 5

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Florida Power & Light Company	)	**EC15-___-000**

AFFIDAVIT OF RENAE B. DEATON

Q. Please state your name and business address.

A. My name is Renae B. Deaton. My business address is Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, Florida 33408.

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

A. I am employed by Florida Power & Light Company ("FPL" or the "Company") as the Senior Manager of Cost of Service and Load Research in the Rates & Tariffs Department.

Q. Please describe your duties and responsibilities in that position.

A. I am responsible for managing FPL's load research and cost of service activities. In this capacity, my responsibilities include the preparation and filing before the Florida Public Service Commission ("FPSC") of load research sampling plans and study results, the development of annual energy and demand line loss factors by rate class, and the preparation of jurisdictional separation and retail cost of service studies. I am also responsible for administering FPL's wholesale formula rate true-ups.

Q. Please describe your educational background and professional experience.

A. I hold a Bachelor of Science in Business Administration and a Master's of Business Administration from Charleston Southern University. Since joining FPL in 1998, I have held various positions in the rates and regulatory areas. Prior to this, I was employed at South Carolina Public Service Authority (d/b/a Santee Cooper) for fourteen years, where I held a variety of positions in

the Corporate Forecasting, Rates, and Marketing Department, and in generation plant operations.

Q. What is the purpose of your affidavit?

A. The purpose of my affidavit is to describe the financial impact on FPL's long-term wholesale power customers from FPL's proposed acquisition of CBAS Power, Inc. (the "Transaction"), which is the upstream owner of the 250 MW Cedar Bay generating facility, and the termination of the power purchase agreement ("PPA") for sales from the facility to FPL. Specifically, my affidavit will show that the Transaction will have an overall positive impact on FPL's wholesale power customers.

Q. Does FPL provide wholesale requirements services under a production formula rate?

A. Yes. FPL has two wholesale power requirements cost of service formula rates on file with the Federal Energy Regulatory Commission ("FERC"):

- FPL Rate Schedule FERC No. 322, Long-term Agreement for Full Requirements Electric Service between FPL and the Florida Keys Electric Cooperative Association, Inc. ("FKEC Long-term Agreement")[1]; and

[1] On April 14, 2011, in Docket No. ER11-2928-000, FERC accepted the FKEC Long-term Agreement, effective the first day of the month after its acceptance of the Network Integration Transmission Service Agreement ("NITSA") between FPL and FKEC. FERC accepted the NITSA on April 18, 2011, in Docket No. ER11-3135-000 and, accordingly, the Agreement became effective on May 1, 2011.

- FPL Rate Schedule FERC No. 317, the Long-Term Agreement for Full Electric Requirements Service between FPL and Lee County Electric Cooperative ("LCEC Long-term Agreement")[2] (collectively, the "Production Formula Rate Customers").

Under the FKEC Long-term Agreement, FPL provides wholesale power to serve FKEC's full retail load. The delivery period began on May 1, 2011 and extends through December 31, 2031. The term of the FKEC Long-term Agreement can also be extended through December 31, 2051.

Under the LCEC Long-term Agreement, FPL provides wholesale power to serve LCEC's full load for twenty years. The delivery period under the LCEC Long-term Agreement commenced on January 1, 2014 and extends through December 31, 2033. FPL and LCEC can also terminate effective at the end of 2026 if notice is given by the end of 2022. The Agreement can also be extended through 2053.

Q. Please describe how the proposed transaction will impact FKEC and LCEC under these agreements.

A. The total expected cost and savings are provided in Exhibit TWG 2. Elimination of the PPA will result in present value savings of $1.038 billion. Offsetting the savings from the avoided PPA capacity payment is the revenue

[2] *See* Letter Order, Docket No. ER09-1006-000 (issued June 8, 2009) (accepting original sheets of FPL Rate Schedule FERC No. 317).). See also Letter Order, Docket No. ER10-1270-000 (issued July 12, 2010) (accepting amendments to FPL Rate Schedule FERC No. 317).

requirements associated with the amortization of the cost to buy out the contract and the plant operating expenses ($881 million present value) and the estimated incremental system impact costs ($86 million) for a net present value savings of $70 million. FKEC and LCEC will realize their share of the $70 million net savings through the application of the formula rate.

Q. What is the estimated impact of the proposed transaction on FKEC and LCEC under these agreements?

A. For these Production Formula Rate Customers, net costs are estimated to slightly increase in 2016 and steadily decline through 2024. As shown on TWG-2, the total revenue requirements associated with the net regulatory asset and the plant operating expense are higher in the initial years. These costs decline as the balance of the net regulatory asset declines and after the plant is expected to be retired. See Exhibit RBD-1, page 1, for a year-by-year estimate of the financial impact of the Transaction. The net present value savings is expected to be $855,000 for LCEC and $497,000 for FKEC.

Q. Does FPL also provide wholesale requirement service pursuant to stated rate contracts?

A. Yes. FPL has four PPAs with stated base rates and formula fuel rates with the following customers: City of Wauchula, City of New Smyrna Beach, City of Blountstown, and City of Winter Park (collectively, "Stated Rate Customers"). Three of the PPAs will expire in December 2016, and the fourth, the Blountstown PPA, will expire in April 2017. FPL has a PPA with a fifth stated rate customer, Seminole Electric Cooperative, whose fuel rate is

based on a guaranteed heat rate and fuel price index and will therefore be unaffected by this transaction.

Q. Please describe how the proposed transaction will impact FPL's Stated Rate Customers.

A. Under the Stated Rate PPAs, the customers pay a Fuel Charge based on a formula that recovers actual fuel costs. The Transaction is expected to slightly increase overall fuel cost as shown on Exhibit TWG-3, so that these four Stated Rate customers are likely to pay slightly higher fuel costs starting in September 2015 through the remaining life of the contracts. Based on 2014 sales, the estimated total impact to these four customers through the end of their PPAs is less than $40,000. The average impact in 2016 is an approximately 0.17% increase in the total bill. See Exhibit RBD-1, page 2.

Although these customers will not realize a direct net benefit of the Transaction, Tim Gerrish explains in his affidavit that an added benefit of this transaction is the reduction in the amount of carbon emissions in Florida. These customers will reap the future benefit of lower carbon reduction requirements in Florida, whether they continue to purchase from FPL or other Florida utilities.

Q. Are any other FPL long-term wholesale power customers affected by the Transaction?

A. No.

Q. Does this conclude your affidavit?

A. Yes.

Exhibit RBD 1
Page 1 of 2

Results of FPL's Economic Evaluation (1)

$ Millions

			2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total	NPV
	PV Factor (1)		0.99	0.94	0.88	0.81	0.76	0.7	0.66	0.61	0.57	0.53		
1	Total System Impact (1)(2)		17	43	5	5	(11)	(5)	(32)	(42)	(51)	(64)	(155)	(69.890)
	Long-Term Formula RateCustorners	% of System Capacity Costs (3)												
2	Lee County Electric Coop	1.22%	0.21	0.53	0.06	0.06	(0.13)	(0.31)	(0.39)	(0.51)	(0.62)	(0.78)	(1.90)	(0.855)
3	Florida Keys Electric Coop	0.71%	0.12	0.31	0.04	0.04	(0.08)	(0.18)	(0.23)	(0.30)	(0.36)	(0.46)	(1.10)	(0.497)

1) Per Exhibit TWG2
2) Discount Factor is based on weighted average cost of capital of 7.51% discounted to September 1, 2015
3) Per formula rate true up for 2013

Incremental Fuel Costs Due to Purchase of Cedar Bay

			2015	2016	2017	
		A	B	C	D	
1	Incremental Fuel Impact (1)	$000s	$ 2,020	$ 9,030	$ 2,740	
2	Wholesale share (2)	5.15%	$ 104	$ 465	$ 141	ln 1 x A
3	Wholesale NEL Forecast	MWh	6,035,393	6,134,562	5,864,395	
4	Wholesale Fuel Rate Impact	$/MWh	$ 0.02	$ 0.08	$ 0.02	ln 2 / ln 3 x 1000

	Impact in $	2014 Revenue	2014 MWh Sales at generation	Sept - Dec 2015	2016	Jan - April 2017	Total	2016 % Increase
		E	F	G = F * ln 4 *4/12	H = F * ln 4	I = F * ln 4 *4/12	J = G + H + I	K = J / H
5	**Wauchula**	$ 3,817,973	63,423	$ 365	$ 4,812	NA	$ 5,176	0.13%
6	**Blountstown**	$ 2,467,196	38,465	$ 221	$ 2,918	23	$ 3,163	0.12%
7	**Winter Park**	$ 7,953,384	197,018	$ 1,133	$ 14,947	NA	$ 16,080	0.19%
8	**New Smyrna Beach**	$ 7,741,177	182,238	$ 1,048	$ 13,826	NA	$ 14,874	0.18%
9	**TOTAL**	$ 21,979,730	481,144	$ 2,767	$ 36,503	$23	$ 39,293	0.17%

(1) Per Exhibit TWG 3
(2) FPL 2015 wholesale separation factor for fuel costs

UNITED STATES OF AMERICA

BEFORE THE

FEDERAL ENERGY REGULATORY COMMISSION

Florida Power & Light Company) **EC15-___-000**

AFFIDAVIT

State of Florida, FL)

County of Palm Beach)

Renae B. Deaton being duly sworn, deposes and states: that she prepared the Affidavit and Exhibits of Renae B. Deaton and that the statements contained therein and the Exhibits attached hereto are true and correct to the best of her knowledge and belief.

Renae B. Deaton

SUBSCRIBED AND SWORN TO BEFORE ME, this 20th day of March 2015

Notary Public, State of Florida

KAREN PEKSA
Notary Public - State of Florida
My Comm. Expires Oct 23, 2015
Commission # EE 140478

Print Name: Karen Peksa

My Commission Expires: Oct 23, 2015

ATTACHMENT 6

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Florida Power & Light Company	)	**Docket No. EC15-___-000**

AFFIDAVIT OF
JULIE R. SOLOMON

INTRODUCTION

My name is Julie R. Solomon. I am a Managing Director of Navigant Consulting ("Navigant"). My business address is 1200 19th Street, NW, Suite 700, Washington, DC 20036. A large portion of my consulting activities involves electric utility industry restructuring and the transition from regulation to competition. I have been involved extensively in consulting on market power issues concerning mergers, other asset transactions and market rate applications for the past 15 years. I frequently file testimony and affidavits before the Federal Energy Regulatory Commission ("FERC" or "Commission") in connection with electric utility mergers, the purchase and sale of jurisdictional assets, applications for market-based rates, and triennial updates. My resume is included as Exhibit JRS-1.

I have been asked by counsel to evaluate the potential competitive impact on relevant electricity markets of a transaction under which Florida Power & Light Company ("FPL" or "Applicant") will acquire the generating unit (the "Cedar Bay Facility") currently owned by Cedar Bay Generating Company, Limited Partnership (Cedar Bay")[1] (the "Transaction"). The Cedar Bay

[1] Cedar Bay is a wholly-owned indirect subsidiary of CBAS Power Holdings, LLC, which is owned by Carlyle Power Holdings, L.L.C.

Facility is a 250 MW[2] coal-fired cogeneration facility, which is a Qualifying Facility ("QF") under the Public Utility Regulatory Policies Act ("PURPA"), located in Jacksonville, Florida.

My analysis considers the potential horizontal market power effects arising from the combination of generation assets owned by FPL and Cedar Bay that theoretically could create or enhance FPL's ability to increase prices in relevant wholesale electricity markets, focusing on the FPL balancing authority area ("FPL BAA") where FPL owns generation.

ANALYSIS AND CONCLUSION

The proposed Transaction clearly will not have an adverse effect on horizontal competition in any relevant market.

The key relevant fact here is that all of the capacity and electricity output of the Cedar Bay Facility has been committed under a long-term power purchase agreement ("PPA") with FPL since 1994.[3] The PPA currently extends to December 31, 2024. This long-term purchase has been reflected as an FPL resource in prior market power analyses I have conducted on behalf of the FPL, in the context of both Section 203 and Section 205 filings.[4] It also has been included in the company's annual Ten Year Power Plant Site Plan filed with the Florida Public Service Commission ("FPSC") as an FPL resource that is used to meet its load and reserve margin requirements.[5]

The Commission typically treats capacity subject to a long-term agreement as attributable to the buyer. In conducting a Delivered Price Test ("DPT") such as would be required under the

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2 Ratings referenced here are based on summer ratings reported in the Energy Information Administration Form EIA-860 (data for 2013). http://www.eia.gov/electricity/data/eia860/. They may not precisely match ratings used for other purposes.

3 Steam output is sold to the steam host, RockTenn CP, LLC, which owns a paper mill.

4 *See*, for example, my testimony in connection with Florida Power & Light Company, Docket No. ER10-1852-008, June 30, 2014 (triennial market power update for the Southeast Region); and Florida Power & Light Company, Docket No. EC13-91, April 12, 2013 (section 203 application for acquisition of facilities owned by City of Vero Beach, Florida).

5 *See* Florida Power & Light Company, 2014-2023 Ten Year Power Plant Site Plan, FPSC Docket 14000-EI, http://www.floridapsc.com/library/FILINGS/14/01462-14/01462-14.pdf.

Revised Filing Requirements Under Part 33 of the Commission's Regulations,[6] the regulations indicate that "generating capacity...must be adjusted by subtracting capacity committed under long-term firm sales contracts and adding capacity acquired under long-term firm purchase contracts (*i.e.*, contracts with a remaining commitment of more than one year)."[7] While there also is consideration of who "controls" the generation output, the Commission typically has considered long-term power purchase agreements as a firm commitment in evaluating market power.[8] Here, this Transaction clearly involves a change of ownership of Cedar Bay but no change in the disposition of its output or its treatment as a resource controlled by FPL.[9] As such, there is no horizontal effect of the Transaction, and no need to submit an Appendix A analysis under the Commission's regulations.

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6 *Revised Filing Requirements Under Part 33 of the Commission's Regulations*, FERC Stats. & Regs. ¶ 31,111 (2000) ("Order No. 642"), *order on reh'g*, 94 FERC ¶ 61,289 (2001).

7 18 C.F.R. § 33.3(c)(4)(i)(A).

8 *See, e.g.*, *The AES Corporation*, 137 FERC ¶ 61,122 at P 24 (2011) (indicating it is proper to consider "contractual commitments, as consistent with the Commission's requirements for calculating supplier's presence in the market, as found in 18 C.F.R. § 33.3(c)(4)(i)(A)"). *See also Milford Wind Corridor Phase II, LLC and Milford II Holdings, LLC*, 135 FERC ¶ 62,060, at 64,149 (2011); *Front Range Power Co.*, 133 FERC ¶ 62,179, at 64,390 (2010); *NaturEner Montana Wind Energy, LLC*, 125 FERC ¶ 62,078, at 64,347 (2008).

9 *Public Service Company of Colorado*, 132 FERC ¶ 62,032 (2010). *See,* also, *Black Hills Wyoming, Inc.*, 123 FERC ¶ 62,236; *Puget Sound Energy, Inc.*, 123 FERC ¶ 62,097 (2008); *Virginia Elec. &Power Co.*, 120 FERC ¶ 62,132 (2007) (same); *San Diego Gas & Elec. Co.*, 118 FERC ¶ 62,055 (2007); and *Virginia Elec. & Power Co.*, 110 FERC ¶ 62,077 (2005).

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Florida Power & Light Company	)	**Docket No. EC15-___-000**

AFFIDAVIT

District of Columbia	§

JULIE R. SOLOMON being duly sworn, deposes and states: that she prepared the Affidavit and Exhibits of Julie R. Solomon and that the statements contained therein and the Exhibits attached hereto are true and correct to the best of her knowledge and belief.

Julie R. Solomon

SUBSCRIBED AND SWORN TO BEFORE ME, this the 17th day of March 2015.

Notary Public, District of Columbia

Printed Name: Pamela Vahle

My Commission Expires: 11/30/2016

PAMELA VAHLE NOTARY PUBLIC MY COMMISSION EXPIRES 11/30/2016 DISTRICT OF COLUMBIA

Exhibit JRS-1

NAVIGANT

Julie R. Solomon

Julie R. Solomon
Managing Director

Navigant Consulting
Suite 700
1200 19th Street NW
Washington, DC 20036
Tel: 202-481-8492
Fax: 202 973-2401

julie.solomon@navigant.com

Professional History

- Managing Director, Navigant Consulting - 2010-Present
- Vice President, Charles River Associates - 2001-2010
- Senior Vice President, Putnam, Hayes and Bartlett, Inc. and PHB Hagler Bailly, Inc., Washington, DC - 1986-2000
- Economist, Economic Consulting Services, Inc., Washington, DC - 1979-1986
- Economist, U.S. Department of Labor, Washington, DC - 1976-1979

Education

- M.B.A. Finance, The Wharton School University of Pennsylvania
- B.A. Economics, Connecticut College

Testimony

- Written testimony provided in more than 150 regulatory proceedings

Julie Solomon is a Managing Director at Navigant Consulting, Inc. in the Energy Practice's Power Systems, Markets & Pricing group. She has more than 20 years of consulting experience, specializing in the areas of regulatory and utility economics, financial analysis and business valuation. Ms. Solomon has participated in analysis of proposed regulatory reforms, supply options and utility industry restructuring in the gas and electric industries. She also has advised utility clients in corporate strategy and corporate restructuring, and consulted to legal counsel on a variety of litigation and regulatory matters, including antitrust litigation and contract disputes. She has filed testimony in numerous proceedings before the Federal Energy Regulatory Commission. Much of her current practice focuses on regulatory and market power issues concerning mergers and acquisitions and compliance filings in the electricity market.

» Advised clients in the electric and gas utility industry on competition issues, including the impact of mergers on competition. Directed a large number of analytic studies relating to obtaining merger approval from regulatory authorities.

» Advised clients in the electric utility industry on restructuring strategies, including potential mergers and acquisitions, functional unbundling and cost savings.

» Consulted in the electric and gas utility industries in a variety of regulatory and competition matters, including rate proceedings, prudence reviews, proposed regulatory reforms, analysis of supply options, privatization and restructuring.

» Advised utility and non-utility clients on many aspects of the competitive independent power industry, including strategic and financial consulting assignments.

» Consulted legal counsel on a variety of litigation matters, including the development of expert testimony on liability issues and the calculation of damages in a variety of industries.

» Provided strategic and economic analyses for clients in trade regulatory proceedings such as dumping and subsidies.

» Provided financial and business valuation analyses in a number of transactions, including fair market value for taxation purposes and valuation of family-owned businesses.

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Julie R. Solomon

Professional Experience

Electric and Gas Utilities

Mergers and Acquisitions (Market Power and Competition Issues)

» Advised clients and conducted analytic studies in connection with a large number of major electric and electric-gas mergers and asset transactions of regulated companies. Provided testimony to FERC for a number of these types of transactions.

» Advised clients and provided confidential pre-screening analyses for potential mergers and acquisitions.

» Conducted numerous analytic studies in connection with FERC market-based rate applications and compliance filings for electricity sellers. Provided testimony to FERC for a number of these types of transactions.

» Conducted numerous analytic studies in connection with FERC market-based rate applications and compliance filings for gas storage facilities. Provided testimony to FERC for a number of these types of transactions.

Utility Restructuring and Stranded Cost

» Conducted analytic studies and provided litigation support in connection with state stranded cost proceedings in Ohio (Cincinnati Gas & Electric and Dayton Power & Light); West Virginia (Monongahela Power and Potomac Edison); Maryland (Potomac Edison) and Pennsylvania (West Penn Power).

» Provided analytic support evaluating the benefits of Public Service of Colorado's proposed DC transmission line between Colorado and Kansas in support of a regulatory proceeding.

» Assisted in studies relating to privatization of the electricity industry in the United Kingdom, including development of a computer model to simulate electricity dispatch and project future prices, capacity needs and utility revenues under various scenarios. During temporary assignment to London office.

» Participated in antitrust litigation involving a utility and a cogenerator, including preparation of an expert report on liability and damage issues, preparation of expert witnesses for deposition, and assistance in preparation for depositions of opposing expert and in-house witnesses.

» Assisted in the valuation of the interests of several firms in various cogeneration projects for the purpose of combining these interests into a new entity or selling interests to third parties.

» Analyzed the financial feasibility and viability of a large number of cogeneration projects, assisted in the preparation of presentations and filings and presented testimony to the relevant public utility commission. Ms. Solomon also assisted in the development of a PC-based financial model to analyze various cogeneration projects.

NAVIGANT

» Participated in a study to analyze the financial effects of a variety of restructuring options for a utility, including transfer and/or sale of assets and subsequent sale-leasebacks, and debt restructuring alternatives. In addition, she developed a PC-based financial model with applications to utility restructuring plans.

» Provided litigation support in major utility rate proceedings, including assisting in the preparation of responses to interrogatories and data requests, preparation of company and outside expert witnesses for deposition and hearings, and assistance in the deposition and cross-examination of intervenor witnesses.

» Participated in proceedings involving regulation of an oil pipeline, which included evaluating the business risks faced by the company.

Business Valuation

» Participated in a valuation study involving the fair market value of a privately held company for purposes of an IRS proceeding.

» Participated in a valuation study in a divorce proceeding, where the assets being valued included a privately held business.

» Participated in two strategic engagements that developed business plans and identified potential acquisition candidates for the client.

» Provided advice to a client concerning the benefits and potential risks of developing a partnership with a competitor.

NAVIGANT

Julie R. Solomon

Testimony or Expert Report Experience (2012-2014)

- Affidavit on behalf of NorthWestern Corporation, Docket No. ER11-1859, market-based rate triennial filing, December 30, 2014.
- Affidavit on behalf of Exelon, Docket No. ER12-2178, market-based rate triennial filing, December 23, 2014.
- Affidavit on behalf of Dynegy Inc., Docket No. ER14-1569, market-based rate triennial filing, December 23, 2014.
- Affidavit on behalf of Northern Indiana Public Service, Docket No. ER10-1781, market-based rate triennial filing, December 23, 2014.
- Affidavit on behalf of AES Corp, Docket No. ER10-3415, market-based rate triennial filing, December 22, 2014.
- Affidavit on behalf of Ameren Illinois Company, Union Electric Company, and AmerenEnergy Medina Valley Cogen, L.L.C. Docket No. ER10-1119, ER10-1123, and ER10-1103 , market-based rate triennial filing, December 19, 2014.
- Affidavit on behalf of Duke Energy MBR Sellers, Docket No. ER10-1325, market-based rate triennial filing, December 19, 2014.
- Affidavit on behalf of Duke Energy Progress, Inc., Docket No. EC15-9, application for authorization of disposition of jurisdictional facilities, October 10, 2014.
- Comments of Julie R. Solomon and Matthew E. Arenchild regarding NOPR on market-based rate authority, Docket No. RM14-14, September 23, 2014.
- Affidavit on behalf of Dynegy Resource I, LLC, Docket No. EC14-141, application for authorization of disposition of jurisdictional facilities, September 11, 2014.
- Affidavit on behalf of Dynegy Inc., Docket No. EC14-140, application for authorization of disposition of jurisdictional facilities, September 11, 2014.
- Affidavit on behalf of Calpine Fore River Energy Center, LLC, Docket No. EC14-135, application for authorization of disposition of jurisdictional facilities, September 5, 2014.
- Affidavit on behalf of Seiling Wind, LLC; Seiling Wind II, LLC; Mammoth Plains Wind Project, LLC; and Palo Duro Wind Energy, LLC, Docket No. ER14-2707-10, market-based rate applications, August 26, 2014.
- Affidavit on behalf of ECP MBR Sellers, Docket No. ER10-2302, notification of change in status, August 18, 2014.
- Affidavit on behalf of Millennium Power Partners, L.P., Docket No. ER10-3286, notification of change in status, August 4, 2014.
- Affidavit on behalf of Granite Acquisition, Inc., Docket No. EC14-125, application for authorization of disposition of jurisdictional facilities, August 15, 2014.

NAVIGANT

Julie R. Solomon

- Testimony (Direct and Rebuttal), on behalf of Duke Energy Florida, Inc., Docket No. 140111-EI before the Florida Public Service Commission, Petition for Determination of Cost Effective Generation Alternative to Meet Need Prior to 2018, May 27, 2014 and August 5, 2014.
- Affidavit on behalf of LS Power Development, LLC, Docket No. ER13-2318, notification of change in status, August 4, 2014.
- Supplemental Affidavit on behalf of Powerex Corp., Docket No. ER11-2664, market-based rate triennial filing, July 25, 2014.
- Supplemental Affidavit on behalf of Berkshire Hathaway Energy, Docket No. ER13-1266, notification of change in status, August 17, 2014.
- Affidavit on behalf of RJS Power Holdings LLC and PPL Corporation, Docket No. EC14-112, application for authorization of disposition of jurisdictional facilities, July 15, 2014, supplemented August 29, 2014 and October 6, 2014.
- Affidavit on behalf of South Carolina Electric & Gas Company, Docket No. ER10-2498, market-based rate triennial filing, July 14, 2014.
- Affidavit on behalf of Consumers Energy Company, Docket No. EC14-110, application for authorization of disposition of jurisdictional facilities, July 1, 2014.
- Affidavit on behalf of J.P. Morgan Sellers, Docket No. ER10-2331, market-based rate triennial filing, June 30, 2014.
- Affidavit on behalf of Duke Energy MBR Sellers, Docket No. ER10-1325, market-based rate triennial filing, June 30, 2014.
- Affidavit on behalf of PPL Southeast Companies, Docket No. ER10-1511, market-based rate triennial filing, June 30, 2014.
- Affidavit on behalf of NextEra Companies, Docket No. ER10-1852, market-based rate triennial filing, June 30, 2014.
- Affidavit on behalf of NextEra Companies, Docket No. ER10-1838, market-based rate triennial filing, June 30, 2014.
- Affidavit on behalf of Brookfield Companies, Docket No. ER11-2292, market-based rate triennial filing, June 30, 2014.
- Affidavit on behalf of Calpine Corp, Docket No. ER10-1944, market-based rate triennial filing, June 30, 2014.
- Affidavit on behalf of LS Northeast MBR Sellers, Docket No. ER13-2318, market-based rate triennial filing, June 30, 2014.
- Affidavit on behalf of GDF SUEZ Northeast MBR Sellers, Docket No. ER10-2670, market-based rate triennial filing, June 30, 2014.
- Affidavit on behalf of Safe Harbor Water Power Corp., Docket No. ER13-395, market-based rate triennial filing, June 27, 2014.

NAVIGANT

Julie R. Solomon

- Affidavit on behalf of ECP MBR Sellers, Docket No. ER13-2477, market-based rate triennial filing, June 23, 2014.
- Affidavit on behalf of Rockland Sellers, Docket No. ER12-1436, market-based rate triennial filing and notification of change in status, June 19, 2014.
- Affidavit on behalf of Exelon Corp and Pepco Holdings, Inc., Docket No. EC14-96, application for authorization of disposition of jurisdictional facilities, May 30, 2014.
- Affidavit on behalf of Nevada Power Co and Nevada Sun-Peak Limited Partnership, Docket No. EC14-83, application for authorization of disposition of jurisdictional facilities, May 2, 2014.
- Affidavit on behalf of Nevada Power Co and Las Vegas Cogeneration Limited Partnership, Docket No. EC14-84, application for authorization of disposition of jurisdictional facilities, May 2, 2014.
- Affidavit on behalf of NatGen Southeast Power LLC, Docket No. EC14-81, application for authorization of disposition of jurisdictional facilities, April 28, 2014.
- Surrebuttal Testimony on Behalf of Commonwealth Edison Company, Illinois Commerce Commission, Application for a Certificate of Public Convenience and Necessity, No. 13-0657, April 9, 2014.
- Affidavit on behalf of KMC Thermo, LLC, Docket No. ER14-1468, market-based rate application, March 12, 2014.
- Affidavit on behalf of Trailstone Power, LLC, Docket No. ER14-1439, market-based rate application, March 6, 2014.
- Affidavit on behalf of MACH Gen, LLC et al., Docket No. EC14-61, application for authorization of disposition of jurisdictional facilities, March 4, 2014.
- Affidavit on behalf of MidAmerican Geothermal, LLC, et al., Docket No. EC14-59, application for authorization of disposition of jurisdictional facilities, February 20, 2014.
- Affidavit on behalf of Green Mountain Power Corporation, Docket No. ER11-1933, market-based rate triennial filing, February 7, 2014.
- Affidavit on behalf of NorthWestern Corporation, et al., Docket No. EC14-41, application for authorization of disposition of jurisdictional facilities, January 10, 2014.
- Affidavit on behalf of NorthWestern Corporation, Docket No. ER11-1858, notification of change in status, January 10, 2014.
- Affidavit on behalf of MidAmerican Energy, Docket No. ER10-2475, notification of change in status, January 2, 2014.
- Affidavit on behalf of Powerex Corp., Docket No. ER11-2664, market-based rate triennial filing, December 31, 2013.
- Affidavit on behalf of TransAlta, Docket No. ER10-2847, market-based rate triennial filing, December 31, 2013.

NAVIGANT

Julie R. Solomon

- Affidavit on behalf of Duquesne Light Company, Docket No. ER10-1910, market-based rate triennial filing, December 31, 2013.
- Affidavit on behalf of Constellation Energy Nuclear Group, Docket No. ER10-2179, market-based rate triennial filing, December 30, 2013.
- Affidavit on behalf of Exelon, Docket No. ER12-2178, market-based rate triennial filing, December 30, 2013.
- Affidavit on behalf of Dominion, Docket No. ER13-434, market-based rate triennial filing, December 30, 2013.
- Affidavit on behalf of Brookfield Companies, Docket No. ER10-2895, market-based rate triennial filing, December 30, 2013.
- Affidavit on behalf of Oklahoma Gas & Electric, Docket No. ER14-882, notification of change in status/tariff filing, December 30, 2013.
- Affidavit on behalf of AES Corp, Docket No. ER10-3415, market-based rate triennial filing, December 26, 2013.
- Affidavit on behalf of JPMorgan, Docket No. ER10-2331, market-based rate triennial filing, December 23, 2013.
- Affidavit on behalf of Northeast Utilities, Docket No. ER10-1801, market-based rate triennial filing, December 20, 2013.
- Affidavit on behalf of Iberdrola, Docket No. ER10-2822, market-based rate triennial filing, December 20, 2013.
- Affidavit on behalf of PHI, Docket No. ER10-2997, market-based rate triennial filing, December 20, 2013.
- Affidavit on behalf of Essential Power, Docket No. ER12-952, market-based rate triennial filing, December 20, 2013.
- Affidavit on behalf of Empire District, Docket No. ER14-793, notification of change in status/tariff filing, December 20, 2013.
- Affidavit on behalf of Westar Energy, Inc., Docket No. ER14-724, notification of change in status/tariff filing, December 19, 2013.
- Affidavit on behalf of Alpha Gen Power, LLC, Docket No. ER14-630, market-based rate application, December 16, 2013.
- Affidavit on behalf of Black Bear Hydro Partners, LLC, Docket No. EC14-28, application for authorization of disposition of jurisdictional facilities, November 14, 2013.
- Affidavit on behalf of Sierra Pacific Power Company, Docket No. ER10-2474, notification of change in status, November 4, 2013.
- Affidavit on behalf of ECP, Docket No. ER11-3859, notification of change in status, September 30, 2013.

NAVIGANT

- Affidavit on behalf of Steele Flats Wind Project, LLC, Docket No. ER13-2474, market-based rate application, September 27, 2013.
- Affidavit on behalf of Tuscola Wind II, LLC, Docket No. ER13-2458, market-based rate application, September 26, 2013.
- Affidavit on behalf of Pheasant Run Wind, LLC and Pheasant Run Wind II, LLC, Docket Nos. ER13-2461-2, market-based rate applications, September 26, 2013.
- Affidavit on behalf of TPF II and USPG Holdings, LLC, Docket No. EC13-154, application for authorization of disposition of jurisdictional facilities, September 25, 2013.
- Affidavit on behalf of Seneca Generation, LLC et al., Docket Nos. ER13-2316-9, market-based rate applications, September 4, 2013.
- Affidavit on behalf of Seneca Generation, LLC et al., Docket No. EC13-143, application for authorization of disposition of jurisdictional facilities, September 4, 2013.
- Supplemental Affidavit on behalf of MidAmerican Energy (Silver Merger Sub, Inc.), Docket No. EC13-128, application for authorization of disposition of jurisdictional facilities, August 17, 2013.
- Affidavit on behalf of Desert Sunlight 250, LLC and Desert Sunlight 300, LLC, Docket Nos. ER13-1991-2, market-based rate applications, July 17, 2013.
- Affidavit on behalf of MidAmerican Energy (Silver Merger Sub, Inc.), Docket No. EC13-128, application for authorization of disposition of jurisdictional facilities, July 12, 2013.
- Affidavit on behalf of Calpine Southwest MBR Sellers, Docket No. ER10-1942, market-based rate triennial filing, July 1, 2013.
- Affidavit on behalf of NextEra Companies, Docket No. ER10-1847, market-based rate triennial filing, July 1, 2013.
- Affidavit on behalf of Wayzata Entities, Docket No. ER10-1777, market-based rate triennial filing, July 1, 2013.
- Affidavit on behalf of AES MBR Affiliates, Docket No. ER10-3415, market-based rate triennial filing, July 1, 2013.
- Affidavit on behalf of Sierra Pacific Power Company, *et al.* under ER10-2474, Docket No. ER10-24744, market-based rate triennial filing, July 1, 2013.
- Affidavit on behalf of NorthWestern Corporation, Docket No. ER11-1858, market-based rate triennial filing, July 1, 2013.
- Affidavit on behalf of SGOC Southwest MBR Sellers, Docket No. ER10-2864, market-based rate triennial filing, June 28, 2013.
- Affidavit on behalf of GWF Energy LLC, et al. Docket No. ER10-3301, market-based rate triennial filing, June 28, 2013.
- Affidavit on behalf of NV Energy, Inc., application for approval of internal reorganization, Docket No. EC13-113, May 31, 2013.

NAVIGANT

Julie R. Solomon

- Affidavit on behalf of Midwest Generation, LLC, Docket No. EC13-103, application for authorization of disposition of jurisdictional facilities, May 6, 2013.
- Affidavit of behalf of Nevada Power Company (with Matthew E. Arenchild), Docket No. EC13-96, application for authorization of disposition of jurisdictional facilities, April 17, 2013.
- Affidavit of behalf of Dynegy Inc., Docket No. EC13-93, application for authorization of disposition of jurisdictional facilities, April 16, 2013.
- Application on behalf of Florida Power & Light Company, Docket No. EC13-91, application for authorization of disposition of jurisdictional facilities, April 12, 2013.
- Affidavit on behalf of Blythe Energy LLC, et al., Docket No. EC13-89, application for authorization of disposition of jurisdictional facilities, April 2, 2013.
- Affidavit on behalf of New Harquahala Generating Company, LLC, Docket No. ER10-3310, market-based rate triennial filing, March 29, 2013.
- Affidavit on behalf of Dominion Energy Brayton Point, et al., Docket No. EC13-82, application for authorization of disposition of jurisdictional facilities, March 21, 2013.
- Affidavit on behalf of Duke Energy Carolinas, LLC et al., Docket No. ER10-2566, et al., notice of change in status, January 29, 2013.
- Affidavit on behalf of CCI Roseton LLC, Docket No. ER13-773, market-based rate application, January 17, 2013.
- Affidavit on behalf of CCI Roseton LLC, Docket No. EC13-63, application for authorization of disposition of jurisdictional facilities, January 16, 2013.
- Affidavit on behalf of Calpine Oneta Power, LLC, Docket No. ER11-3777, et al., market-based rate triennial filing, December 31, 2012.
- Affidavit on behalf of NextEra Energy Companies, Docket No. ER12-569, et al., market-based rate triennial filing, December 27, 2012.
- Affidavit on behalf of Nevada Power Company, Docket No. ER10-2474, market-based rate triennial filing, December 26, 2012.
- Testimony on behalf of Powerex Corp re Puget Sound Energy, Inc v. All Jurisdictional Sellers of Energy & Capacity, Docket No. EL01-10, December 17, 2012.
- Affidavit on behalf of AES Beaver Valley, LLC, Docket No. ER13-442, market-based rate application. November 21, 2012.
- Affidavit on behalf of Broad River Energy LLC, et al., Docket No. EC13-42, application for authorization of disposition of jurisdictional facilities, November 16, 2012.
- Affidavit on behalf of Westar Energy, Inc., Docket No. ER10-2507, notice of change in status, October 29, 2012.
- Affidavit on behalf of Homer City Generation, L.P., Docket No. ER13-55, market-based rate application, October 9, 2012.

NAVIGANT

Julie R. Solomon

- Affidavit on behalf of Homer City Generation, L.P., et al., Docket No. EC13-9, application for authorization of disposition of jurisdictional facilities, October 9, 2012.
- Affidavit on behalf of GenOn Marsh Landing, LLC, Docket No. ER12-2545, market-based rate application, August 29, 2012.
- Affidavit on behalf of High Mesa Energy, LLC, Docket No. ER12-2528, market-based rate application, August 27, 2012.
- Affidavit on behalf of Brandon Shores LLC, et al., Docket No. EC12-137, application for authorization of disposition of jurisdictional facilities, August 23, 2012.
- Affidavit on behalf of North Sky River Energy, LLC, Docket No. ER12-2444, market-based rate application, August 14, 2012.
- Affidavit on behalf of Duke Energy Carolinas, LLC et al., Docket No. ER10-2566, et al., notice of change in status, August 1, 2012.
- Affidavit on behalf of Canandaigua Power Partners, LLC et al., Docket No. ER10-2460, notice of change in status, July 16, 2012.
- Affidavit on behalf of Limon Wind I and Limon Wind II, LLC, Docket Nos. ER12-2225 and -2226, market-based rate application, July 10, 2012.
- Affidavit on behalf of Ensign Wind, LLC, Docket No. ER12-2227, market-based rate application, July 10, 2012.
- Affidavit on behalf of NextEra Energy Companies, Docket No. ER10-1836, et al., market-based rate triennial filing, July 2, 2012.
- Affidavit on behalf of Iberdrola Renewables, LLC, et al., Docket No. ER10-2994, et al., market-based rate triennial filing, June 29, 2012.
- Affidavit on behalf of The Empire District Electric Company, Docket No. ER10-2738, market-based rate triennial filing, June 29, 2012.
- Affidavit on behalf of Wisconsin Electric Power Company, Docket No. ER10-2563, market-based rate triennial filing, June 29, 2012.
- Affidavit on behalf of Baltimore Gas and Electric Company, et al., Docket No. ER10-2172, et al., market-based rate triennial filing, June 29, 2012.
- Affidavit on behalf of Westar Energy, Inc., Docket No. ER12-2124, market-based rate triennial filing, June 28, 2012.
- Affidavit on behalf of Duke Energy Beckjord, LLC, et al., Docket No. ER12-1946 et al., market-based rate application, June 5, 2012.
- Affidavit on behalf of Minco Wind III, LLC, Docket No. ER12-1880, market-based rate application, May 31, 2012.
- Affidavit on behalf of Tuscola Bay Wind, LLC, Docket No. ER12-1660, market-based rate application, April 30, 2012.

NAVIGANT

Julie R. Solomon

- Affidavit on behalf of Powerex Corp., Docket No. ER11-2664, notice of change in status, April 13, 2012.
- Affidavit on behalf of Safe Harbor Water Power Corporation, Docket No. ER11-2780, notice of change in status, April 11, 2012.
- Affidavit on behalf of Hot Spring Power Company, LLC, Docket No. EC12-87, application for authorization of disposition of jurisdictional facilities, March 28, 2012.
- Affidavit on behalf of High Majestic Wind II, LLC, Docket No. ER12-1228, market-based rate application, March 8, 2012.
- Affidavit on behalf of Duke Energy Indiana, Inc. et al., Docket No. ER10-2034 et al., notice of change in status, January 31, 2012.
- Affidavit on behalf of CPV Cimarron Renewable Energy Company, LLC, Docket No. ER12-775, market-based rate application, January 6, 2012.
- Affidavit on behalf of LS Power Marketing, LLC, et al., Docket No. ER10-2739, et al., market-based rate triennial filing, January 3, 2012.
- Affidavit on behalf of Auburndale Peaker Energy Center, LLC, et al., Docket No. ER10-1945, et al., market-based rate triennial filing, January 3, 2012.

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FPL's Responses to OPC's Second Request for Production of Documents (Nos. 15 (CONFIDENTIAL), 16, 17, 22, 23, 26, 28, 29, 32, and 34 (CONFIDENTIAL)

See also the Staff Exhibit CD for Excel files re: Nos. 15 and 16

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 46
PARTY: STAFF
DESCRIPTION: FPL's Responses to OPC's Second Request for Production of Documents

Q.

It is stated in the Hartman testimony on Page 8 that "The UPLAN production costing model was used to quantify the system impacts of the Cedar Bay Transaction as well as the impact of various alternative fuel and emission sensitivities". Please provide copies of all documentation, workpapers, analyses (with calculations), electronic spreadsheets with formulas intact, reference sources, and any supporting material in relation to the UPLAN production costing model that FPL used or referenced in its petition to the Commission for approval to purchase the Cedar Bay Facility. In particular:

a) Please provide supporting documentation outlining the assumed fuel price forecasts on a monthly and/or yearly basis (incl. gas, coal and other fuel price forecasts).

b) Please provide supporting documentation outlining the assumed costs associated with emissions and other environmental considerations on a monthly and/or yearly basis.

c) Please provide supporting documentation containing all other input assumptions.

A.

a) Documents responsive to this request are provided as Bates Nos. CB-15-009487 through CB-15-009489, in electronic format. The documents contain the annual fuel price forecasts used in the Cedar Bay analyses.

b) Documents responsive to this request are provided as Bates No. CB-15-009490, in electronic format. This document contains the annual emissions cost projections that were used in the Cedar Bay analysis.

c) Documents responsive to this request are confidential, labeled as Bates Nos. CB-15-009491 through CB-15-009516, in electronic format. The documents show the other input assumptions that were used in UPLAN towards the development of the Cedar Bay analyses.

Documents responsive to OPC's Second Request for Production No. 15 subpart c. (Bates Nos. CB-15-009491 through CB-15-009516) are confidential in their entirety.

Q.

Please provide copies of all output reports (in excel format or another electronic spreadsheet format) from the UPLAN production cost model for the base case, low and high cases (for both Fuel and Emission sensitivity cases) that FPL used or referenced in FPL's petition to the Commission for approval to purchase the Cedar Bay Facility.

A.

Documents responsive to this request are provided as Bates Nos. CB-15-009517 through CB-15-009534, in electronic format.

Q.

Please provide copies of all results and output reports (in excel format or another electronic spreadsheet format) for all other sensitivity analyses (including over and above the Fuel and Emission sensitivity analysis referred to in the filing) that FPL used or referenced FPL's petition to the Commission for approval to purchase the Cedar Bay Facility. Please include copies of the results and output reports from sensitivity analyses that were run but ultimately determined not to be incorporated in the filing.

A.

FPL did not perform any sensitivity analyses beyond the sensitivity analyses included in the filing.

Q.

Please provide all workpapers and details including component descriptions and copies of all supporting calculations which result in the "carryover tax basis" of the Cedar Bay Facility of approximately $8.0 million at the proposed acquisition date referenced on Page 7, Lines 10 - 11, of Witness Ousdahl's testimony.

A.

Documents responsive to this request are provided as Bates No. CB-15-009959.

Cedar Bay Generating Company, LP

Annual Projection Report

Projection for 10 Fiscal Years Beginning 01/01/2014

Mo Year	Tax YTD Depreciation
Dec 2014	$ 1,343,446.86
Dec 2015	1,276,693.24
Dec 2016	1,213,835.31
Dec 2017	1,150,895.28
Dec 2018	1,014,666.52
Dec 2019	916,066.96
Dec 2020	862,721.36
Dec 2021	807,560.65
Dec 2022	762,983.43
Dec 2023	723,010.75
Grand Total	$ 10,071,880.46

8,728,434 = 2015 thru 2023

Report Assumptions

Report Name: Annual Projection
Source Report: <Standard Report>

Calculation Assumptions:
Include Sec 168 Allowance & Sec 179: Yes

Group/Sorting Criteria:
Group = Active Assets
Include Assets that meet the following conditions:
Activity is currently A,D,F,J,K,L,M,N
Sorted by: FYE Month & Year, Placed in Service Date

Tax Basis Effective 9-1-2015 = $ 7,877,300

Q.

Please provide the specific cite(s) and copies of the FPSC guidance, FERC guidance and/or other third party basis for FPL's proposed recordation on Cedar Bay Genco's books and records of the estimated income taxes related to the "carryover tax basis" in FERC Account 254 - Other Regulatory Liabilities and the amortization of those income taxes to FERC Account 557, Other Expenses. (Witness Ousdahl testimony, Page 7, Lines 13- 18)

A.

FPL is not recording the estimated incomes taxes related to the carryover tax basis of the Cedar Bay Facility in FERC Account 254 but rather in FERC Account 190. The corresponding amount charged to FERC Account 254 represents the tax gross up of the future tax benefit for revenue requirement purposes. For the amortization of amounts charged to FERC Account 254 - Other Regulatory Liabilities related to the termination of a purchased power agreement, please see documents provided in FPL's response to OPC's Second Request for Production of Documents, No. 26, labeled as Bates Nos. CB-15-010420 through CB-15-010421.

Q.

Please provide copies of all FERC Letter Orders issued by the Chief Accountant that FPL has reviewed and/or relied on in the process of making the determination that FPL's proposed accounting treatment of the Cedar Bay Facility utilizing fair value is appropriate for ratemaking.

A.

Documents responsive to this request are provided as Bates Nos. CB-15-010376 through CB-15-010421.

20040503-3007 Issued by FERC OSEC 05/03/2004 in Docket#: AC04-22-000

In Reply Refer To:
OED-DRAP
Docket No. AC04-22-000

May 3, 2004

Bruder, Gentile, & Marcoux, LLP
Attention: Antonia A. Frost
Counsel for Virginia Electric and Power Company
1701 Pennsylvania Avenue, NW., Suite 900
Washington, DC 20006-5805

Thank you for your January 15, 2004 letter, requesting approval of your proposed accounting treatment in connection with the purchase of a cogeneration facility and its appurtenant transmission facilities located in Gordonsville, Virginia from Gordonsville Energy Limited Partnership (GELP). Additionally, you terminated two long-term power purchase agreements with GELP for the entire output of the facility. The Commission authorized the purchase in Docket No. EC03-120-000. [1]

Your proposed accounting is approved provided that you record the cost of the facilities in Account 101, Electric Plant in Service and the cost to terminate the power purchase agreements in Account 557, Other Expenses.

You propose to account for the purchase of the assets by debiting Account 102, Electric Plant Purchased or Sold, and Account 555, Purchased Power. You state by telephone that the charge to Account 102 represents the cost of the facilities and the charge to Account 555 represents the cost of terminating the power purchase agreements. You also state that the plant was never devoted to public service. Electric Plant Instruction No. 5 requires that when plant is acquired by purchase the costs of the plant shall be recorded in the appropriate plant account [2]. Therefore, you should transfer the amount recorded in Account 102 to Account 101.

The instructions to Account 555 restrict its use to the cost at the point of receipt of electricity purchased for resale. However, Account 557 provides for the inclusion of amounts for any production expenses including expenses incurred directly in connection

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[1] 105 FERC ¶ 62,001 (2003).

[2] 18 CFR Part 101 (2003).

20040503-3007 Issued by FERC OSEC 05/03/2004 in Docket#: AC04-22-000

with the purchase of electricity, which are not specifically provided for elsewhere. Therefore, it is more appropriate to charge the costs to terminate the power purchase agreements to Account 557.

This letter order constitutes final agency action. To request that the Commission rehear your case, you must file a request within 30 days of the date of this letter order (see 18 C.F.R. § 385.713).

Sincerely,

James K. Guest
Director, Division of Regulatory
Accounting Policy



Florida Power Corporation

Docket No. EC97-16-000

FEDERAL ENERGY REGULATORY COMMISSION - OFFICE DIRECTOR

79 F.E.R.C. P62,199; 1997 FERC LEXIS 1226

June 20, 1997

ACTION:
[*1] ORDER AUTHORIZING PURCHASE OF JURISDICTIONAL FACILITIES

OPINION:

On March 5, 1997, Florida Power Corporation (Florida Power) filed an application under section 203 of the Federal Power Act (FPA) n1 for Commission authorization to acquire, through its special single purpose subsidiary, FPC Acquisition Limited Liability Company (FPC Acquisition Company), from Tiger Bay Limited Partnership (Tiger Bay) certain jurisdictional transmission facilities associated with Tiger Bay's 220 MW cogeneration project located in Polk County, Florida. According to Florida Power, simultaneous with closing of the transaction between FPC Acquisition Company and Tiger Bay, FPC Acquisition Company will be dissolved and Florida Power will assume ownership of the Tiger Bay facilities. The jurisdictional transmission facilities consist of two 230 MW step-up transformers and circuit breakers. The acquisition of these facilities is part of a larger transaction involving Florida Power's purchase of the Tiger Bay cogeneration project.

n1 *16 U.S.C. § 824(b)* (1994).

[*2]

Notice of the application was published in the Federal Register with comments due on or before March 28, 1997. No comments were received.

After consideration, it is concluded that the proposed acquisition of facilities is consistent with the public interest and is authorized subject to the following conditions:

(1) The proposed transaction is authorized upon the terms and conditions and for the purposes set forth in the application;

(2) The foregoing authorization is without prejudice to the authority of the Commission or any other regulatory body with respect to rates, service, accounts, valuation, estimates or determinations of cost or any other matter whatsoever now pending or which may come before the Commission;

(3) Nothing in this order shall be construed to imply acquiescence in any estimate or determination of cost or any valuation of property claimed or asserted; and

(5) The Commission expressly reserves the right, pursuant to sections 203(b) and 309 of the Federal Power Act, to place further conditions on the transfer for good cause shown.

Authority to act on this matter is delegated to the Director, Division of Opinions and Corporate Applications, [*3] pursuant to *18 C.F.R. § 375.308*. This order constitutes final agency action. Requests for rehearing by the Commission may be filed within thirty (30) days of the date of issuance of this order, pursuant to *18 C.F.R. § 385.713*.

Robert E. Cackowski

Director, Division of Opinions

and Corporate Applications

Legal Topics:

For related research and practice materials, see the following legal topics:
Administrative LawJudicial ReviewReviewabilityFinal Order RequirementEnergy & Utilities LawAdministrative ProceedingsU.S. Federal Energy Regulatory CommissionGeneral OverviewEnergy & Utilities LawElectric Power IndustryFederal Power ActGeneral Overview

124 FERC ¶ 61,046
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Suedeen G. Kelly, Marc Spitzer,
Philip D. Moeller, and Jon Wellinghoff.

PacifiCorp
TNA Merchant Power, Inc.
Chehalis Power Generating, LLC

Docket No. EC08-82-000

ORDER AUTHORIZING MERGER AND DISPOSITION OF JURISDICTIONAL FACILITIES

(Issued July 17, 2008)

1. On April 29, 2008, PacifiCorp, TNA Merchant Power, Inc. (TNA), and Chehalis Power Generating, LLC (Chehalis) (collectively, Applicants), submitted an application under section 203 of the Federal Power Act[1] seeking authorization for the disposition of jurisdictional facilities resulting from a proposed merger of Chehalis with PacifiCorp (Proposed Transaction). The merger will result in disposition of jurisdictional facilities from Chehalis that include interconnection facilities, market-based rate schedules and reactive power rate schedules, and associated accounts, books, and records.

2. The Commission has reviewed the Proposed Transaction under the Merger Policy Statement.[2] As discussed below, we authorize the Proposed Transaction as consistent with the public interest.

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[1] 16 U.S.C. § 824b (2006).

[2] *See Inquiry Concerning the Commission's Merger Policy Under the Federal Power Act: Policy Statement*, Order No. 592, FERC Stats. & Regs. ¶ 31,044 (1996), *reconsideration denied*, Order No. 592-A, 79 FERC ¶ 61,321 (1997) (Merger Policy Statement). *See also FPA Section 203 Supplemental Policy Statement*, 72 Fed. Reg. 42,277 (Aug. 2, 2007), FERC Stats. & Regs. ¶ 31,253 (2007) (Supplemental Policy Statement), *order on clarification and reconsideration*, 122 FERC ¶ 61,157 (2008). *See also Revised Filing Requirements Under Part 33 of the Commission's Regulations*, Order No. 642, FERC Stats. & Regs. ¶ 31,111 (2000), *order on reh'g*, Order No. 642-A, 94 FERC ¶ 61,289 (2001). *See also Transactions Subject to FPA Section 203*, Order No. 669, FERC Stats. & Regs. ¶ 31,200 (2005), *order on reh'g*, Order No. 669-A, FERC Stats. & Regs. ¶ 31,214, *order on reh'g*, Order No. 669-B, FERC Stats. & Regs. ¶ 31,225 (2006).

I. Background

A. The Sellers

3. TNA owns 100 percent of the issued and outstanding equity interests in Chehalis. TNA is a direct, wholly-owned subsidiary of SUEZ Energy North America, Inc. (SENA), which, in turn, is a wholly-owned subsidiary of SUEZ S.A. (Suez). Suez, a French company, holds ownership interests in a number of energy-related subsidiaries that internationally engage in the production, transportation and distribution of liquefied natural gas; and the worldwide development and ownership of energy projects. SENA is a Delaware corporation, and owns direct and indirect interests in certain energy facilities within the United States, Canada, and Mexico. SENA also manages Suez's energy positions in North America, including electricity generation and cogeneration, natural gas and liquefied natural gas, asset-based trading and origination, and retail energy sales and related services to commercial and industrial customers.

B. The Purchasers

4. MidAmerican Energy Holdings Company (MidAmerican), through its subsidiary PPW Holdings, LLC, indirectly holds 100 percent of the issued and outstanding common stock of PacifiCorp. Through its subsidiaries, MidAmerican generates, transmits, stores, distributes and supplies energy. Berkshire Hathaway Inc. (Berkshire Hathaway) owns approximately 88.2 percent of the common stock of MidAmerican.[3] Other than its interests in MidAmerican, Berkshire Hathaway and its affiliates have no controlling interest in electric generation, transmission or distribution facilities, or inputs used for electric power production or transmission or in fuel transportation facilities.

5. PacifiCorp is an Oregon corporation that primarily engaged in providing retail electric service to approximately 1.7 million customers in Utah, Oregon, Wyoming, Washington, Idaho, and California. Approval of the Proposed Transaction is required from the Washington Energy Facility Site Evaluation Council[4] and the Utah Public Service Commission. Further, PacifiCorp states that it will make submittals regarding the Proposed Transaction to the Washington Utilities Transportation Commission and the Oregon Public Utility Commission.

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[3] Berkshire Hathaway is a holding company with subsidiaries engaged in a number of business activities. Through its interest in MidAmerican, Berkshire Hathaway has ownership interests in electric generation, transmission and distribution facilities.

[4] The Washington Energy Facility Site Evaluation Council coordinates all of the evaluation and licensing steps for siting major energy facilities in Washington.

6. PacifiCorp owns approximately 15,800 miles of transmission lines ranging from 46 kV to 500 kV and has approximately 10,000 MW of generation capacity.[5] Open access to PacifiCorp's transmission lines is provided pursuant to PacifiCorp's open access transmission tariff (OATT). PacifiCorp operates in two balancing authority areas, PacifiCorp East and PacifiCorp West. As a general matter, PacifiCorp East includes PacifiCorp's loads and resources in the States of Idaho, Utah, and Wyoming, while PacifiCorp West includes PacifiCorp's loads and resources in the States of Washington, Montana, Oregon, and California.

C. The Chehalis Facility

7. The Chehalis Facility is a 520 MW natural gas-fired power generation facility located in Lewis County, Washington, that is interconnected with the Bonneville Power Administration (BPA) transmission system in the BPA balancing authority area. It is not directly interconnected with PacifiCorp. Previously, the Commission granted Chehalis the authority to sell energy and/or capacity at market-based rates and accepted its cost-based rate schedule for the provision of reactive power.[6] Chehalis was granted exempt wholesale generator status in 2001.[7]

8. The Chehalis Facility began commercial operations in October 2003. The output of the Chehalis Facility is currently subject to a call option agreement between Suez

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[5] PacifiCorp is the only MidAmerican-owned generation owner engaging in the sale, transmission or distribution of electric energy in PacifiCorp East, PacifiCorp West, or BPA balancing authority areas. MidAmerican's other public utility subsidiaries include Cordova Energy Company LLC (Cordova) and MidAmerican Energy Company (MEC). Northern Natural Gas (Northern Natural) is a Delaware corporation and an indirect wholly-owned subsidiary of MidAmerican and owns an interstate natural gas pipeline system that reaches from Texas to Michigan's Upper Peninsula. Northern Natural is engaged in the transmission and storage of natural gas for utilities, municipalities, and other pipeline companies, gas marketers, industrial and commercial users and other end uses. Kern River Gas Transmission Company (Kern River) is a Texas general partnership and an indirect wholly-owned subsidiary of MidAmerican. Kern River owns an interstate natural gas transportation pipeline system extending from supply areas in the Rocky Mountains to consuming markets in Utah, Nevada, and California.

[6] *Chehalis Power Generation, L.P.*, Letter Order, Docket No. ER03-717-000 (2003) (accepting market-based rate application). *Chehalis Power Generation, L.P.*, 112 FERC ¶ 61,144 (2005) (accepting reactive power rate schedule, subject to refund and a hearing).

[7] *Chehalis Power Generation, L.P.*, 96 FERC ¶ 62,204 (2001).

Energy Marketing NA, Inc. (SEMNA), an indirect subsidiary of Suez and affiliate of Chehalis, and PacifiCorp pursuant to which, effective March 1, 2008, PacifiCorp has the option of calling upon firm energy from the Chehalis Facility. The term of the agreement is approximately nine months, but the agreement contains a provision allowing this term to be extended. The parties to the agreement anticipate that this extension will not be necessary because the Proposed Transaction is expected to close once all required regulatory approvals are obtained, prior to the end of the nine-month term.

D. The Proposed Transaction

9. TNA (which is not affiliated with PacifiCorp) currently owns 100 percent of the issued and outstanding interests in Chehalis. Pursuant to the merger agreement (Agreement), TNA will convey its equity interests in Chehalis directly to PacifiCorp. Immediately following the closing of the Proposed Transaction with TNA, PacifiCorp plans to merge Chehalis with and into PacifiCorp pursuant to Delaware's short-form subsidiary merger statute.[8] The net result is that PacifiCorp will own the Chehalis Facility and an indirect transfer of control over the Chehalis Facility from Suez to Berkshire Hathaway will have occurred. In addition, the Proposed Transaction will result in PacifiCorp becoming the successor in interest to Chehalis for certain contract rights as a customer for natural gas transportation service, natural gas storage service and transmission service that relate specifically to the operation of the Chehalis Facility.

E. Proposed Accounting

10. PacifiCorp provided pro forma accounting entries recording its acquisition of the equity interest in Chehalis and the subsequent merger of Chehalis with and into PacifiCorp.[9] PacifiCorp proposes to record its acquisition of the equity interest in Chehalis by debiting Account 123.1, Investment in Subsidiary Companies, and crediting Account 131, Cash, for the purchase price. PacifiCorp states that it will record its merger with Chehalis by allocating the purchase price to the assets and liabilities of Chehalis based on their relative fair values in accordance with generally accepted accounting principles.[10] PacifiCorp also proposes to record the portion of the purchase price allocated to the Chehalis Facility in Account 101, Electric Plant in Service, rather than recording the facility at its original cost.

11. PacifiCorp argues that the purpose of the original cost requirement set forth in Electric Plant Instruction (EPI) No. 2 is to ensure that captive customers who pay cost-

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[8] *See* Del. Gen. Corp. § 253.

[9] *See* PacifiCorp's Attachment 3.

[10] Application at 32 (citing Financial Accounting Standards Board Statement 144, Business Combinations, paragraphs 36-46.

based rates for electric energy do not pay twice for depreciation of the same asset. PacifiCorp notes that the Chehalis Facility was placed into service originally by Chehalis as a merchant generator and was never included in a cost-of-service rate base. PacifiCorp also notes that Chehalis has operated the Chehalis Facility under a waiver of the Uniform System of Accounts (USofA) in Part 101 of the Commission's regulations. Accordingly, PacifiCorp argues that no captive customers have previously paid for electric energy from the Chehalis Facility at cost-based rates and the policy concern behind EPI No. 2 does not apply.

12. PacifiCorp states that it is not aware of any binding Commission precedent regarding whether a merchant generator making sales at market-based rates is considered to be "devoted to utility service" for purposes of the USofA and therefore whether it is required to use original cost to account for this acquisition. PacifiCorp also states that in at least one case involving another utility, the Chief Accountant, by delegated authority, determined that a merchant generator had not been previously "devoted to public service."[11] Conversely, PacifiCorp notes that the Chief Accountant, by delegated authority, has ruled in other cases that merchant generators have been "devoted to public service."[12] PacifiCorp believes that in cases where merchant generators were determined to be "devoted to public service," the applicants did not provide a justification for their proposed accounting treatment. Accordingly, PacifiCorp requests the Commission to consider and accept its proposed accounting, which follows the notion that the Chehalis Facility has not been devoted to public service.

II. Notice and Responsive Pleadings

13. Notice of the application was published in the *Federal Register*, 73 Fed. Reg. 27,533 (2008), with interventions and protests due on or before May 20, 2008. The Constellation Commodities Group, Inc. filed a timely motion to intervene, raising no substantive issues.

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[11] Application at 33 (citing *Puget Sound Energy, Inc.*, Docket No. AC05-34-000 (April 6, 2005) (Puget Sound) (unpublished letter order)).

[12] Application at 33 (citing *Entergy Corporation*, Docket No. AC06-19-000 (February 2, 2007) (Entergy Corporation) (unpublished letter order); *American Electric Power*, Docket No. AC06-161-000 (April 26, 2007) (AEP) (unpublished letter order)).

III. Discussion

A. Procedural Matters

14. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure,[13] the timely, unopposed motion to intervene serves to make the entity that filed it a party to this proceeding.

B. Standard of Review under Section 203

15. FPA section 203(a)(4) requires the Commission to approve a transaction if it determines that the transaction will be consistent with the public interest. Under the Commission's regulations, its analysis of whether a transaction will be consistent with the public interest generally involves considering three factors: (1) the effect on competition; (2) the effect on rates; and (3) the effect on regulation.[14] Section 203 also requires the Commission to find that the transaction "will not result in cross-subsidization of a non-utility associate company or the pledge or encumbrance of utility assets for the benefit of an associate company, unless the Commission determines that the cross-subsidization, pledge, or encumbrance will be consistent with the public interest."[15] The Commission's regulations establish verification and informational requirements for applicants that seek a determination that a transaction will not result in inappropriate cross-subsidization or pledge or encumbrance of utility assets.[16]

1. Effect on Competition

16. Applicants argue that the Proposed Transaction does not raise any horizontal market power concerns. Applicants performed an Appendix A analysis for the PacifiCorp East, PacifiCorp West, Idaho Power, Avista, BPA, and Pacific Gas & Electric (PGE) balancing authority areas, as well as the larger Pacific Northwest market, using both Available Economic Capacity (AEC) and Economic Capacity (EC) as defined in the Merger Policy Statement, to represent a supplier's ability to participate in the market.[17]

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[13] 18 C.F.R. § 385.214 (2008).

[14] *See* Merger Policy Statement, FERC Stats. & Regs. ¶ 31,044 at 30,111.

[15] 16 U.S.C. § 824b(a)(4) (2006).

[16] 18 C.F.R. § 33.2(j) (2008).

[17] Generally, "Economic Capacity" is the amount of capacity that could compete in the relevant market given market prices, running costs, and transmission availability. 18 C.F.R. 33.3(c)(4)(i)(A) (2008). "Available Economic Capacity" is based on the same factors but subtracts the supplier's native load obligation from its capacity and adjusts transmission availability. 18 C.F.R. 33.3(c)(4)(i)(B) (2008).

Applicants state that there are no plans at the state level to implement retail competition with the exception of a limited number of retail access customers in Oregon, but this does not affect PacifiCorp's capacity obligations. Applicants conclude that for the foreseeable future, PacifiCorp will continue to have a native load obligation, and thus AEC provides a more meaningful measure of the actual competitive situation than EC. Applicants found no screen failures for AEC in any of the markets for any of the time periods they analyzed.[18] Applicants' analysis of the Proposed Transaction found no adverse competitive impacts on the markets for capacity and ancillary services, either.[19]

17. Applicants argue that the Proposed Transaction raises no vertical competition concerns. They state that other than certain rights and assets related exclusively to the operation of the Chehalis Facility, PacifiCorp will not acquire any natural gas production, transportation, or storage facilities or any other essential facilities for electric power production as a result of the Proposed Transaction. Also, the Proposed Transaction does not involve the acquisition or transfer of control over any transmission or transportation facilities, either electric or natural gas, other than the Chehalis Facility's interconnection facilities. Applicants further state that the Proposed Transaction poses no concerns with respect to barriers to entry.[20]

18. Based on the facts presented, we find that the Proposed Transaction will not adversely affect competition. We agree that, where applicants have significant native load obligations, AEC provides a more accurate measure of the effect on competition than EC.[21] Based on Applicants' competitive analysis, the small size of the Chehalis Facility in comparison to the relevant markets, and PacifiCorp's operation of its transmission facilities under its OATT, we are satisfied that the Proposed Transaction does not raise concerns with respect to either horizontal or vertical market power.

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[18] Application at 13-18. Applicants note that their analysis assumes that PacifiCorp will integrate the Chehalis Facility into the PacifiCorp West balancing authority area immediately upon consummation of the proposed transaction. Applicants also analyzed the competitive impact of the transaction assuming the Chehalis Facility is not integrated into the PacifiCorp West balancing authority area, remaining in the BPA balancing authority area. Their analysis shows no adverse competitive impact under this assumption either.

[19] Application at 20-22.

[20] *Id.* at 23-24.

[21] *See Nevada Power Co.*, 113 FERC ¶ 61,265 at P 15, 18 (2005); *Kansas City Power and Light Co.*, 113 FERC ¶ 61,074 at P 30, 35 (2005).

2. Effect on Rates

19. Applicants argue that the Proposed Transaction will not have an adverse effect on rates. They commit that they will not seek to include transaction-related costs in excess of transaction savings in their cost-based energy and/or capacity rates (including their reactive power rates) or filed transmission revenue requirements for a period of five years after the Proposed Transaction is consummated. Applicants further state that PacifiCorp and Chehalis are both authorized to sell power at market-based rates, and that those rates will not be affected by the Proposed Transaction and do not raise concerns. Moreover, PacifiCorp's existing cost-based wholesale power customers are served pursuant to fixed cost-based rates rather than formula rates. Applicants state that these fixed rate contracts include provisions that do not allow PacifiCorp to increase its rates for sales to these wholesale cost-based customers without making a section 205 filing with the Commission.[22]

20. We accept Applicants' commitment to hold transmission and wholesale customers harmless from costs related to the Proposed Transaction. We note that nothing in the application indicates that rates to customers will increase as a result of the Proposed Transaction, and no customer argues otherwise. In addition, the Commission will be able to monitor the Applicants' hold harmless provision under the books and records provision of the Public Utility Holding Company Act of 2005.[23] Therefore, we find that the Proposed Transaction will not adversely affect rates.

3. Effect on Regulation

21. Applicants state that the Proposed Transaction has no effect upon regulation because the Commission will continue to regulate the relevant jurisdictional assets owned by Chehalis after the merger with PacifiCorp, and state regulation will be unaffected by the Proposed Transaction.[24]

22. Based on the facts presented in the application, the Commission finds that the Proposed Transaction will not adversely affect regulation. We note that no state commission has intervened in this proceeding.

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[22] Application at 27-28.

[23] Energy Policy Act of 2005, Pub. L. No. 109-58, §§ 1261 *et seq.*, 119 Stat. 594 (2005).

[24] Application at 28-29.

4. Cross-subsidization

23. Applicants state that based on known or reasonably foreseeable information, the Proposed Transaction will not result in, at the time of the Proposed Transaction or in the future: (1) transfers of facilities between a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, and an associate company; (2) any new issuances of securities by a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, for the benefit of an associate company; (3) any new pledge or encumbrance of assets of a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, for the benefit of an associate company; or (4) any new affiliate contracts between a non-utility associate company and a traditional public utility associate company that has captive customers or that owns or provides transmission service over jurisdictional transmission facilities, other than non-power goods and services agreements subject to review under sections 205 and 206 of the FPA.[25] PacifiCorp's corporate structure will not change as a result of this Proposed Transaction. Applicants add that to the extent the Commission has any concerns regarding PacifiCorp's dealings with affiliates prospectively, PacifiCorp is currently ring-fenced under Washington law.[26]

24. Based on the facts as presented in the application, we find that the Proposed Transaction will not result in cross-subsidization, or the pledge or encumbrance of utility assets for the benefit of an associate company. We note that no party has argued otherwise.

5. Other Issues

25. Applicants argue that the Proposed Transaction raises no reliability concerns. Applicants explain that if PacifiCorp chooses to integrate the Chehalis Facility into the PacifiCorp West control area, this should not adversely affect reliability in either the BPA balancing authority area or the PacifiCorp West balancing authority area. Applicants state that PacifiCorp has integrated other resources from remote balancing authority areas into its own balancing authority areas and is not aware that this has ever raised reliability concerns related to its own balancing authority areas or the balancing authority areas of others. Applicants further state that PacifiCorp and Chehalis commit to comply with any reliability requirements that may become applicable as a result of the Proposed

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[25] 16 U.S.C. §§ 824b, 824c (2006).

[26] Application Exhibit M at M-4 (citing *In re Joint Application of MidAmerican Energy Holdings Co. & PacifiCorp*, Order No. 07, Docket No. UE-051090, 2006 Wash. UTC LEXIS 80, 248 PUR 4th 442 (Feb. 21, 2006)).

Transaction, including but not limited to any Western Electricity Coordinating Council or North American Electric Reliability Corporation requirements. Applicants state that the Proposed Transaction may benefit reliability, because PacifiCorp intends to rely on the output of the Chehalis Facility, in part, to support its owned and purchased wind generation capacity.[27]

26. Based on the facts as presented in the application, we find that the Proposed Transaction does not raise any issues with respect to reliability. We note that no party has argued otherwise.

6. Analysis of Proposed Accounting

27. The Commission's Uniform System of Accounts Prescribed for Public Utilities and Licensees requires that the acquisition of an operating unit or system must be accounted for in accordance with EPI No. 2, Electric Plant to be Recorded at Cost, EPI No. 5, Electric Plant Purchased or Sold, and Account 102, Electric Plant Purchased or Sold.[28] EPI No. 2 requires amounts included in the accounts for electric plant acquired as an operating unit or system to be stated at the cost incurred by the person who first devoted the property to utility service (original cost principle).[29]

28. The Commission's original cost principle is a long-standing accounting policy adopted in response to widespread abuses in the electric utility industry that arose through the practice of selling properties at large profits to other public utilities followed by the acquiring utilities' inflating plant accounts (and rate base) by the premium paid. The result of this practice was that ratepayers paid higher rates for electric service but received no increase in benefits.[30] Under the original cost principle, amounts paid in excess of depreciated original cost are recorded as an acquisition adjustment in Account 114, Electric Plant Acquisition Adjustments, and amortized below-the-line as a shareholder expense. To recover an acquisition adjustment in utility rates, a utility must provide demonstrable benefits to ratepayers. Hence, the Commission's purpose for the original cost principle is to protect customers from an unjust and unreasonable increase to their rate base.

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[27] Application at 29.

[28] 18 C.F.R. Part 101 (2008).

[29] The term "original cost," as applied to electric plant, means the cost of such property to the person first devoting it to pubic service. Definition No. 23, Original Cost, 18 C.F.R. Part 101 (2008).

[30] *See Minnesota Power & Light Co.*, 43 FERC ¶ 61,104 at P 61,342, *order on reh'g*, 43 FERC ¶ 61,502, *order on reconsideration*, 44 FERC ¶ 61,302 (1988).

29. Based on the discussion above, the Commission disagrees with PacifiCorp's position that the Chehalis Facility has not been devoted to public service because it has not been included in a cost-based rate, served captive customers, or been subject to Part 101 of the Commission's regulations. In support of its request, PacifiCorp references *Puget Sound,*[31] a delegated order of the Chief Accountant accepting for filing journal entries recording the acquisition of a merchant generator which the applicant claimed had not been devoted to public service. However, *Puget Sound* is an anomaly in Commission and Commission Staff decisions on this matter.

30. Prior to *Puget Sound*, the Commission affirmed a delegated order of the Chief Accountant which required that the acquisition of plant that had not been included in the predecessor owner's rate base, and on which the predecessor owner did not earn a return or recover depreciation, be recorded on the purchaser's books at depreciated original cost.[32] In the delegated order, the Chief Accountant noted that there is no provision in the USofA for excluding depreciation accumulated on properties previously devoted to public service, regardless of the rate treatment afforded the facilities prior to their acquisition.[33]

31. Since *Puget Sound*, Commission Staff has determined that merchant generating facilities in the same circumstances as the Chehalis Facility have been devoted to public service.[34] As was the case in these orders, the Chehalis facility is an operating unit or system, and wholesale sales of electric energy were made from the facility pursuant to a Commission approved market-based rate tariff. Consequently, the Chehalis Facility was previously devoted to public service, and the accounting for the Proposed Transaction should follow the Commission's original cost rules. Accordingly, Chehalis must account for the acquisition pursuant to EPI No. 2, EPI No. 5, and Account 102, and record the original cost, estimated if not known, in Account 101 and concurrently record the related accumulated depreciation in Account 108, Accumulated Provision for Depreciation of

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[31] *Puget Sound*, *supra* at note 10.

[32] *See Northern Border Pipeline Company*, 77 FERC ¶ 61,006 (1996).

[33] *Northern Border Pipeline Company*, Docket No. AC93-116-000 (February 15, 1994) (unpublished letter order).

[34] *See Goldendale Energy Center, LLC and Puget Sound Energy, Inc.*, 118 FERC ¶ 62,101 (2007); *PSEG Lawrenceburg Energy Company LLC, American Electric Power Service Corporation, AEP Generating Company*, 119 FERC ¶ 62,015 (2007); *DTE Energy Services, Inc., DTE Georgetown Holdings, Inc., DTE Georgetown, LP, and Indianapolis Power & Light Company*, 120 FERC ¶ 62,040 (2007); *Quachita Power, LLC and Entergy Arkansas, Inc.*, 122 FERC ¶ 62,071 (2008); *Entergy Corporation*, *supra* at note 11; and *AEP*, *supra* at note 11.

Electric Utility Plant. PacifiCorp must record in Account 114, Electric Plant Acquisition Adjustments, any difference between the purchase price and the depreciated original cost of the Chehalis Facility.

The Commission orders:

(A) Applicants' Proposed Transaction is authorized, as discussed in the body of this order.

(B) The foregoing authorization is without prejudice to the authority of the Commission or any other regulatory body with respect to rates, service, accounts, valuation, estimates or determinations of costs, or any other matter whatsoever now pending or which may come before the Commission.

(C) Nothing in this order shall be construed to imply acquiescence in any estimate or determination of cost or any valuation of property claimed or asserted.

(D) The Commission retains authority under sections 203(b) and 309 of the FPA to issue supplemental orders as appropriate.

(E) Applicants shall make any appropriate filings under section 205 of the FPA, as necessary, to implement the Proposed Transaction.

(F) If the Proposed Transaction results in changes in the status or the upstream ownership of Applicants' affiliated qualifying facilities, if any, an appropriate filing for recertification pursuant to 18 C.F.R. § 292.207 shall be made.

(G) Applicants must inform the Commission of any change in circumstances that would reflect a departure from the facts the Commission relied upon in authorizing the Proposed Transaction.

(H) Applicants shall notify the Commission within 10 days of the date that the Proposed Transaction has been consummated.

(I) PacifiCorp shall account for the Proposed Transaction in accordance with EPI No. 2, EPI No. 5, and Account 102. PacifiCorp shall submit its proposed accounting for the Proposed Transaction within six months after the Proposed Transaction is consummated, and the submission shall provide all merger-related accounting entries made, along with appropriate narrative explanations describing the basis for the entries.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

Florida Power Corporation

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

In Reply Refer To:
OCA-DE/HO
Docket No. AC97-184-000
January 30, 1998

Letter Order

Florida Power Corporation
Attention: Mr. John Scardino, Jr.
Vice President and Controller
P. O. Box 14042
St. Petersburg, FL 33733-4042

Thank you for your September 18, 1997, letter asking us to approve your proposal to use Account 182.3, Other Regulatory Assets, to record $20.1 million, representing the wholesale portion of buy-out costs of certain purchase power agreements.

We believe that it is more appropriate to record the $20.1 million wholesale portion of buy-out costs included in a July 1997 transaction with Tiger Bay Limited Partnership by a charge which will be included in net income determination for the current period. Our conclusion is based upon the following:

- Your letter states that the Company does not currently plan to include the costs in its wholesale rates.
- The Company indicates it proposes to utilize existing revenues in wholesale base rates to cover the cost of amortizing the regulatory asset.

Under the Uniform System of Accounts, classification as a regulatory asset is based upon a probability that coverage for amortizing a cost will be included in a different period for purposes of developing the rates that a utility is authorized to charge for its utility services. The future revenues the Company may expect to realize under existing wholesale base rates will not be affected by the recording of this proposed regulatory asset and its amortization against future revenues.

This letter order constitutes final agency action. If you

CB-15-010393

150075 Hearing Exhibits 000667

wish the Commission to rehear your case, you must file a request within 30 days of the date of this letter order (See 18 C.F.R. ⊥ 385.713).

Sincerely,

Bryan K. Craig, Acting
Director, Division of Electric
and Hydropower Operations

AC97-184-000

ORIGINAL

FERC
97 SEP 23 PM 2:49
OFFICE OF CHIEF ACCOUNTANT

Florida Power
CORPORATION

John Scardino, Jr.
VICE PRESIDENT AND
CONTROLLER

September 18, 1997

Federal Energy Regulatory Commission
825 North Capitol Street N.E.
Washington, D.C. 20426

Attention: Ms. Debbie L. Clark

On July 15, 1997 the Company finalized the purchase, for $455.2 million, of a 220 MW cogeneration facility located in Polk County, Florida from Tiger Bay Limited Partnership, which is not subject to regulatory jurisdiction. This purchase resulted in the termination of five separate purchased power agreements served by the Tiger Bay facility. An economic evaluation of the Tiger Bay purchase shows that the transaction will produce a net savings of at least $2.1 billion compared to the payments that would have been made under the Tiger Bay purchased power agreements.

The $455.2 million purchase price is the combination of the cost of the plant, the cost of the termination of the Tiger Bay purchased power agreements(regulatory asset), capacity and energy payments for the months of June and July (1-14), and miscellaneous payables and receivables prorated to the closing date. The cost of the plant is $75.0 million. This amount was based on the fair value approach of today's average construction cost per Kw adjusted for the age of the facility. An estimate was prepared by Black And Veatch of a similar facility in conjunction with the Company's construction of the Hines Energy Complex. The Company believes that this is a representative value for the Tiger Bay facility. The regulatory asset, or cost of the termination of the Tiger Bay purchased power agreements, is $372.7 million. This regulatory asset is comprised of a retail portion and wholesale portion, $352.6 and $20.1 million, respectively. The June and July capacity and energy payments were $9.3 million and the final true-up of miscellaneous receivables, payables and expenses was $(1.8) million.

The Florida Public Service Commission, in Docket No. 970096-EQ, Order No. PSC-97-0652-S-EQ, issued June 9, 1997 (copy attached) authorized amortization of the retail portion of the regulatory asset (using purchased power agreement revenues minus fuel expense) which results in the asset being fully amortized by January 2008. However, if the Company is able to accelerate the amortization as permitted under Section 2(e) of the Stipulation (attachment 1 of the state order), the asset could be fully amortized earlier. The Company requests, for accounting purposes only, FERC authorization for similar treatment for the wholesale portion of the regulatory asset utilizing existing revenues in wholesale base rates for the Tiger Bay purchased power agreements to cover the cost of amortizing the regulatory asset. The Company does not currently plan to include any portion of the purchase price of the project in its wholesale rates.

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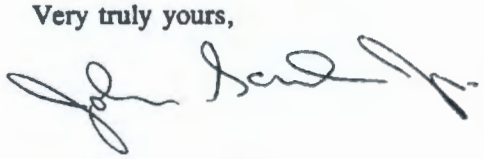
GENERAL OFFICE
3201 THIRTY-FOURTH STREET SOUTH • POST OFFICE BOX 14042 • ST. PETERSBURG, FLORIDA 33733-4042 • (813) 866-5151
A Florida Progress Company

CB-15-010395

The following journal entries record the purchase:

	Account	Debit	Credit
Electric Plant Purchased	102	$455,210,379.96	
Accounts Payable	232		$455,210,379.96
To record purchase.			
Regulatory Asset- Retail	182	$352,554,054.05	
Regulatory Asset- Wholesale	182	$ 20,145,945.95	
Electric Plant Purchased	102		$372,700,000.00
To record regulatory asset for the buy-out of purchase power agreements.			
Electric Plant in Service	101	$ 75,000,000.00	
Electric Plant Purchased	102		$ 75,000,000.00
To record plant purchased utilizing fair value approach.			
Accounts Payable	232	$ 9,310,461.19	
Electric Plant Purchased	102		$ 9,310,461.19
To record capacity and energy payments for June and July 1 - 14.			
Accounts Payable	232	$ 899,755.10	
Electric Plant Purchased	102		$ 899,755.10
To record the return of security deposit made by Tiger Bay at contract signing.			
Electric Plant Purchased	102	$ 2,699,836.33	
Accounts Payable	232		$ 2,640,378.31
Accounts Receivable	143		$ 59,458.02
To record miscellaneous true-up receivables and payables at closing (steam, site lease, real estate taxes, stand by power).			

Very truly yours,



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for expedited approval of agreement with Tiger Bay Limited Partnership to purchase Tiger Bay cogeneration facility and terminate related purchased power contracts by Florida Power Corporation.	DOCKET NO. 970096-EQ ORDER NO. PSC-97-0652-S-EQ ISSUED: JUNE 9, 1997

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman
SUSAN F. CLARK
J. TERRY DEASON
JOE GARCIA
DIANE K. KIESLING

ORDER APPROVING STIPULATION AND SUPPLEMENTAL STIPULATION

BY THE COMMISSION:

CASE BACKGROUND

On January 22, 1997, Florida Power Corporation (FPC) filed a Petition for Expedited Approval of an Agreement, dated January 20, 1997, with Tiger Bay Limited Partnership (Tiger Bay) to purchase the Tiger Bay cogeneration facility (Facility) and terminate the five related purchased power agreements: three with General Peat, one with Ecopeat, and one with Timber2 (the PPAs). The petition further requested recovery of the purchase cost, approximately $445 million, through the Capacity Cost Recovery Clause (CCRC) over a period not to exceed five years. In addition, FPC requested that the fuel expense associated with the operation of the Facility be approved for recovery through the Fuel and Purchased Power Cost Recovery Clause (Fuel Clause). The matter was scheduled for hearing on April 17-18, 1997.

On April 14, 1997, all the parties to the docket, FPC, the Office of Public Counsel (OPC), and the Florida Industrial Power Users Group (FIPUG) filed a Joint Motion for Approval of Stipulation (Stipulation). The Stipulation resolved all disputed

J. Portuondo	C2J	C. Coutroulis
S. Nixon	B3J	L. Schuster B3J
R. Dolan	B3J	J. Fama
J. Scardino	C2J	D. Grammen B3J
M. Waller	A6C	

issues among the parties. On April 16, 1997, FPC submitted a supplement to the Stipulation (Supplemental Stipulation) concerning the accounting treatment of the transaction. At the April 17, 1997, hearing, we were presented with both the Stipulation and the Supplemental Stipulation. The Stipulation and Supplemental Stipulation are attached to the order as Attachments 1 and 2, respectively.

DECISION

Stipulation:

There are advantages and disadvantages with the Stipulation. Taken as a whole, however, we believe that the Stipulation reduces FPC's ratepayers' liability throughout the remaining term of the PPAs. Furthermore, the Stipulation represents a reasonable balance between potential ratepayer neutrality to the transaction and encouragement of company contributions. The advantages and disadvantages are discussed below.

A. Advantages: Absent a rate proceeding, FPC's customers are not projected to incur any cost above that which they are currently committed to pay under the existing PPAs. Therefore, approving the proposed Stipulation provides the potential for FPC's ratepayers to be unaffected by the cost of the transaction. In other words, though they would not receive a benefit until the regulatory asset has been fully amortized, FPC's ratepayers also would not incur any additional cost. Furthermore, though FPC may be unable to buy-out or buy-down the current Vastar Gas contract, its ratepayers are projected to receive an additional benefit in the form of reduced fuel costs once the contract terminates in 2010.

Pursuant to the Stipulation, FPC will place $75 million of the purchase cost in existing rate base. This treatment reduces FPC's ratepayers' responsibility, namely for the amount of the Tiger Bay Regulatory Asset, which will be amortized through recovery of the PPA revenues. Reducing the amount of the regulatory asset by $75 million is projected to shorten the recovery period by approximately two years.

Section 2(e) of the Stipulation provides FPC the discretionary ability to contribute dollar amounts from its earnings to accelerate the amortization of the Tiger Bay Regulatory Asset. There are currently no assurances nor any requirements that FPC will exercise this provision of the Stipulation. However, such

contributions would be to the advantage of both FPC and its ratepayers in the form of reduced liability.

According to FPC's projections, the method for amortizing the Tiger Bay Regulatory Asset proposed in the Stipulation, using PPA revenues minus fuel expense, results in the asset being fully amortized by January 2008. However, if FPC is able to contribute revenues to accelerate the amortization as permitted under Section 2(e) of the Stipulation, the asset could be fully amortized as early as October 2005.

FPC projects that approving the Stipulation and its proposal to purchase the Facility and terminate the five related PPAs will produce savings for its ratepayers in amounts ranging from $238 to $516 million on net present value basis. These savings are based on the cumulative interaction of assumptions ranging from FPC's projection of Medium-Term note financing costs, the timing of FPC's next rate proceeding, fuel price projections, and the potential that FPC will be able to accelerate the amortization of the Tiger Bay Regulatory Asset using revenues as compared to the PPA costs.

B. Disadvantages: Approving the Stipulation provides no assurances that FPC will not petition for a rate increase prior to the regulatory asset being fully amortized. A rate proceeding would potentially reduce the overall savings of the transaction as customers' base rates would be adjusted to support the Facility's non-fuel operating costs as well as a return on any undepreciated amount of the $75 million net plant investment.

Under the Stipulation, FPC, OPC, and FIPUG have agreed that the PPA revenues will continue to be recovered through the CCRC and the Fuel Clause until the Tiger Bay Regulatory Asset is fully amortized or as long as the current Vastar contract remains in effect. FPC currently projects that the Tiger Bay Regulatory Asset will be fully amortized in the year 2008. Absent a buy-out or buy-down, the Vastar Gas contract will not terminate until 2010. High load factor customers stand to lose the benefit of lower cost coal based energy pricing under the existing PPAs while also incurring the currently projected higher cost Vastar Gas contract during years 2008 to 2010. The continuance of the recovery of the capacity revenues through the CCRC to compensate for the increased cost in the Fuel Clause, once the regulatory asset has been fully amortized, will offset this impact. Consequently, low load factor residential customers will be adversly impacted. Recovering capacity revenues through the CCRC from all rate classes is a clear

example of cross-class subsidization. Absent a buy-down or buy-out of the Vastar contract, cross-class subsidization will occur. If the Tiger Bay Regulatory Asset is fully amortized prior to the termination of the current Vastar Gas contract, FPC will recover the appropriate energy payment pursuant to the PPAs and a reduced capacity payment through the CCRC to minimize the impact of this subsidization.

C. Other Matters: Within paragraph 2(e) of the Stipulation, the parties have agreed to the following:

> On a going forward basis, FPC may, at its option, increase the amortization of the retail portion of the Tiger Bay Regulatory Asset, and each year's increased amount of amortization shall be deemed a prudent regulatory expense in calculating FPC's regulatory earnings for purposes of surveillance reporting, pursuant to Rule 25-6.024, F.A.C.

FPC, OPC, and FIPUG agreed that the intent of this language was directed at the parties; and, that a determination of prudence for the amortization amounts in future reviews remained with us.

The Stipulation contemplates that FPC will seek to buy-out or buy-down the current Vastar Gas contract. Fuel prices under this contract are projected to be greater than forecasted market prices. We encourage FPC to take all necessary steps to buy-out or buy-down fuel contracts when those actions are projected to produce ratepayer savings.

The Supplemental Stipulation

Following is a discussion of the items in the Supplemental Stipulation.

A. Materials and Supplies

As part of the Stipulation, Materials and Supplies for the Facility included in the purchase cost shall constitute a regulatory asset and shall be recorded in Account 182.3, Other Regulatory Assets. According to the Uniform System of Accounts (USOA), Materials and Supplies should be recorded in Account 154, Plant Materials and Operating Supplies. Since the Stipulation provides substantial benefits to both FPC and its ratepayers, we approve the accounting treatment proposed in the Stipulation. On a prospective basis, however, Materials and Supplies will be

accounted for in accordance with the USOA. In the Supplemental Stipulation, the parties have agreed that all future purchases of Materials and Supplies for the Facility by FPC shall be recorded in Account 154 and will be included in working capital for surveillance purposes.

B. Deferred Income Taxes

FPC's original filing in this proceeding contemplated recovery of the carrying costs of debit balance deferred income taxes related to the buy-out of the Tiger Bay contracts through existing base rates. These debit balance deferred income taxes will be created if FPC cannot take a current deduction for the Tiger Bay buy-out costs, not related to depreciable plant, on its income tax return. The filing contemplated this worst case scenario since the Internal Revenue Service (IRS) had not issued a private letter ruling on deductibility. FPC estimates that the maximum amount of debit balance deferred taxes will be approximately $42 million, which will reverse to a zero balance over 15 years. FPC's Supplemental Stipulation states that the deferred taxes will be reported in the capital structure for surveillance purposes.

The premise behind FPC's request is that the costs of buying-out unfavorable contracts are deductible if the result of the buy-out is to reduce expenses into the future. FPC cited cases and rulings dating back to the 1920's in support of its position. The request was filed with the IRS on April 30, 1997. FPC anticipates a response by late fall. FPC shall notify our Division of Auditing and Financial Analysis of the IRS's actions.

If FPC is successful in obtaining a favorable letter ruling, the deferred taxes will carry a credit balance of approximately $100 million, which will reverse to a zero balance. FPC believes that the effect of these credit balance deferred taxes should also flow through existing base rates and be reported in the capital structure for surveillance purposes. By doing so, additional dollars will be provided which FPC may use to write-down the regulatory asset more rapidly. Further, FPC plans to issue intermediate term debt which will have an established payment schedule not necessarily tied to the actual write-down of the regulatory asset.

FPC requested that it have flexibility to establish the amount of the regulatory asset to be written-off each year. All other things being equal, the additional dollars provided by the reversing credit balance deferred taxes may allow a write-off over a shorter period of time. If FPC receives a favorable letter ruling and the write-off of the regulatory asset is not

accelerated, we will still have the ability to review the prudence and reasonableness of FPC's actions during surveillance reviews.

We find it is reasonable for FPC to report either debit or credit balance deferred taxes in the capital structure for surveillance purposes and to allow the effect to flow through existing base rates. Therefore, we approve FPC's proposed accounting treatment.

C. Fossil Dismantlement

FPC has estimated a $4.1 million (1997 dollars) fossil dismantlement provision for the Facility. A more detailed site specific estimate will be submitted with FPC's regular depreciation and fossil dismantlement study due in November, 1997. Utilizing the same assumptions used in FPC's 1993 study, the dismantlement accrual for the Facility for 1995 and 1996 should have been $241,000 and $253,000, respectively. The estimated 1997 accrual is $266,000. These accrual amounts appear reasonable at this time. A site specific dismantlement study to be filed later this year will determine the appropriate amount of the final dismantlement provision for the Facility. Since Tiger Bay has made no provision for future dismantlement, FPC will record the accrual amount for 1995 - 1997 during 1997 subsequent to closing the purchase.

D. Depreciation Rate

FPC has proposed a 5.5% depreciation rate (20 year service life, 18 year average remaining life, negative 10% net salvage) for the Facility to be implemented upon the purchase closing which is currently estimated to be July 1, 1997. The life and salvage factors are predicated on the currently prescribed factors for the University of Florida co-generation plant which FPC asserts is similar to the Facility. A site specific study will be filed as part of its next comprehensive depreciation and fossil dismantlement study no later than November 27, 1997 at which time the appropriate remaining life, net salvage, and the depreciation rate will be determined.

E. Non-Fuel Expenses

Pursuant to the Stipulation, FPC, OPC, and FIPUG have agreed that all non-fuel expenses associated with the operation of the Facility will be included in FPC's base rates and recovered accordingly. These non-fuel expenses are defined to include operation and maintenance expenses, taxes, site lease payments, insurance, rate base investment, and the carrying costs of the

deferred taxes. These amounts appear reasonable at this time. However, we may review the prudence of these expenses at any time.

The Supplemental Stipulation clarifies certain parts of the Stipulation and resolves outstanding accounting issues in this proceeding. Therefore, we approve the Supplemental Stipulation.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Stipulation between Florida Power Corporation, the Florida Power Industrial Users Group, and the Office of Public Counsel relating to FPC's purchase of the Tiger Bay cogeneration facility and to terminate related purchased power agreements, as discussed within the body of this order, is approved. It is further

ORDERED that Florida Power Corporation's proposed accounting treatment relating to the purchase of the Tiger Bay cogeneration facility and to terminate related purchased power agreements as specified in the Stipulation and the Supplemental Stipulation, as discussed within the body of this order, is approved. It is further

By ORDER of the Florida Public Service Commission, this 9th day of June, 1997.

/s/ Blanca S. Bayó
BLANCA S. BAYÓ, Director
Division of Records and Reporting

This is a facsimile copy. A signed copy of the order may be obtained by calling 1-904-413-6770.

(S E A L)

SOME (OR ALL) ATTACHMENT PAGES ARE NOT ON ELECTRONIC DOCUMENT.

LW

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

12

COPY

LAW OFFICES
McWHIRTER, REEVES, McGLOTHLIN, DAVIDSON, RIEF & BAKAS, P.A.
100 NORTH TAMPA STREET, SUITE 2800
TAMPA, FLORIDA 33602-5126

MAILING ADDRESS: TAMPA
P.O. BOX 3350, TAMPA, FLORIDA 33601-3350

TELEPHONE (813) 224-0866
FAX (813) 221-1854
CABLE GRANDLAW

PLEASE REPLY TO:
TALLAHASSEE

TALLAHASSEE OFFICE
117 S. GADSDEN
TALLAHASSEE, FLORIDA 32301

TELEPHONE (904) 222-2525
FAX (904) 222-5606

LYNWOOD F. ARNOLD, JR.
JOHN W. BAKAS, JR.
HARRY LEE COE, IV
LINDA DARNEY HARTLEY
C. THOMAS DAVIDSON
STEPHEN O. DECKER
LINDA E. JORGE
VICKI GORDON KAUFMAN
JOSEPH A. McGLOTHLIN
JOHN W. McWHIRTER, JR.
RICHARD W. REEVES
FRANK J. RIEF, III
DAVID W. STEEN
PAUL A. STRASKE

April 14, 1997

HAND-DELIVERED

Blanca S. Bayo, Director
Division of Records and Reporting
Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0870

Re: Docket No. 970096-EQ

Dear Ms. Bayo:

Enclosed for filing and distribution are the original and fifteen copies of the parties' Joint Motion for Approval of Stipulation in the above docket.

Please acknowledge receipt of the above on the extra copy enclosed herein and return it to me. Thank you for your assistance.

Sincerely,

Vicki Gordon Kaufman

Vicki Gordon Kaufman

VGK/pw
Encls.

CK ___
FA 2
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03759 APR 14 97
FPSC-RECORDS/REPORTING

CB-15-010405

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for expedited approval of an agreement to purchase the Tiger Bay cogeneration facility and terminate related purchased power contracts by Florida Power Corporation.

Docket No. 970096-EQ

JOINT MOTION FOR APPROVAL OF STIPULATION

Florida Power Corporation ("FPC"), the Office of Public Counsel ("Public Counsel") and the Florida Industrial Power Users Group ("FIPUG"), (collectively, "the Parties") hereby jointly move the Florida Public Service Commission ("the Commission") to approve the Stipulation among them attached hereto. In support of their motion, the Parties state as follows:

FPC has petitioned the Commission to approve its agreement to purchase the Tiger Bay cogeneration facility ("the Facility") and terminate the five (5) power purchase agreements (three with General Peat, one with Ecopeat, and one with Timber2) (the "PPA's") currently served by the Facility. Those agreements are among the most expensive sources of capacity and energy serving FPC's ratepayers. In its petition, FPC seeks recovery of the Purchase Cost (the aggregate amount to purchase the Facility, terminate the PPA's, and recover the associated financing costs) over a five (5) year period. Public Counsel and FIPUG have intervened in the proceeding, and have objected to FPC's requested method for recovery of the Purchase Cost, proposing instead a much longer recovery period. FPC and FIPUG have each submitted pre-filed testimony and exhibits in support of their respective positions.

T#525106.2-E

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03759 APR 14 97
FPSC-RECORDS/REPORTING

In recognition of the significant and complex issues involved in this proceeding, and the attendant time, expense, and inherent uncertainty in continuing to litigate this dispute over the method and timing of recovery by FPC of the Purchase Cost, the Parties have entered into the attached stipulation, which, if approved by the Commission, would resolve all disputed issues among the Parties, and the need for an evidentiary hearing on FPC's petition.

WHEREFORE the Parties jointly request that the Commission enter an order approving the attached stipulation.

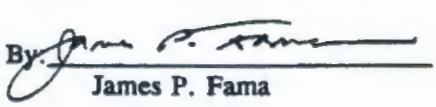
FLORIDA POWER CORPORATION
OFFICE OF THE GENERAL COUNSEL

JAMES P. FAMA
JAMES A. McGEE
Post Office Box 14042
St. Petersburg, Florida 33733-4042
Telephone: (813) 866-5184
Facsimile: (813) 866-4931

and

CARLTON, FIELDS, WARD, EMMANUEL
SMITH & CUTLER, P.A.

Chris S. Coutroulis
Fla. Bar No. 300705
One Harbour Place
777 S. Harbour Island Boulevard
Tampa, Florida 33602-5799
Telephone: (813) 223-7000
Facsimile: (813) 229-4133

By: 
James P. Fama

OFFICE OF THE PUBLIC COUNSEL

Jack Shreve, Esquire
Public Counsel
John Roger Howe, Esquire
Deputy Public Counsel
c/o The Florida Legislature
111 W. Madison Street
Room 812
Tallahassee, Florida 32399-1400

By: Jack Shreve

FLORIDA INDUSTRIAL POWER USERS GROUP

John W. McWhirter, Jr.
McWhirter, Reeves, McGlothlin,
Davidson, Rief & Bakas
P. O. Box 3350
Tampa, Florida 33601

and

Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin,
Davidson, Rief & Bakas
117 South Gadsden Street
Tallahassee, Florida 32301

By: Vicki Gordon Kaufman

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for expedited approval of an agreement to purchase the Tiger Bay cogeneration facility and terminate related purchased power contracts by Florida Power Corporation.	Docket No. 970096-EQ

STIPULATION

This Stipulation is entered into by and among Florida Power Corporation ("FPC"), the Office of Public Counsel ("Public Counsel"), and the Florida Industrial Power Users Group ("FIPUG") (collectively, "the Parties"), as follows:

1. Public Counsel and FIPUG hereby withdraw any and all objections they have made, shall make no further objections, and shall fully support FPC's petition for approval of its agreement to purchase the Tiger Bay Facility ("the Facility"), terminate its five purchase power agreements, and recover the financing costs associated therewith (collectively the "Purchase Cost"), and for approval of the method and timing of recovery by FPC of the retail portion of the Purchase Cost, as set forth in this Stipulation.

2. FPC's request for recovery of the Purchase Cost shall be modified so that recovery will occur in the following manner, instead of in the manner set forth in FPC's petition and pre-filed testimony.

a. $75 million of the Purchase Cost shall be included in FPC's rate base, and all non-fuel expenses associated with the Facility shall be included in FPC's base

CB-15-010409

150075 Hearing Exhibits 000683

rates and recovered accordingly. The remaining amount of the Purchase Cost (approximately $370 million),which shall be determined in an amount certain at closing, shall constitute a regulatory asset ("the Tiger Bay Regulatory Asset") and shall be recorded in Account 182.3, *Other Regulatory Assets*. The retail portion of the Tiger Bay Regulatory Asset shall be amortized in accordance with sub-paragraphs (b) through (g) below.

b. Upon closing of the transaction to purchase the Facility and terminate the five (5) power purchase agreements (three with General Peat, one with Ecopeat, and one with Timber2) (the "PPA's"), FPC shall continue to recover costs from FPC's ratepayers under the Capacity Cost Recovery Clause ("CCR") and the Fuel Adjustment Clause ("FAC"), as part of FPC's Fuel and Purchased Power Cost Recovery proceedings, and as if the PPA's were still in effect such that the full capacity payments and the appropriate energy payments were being made. This shall continue for as long as the existing gas contract with Vastar Gas Marketing, Inc. (the "Vastar Gas Contract") remains in effect, or a balance on the retail portion of the Tiger Bay Regulatory Asset exists. In no event shall the amount collected hereunder exceed the sum of the balance on the retail portion of the Tiger Bay Regulatory Asset plus the Natural Gas Costs as defined in sub-paragraph (c) below.

c. The revenues recovered through the mechanism set forth in sub-paragraph (b) above shall be utilized by FPC first to pay for the natural gas supply and transportation costs associated with the operation of the Facility (the "Natural Gas

Costs"), and second to amortize the principal and interest costs associated with the retail portion of the Tiger Bay Regulatory Asset. For as long as the Vastar Gas Contract remains in effect or a balance on the retail portion of the Tiger Bay Regulatory Asset exists, the charges shall be recovered from FPC's customers in the following manner: The coal energy charge specified in the PPA's, less steam payments if any (the "PPA Energy Cost"), shall be recovered through the FAC. The capacity charge specified in the PPA's shall be recovered through the CCR and shall be applied only to: (1) the remaining fuel cost (the Natural Gas Costs less the PPA Energy Costs) if any, (2) interest applicable to the unamortized balance of the retail portion of the Tiger Bay Regulatory Asset, and (3) amortization of the remaining principal of the retail portion of the Tiger Bay Regulatory Asset. Once the retail portion of the Tiger Bay Regulatory Asset has been reduced to a zero balance and the Vastar Gas Contract is terminated or replaced, recovery pursuant to sub-paragraph (b) above shall cease and the Natural Gas Cost shall be recovered through the FAC.

d. In the event FPC negotiates a buy-out or buy-down of the Vastar Gas Contract, and the Commission issues an order approving such buy-out or buy-down, the retail portion of costs associated with such buy-out or buy-down shall be added to the amount of the retail portion of the Tiger Bay Regulatory Asset and recovered in the same manner as set forth in sub-paragraphs (b) and (c) above, and sub-paragraphs (e) through (g) below. Public Counsel and FIPUG shall

retain the right to participate in any proceeding relating to the buy-down or buy-out of the Vastar Gas Contract.

e. On a going-forward basis, FPC may, at its option, increase the dollar amount of amortization of the retail portion of the Tiger Bay Regulatory Asset, and each year's increased amount of amortization shall be deemed a prudent regulatory expense in calculating FPC's regulatory earnings for purposes of surveillance reporting, pursuant to Rule 25-6.024, F.A.C.

f. In the event of a general rate proceeding on the level of FPC's base rates, Public Counsel and FIPUG shall support as a prudent FPC expense for cost recovery in FPC's base rates, all non-fuel expenses associated with the Facility, including but not limited to the return on the remaining undepreciated rate base of the Facility, all operating and maintenance expenses, taxes, and depreciation, but not including future capital additions and associated increases in non-fuel expenses. Public Counsel and FIPUG shall also support as a prudent FPC expense for cost recovery in FPC's CCR, FPC's average annual increased dollar amount of amortization of the retail portion of the Tiger Bay Regulatory Asset for the period beginning on the day of closing of the transaction to purchase the Facility and ending at the conclusion of the twelve month period preceding the rate case test year; provided, however, that once the retail portion of the Tiger Bay Regulatory Asset has been reduced to a zero balance, FPC shall remove this average annual amount from its CCR expense.

CB-15-010412

150075 Hearing Exhibits 000686

g. If, in the future, the electric utility industry in Florida is deregulated or restructured in a manner that prevents FPC from continuing to recover the retail portion of the Tiger Bay Regulatory Asset as set forth in sub-paragraphs (b) through (f) above, Public Counsel and FIPUG shall not object to legislative or regulatory efforts by FPC to include the unamortized balance of the retail portion of the Tiger Bay Regulatory Asset for recovery by an appropriate mechanism designed as a non-bypassable charge for recovery of stranded costs or PURPA contract costs; provided, however, that Public Counsel and FIPUG shall retain the right to otherwise participate in any proceeding relating to the recovery of stranded costs or PURPA contract costs, including but not limited to the appropriate level of total stranded or PURPA contract costs to be recovered by FPC.

3. This Stipulation is contingent on approval in its entirety by the Commission.

4. This Stipulation may be executed in counterpart originals. A facsimile of an original signature shall be deemed an original.

FLORIDA POWER CORPORATION
OFFICE OF THE GENERAL COUNSEL

JAMES P. FAMA
JAMES A. McGEE
Post Office Box 14042
St. Petersburg, Florida 33733-4042
Telephone: (813) 866-5184
Facsimile: (813) 866-4931

and

CARLTON, FIELDS, WARD, EMMANUEL
SMITH & CUTLER, P.A.

Chris S. Coutroulis
Fla. Bar No. 300705
One Harbour Place
777 S. Harbour Island Boulevard
Tampa, Florida 33602-5799
Telephone: (813) 223-7000
Facsimile: (813) 229-4133

By: _____
James P. Fama

OFFICE OF THE PUBLIC COUNSEL

Jack Shreve, Esquire
Public Counsel
John Roger Howe, Esquire
Deputy Public Counsel
c/o The Florida Legislature
111 W. Madison Street
Room 812
Tallahassee, Florida 32399-1400

By: _____

FLORIDA INDUSTRIAL POWER USERS GROUP

John W. McWhirter, Jr.
McWhirter, Reeves, McGlothlin,
Davidson, Rief & Bakas
P. O. Box 3350
Tampa, Florida 33601

and

Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin,
Davidson, Rief & Bakas
117 South Gadsden Street
Tallahassee, Florida 32301

By: Vicki Gordon Kaufman

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing **Joint Motion for Approval of Stipulation** has been furnished by Hand Delivery*, Federal Express** or U.S. Mail to the following this **14th** day of **April, 1997**:

Lorna Wagner*
Florida Public Service Commission
Division of Legal Services
2540 Shumard Oak Boulevard
Gunter Building, Room 370
Tallahassee, Florida 32399-0850

Roger Howe*
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, Florida 32399-1400

Patrick K. Wiggins*
Wiggins & Villacorta
Post Office Box 1657
Tallahassee, Florida 32302

James P. Fama**
Florida Power Corporation
3201 34th Street, South
St. Petersburg, Florida 33711

Vicki Gordon Kaufman

ORIGINAL
FILE COPY

Florida Power
CORPORATION

JAMES A. McGEE
SENIOR COUNSEL

April 16, 1997

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

Re: Docket No. 970096-EQ

Dear Ms. Bayó:

Enclosed for filing in the subject docket are an original and fifteen copies of Florida Power Corporation's Supplemental Stipulation.

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

Very truly yours,

James A. McGee

JAM/kp
Enclosure
cc: Parties of Record

WCK
AFA 1
APP
CAF
CMU
CTR
EAG
LEG 2
MIN 5
OPC
RCH
SEC 1
WAS
OTH

DOCUMENT NUMBER-DATE
03864 APR 16 97
FPSC-RECORDS/REPORTING

GENERAL OFFICE
3201 Thirty-fourth Street South • Post Office Box 14042 • St. Petersburg, Florida 33733-4042 • (813) 866-5184 • Fax: (813) 866-4931
A Florida Progress Company

CB-15-010417

CERTIFICATE OF SERVICE
Docket No. 970096-EQ

I HEREBY CERTIFY that a true and correct copy of Supplemental Stipulation has been sent by regular U.S. mail to the following individuals on April 16, 1997:

Jack Shreve
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400

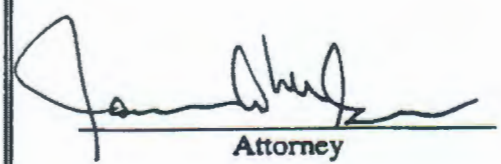
Lorna R. Wagner, Esquire
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Gunter Building, Room 370
Tallahassee, FL 32399-0850

John W. McWhirter, Jr.
McWhirter, Reeves, McGlothlin,
Davidson, Rief & Bakas
P.O. Box 3350
Tampa, FL 33601

Patrick K. Wiggins
Donna L. Canzano
Wiggins & Villacorta, P.A.
501 East Tennessee Street
Suite B
Post Office Drawer 1657
Tallahassee, FL 32302

Kenton Erwin
Destec Energy, Inc.
2500 CityWest Boulevard
Suite 150
Houston, TX 77042

Joseph A. McGlothlin
Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin,
Davidson, Rief & Bakas
117 South Gadsden Street
Tallahassee, FL 32301



Attorney

CB-15-010418

150075 Hearing Exhibits 000692

DOCKET NO. 970096-EQ

FLORIDA POWER CORPORATION SUPPLEMENTAL STIPULATION

In addition to the matters stipulated to by Florida Power in the April 14, 1997 Stipulation entered into among Florida Power, Office of Public Counsel and FIPUG in this case (the Stipulation), Florida Power Corporation further stipulates and agrees as follows:

1. All future Materials and Supplies for the Tiger Bay facility acquired by Florida Power after closing the Tiger Bay purchase shall be recorded in Account 154 and included in working capital for surveillance reporting purposes.

2. Deferred taxes associated with the Tiger Bay acquisition shall be reflected in Florida Power's capital structure for surveillance reporting purposes.

3. Fossil dismantlement accruals for the Tiger Bay facility of $241,000 for 1995, $253,000 for 1996 and $266,000 for 1997 will be recorded in 1997 subsequent to closing the Tiger Bay purchase.

4. For depreciation purposes, the Tiger Bay facility shall have the following characteristics:
   - Average service life = 20 years
   - Average remaining life at closing = 18 years
   - Net salvage = negative 10%
   - Depreciation rate = 5.5%

5. Other than the Tiger Bay Regulatory Asset, as defined in the Stipulation, all non-fuel costs associated with the acquisition and operation of the Tiger Bay facility (operation and maintenance expenses, taxes, site lease payments, insurance, rate base investment and the carrying costs of the deferred taxes) will be initially absorbed by Florida Power's existing base rates and included as utility expenses for surveillance reporting purposes.

FLORIDA POWER CORPORATION

By _____
James P. Fama
April 16, 1997

DOCUMENT NUMBER-DATE
03864 APR 16 5
FPSC-RECORDS/REPORTING

20050819-3017 Issued by FERC OSEC 08/19/2005 in Docket#: AC05-49-000

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

In Reply Refer To:
OMTR-CA
Docket No. AC05-49-000
8/19/05

Bruder, Gentile & Marcoux, LLP
Attention: Ms. Antonia A. Frost
Counsel for Virginia Electric and Power Company
1701 Pennsylvania Avenue, NW, Suite 900
Washington, DC 20006-5807

Thank you for your April 5, 2005 letter, filed on behalf of Virginia Electric and Power Company (Dominion Virginia Power), requesting approval of its proposed accounting in connection with the purchase of facilities [1] associated with the transfer of 100 percent of the ownership interests in Mecklenburg Cogenco, Inc. and Cogeneration Capital Corporation from United American Energy Corporation. In addition, Dominion Virginia Power terminated the long-term purchase power agreement under which it purchased the facilities' current output. The Commission authorized the purchase in Docket No. EC04-104-000.[2]

Your proposed accounting is approved.

You recorded the acquired assets and assumed liabilities on your books at fair value at the date of acquisition. You charged the costs to terminate the long-term purchase power agreement to Account 557, Other Expenses.

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[1] The facilities consist of a 138 MW topping cycle pulverized coal plant and its appurtenant transmission facilities located near Clarksville in Mecklenburg County, Virginia.

[2] 108 FERC ¶ 61,136 (2004).

20050819-3017 Issued by FERC OSEC 08/19/2005 in Docket#: AC05-49-000

This letter order constitutes final agency action. To request that the Commission rehear your case, you must file a request within 30 days of the date of this letter order (see 18 C.F.R. § 385.713).

Sincerely,

James K. Guest
Chief Accountant

Q.

Please provide a detailed explanation and copies of all income tax guidance, including IRS private letter rulings, that supports Witness Ousdahl's statement that "The recognition of the loss will not be deductible for income tax purposes ... " (Witness Ousdahl testimony, Page 8, Line 19).

A.

Documents responsive to this request are provided as Bates Nos. CB-15-010422 through CB-15-010426.

FPL.

MEMO

To David Huss

From Donna Wagner
Justin Mead

Date February 18, 2015

Re: Ability of FPL to Recognize Tax Benefit for Purchase Price of CBAS Power, Inc

---

This memorandum considers whether Florida Power & Light Company ("FPL") will be able to recognize a tax benefit for the $520.5 million purchase price (the "Purchase Price") to be paid for CBAS Power, Inc. ("CBAS") pursuant to that Purchase and Sale Agreement by and between FPL and CBAS Power Holdings, LLC ("CBAS Power Holdings") dated as of December 10, 2014 (the "PSA").

I. Statement of Facts

FPL, a Florida corporation, is a wholly-owned subsidiary of NextEra Energy, Inc. ("NextEra"), a publicly-traded Florida corporation. FPL is the largest subsidiary of NextEra and engages in the purchase, sale, generation, transmission, and distribution of electricity, serving approximately 4.4 million customers in Florida. FPL is vertically integrated and had approximately 24,300 MW of generating capacity as of December 31, 2013. Approximately 94 percent of FPL's power generation is from natural gas, nuclear, and solar sources. The commercial rates that FPL charges are approved by the Florida Public Service Commission in the case of retail customers and transmission, and by the Federal Energy Regulatory Commission in the case of wholesale customers.

CBAS, a Delaware corporation, is a holding company wholly-owned by CBAS Power Holdings, a Delaware LLC that is treated as a partnership for U.S. federal tax purposes. CBAS Power Holdings is ultimately owned by The Carlyle Group, a U.S.-based global asset management firm specializing in private equity. CBAS owns 100 percent of Cedar Bay Holdings, LLC ("Cedar Bay Holdings"), a Delaware limited liability company that is disregarded as an entity separate from CBAS for U.S. federal tax purposes.[1] Cedar Bay Holdings owns 100 percent of the stock

---

[1] CBAS also owns 100 percent of Cogentrix Solar Holdings LLC ("Cogentrix Solar"), a Delaware limited liability that is classified as a corporation for U.S. federal tax purposes. Cogentrix Solar has numerous subsidiaries that are all disregarded as separate from it for federal tax purposes. Immediately prior to the sale of CBAS, CBAS Power Holdings will cause CBAS to distribute all of the interests in Cogentrix Solar to CBAS Power Holdings in redemption of a portion of the CBAS stock held by CBAS Power Holdings.

of Gray Hawk Power Corporation ("Gray Hawk"), a Delaware corporation. Gray Hawk indirectly owns and operates, through a series of disregarded entities, a coal-powered cogeneration facility in Jacksonville, Florida that has a seasonal rating capacity of approximately 250 MW (the "Facility"). One of these disregarded entities – Cedar Bay Generating Company, Limited Partnership ("Cedar Bay") – is the actual owner of the Facility for legal purposes.

FPL has a firm commitment to purchase the output from the Facility pursuant to the Amended and Restated Agreement for the Purchase of Firm Capacity and Energy between Cedar Bay and FPL, dated as of July 2, 1990 (the "PPA"). The PPA is currently "out of the money" to FPL. For a variety of business reasons, including to obtain the ability to terminate the PPA, FPL will acquire pursuant to the PSA all of the stock of CBAS from CBAS Power Holdings for the Purchase Price. Most of the Purchase Price is associated with the value of the PPA in the hands of Gray Hawk. The tax basis that CBAS has in Gray Hawk, and that Gray Hawk has in the Facility and the PPA, is nominal.

At the time of the acquisition of CBAS, FPL will have no current plan or intention to sell or otherwise dispose of the Facility, except for a disposition made in the ordinary course of business. FPL will enter into an Operation and Maintenance Agreement with Cogentrix Energy Power Management LLC (an entity owned indirectly by The Carlyle Group) to operate the Facility. Immediately after the acquisition of CBAS, FPL will also cause the PPA to be terminated, and may cause CBAS and Gray Hawk to liquidate for U.S. federal income tax purposes (the "Liquidation"), which would result in FPL becoming the owner of the Facility for such purposes.

II. Questions

1) Can FPL depreciate or amortize the Purchase Price paid for the stock of CBAS?

2) If FPL effectuates the Liquidation, what happens to FPL's basis in the stock of CBAS?

3) If FPL does not effectuate the Liquidation and, subsequent to the termination of the PPA, disposes of the CBAS stock for its nominal value, will FPL recognize a loss on such disposition?

III. Conclusions

1) FPL cannot depreciate or amortize the Purchase Price paid for the stock of CBAS.

2) If FPL effectuates the Liquidation, FPL's basis in the stock of CBAS (and CBAS's basis in the stock of Gray Hawk) will disappear, and FPL will take a carryover basis in the Facility and the PPA.

3) If FPL does not effectuate the Liquidation and, subsequent to the termination of the PPA, disposes of the CBAS stock for its nominal value, FPL will not recognize a loss on such disposition.

IV. Law & Analysis

A. Depreciation/Amortization of Purchase Price Paid for CBAS Stock

As a result of the acquisition of CBAS, FPL will own the stock of CBAS with a tax basis equal to the Purchase Price. FPL will not make an election under section[2] 338(g) to treat the purchase of CBAS stock as a purchase of assets for U.S. federal income tax purposes. As a result, CBAS will retain the nominal tax basis that it has in its assets (i.e., no "step up" in this tax basis will occur). FPL will not be entitled to claim any depreciation or amortization deductions with respect to its tax basis in CBAS stock, as stock is not subject to any allowance for depreciation or amortization.[3]

B. Effect of the Liquidation on FPL's Tax Basis in CBAS Stock

The liquidation of a wholly-owned subsidiary into its parent corporation does not result in gain or loss to either the parent or the subsidiary pursuant to sections 332 and 337, respectively. In order to qualify for tax-free treatment under these sections, the subsidiary corporation must be solvent at the time of liquidation, and the parent must own, on the date of the subsidiary's adoption of the plan of liquidation and at all times thereafter until the liquidation is complete, stock in the subsidiary corporation that represents at least 80 percent of total voting power and value. Upon a tax-free liquidation of a subsidiary into its parent, the parent corporation's tax basis in the subsidiary stock is eliminated, and the parent takes a carryover basis in the property received from the subsidiary in the liquidation.[4]

Accordingly, if FPL effectuates the Liquidation of CBAS and Gray Hawk, FPL would receive the PPA and the Facility with the nominal carryover tax basis that CBAS has in those assets, and FPL's tax basis in CBAS stock (equal to the Purchase Price) would be permanently eliminated. The PPA would terminate for tax purposes as a result of the Liquidation because FPL would hold both positions (i.e., seller and offtaker) under the PPA. FPL would want to enter into an agreement with Cedar Bay immediately after the Liquidation to cancel the PPA for legal purposes.

C. Ability of FPL to Recognize Loss on Subsequent Sale of CBAS Stock

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[2] All reference to "section" or "sections" herein shall be to the Internal Revenue Code of 1986, as amended (the "Code"), and all references to "Treas. Reg. §" or "Treas. Reg. §§" shall be to the Income Tax Regulations promulgated thereunder (the "Regulations"), unless specifically provided otherwise.

[3] Stock in a corporation does not have a readily ascertainable life, and no provision of the Code or the Regulations allows for the depreciation or amortization of stock.

[4] Code § 334(b).

CBAS owns the stock of Gray Hawk, which in turn owns the Facility and the PPA for U.S. federal income tax purposes. All of these assets have a nominal tax basis, and all of the value of CBAS and Gray Hawk is associated with the PPA (i.e., the Facility has a nominal value and the PPA has a value approximately equal to the Purchase Price). If FPL does not effectuate the Liquidation, as a result of terminating the PPA, Gray Hawk would be treated for U.S. federal income tax purposes as distributing the PPA up to FPL. This distribution would cause Gray Hawk to recognize a gain under Code section 311(b) equal to approximately $520.5 million, the difference between the value of the PPA and Gray Hawk's tax basis in the PPA. Although this gain would be deferred for a moment in time under the matching rule of Treas. Reg. § 1.1502-13(c), it would be triggered as a result of the receipt and cancellation of the PPA by FPL pursuant to the acceleration rule of Treas. Reg. § 1.1502-13(d).[5] As a result, Gray Hawk would recognize a gain equal to approximately $520.5 million, and FPL would recognize a loss equal to the same amount.[6]

Under the investment adjustment rules of Treasury Regulation 1.1502-32, the basis of stock in a subsidiary that is a member of a consolidated group must be adjusted to reflect the subsidiary's distributions, income, gain, deduction, and loss. In accordance with these rules, the distribution of the PPA to FPL and the recognition of gain by Gray Hawk would result in (1) a decrease in FPL's basis in the CBAS stock equal to the value of the PPA ($520.5 million), and (2) an increase in FPL's basis in the CBAS stock equal to the gain recognized by Gray Hawk from the distribution ($520.5 million).[7] The chart below illustrates these adjustments to CBAS stock that would occur.

Termination of the PPA Basis in CBAS Stock (In Millions)	
Initial Cost Basis (Acquisition Price) **	$520.50
Distribution of the PPA to FPL	($520.50)
PPA BIG Triggered upon Termination	$520.50
Ending Stock Basis	$520.50

** For illustrative purposes, assumes zero working capital.

Based on the foregoing, FPL's basis in CBAS after the PPA is terminated would be $520.5 million. If FPL were to sell all of the CBAS stock for its nominal value (say $1), it would realize a loss equal to this basis. However, under the unified loss rule of the consolidated return regulations, when a consolidated group member transfers a "loss share" of a subsidiary member, the basis in the stock of the subsidiary is reduced to the extent necessary to prevent the

[5] The gain would have to be recognized under the acceleration rule because, as a result of the cancellation of the PPA, the NEE consolidated group no longer owns the asset with respect to which gain was recognized.

[6] FPL would take a tax basis in the PPA equal to its $520.5 million fair market value, and would recognize a loss under Code § 165 as a result of canceling the PPA.

[7] Treas. Reg. § 1.1502-32(b)(2).

recognition of a noneconomic loss, or the duplication of a single economic loss.[8] The unified loss rule provides three separate regimes that must be applied, in the specified order, to determine if the basis in subsidiary stock (or, alternatively, tax attributes of the subsidiary) must be reduced.

The second of these regimes provides that, if the transferred share is a "loss share" after application of the first regime (inapplicable here and thus not discussed), the tax basis in the subsidiary share is reduced (but not below value) by the lesser of (1) the share's net positive adjustment, and (2) the share's disconformity amount.[9] A share's net positive adjustment is the greater of (1) zero, and (2) the sum of all investment adjustments reflected in the basis of the share.[10] For this purpose, investment adjustments include adjustments taken into account as a result of a subsidiary's taxable income or loss, but do not include adjustments made to account for the value of money or property distributed with respect to the subsidiary's stock.[11] Thus, the net positive adjustment associated with the CBAS stock would be $520.5 million (taking into account the positive adjustment resulting from the gain recognition and disregarding the negative adjustment that reflects the value of the distributed PPA).

A share's disconformity amount is the excess (if any) of (1) the parent member's basis in the subsidiary share, and (2) the share's allocable portion of the subsidiary's net inside attribute amount.[12] FPL's basis in the CBAS stock would be $520.5 million. CBAS's net inside attribute amount would be nominal as it would not hold assets with any significant basis and would not have any net operating or capital loss carryovers.[13] Accordingly, the disconformity amount associated with the CBAS stock would be $520.5 million (excess of $520.5 million tax basis over $0 net inside attribute amount).

Accordingly, because the net positive adjustment and the disconformity amount determined with respect to CBAS stock owned by FPL would both be $520.5 million, FPL would be required pursuant to the unified loss rule to reduce its tax basis in CBAS stock by $520.5 million (from $520.5 million to $0) immediately prior to a sale of such stock for its $0 assumed nominal value after termination of the PPA. As a result, FPL would not recognize a loss from such sale.

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[8] Treas. Reg. § 1.1502-36(a)(2).

[9] Treas. Reg. § 1.1502-36(c)(2).

[10] Treas. Reg. § 1.1502-36(c)(3).

[11] Treas. Reg. §§ 1.1502-36(c)(3)(ii), 1.1502-36(b)(1)(iii), and 1.1502-32(c)(1)(iii).

[12] Treas. Reg. § 1.1502-36(c)(4).

[13] Treas. Reg. § 1.1502-36(c)(5).

Q.

On Page 10 of Witness Ousdahl's testimony, it states FPL is proposing to earn a return on the unrecovered regulatory asset (Loss on PP A). Please provide copies of all FPSC and/or FERC Orders or guidance, which FPL relied on for its proposal to request earning a return on the unamortized balance of the proposed "Loss on PPA" regulatory asset.

A.

Documents responsive to this request are provided as Bates Nos. CB-15-010427 through CB-15-010465.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for expedited approval of agreement with Tiger Bay Limited Partnership to purchase Tiger Bay cogeneration facility and terminate related purchased power contracts by Florida Power Corporation.	DOCKET NO. 970096-EQ ORDER NO. PSC-97-0652-S-EQ ISSUED: JUNE 9, 1997

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman
SUSAN F. CLARK
J. TERRY DEASON
JOE GARCIA
DIANE K. KIESLING

ORDER APPROVING STIPULATION AND SUPPLEMENTAL STIPULATION

BY THE COMMISSION:

CASE BACKGROUND

On January 22, 1997, Florida Power Corporation (FPC) filed a Petition for Expedited Approval of an Agreement, dated January 20, 1997, with Tiger Bay Limited Partnership (Tiger Bay) to purchase the Tiger Bay cogeneration facility (Facility) and terminate the five related purchased power agreements: three with General Peat, one with Ecopeat, and one with Timber2 (the PPAs). The petition further requested recovery of the purchase cost, approximately $445 million, through the Capacity Cost Recovery Clause (CCRC) over a period not to exceed five years. In addition, FPC requested that the fuel expense associated with the operation of the Facility be approved for recovery through the Fuel and Purchased Power Cost Recovery Clause (Fuel Clause). The matter was scheduled for hearing on April 17-18, 1997.

On April 14, 1997, all the parties to the docket, FPC, the Office of Public Counsel (OPC), and the Florida Industrial Power Users Group (FIPUG) filed a Joint Motion for Approval of Stipulation

(Stipulation). The Stipulation resolved all disputed issues among the parties. On April 16, 1997, FPC submitted a supplement to the Stipulation (Supplemental Stipulation) concerning the accounting treatment of the transaction. At the April 17, 1997, hearing, we were presented with both the Stipulation and the Supplemental Stipulation. The Stipulation and Supplemental Stipulation are attached to the order as Attachments 1 and 2, respectively.

DECISION

Stipulation:

There are advantages and disadvantages with the Stipulation. Taken as a whole, however, we believe that the Stipulation reduces FPC's ratepayers' liability throughout the remaining term of the PPAs. Furthermore, the Stipulation represents a reasonable balance between potential ratepayer neutrality to the transaction and encouragement of company contributions. The advantages and disadvantages are discussed below.

A. Advantages: Absent a rate proceeding, FPC's customers are not projected to incur any cost above that which they are currently committed to pay under the existing PPAs. Therefore, approving the proposed Stipulation provides the potential for FPC's ratepayers to be unaffected by the cost of the transaction. In other words, though they would not receive a benefit until the regulatory asset has been fully amortized, FPC's ratepayers also would not incur any additional cost. Furthermore, though FPC may be unable to buy-out or buy-down the current Vastar Gas contract, its ratepayers are projected to receive an additional benefit in the form of reduced fuel costs once the contract terminates in 2010.

Pursuant to the Stipulation, FPC will place $75 million of the purchase cost in existing rate base. This treatment reduces FPC's ratepayers' responsibility, namely for the amount of the Tiger Bay Regulatory Asset, which will be amortized through recovery of the PPA revenues. Reducing the amount of the regulatory asset by $75 million is projected to shorten the recovery period by approximately two years.

Section 2(e) of the Stipulation provides FPC the discretionary ability to contribute dollar amounts from its earnings to accelerate the amortization of the Tiger Bay Regulatory Asset. There are currently no assurances nor any requirements that FPC will exercise this provision of the Stipulation. However, such contributions

would be to the advantage of both FPC and its ratepayers in the form of reduced liability.

According to FPC's projections, the method for amortizing the Tiger Bay Regulatory Asset proposed in the Stipulation, using PPA revenues minus fuel expense, results in the asset being fully amortized by January 2008. However, if FPC is able to contribute revenues to accelerate the amortization as permitted under Section 2(e) of the Stipulation, the asset could be fully amortized as early as October 2005.

FPC projects that approving the Stipulation and its proposal to purchase the Facility and terminate the five related PPAs will produce savings for its ratepayers in amounts ranging from $238 to $516 million on net present value basis. These savings are based on the cumulative interaction of assumptions ranging from FPC's projection of Medium-Term note financing costs, the timing of FPC's next rate proceeding, fuel price projections, and the potential that FPC will be able to accelerate the amortization of the Tiger Bay Regulatory Asset using revenues as compared to the PPA costs.

B. Disadvantages: Approving the Stipulation provides no assurances that FPC will not petition for a rate increase prior to the regulatory asset being fully amortized. A rate proceeding would potentially reduce the overall savings of the transaction as customers' base rates would be adjusted to support the Facility's non-fuel operating costs as well as a return on any undepreciated amount of the $75 million net plant investment.

Under the Stipulation, FPC, OPC, and FIPUG have agreed that the PPA revenues will continue to be recovered through the CCRC and the Fuel Clause until the Tiger Bay Regulatory Asset is fully amortized or as long as the current Vastar contract remains in effect. FPC currently projects that the Tiger Bay Regulatory Asset will be fully amortized in the year 2008. Absent a buy-out or buy-down, the Vastar Gas contract will not terminate until 2010. High load factor customers stand to lose the benefit of lower cost coal based energy pricing under the existing PPAs while also incurring the currently projected higher cost Vastar Gas contract during years 2008 to 2010. The continuance of the recovery of the capacity revenues through the CCRC to compensate for the increased cost in the Fuel Clause, once the regulatory asset has been fully amortized, will offset this impact. Consequently, low load factor residential customers will be adversly impacted. Recovering capacity revenues through the CCRC from all rate classes is a clear example of

cross-class subsidization. Absent a buy-down or buy-out of the Vastar contract, cross-class subsidization will occur. If the Tiger Bay Regulatory Asset is fully amortized prior to the termination of the current Vastar Gas contract, FPC will recover the appropriate energy payment pursuant to the PPAs and a reduced capacity payment through the CCRC to minimize the impact of this subsidization.

C. Other Matters: Within paragraph 2(e) of the Stipulation, the parties have agreed to the following:

> On a going forward basis, FPC may, at its option, increase the amortization of the retail portion of the Tiger Bay Regulatory Asset, and each year's increased amount of amortization shall be deemed a prudent regulatory expense in calculating FPC's regulatory earnings for purposes of surveillance reporting, pursuant to Rule 25-6.024, F.A.C.

FPC, OPC, and FIPUG agreed that the intent of this language was directed at the parties; and, that a determination of prudence for the amortization amounts in future reviews remained with us.

The Stipulation contemplates that FPC will seek to buy-out or buy-down the current Vastar Gas contract. Fuel prices under this contract are projected to be greater than forecasted market prices. We encourage FPC to take all necessary steps to buy-out or buy-down fuel contracts when those actions are projected to produce ratepayer savings.

The Supplemental Stipulation

Following is a discussion of the items in the Supplemental Stipulation.

A. Materials and Supplies

As part of the Stipulation, Materials and Supplies for the Facility included in the purchase cost shall constitute a regulatory asset and shall be recorded in Account 182.3, Other Regulatory Assets. According to the Uniform System of Accounts (USOA), Materials and Supplies should be recorded in Account 154, Plant Materials and Operating Supplies. Since the Stipulation provides substantial benefits to both FPC and its ratepayers, we approve the accounting treatment proposed in the Stipulation. On a prospective basis, however, Materials and Supplies will be accounted for in accordance with the USOA. In the Supplemental Stipulation, the parties have

agreed that all future purchases of Materials and Supplies for the Facility by FPC shall be recorded in Account 154 and will be included in working capital for surveillance purposes.

B. Deferred Income Taxes

FPC's original filing in this proceeding contemplated recovery of the carrying costs of debit balance deferred income taxes related to the buy-out of the Tiger Bay contracts through existing base rates. These debit balance deferred income taxes will be created if FPC cannot take a current deduction for the Tiger Bay buy-out costs, not related to depreciable plant, on its income tax return. The filing contemplated this worst case scenario since the Internal Revenue Service (IRS) had not issued a private letter ruling on deductibility. FPC estimates that the maximum amount of debit balance deferred taxes will be approximately $42 million, which will reverse to a zero balance over 15 years. FPC's Supplemental Stipulation states that the deferred taxes will be reported in the capital structure for surveillance purposes.

The premise behind FPC's request is that the costs of buying-out unfavorable contracts are deductible if the result of the buy-out is to reduce expenses into the future. FPC cited cases and rulings dating back to the 1920's in support of its position. The request was filed with the IRS on April 30, 1997. FPC anticipates a response by late fall. FPC shall notify our Division of Auditing and Financial Analysis of the IRS's actions.

If FPC is successful in obtaining a favorable letter ruling, the deferred taxes will carry a credit balance of approximately $100 million, which will reverse to a zero balance. FPC believes that the effect of these credit balance deferred taxes should also flow through existing base rates and be reported in the capital structure for surveillance purposes. By doing so, additional dollars will be provided which FPC may use to write-down the regulatory asset more rapidly. Further, FPC plans to issue intermediate term debt which will have an established payment schedule not necessarily tied to the actual write-down of the regulatory asset.

FPC requested that it have flexibility to establish the amount of the regulatory asset to be written-off each year. All other things being equal, the additional dollars provided by the reversing credit balance deferred taxes may allow a write-off over a shorter period of time. If FPC receives a favorable letter ruling and the write-off of the regulatory asset is not accelerated, we will still have the

ability to review the prudence and reasonableness of FPC's actions during surveillance reviews.

We find it is reasonable for FPC to report either debit or credit balance deferred taxes in the capital structure for surveillance purposes and to allow the effect to flow through existing base rates. Therefore, we approve FPC's proposed accounting treatment.

C. Fossil Dismantlement

FPC has estimated a $4.1 million (1997 dollars) fossil dismantlement provision for the Facility. A more detailed site specific estimate will be submitted with FPC's regular depreciation and fossil dismantlement study due in November, 1997. Utilizing the same assumptions used in FPC's 1993 study, the dismantlement accrual for the Facility for 1995 and 1996 should have been $241,000 and $253,000, respectively. The estimated 1997 accrual is $266,000. These accrual amounts appear reasonable at this time. A site specific dismantlement study to be filed later this year will determine the appropriate amount of the final dismantlement provision for the Facility. Since Tiger Bay has made no provision for future dismantlement, FPC will record the accrual amount for 1995 - 1997 during 1997 subsequent to closing the purchase.

D. Depreciation Rate

FPC has proposed a 5.5% depreciation rate (20 year service life, 18 year average remaining life, negative 10% net salvage) for the Facility to be implemented upon the purchase closing which is currently estimated to be July 1, 1997. The life and salvage factors are predicated on the currently prescribed factors for the University of Florida co-generation plant which FPC asserts is similar to the Facility. A site specific study will be filed as part of its next comprehensive depreciation and fossil dismantlement study no later than November 27, 1997 at which time the appropriate remaining life, net salvage, and the depreciation rate will be determined.

E. Non-Fuel Expenses

Pursuant to the Stipulation, FPC, OPC, and FIPUG have agreed that all non-fuel expenses associated with the operation of the Facility will be included in FPC's base rates and recovered accordingly. These non-fuel expenses are defined to include operation and maintenance expenses, taxes, site lease payments, insurance, rate base investment, and the carrying costs of the

deferred taxes. These amounts appear reasonable at this time. However, we may review the prudence of these expenses at any time.

The Supplemental Stipulation clarifies certain parts of the Stipulation and resolves outstanding accounting issues in this proceeding. Therefore, we approve the Supplemental Stipulation.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Stipulation between Florida Power Corporation, the Florida Power Industrial Users Group, and the Office of Public Counsel relating to FPC's purchase of the Tiger Bay cogeneration facility and to terminate related purchased power agreements, as discussed within the body of this order, is approved. It is further

ORDERED that Florida Power Corporation's proposed accounting treatment relating to the purchase of the Tiger Bay cogeneration facility and to terminate related purchased power agreements as specified in the Stipulation and the Supplemental Stipulation, as discussed within the body of this order, is approved. It is further

By ORDER of the Florida Public Service Commission, this 9th day of June, 1997.

/s/ Blanca S. Bayó
BLANCA S. BAYÓ, Director
Division of Records and Reporting

This is a facsimile copy. A signed copy of the order may be obtained by calling 1-904-413-6770.

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SOME (OR ALL) ATTACHMENT PAGES ARE NOT ON ELECTRONIC DOCUMENT.

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Florida Power & Light Company for approval of conditional settlement agreement which terminates standard offer contracts originally entered into between FPL and Okeelanta Corporation and FPL and Osceola Farms, Co.	DOCKET NO. 000982-EI ORDER NO. PSC-00-2341-FOF-EI ISSUED: December 6, 2000

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
E. LEON JACOBS, JR.
LILA A. JABER
BRAULIO L. BAEZ

ORDER GRANTING MOTION FOR SUMMARY FINAL ORDER

BY THE COMMISSION:

On August 29, 1991, this Commission issued Order No. 24989, in Docket No. 910004-EU, which required Florida Power & Light Company ("FPL") to issue a standard offer contract for up to 125 megawatts ("MW") of capacity. The capacity and energy payments for the standard offer contract were based on FPL's next avoided unit, the 1997 stage of an Integrated Coal Gasifier Combined Cycle unit.

On September 20, 1991, Okeelanta Corporation ("Okeelanta") and Osceola Farms, Co. ("Osceola") (collectively, "QFs") submitted signed standard offer contracts with FPL. The Okeelanta contract was to provide FPL with 70 MW of firm energy and capacity starting on January 1, 1997, and continuing through 2026. The Osceola contract was to provide 42 MW of firm energy and capacity (subsequently upgraded to 55.9 MW under a provision of the contract) to FPL from January 1, 1997, through 2026. By Order No. PSC-92-0050-FOF-EQ, issued March 11, 1992, in Docket No. 911140-EQ, this Commission approved both standard offer contracts for cost recovery.

A dispute arose between FPL and the QFs concerning whether the

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QFs accomplished commercial operation by January 1, 1997, as set forth in Section 2 of the standard offer contract, and the effect, if any, of a failure to do so on the parties' respective rights and obligations under the various provisions of the standard offer contract. FPL initiated an action for a declaratory statement from state circuit court to determine its rights and obligations under the standard offer contract. The QFs subsequently filed a countersuit seeking approximately $490 million in damages for breach of contract.

On July 28, 2000, FPL filed a petition for our approval of a Conditional Settlement Agreement ("Settlement Agreement") to buy-out the QF standard offer contracts. The Settlement Agreement calls for the following:

(1) termination of the QF standard offer contracts;

(2) settlement of all claims by and/or against FPL; and,

(3) settlement of the pending judicial proceedings relating to the QF contracts.

In return, FPL would make a one-time payment of $222.5 million to the QFs. In its petition, FPL requested approval for recovery of the $222.5 million settlement payment through the capacity cost recovery clause ("capacity clause") and/or fuel and purchased power cost recovery clause ("fuel clause").

By proposed agency action Order No. PSC-00-1913-PAA-EI, issued October 19, 2000 ("PAA Order"), we approved the Settlement Agreement and recovery of the settlement payment over a five-year period beginning January 1, 2002, with 79% of the payment to be recovered through the capacity clause and the remaining 21% to be recovered through the fuel clause. We found that termination of the QF contracts pursuant to the Settlement Agreement would provide FPL's ratepayers with approximately $412 million in net present value (NPV) savings over the entire life of the contracts or approximately $300 million in NPV savings from 2001 through the contracts' remaining terms. We also approved FPL's proposal to treat the settlement payment as a base rate regulatory asset from January 1, 2001, through December 31, 2001.

On November 9, 2000, Mr. Michael T. Caldwell ("petitioner"), an FPL customer, filed a protest of Order No. PSC-00-1913-PAA-EI, requesting an evidentiary hearing under Section 120.57, Florida Statutes ("protest petition"). On November 15, 2000, FPL filed a motion for a summary final order dismissing or denying Mr. Caldwell's protest and request for hearing, and affirming our PAA Order. In its motion, FPL requested expedited disposition of the motion. On December 4, 2000, the petitioner filed a response to FPL's motion. Although the petitioner's response was not timely filed, we have considered the content of the response in rendering our decision on this matter. As set forth below, we grant FPL's motion for summary final order.

Standard of Review

Rule 28-106.204(4), Florida Administrative Code, provides that "[a]ny party may move for summary final order whenever there is no genuine issue as to any material fact." Pursuant to Section 120.57(1)(h), Florida Statutes, a summary final order shall be rendered if it is determined from the pleadings, depositions, answers to interrogatories, and admissions on file, together with affidavits, if any, that no genuine issue as to any material fact exists and that the moving party is entitled as a matter of law to the entry of a final summary order.

Under Florida law "the party moving for summary judgment is required to conclusively demonstrate the nonexistence of an issue of material fact, and . . . every possible inference must be drawn in favor of the party against whom a summary judgement is sought." Green v. CSX Transportation, Inc., 626 So. 2d 974 (Fla. 1st DCA 1993)(citing Wills v. Sears, Roebuck & Co., 351 So. 2d 29 (Fla. 1977)). Furthermore, "[a] summary judgment should not be granted unless the facts are so crystallized that nothing remains but questions of law." Moore v. Morris, 475 So. 2d 666 (Fla. 1985).

FPL's Motion

In its motion, FPL contends that the protest petition fails to raise a genuine issue as to any material fact, and, therefore, the petitioner is not entitled to a formal administrative hearing under Section 120.57(1), Florida Statutes. FPL asserts that the protest petition consists entirely of "misstatements of fact, undisputed yet irrelevant statements of fact, and inaccurate characterizations of the Commission's decision," rather than disputing the material

facts germane to our approval of the Settlement Agreement. Further, FPL asserts that the protest petition does not allege that our decision reflects a mistake of law. Thus, FPL asserts, it is appropriate for this Commission to grant its motion.

In its motion, FPL addresses the matters alleged as disputed issues of material fact in paragraph 5 of the protest petition. First, in paragraph 5(a) of the protest petition, the petitioner alleges the following:

> The Commission approved both standard offer contracts for cost recovery by Order No. PSC-92-0050-FOF-EQ on March 11, 1992 in Docket No. 911140-EQ. Florida Power and Light Company never petitioned the Commission for approval to buy-out of those standard offer contracts on the basis that those contracts were no longer cost-effective. Instead, Florida Power and Light Company voluntarily chose to terminate those standard offer contracts.

(Emphasis supplied by petitioner.) FPL asserts that it agrees with the first two sentences of this paragraph. FPL contends that these are not disputed facts and are not material or relevant to our decision to approve the Settlement Agreement. FPL contends that the third sentence is a misstatement of fact. FPL asserts that it did not voluntarily terminate the two standard offer contracts; rather, it took the position that its legal obligations under the contracts ceased effective January 1, 1997. FPL further asserts that only the court before which the contract action is pending can ultimately determine FPL's rights and obligations under the contracts.

Second, in paragraph 5(b) of the protest petition, the petitioner alleges the following:

> Florida Power and Light Company voluntarily chose not to exercise what it believed to be its option to extend the commercial operation deadline of the QFs under the standard offer contracts; this voluntary choice by the company led to litigation which resulted in damages being incurred by the QFs and caused the QFs to file for bankruptcy in May, 1997; the proposed settlement agreement of $225.5 million is to settle those damages

> incurred as a result of Florida Power and Light Company's voluntary actions.

FPL asserts that it agrees with the first clause of this paragraph. FPL contends that this is not a disputed fact and is not material or relevant to our decision. As to the second clause of this paragraph, FPL asserts that it "agrees that it exercised what it believed to be its right to seek a declaratory judgment in circuit court to confirm that it no longer had any legal obligations under the contracts as of January 1, 1997, and that due to the lack of capacity payments, the QFs chose to file for bankruptcy." FPL contends that these facts are not in dispute and are not material to our decision. FPL contends that the third clause of this paragraph misstates the facts. FPL asserts that the payment called for under the Settlement Agreement is not a "settlement for damages" but instead reflects a compromise made in recognition of the strengths and weaknesses of the parties' positions before the circuit court and the associated risks of litigation. FPL notes that there has been no judgment awarding damages. Thus, according to FPL, there is no factual dispute, only a dispute as to characterization.

Third, in paragraphs 5(c) and (d) of the protest petition, the petitioner alleges the following:

> (c) The Commission erroneously approved this settlement agreement as a "buy out" of the Okeelanta Corporation and Osceola Farms, Co. standard offer contracts. As noted in paragraph 5(a) above, FPL never petitioned the Commission to buy out of these contracts prior to FPL's voluntary termination of those contracts.
>
> (d) The $222.5 million settlement is to pay off the bondholders of the two QFs and thus to settle the damages incurred by the QFs as a result of FPL's voluntary actions. These voluntary actions, and the resulting damages, were simply bad business decisions on the part of FPL's management.

Again, FPL contends that the petitioner's allegation that the Settlement Agreement is a "settlement for damages" rather than a "buy out" is a misstatement of fact. FPL points to Section 1.15 of the Settlement Agreement which states that "'PSC Approval' shall mean the unqualified final determination of the PSC ... that the

terms and conditions of this Agreement are an appropriate buy-out of the Standard Offer Contracts ...." FPL again notes that there has been no judgment awarding damages. As to the allegation that the settlement payment was a result of FPL management's bad business decisions, FPL contends that this conclusion is not supported by any alleged facts in the protest petition and reflects only the petitioner's disagreement with our decision.

Fourth, in paragraph 5(f) of the protest petition, the petitioner alleges the following:

> If the outcome of the litigation is that the QFs prevail and the Court orders performance of the contracts, then FPL could petition the Commission for approval of a buy out of the contracts on the basis that the contracts are not cost-effective.

FPL contends that this allegation amounts to speculation. FPL asserts that this "suggestion and speculation ... that FPL's customers would be better off if FPL pursued the litigation (and appeals) and then petitioned for a buy-out if FPL does not prevail ignores the risks and costs associated with this litigation as well as the severely hampered bargaining position of FPL should the QFs prevail."

In paragraph 5(e) of the protest petition, the petitioner alleges the following:

> One of the four possible outcomes of the litigation is that FPL prevails. The potential cost of this outcome is a potential cost to the ratepayers of $7.6 million in attorney's fees and court costs. Obviously this would be a better choice if FPL's customers are to pay for the outcome of the litigation.

FPL does not address this allegation in its motion.

Findings

Section 120.80(13)(b), Florida Statutes, provides that "a hearing on an objection to proposed action of the Florida Public Service Commission may only address the issues in dispute. Issues in the proposed action which are not in dispute are deemed stipulated." The protest petition challenges only our decision in

part II of the PAA Order to approve the Settlement Agreement for cost recovery. Specifically, the protest petition challenges the prudence of FPL's actions that led to this Settlement Agreement. The protest petition does not challenge our determination of the $300 million to $412 million in net present value savings projected to result from the Settlement Agreement. The protest petition also does not challenge part III of the PAA Order which addresses the timing of recovery of the settlement payment and the allocation of the settlement payment between the fuel clause and capacity clause. Further, the protest petition does not challenge the adjustments to capital structure required for regulatory purposes in the PAA Order. Pursuant to Section 120.80(13)(b), Florida Statutes, these undisputed matters are deemed stipulated. Thus, the only matter addressed by the protest petition is that portion of the PAA Order approving the Settlement Agreement for cost recovery.

All but one of the items raised as disputed issues of material fact in paragraph 5 of the protest petition are either undisputed or misstatements of fact. The following undisputed facts were raised in the protest petition:

1. "The Commission approved both standard offer contracts for cost recovery by Order No. PSC-92-0050-FOF-EQ on March 11, 1992 in Docket No. 911140-EQ."

2. "Florida Power and Light Company never petitioned the Commission for approval to buy-out of those standard offer contracts on the basis that those contracts were no longer cost-effective."

3. "Florida Power and Light Company voluntarily chose not to exercise what it believed to be its option to extend the commercial operation deadline of the QFs under the standard offer contracts."

4. "If the outcome of the litigation is that the QFs prevail and the Court orders performance of the contracts, then FPL could petition the Commission for approval of a buy out of the contracts on the basis that the contracts are not cost-effective."

5. "One of the four possible outcomes of the litigation is that FPL prevails. ... Obviously, this would be a better choice if FPL's customers are to pay for the outcome of the litigation."

The following misstatements of fact were raised in the protest petition:

1. "Florida Power and Light Company voluntarily chose to terminate those standard offer contracts."

The undisputed history of the circuit court litigation shows that FPL brought an action for declaratory judgment to determine whether its legal obligations under the contracts had ceased. (It is undisputed, however, that FPL voluntarily chose not to exercise what it believed to be its option to extend the commercial operation deadline of the QFs under the standard offer contracts.)

2. "[T]his voluntary choice by the company led to litigation which resulted in damages being incurred by the QFs and caused the QFs to file for bankruptcy in May, 1997."

The undisputed history of the circuit court litigation shows that the contract action has not yet gone to trial. Damages were alleged by the QFs, but it cannot be disputed that damages have not been found or awarded by the court.

3. "[T]he proposed settlement agreement of $225.5 million is to settle those damages incurred as a result of Florida Power and Light Company's voluntary actions."

"The Commission erroneously approved this settlement agreement as a 'buy out' of the Okeelanta Corporation and Osceola Farms, Co. standard offer contracts."

"The $222.5 million settlement is to pay off the bondholders of the two QFs and thus to settle the damages incurred by the QFs as a result of FPL's voluntary actions."

As stated above, the undisputed history of the circuit court litigation shows that the contract action has not yet gone to trial; it cannot be disputed that damages have not been found or awarded by the court. A settlement, by its nature, is a compromise by both sides to avoid the risks of litigation, which in this case may include a potential damages award against FPL or a potential ruling against the QFs that the contracts should be terminated. Thus, the petitioner's characterization of the Settlement Agreement as a "settlement for damages" is erroneous. Further, the Settlement Agreement, by its own terms, provides for, among other

things, termination of the QF contracts. A condition precedent of the Settlement Agreement is that this Commission approve the Settlement Agreement as an appropriate buy-out of these contracts.

These misstatements of fact, when clarified based on the undisputed history of the circuit court litigation and the terms of the Settlement Agreement, do not raise a genuine issue as to any material fact.

Drawing every possible inference in favor of the petitioner, the protest petition raises one arguable issue of fact - the prudence of FPL's actions in seeking the circuit court's opinion on FPL's obligations under the contract, which in turn led to the litigation that the proposed Settlement Agreement is intended to resolve. The petitioner suggests that FPL should have pursued a buy-out of these QF contracts then sought Commission approval on the basis that the contracts were no longer cost-effective.

The ultimate issue in this case is whether the costs of the Settlement Agreement were prudently incurred. A determination of imprudence would require us to find both a poor management decision based on what was known or should have been known at the time and a negative result based on that decision. As stated above, the petitioner has not challenged our determination of the $300 million to $412 million in net present value savings projected to result from the Settlement Agreement. That portion of the PAA Order is stipulated pursuant to Section 120.80(13)(b), Florida Statutes. Thus, even if the petitioner were to succeed in proving that FPL's management made a poor decision, it is not disputed that the decision made by FPL management will yield $300 million in NPV savings that will be realized by FPL's customers. Accordingly, there is no genuine issue as to whether the costs of the Settlement Agreement were prudently incurred.

In conclusion, we find that there is no genuine issue as to any material fact in this case. In addition, there are no disputed issues of law. Therefore, we grant FPL's motion for summary final order and affirm Order No. PSC-00-1913-PAA-EI as our final order in this docket effective December 5, 2000, the date of our vote.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power & Light Company's motion for summary final order is granted. It is further

ORDERED that Order No. PSC-00-1913-PAA-EI, issued October 19, 2000, is affirmed as our final order in this docket effective December 5, 2000, the date of our vote. It is further

ORDERED that this docket shall be closed.

By ORDER of the Florida Public Service Commission this 6th Day of December, 2000.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

WCK

DISSENT

COMMISSIONER JABER dissents, as set forth below:

Pursuant to Section 120.57(1)(h), Florida Statutes, a summary final order shall be rendered if it is determined from the pleadings, depositions, answers to interrogatories, and admissions on file, together with affidavits, if any, that no genuine issue as to any material fact exists. I note, in this case, that the customer may not have had the benefit of discovery (depositions, answers to interrogatories or admissions on file) that may allow the requisite demonstration of a genuine issue of material fact as contemplated by this statute. For that reason alone, I dissent from the majority's decision.

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.	DOCKET NO. 120001-EI
In re: Energy conservation cost recovery clause.	DOCKET NO. 120002-EG
In re: Environmental cost recovery clause.	DOCKET NO. 120007-EI ORDER NO. PSC-12-0425-PAA-EU ISSUED: August 16, 2012

The following Commissioners participated in the disposition of this matter:

RONALD A. BRISÉ, Chairman
LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS
JULIE I. BROWN

NOTICE OF PROPOSED AGENCY ACTION ORDER
APPROVING STIPULATION AND SETTLEMENT AGREEMENT

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Case Background

The cost recovery dockets, Energy Conservation Cost Recovery (ECCR), Fuel and Purchased Power Cost Recovery Clause (Fuel Clause), and the Environmental Cost Recovery Clause (ECRC) are continuing dockets in which we address issues pertaining to Florida's Investor-Owned electric Utilities (IOU). These IOUs are Florida Power & Light Company, Progress Energy Florida, Inc., Gulf Power Company, Florida Public Utility Company and Tampa Electric Company. Intervenors for all three cost recovery clause dockets include the Office of Public Counsel, Federal Executive Agencies, Florida Industrial Power Users Group, Florida

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Retail Federation, and White Springs Agricultural Chemicals, Inc. In addition, the Southern Alliance for Clean Energy (SACE) and Florida Solar Energy Industry Association (FLASEIA) intervened in the ECCR clause dockets. We have jurisdiction pursuant to Chapter 120 and several provisions of Chapter 366, including Sections 366.04 - 366.06 and 366.80 - 366.85, Florida Statutes (F.S.).

Analysis

This Commission, when appropriate, allows recovery of a return on capital investments through the Fuel and Purchased Power Cost Recovery Clause, the Conservation Cost Recovery Clause, and the Environmental Cost Recovery Clause. Traditionally, we have relied on the jurisdictional capital structure and cost rates for each component of the capital structure approved in each IOU's most recent base rate case to determine the appropriate weighted average cost of capital. In certain instances, significant differences have developed between an IOU's weighted average cost of capital authorized in the last base rate case and their current weighted average cost of capital. For example, in a recent cost recovery clause docket, the difference between the current cost of capital as reported in the Earnings Surveillance Report and the cost of capital from the last rate case has been over 100 basis points. A methodology that more closely aligns current costs with current cost recovery was developed and is set out in a Settlement and Stipulation Agreement[1] (Agreement) (Attachment A).

The new methodology applies to clause cycling expenses beginning January 1, 2013. A timeline example of the methodology is provided in Attachment A. In addition to the methodology, the Agreement includes the following elements of note:

- Progress Energy will be allowed to exclude its Clean Air Interstate Rule investments from the application of the new method in 2013 and will be allowed to continue use of the current method on those investments in setting clause rates for 2013.

- No Party will challenge the justness or reasonableness of the new methodology or the appropriateness of the weighted average cost of capital reflected in the May Earnings Surveillance Reports used thereunder in any Clause proceedings. Any Party may challenge a mathematical error that it contends has been made in calculating the weighted average cost of capital in an Earnings Surveillance Report.

- The provisions are contingent on approval of the Agreement in its entirety by this Commission. The Parties agree to support the Agreement and will not request or support any order, relief, outcome or result in conflict with the terms of the Agreement in any administrative or judicial proceeding relating to, reviewing or challenging the establishment, approval, adoption or implementation of the Agreement.

[1] July 17, 2012, the parties filed the Settlement and Stipulation Agreement in Docket Nos. 120001-EI, 120002-EG, and 120007-EI. The signatories are the five electric IOUs, the Office of Public Counsel, Federal Executive Agencies, Florida Industrial Power Users Group, and White Springs Agricultural Chemicals, Inc.

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- If we reject or modify the Agreement in whole or in part, it is void unless ratified by the Parties, and that each Party may pursue its interests as those interests exist, and no Party will be bound by or make reference before us, any court, any other administrative forum or arbitration panel.

- The Parties asked that we take the following actions:

    - Restate and affirm our conclusion in Order No. PSC-94-0044-FOF-EI that "potentially controversial and time consuming evidentiary debates regarding the appropriate capital structure and return on equity should be the subject of proceedings [other than the clause proceedings]."[2]

    - Confirm the appropriateness of the weighted average cost of capital calculation methodology set forth in the Agreement for application to the calculation of projected Clause factors, actual/estimated true-ups of Clause factors and final true-ups of Clause factors in all subsequent dockets unless and until modified by us.

Decision

Evidentiary debates regarding the appropriate capital structure and the return on equity shall be the subject of proceedings other than the clause proceedings. Therefore, unless and until modified by us, we hereby approve use of the weighted average cost of capital calculation methodology as established in the Agreement in all subsequent clause dockets. Further, the Agreement filed by the parties is in the public interest because the methodology more accurately aligns current costs with cost recovery and sends a more precise price signal. Therefore, we find it appropriate to approve the Stipulation and Settlement Agreement of the parties, addressing the methodology for calculating the allowable return on clause-approved investments.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Stipulation and Settlement Agreement is hereby approved for Docket Nos. 120001-EI, 120002-EG, 120007-EI. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

[2] Order No. PSC-94-0044-FOF-EI, issued January 12, 1994, Docket No. 930613-EI, In re: Petition to establish an environmental cost recovery clause pursuant to Section 366.0825, Florida Statutes, by Gulf Power Company.

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ORDERED that Docket Nos. 120001-EI, 120002-EG, 120007-EI shall remain open to address the evidentiary issues presented in each.

By ORDER of the Florida Public Service Commission this 16th day of August, 2012.

ANN COLE
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

TLT

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This

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petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on September 6, 2012.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in these dockets before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

CB-15-010450

150075 Hearing Exhibits 000726

Attachment A

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost Recovery Clause with Generating Performance Incentive Factor.	)	DOCKET NO. 120001-EI
In re: Energy Conservation Cost Recovery Clause.	)	DOCKET NO. 120002-EG
In re: Environmental Cost Recovery Clause.	)	DOCKET NO. 120007-EI
	)	FILED: July 17, 2012

STIPULATION AND SETTLEMENT AGREEMENT

This Stipulation and Settlement Agreement ("Agreement") is entered into by and between Progress Energy Florida, Inc. ("PEF"), Tampa Electric Company ("TECO"), Gulf Power Company ("Gulf"), Florida Power & Light Company ("FPL"), Florida Public Utilities Company ("FPUC"), Florida Industrial Power Users Group ("FIPUG") and Office of Public Counsel ("OPC"), collectively the "Parties" this 17th day of July, 2012.

W I T N E S E T H:

WHEREAS, investor-owned electric utilities ("IOUs") regulated by the Florida Public Service Commission (the "Commission") from time to time are authorized by the Commission to recover a return on capital investments through the fuel and purchased power cost recovery clause, the conservation cost recovery clause and the environmental cost recovery clause (the "Clauses") in dockets established annually for the purpose of administering and approving matters related to the Clauses; and

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FPSC-COMMISSION CLERK

WHEREAS, the Commission traditionally has authorized for such purpose a return based on the jurisdictional capital structures and cost rates for each component of the capital structure approved in each IOU's most recent base rate case order; and

WHEREAS, the Commission Staff has expressed concern that as time passes subsequent to an IOU's most recent base rate order the IOU's actual jurisdictional capital structure and cost rates for components in that capital structure become different from those that were approved in the IOU's most recent base rate proceeding; and

WHEREAS, the Parties have differing views on whether any modification of the traditional methodology for calculating the return on Clause-approved investments is needed; and

WHEREAS, notwithstanding these differences in views, in order to resolve their differences and achieve a mutually acceptable settlement, the Parties stipulate and agree to utilize a new methodology for calculating the allowable return on Clause approved investments, subject to the Commission's approval of that methodology; and

WHEREAS, the Parties recognize and acknowledge that section 120.80(13)(a) of the Florida Statutes exempts Commission statements that relate to cost-recovery clauses, factors, or mechanisms implemented pursuant to Chapter 366 of the Florida Statutes, relating to the IOUs, from the rulemaking provisions of section 120.54(1)(a) of the Florida Statutes.

NOW, THEREFORE, in consideration of the foregoing and the covenants contained herein, the undersigned parties hereby stipulate and agree as follows:

1. Upon final Commission approval of this Agreement, the IOUs will utilize the following methodology for calculating the allowable return on Clause-approved investments:

(a) The calculation of the allowable return on Clause-approved investments for the 2012 Actual/Estimated and Final True-up will remain under the current methodology (*i.e.*, the rate of return is based on the jurisdictional capital structures and cost rates for each component of the capital structure that were approved in an IOU's most recent order authorizing base rates issued prior to the effective date of this Agreement).

(b) Beginning with the 2013 cycle of Clause-recoverable expenses, all IOUs will use the following methodology:

(i) For the Projection Filing, use the May Earnings Surveillance Report ("ESR") Weighted Average Cost of Capital ("WACC") for the calendar year in which the filing is made (e.g., for the 2013 Projection which is made in August/September of 2012, the May 2012 ESR would be used; for the 2014 Projection which is made in August/September of 2013, the May 2013 ESR would be used, and so on).

(ii) For the Actual/Estimated True-up Filing, use the May ESR WACC from the prior calendar year for January – June of the year being trued-up, and the current calendar year May ESR WACC for July – December of the year being trued-up (e.g., for the 2013 Actual/Estimated True-up Filing which is made in August/September 2013, the May 2012 ESR would be used for January – June and the May 2013 ESR would be used for July – December; for the 2014 Actual/Estimated filing which is made in August/September 2014, the May 2013 ESR would be used for January – June and the May 2014 ESR would be used for July – December; and so on). The monthly accounting on the books and records of the utility would be performed consistent with this methodology.

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(iii) For the Final True-up Filing regarding a particular calendar year use the same WACCs that were used for the Actual/Estimated True-up Filing regarding that same particular calendar year.

(c) The term WACC as used above is meant to reflect the capital structure ratios and associated cost rates when calculating the revenue requirement rate of return. The proportions of the various components of the capital structure (including common equity) and cost rate information for all components of the capital structure other than ROE contained on Schedule 4 (Midpoint Average Rate of Return – FPSC Adjusted Basis) of the relevant ESR as described above shall be utilized to arrive at the relevant WACC.[1] The equity components shall also be grossed up for the statutory income tax rate. The cost rates for the components of the capital structure other than common equity shall be the actual cost rates shown in the ESR. The cost rate for common equity will be the last authorized rate of return on equity ("ROE"). In the past there have been instances where the Commission authorized a specific ROE for projects being recovered through a clause. To the extent the Commission issues an order authorizing an ROE different from the midpoint on Schedule 4 of the relevant ESR for a particular clause or project within a clause, that ROE will be used to calculate the relevant WACC.

(d) Exceptions to Section (1)(b) above.

(i) In the event that a base rate decision[2] is rendered by the Commission subsequent to the period captured by the relevant May ESR to be used in Section

[1] In calculating the WACC for a Clause-approved investment, the proportion of ITC in the capital structure shall reflect the amount of ITC approved by the Commission for financing that investment. (Reference Commission Order PSC-10-0153-FOF-EI, page 106).

[2] The parties agree that the term "base rate decision" encompasses any decision by the Commission that determines or approves by settlement or through a litigated case the ROE and/or capital structure that will be used for setting and evaluating an IOU's base rates.

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150075 Hearing Exhibits 000730

Attachment A

(I)(b), then the Commission's decision on the cost of capital and capital structure as reflected in the order implementing the base rate decision (the "Order") will supersede the actuals used in the May ESR from the effective date of the Order, until the next actual May ESR after the effective date of the Order.

(ii) PEF will be allowed to exclude its CAIR investments from the application of the new method in 2013 and will be allowed to continue use of the current method on those investments in setting clause rates for 2013. This is consistent with the intent of the Settlement and Stipulation which transfers those investments to base rates effective with the first billing cycle for 2014.

The new methodology set forth above is illustrated on Attachment A hereto.

2. The Parties recognize that an IOU's current actual overall cost of capital at any given point in time may be higher or lower than the overall rate of return approved by the Commission in the IOU's most recent base rate proceeding. It is the intent of the Parties that the new methodology prescribed herein for more closely tracking and utilizing the IOU's current actual overall cost of capital in calculating the allowed return on Clause-approved investments is appropriate for use without regard to whether the resulting return is higher or lower than that approved in the IOU's most recent base rate proceeding. Accordingly, no Party will challenge the justness or reasonableness of the new methodology or the appropriateness of the WACC reflected in the May ESRs used thereunder in any Clause proceedings; provided, however, that any Party may challenge a mathematical error that it contends has been made in calculating the WACC in an ESR. It is contemplated that a party who believes that the WACC presentation in the ESR is inconsistent with the most recent base rate proceeding may provide the basis for this

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150075 Hearing Exhibits 000731

belief to Commission Staff for evaluation in the Staff's role in monitoring the IOU's ESR compliance.

3. The provisions of this Agreement are contingent on approval of this Agreement in its entirety by the Commission. The Parties further agree that they will support this Agreement and will not request or support any order, relief, outcome or result in conflict with the terms of this Agreement in any administrative or judicial proceeding relating to, reviewing or challenging the establishment, approval, adoption or implementation of this Agreement or the subject matter hereof.

4. The Parties shall support the approval of this Agreement by the Commission at the earliest possible time in order to facilitate the implementation of the new methodology for calculating the allowable return on Clause investments, starting with projections of Clause factors for 2013 that are scheduled to be filed in the above-referenced dockets in August and September 2012. To accomplish this end while also clearly stating the Commission's continuing support for using the new methodology in subsequent Clause dockets unless and until modified by the Commission, the Parties respectfully request that the Commission take the following steps:

(a) enter an order in each of the above-referenced dockets attaching and approving this Agreement for application to the 2013 projected Clause factors that will be filed by the IOUs in August and September 2012; and

(b) attach and approve this Agreement in the final order issued in each of the above-referenced dockets, with such final order (i) restating and affirming the Commission's conclusion in Order No. PSC-94-0044-FOF-EI that "potentially controversial and time consuming evidentiary debates regarding the appropriate capital structure and ROE should be the subject of

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150075 Hearing Exhibits 000732

proceedings [other than the clause proceedings]" and (ii) confirming the appropriateness of the WACC calculation methodology set forth in this Agreement for application to the calculation of projected Clause factors, actual/estimated true-ups of Clause factors and final true-ups of Clause factors in all subsequent Clause dockets unless and until modified by the Commission.

5. This agreement shall survive the closure of Docket Nos. 120001-EI, 120002-EG and 120007-EI, shall apply in future annual dockets established for the Clauses and shall remain in effect until the Commission modifies or rescinds the order approving this Agreement, whether on its own motion or as a result of a motion or petition by a party to this stipulation or another substantially affected person.

6. In the event the Commission rejects or modifies this Agreement in whole or in part, the Parties agree this Agreement is void unless ratified by the Parties, and that each Party may pursue its interests as those interests exist, and no Party will be bound by or make reference to this Agreement before this Commission, any court, any other administrative forum or arbitration panel.

7. This Agreement dated as of July 17, 2012 may be executed in counterpart originals, and a facsimile of the original signature shall be deemed an original.

IN WITNESS WHEREOF, the Parties evidence their acceptance and agreement with the provisions of this Agreement by their signatures below.

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CB-15-010457

150075 Hearing Exhibits 000733

Florida Power Corporation dba
Progress Energy Florida, Inc.

By: _____

John Burnett, Esquire
Post Office Box 14042
St. Petersburg, Florida 33733

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CB-15-010458

150075 Hearing Exhibits 000734

Tampa Electric Company

By _____

James D. Beasley, Esquire
Jeffry Wahlen, Esquire
Post Office Box 391
Tallahassee, Florida 32302

[Remainder of page left intentionally blank]

Gulf Power Company

By: _____

Jeffrey A. Stone, Esquire
Beggs & Lane, RLLP
Post Office Box 12950
Pensacola, Florida 32591
850/432-2451
Attorneys for Gulf Power Company

{Remainder of page left intentionally blank}

Florida Power & Light Company

By _____

John Butler, Esquire
700 Universe Boulevard
Juno Beach, Florida 33408

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Attachment A

Florida Public Utilities Company

By _____

Beth Keating, Esquire
Gunster, Yoakley & Stewart, P.A.
215 South Monroe St., Suite 601
Tallahassee, FL 32301

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CB-15-010462

150075 Hearing Exhibits 000738

Attachment A

Florida Industrial Power Users Group

By _____

Jon C. Moyle, Jr., Esquire
Vicki Gordon Kaufman, Esquire
Moyle Law Firm
118 North Gadsden Street
Tallahassee, FL 32301

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CB-15-010463

150075 Hearing Exhibits 000739

Office of Public Counsel

By: _____

J.R. Kelly, Esquire
Charles Rehwinkel, Esquire
111 W. Madison St., Room 812
Tallahassee, Florida 32399

[Remainder of page left intentionally blank]

CB-15-010464

150075 Hearing Exhibits 000740

Attachment A

Attachment A
WACC Stipulation & Settlement Agreement
Docket Nos 120001, 120002 & 120007
Page 1 of 1

Table 1:

Type of Filing	Clause Cycle Expense	Date of Filing	WACC Method
Final True-up	Jan-11 through Dec-11	Apr/May – 12	LAST AUTHORIZED
Act/Est True-up	Jan-12 through Dec-12	Aug/ Sept 12	LAST AUTHORIZED
Projection	Jan-13 through Dec-13	Aug/Sept – 12	May – 12 ESR
Final True-up	Jan-12 through Dec-12	Apr/May – 13	LAST AUTHORIZED
Act/Est True-up	Jan-13 through Dec-13	Aug/Sept – 13	May-12 ESR (Jan – Jun) / May – 13 ESR (Jul – Dec)
Projection	Jan-14 through Dec-14	Aug/Sept – 13	May – 13 ESR
Final True-up	Jan-13 through Dec-13	Apr/May – 14	May-12 ESR (Jan – Jun) / May – 13 ESR (Jul – Dec)
Act/Est True-up	Jan-14 through Dec-14	Aug/Sept – 14	May-13 ESR (Jan – Jun) / May – 14 ESR (Jul Dec)
Projection	Jan-15 through Dec-15	Aug/Sept – 14	May – 14 ESR

Table 2:



Note 1 assumes for illustrative purposes a January 1, 2013 effective date for the rate case order

Page 1 of 1

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Q.

Please provide the daily steam sales in pounds and/or MMBtu associated with the steam revenues associated with the contract above.

A.

Documents responsive to this request are provided as Bates Nos. CB-15-010466 through CB-15-010467. The documents calculate the required steam sales to maintain the QF status under the PPA as a function of dispatch volume. Our economic model makes the conservative assumption that there is no revenue from steam sales after the transaction closes.

Cedar Bay - Steam Sales Potential Costs - Tier 1

2015 Forecast Capacity Factor		5%	
2015 Estimated Generaiton		109,500	MWh
QF Steam Sales Requirements		18,686	kLbs/Year (Based upon FERC QF 5% useful steam requirement)
Tier 1 Steam Price			
Base Rate	$	5.25	per thousand pounds
Gas Adjustement Factor	$	3.696	MMBtu
Gas Price	$	3.840	MMBtu (November 2014 Nymex from Bloomberg)
Price	$	5.45	per thousand pounds
Replacement Steam Cost			
Boiler Efficiency		83%	(from Cleaver Brooks Packaged Boiler efficiency guide)
Gas Requirements		1.220	MMBtu/thousand pounds
Gas Distribution	$	0.996	MMBtu (Peoples Gas, ISLV rate)
Cost	$	5.90	Per thousand pounds
Delta Cost	$	0.448	per thousand pounds
Value	$	8,366	Per Year
Payment to Cedar Bay	$	101,924.59	
Cost to Self Generate	$	110,290.49	
	$	(8,365.90)	

CB-15-010466

Cedar Bay - Steam Sales Potential Costs - Tier 2

2015 Forecast Capacity Factor		56%	
2015 Estimated Generaiton		1,226,400	MWh
QF Steam Sales Requirements		209,285	kLbs/Year (Based upon FERC QF 5% useful steam requirement)
Tier 2 Steam Price			
Base Rate	$	7.21	per thousand pounds
Coal Adjustement Base	$	115.400	per ton
Coal Spot Price Estimate	$	110.000	per ton (Estimated delivered price Central App)
Price	$	6.87	per thousand pounds
Replacement Steam Cost			
Boiler Efficiency		83%	(from Cleaver Brooks Packaged Boiler efficiency guide)
Gas Price	$	3.84	MMBtu
Gas Requirements		1.220	MMBtu/thousand pounds
Gas Distribution	$	0.996	MMBtu (Peoples Gas, ISLV rate)
Cost	$	5.90	Per thousand pounds
Delta Cost	$	(0.970)	per thousand pounds
Value	$	(203,083)	Per Year
Payment to Cedar Bay	$	1,438,336.75	
Cost to Self Generate	$	1,235,253.46	
	$	203,083.28	

CB-15-010467

Q.

Please provide copies of all Exhibits to Confidential Exhibit DH-3 including all supporting workpapers in electronic format with formulas intact.

A.

Documents responsive to this request are confidential, labeled as Bates Nos. CB-15-010468 through CB-15-010488, in electronic format.

Documents responsive to OPC's Second Request for Production No. 34 (Bates Nos. CB-15-010468 through CB-15-010488) are confidential in their entirety.

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150075.StaffHearingExhibits.36.BATES.PDF	7/24/2015 4:18 PM	PDF File	8,118 KB
150075.StaffHearingExhibits.37-44.BATES....	7/21/2015 11:09 AM	PDF File	5,908 KB
150075.StaffHearingExhibits.45.BATES.PDF	7/21/2015 11:37 AM	PDF File	12,480 KB
150075.StaffHearingExhibits.46-54.BATES....	7/21/2015 1:09 PM	PDF File	9,427 KB
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OPC's 2nd POD No. 15b - Cedar Bay Emi...	7/15/2015 4:04 PM	Microsoft Excel W...	10 KB
OPC's 2nd POD No. 16_CB to 2016, High ...	7/15/2015 4:04 PM	Microsoft Excel W...	9 KB
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47

FPL's Responses to OPC's Fourth Request for Production of Documents (Nos. 45 (CONFIDENTIAL), and 49 (CONFIDENTIAL)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 47
PARTY: STAFF
DESCRIPTION: FPL's Responses to OPC's Fourth Request for Production of Documents
150075 Hearing Exhibits 000747

Q.

Referring to Section 7.13 of the Restated Agreement for the Purchase of Firm Capacity and Energy Between AES Cedar Bay, Inc. and Florida Power & Light Company, dated July 2, 1990, please provide copies of each review performed by an independent firm since Cedar Bay began commercial operation.

A.

Documents responsive to this request are confidential, labeled as Bates Nos. CB-15-012852 through CB-15-012928.

Documents responsive to OPC's Fourth Request for Production No. 45 (Bates Nos. CB-15-012852 through CB-15-012928) are confidential in their entirety.

Q.

Referring to the statement made in the Hartman testimony, "While there are performance standards that Cedar Bay Genco must meet in order to qualify for these payments, Cedar Bay Genco reliably achieves those standards and, recent years, has consistently earned the potential performance bonus", please provide copies of all documentation, workpapers, analysis (with calculations), electronic spreadsheets with formulas intact, support material and detail that supports this statement.

A.

The fundamental information is contained in the billing information produced by FPL in response OPC's Fourth Request for Production of Documents No 48. Please also refer to the confidential documents provided herein, labeled as Bates Nos. CB-15-012850 through CB-15-012851, which summarize the data since January 2010.

Documents responsive to OPC's Fourth Request for Production No. 49 (Bates Nos. CB-15-012850 through CB-15-012851) are confidential in their entirety.

48

FPL's Responses to OPC's Sixth Request for Production of Documents (No. 52 (CONFIDENTIAL))

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 48
PARTY: STAFF
DESCRIPTION: FPL's Responses to OPC's Sixth Request for Production of Documents

Q.

Please provide copies of all documents that contain each iteration of each offer, indicative proposal or other transaction referred to in interrogatory 53.

A.

Documents responsive to this request were provided in FPL's response to FIPUG's Third Request for Production of Documents No. 14 which are confidential and labeled as Bates Nos. CB-15-012957 through CB-15-012963.

49

FPL's Responses to FIPUG's First Set of Interrogatories (Nos. 8 and 9)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 49
PARTY: STAFF
DESCRIPTION: FPL's Responses to FIPUG's First Set of Interrogatories (Nos. 8 and 9)

Q.

During the past 15 years, identify the circumstances in which the owner of the Cedar Bay facility, or its representative, approached FPL about selling the Cedar Bay facility or corporate interest that own the Cedar Bay facility.

A.

In February 2014, FPL approached Cedar Bay about restructuring or buying out the Power Purchase Agreement. In March 2014, Cedar Bay proposed a structure incorporating a purchase of the upstream ownership of Cedar Bay as an alternative to the PPA buyout, which through negotiation resulted in the transaction currently contemplated. There have been no other discussions or proposals about FPL purchasing the facility or corporate ownership interests.

Q.

During the past 15 years, identify the circumstances in which FPL, or its representative, approached the owner of the Cedar Bay facility about selling the Cedar Bay facility or corporate interest that own the Cedar Bay facility.

A.

There have been no other discussions or proposals about FPL purchasing the facility or corporate ownership interests.

AFFIDAVIT

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 6th day of July 2015 before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Thomas L. Hartman, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory numbers 2 through 10 from **FIPUG'S FIRST SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT COMPANY (NOS. 1-10)** in Docket No. 150075-EI, and that the responses are true and correct based on his personal knowledge.

Thomas L. Hartman

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 6th day of July, 2015.

Notary Public
State of Florida, at Large

My Commission Expires:

MARITZA MIRANDA-WISE
MY COMMISSION # FF 002868
EXPIRES: May 30, 2017
Bonded Thru Notary Public Underwriters

50

FPL's Responses to FIPUG's Second Request for Production of Documents (No. 13 – (CONFIDENTIAL Excerpt of excel file 2.27.1_3.14_Coal_Inventory.xls)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 50
PARTY: STAFF
DESCRIPTION: FPL's Responses to FIPUG's Second Request for Production of Documents

51

FPL's Responses to FIPUG's First Request for Admissions (Nos. 3 and 6)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 51
PARTY: STAFF
DESCRIPTION: FPL's Responses to FIPUG's First Request for Admissions (Nos. 3 and 6)

Q.

Admit that there are environmental risks associated with FPL owning the Cedar Bay facility.

A.

Denied.

Q.

Admit that there are environmental risks associated with operating Cedar Bay facility.

A.

Admitted that there may be environmental risks associated with the Cedar Bay facility itself, but deny that there are material risks associated with the facility.

52

OPC's Responses to FPL's First Set of Interrogatories (No. 8)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 52
PARTY: STAFF
DESCRIPTION: OPC's Responses to FPL's First Set of Interrogatories (No. 8) [Bates Nos.

150075 Hearing Exhibits 000762

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of arrangement to mitigate impact of unfavorable Cedar Bay power purchase obligation, by Florida Power & Light Company.	DOCKET NO. 150075-EI DATED: JULY 10, 2015

CITIZENS' RESPONSE TO FLORIDA POWER & LIGHT COMPANY'S FIRST SET OF INTERROGATORIES (Nos. 1-10) TO THE OFFICE OF PUBLIC COUNSEL

Office of Public Counsel ("Citizens"), by the requirements set forth in Commission Orders No. PSC-15-0143-PCO-EI and PSC-15-0143A-ET, Rule 1.340(a), Florida Rule of Civil Procedure, submit the following responses to the First Set of Interrogatories (Nos. 1-10) propounded by Florida Power & Light Company on June 10, 2015.

INTERROGATORIES

8. Please explain how you factored in your recommendation that the environmental insurance policy that FPL will assume or obtain if the Commission approves the Cedar Bay Transaction. (Page 6 Line 12)

RESPONSE:

Christopher Dawson

In the sentence beginning on the referenced line (page 6, line 12), Mr. Dawson mentions ground lease liabilities only as a potential risk. Later in his testimony, Mr. Dawson recommends that "FPL's retail customers should be held harmless and the Commission should prohibit FPL from recovering costs from customers associated with any environmental remediation costs or other liabilities it incurs as a result of assuming the Cedar Bay ground lease." He did not quantify the potential exposure with or without the environmental insurance policy. However, Mr. Dawson is suggesting that any incremental exposure, above and beyond what an insurance policy would cover, should not be passed along to FPL's ratepayers.

AFFIDAVIT

STATE OF Georgia

COUNTY OF Cobb

BEFORE ME, the undersigned authority, personally appeared Christopher Dawson, who deposed and stated that he provided the answers to interrogatory numbers 1, 2, and 6 through 10 from the FIRST SET OF INTERROGATORIES (Nos. 1 – 10) served on Office of Public Counsel by Florida Power and Light Company on June 10, 2015 and that the responses are true and correct to the best of his/her information and belief.

Christopher Dawson

DATED at July 8, 2015.

Sworn to and subscribed before me this 8th day of July, 2015.

Faye H. Culpepper

NOTARY PUBLIC

State of Georgia at Large

My Commission Expires March 3, 2018

FAYE H. CULPEPPER NOTARY PUBLIC COBB COUNTY GEORGIA EXPIRES MARCH 3, 2018

53

OPC's Responses to Staff's First Set of Interrogatories (Nos. 1, 2, and 3 (CONFIDENTIAL))

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 53
PARTY: STAFF
DESCRIPTION: OPC's Responses to Staff's First Set of Interrogatories (Nos. 1, 2, and 3

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of arrangement to mitigate impact of unfavorable Cedar Bay power purchase obligation, by Florida Power & Light Company.	DOCKET NO. 150075-EI DATED: JULY 8, 2015

CITIZENS' RESPONSE TO STAFF'S FIRST SET OF INTERROGATORIES TO OFFICE OF PUBLIC COUNSEL (NOS. 1-3)

Office of Public Counsel ("Citizens"), by the requirements set forth in Commission Orders No. PSC-15-0143-PCO-EI and PSC-15-0143A-ET, Rule 1.340(a), Florida Rule of Civil Procedure, submit the following responses to the First Set of Interrogatories (Nos. 1-3) propounded by the Staff of the Florida Public Service Commission on June 23, 2015.

INTERROGATORIES

1. For the purposes of the following Interrogatories, please refer to the Direct Testimony of OPC Witness Dawson, page 5, lines 9-18.

   a. In Mr. Dawson's opinion, is it reasonable for FPL to project, for retail customer savings evaluation, the Company's actual currently-contracted coal prices, then escalating those prices into the future?

RESPONSE:

Christopher Dawson

It would be reasonable for FPL to reflect actual currently-contracted coal prices at St. Johns River Power Park through 2016, then rely on their best projection of the prices for coal expected to be burned at the plant.

   b. Is utilizing currently-contracted coal (or any other contracted fuels) prices a common, reasonable approach when formulating similar (possible) economic/customer savings evaluations as referred to in 1a.?

RESPONSE:

Christopher Dawson

Yes, for purposes of estimating customer savings, the most accurate representation of costs that will be incurred represents the most reasonable approach.

c. Please provide the inputs, sources, and calculations of all figures contained on lines 17-18.

RESPONSE:

Christopher Dawson

Please see OPC's responses to Staff's First Request for Production of Documents No.2, No. 3 and No. 4.

2. Please refer to the Rebuttal Testimony of FPL Witness Hartman, page 6, line 4 through page 7, line 3.

a. Are the types/compositions of coal referenced in this section the same types/compositions of coal used to formulate the analysis contained in OPC Witness Dawson's Direct Testimony, page 8, line 1 through page 10, line 10? Please explain.

RESPONSE:

Christopher Dawson

Mr. Dawson does not have the necessary information to determine whether the coals referenced in his testimony are or are not "compliance coals". The information available in the EIA 923 does seem to suggest that the Indiana coal purchased in February 2015 may have a lower mercury content than the Colombian coal purchased that same month.

b. Is "Compliance Coal," as referenced in the rebuttal testimony of FPL Witness Hartman, page 6, a reasonable approach to coal/coal pricing for forecasting

150075 Hearing Exhibits 000768

possible FPL ratepayer benefits of the proposed Cedar Bay transaction? Please explain.

RESPONSE:

Christopher Dawson

Please see the response to Staff's First Set of Interrogatories No.1.b, above.

3. Please refer to the Rebuttal Testimony of FPL Witness Herr, page 7, line 22 through page 9, line 4.

a. Please state and explain whether FPL utilization of coal price forecasts (as specified in this section) is reasonable given the Fair Value (FV) measurement of the Purchase Power Agreement (PPA) was conducted under ASC 820 guidelines.

RESPONSE:

Gary Brunault

Witness Herr suggests that each Market Participant would have its own outlook on coal price and would not have knowledge of FPL's internally developed view of the future price at St. Johns River Power Park ("SJRPP"), which I agree with. However, any prospective Market Participant would have access to the historical cost and type of coal burned at SJRPP, through various publically available sources (e.g., SNL and EIA). Additionally, it is reasonable to assume that due diligence by the Market Participant would reveal that SJRPP blends lower priced Columbian coal with Illinois Basin coal, and as such, would base their fuel price projection on the forecasted prices of such coal.

b. Please state and explain whether using the coal price forecasts FPL utilized (as specified in this section) for estimating Energy Revenue from the PPA is reasonable.

RESPONSE:

Gary Brunault

The coal price forecast used by Witness Herr in estimating Energy Revenue from the PPA is not reasonable because he utilized IHS Cera's forecasted coal price outlook for

Central Appalachia ("CAPP") coal, rather than lower forecasted prices for SJRPP. Although Witness Herr acknowledges [redacted].

John J. Truitt
Associate Public Counsel

Office of Public Counsel
c/o The Florida Legislature
111 W. Madison Street
Room 812
Tallahassee, FL 32399-1400

(850) 488-9330
Attorney for Florida's Citizens

AFFIDAVIT

STATE OF Georgia

COUNTY OF Cobb

BEFORE ME, the undersigned authority, personally appeared Christopher Dawson, who deposed and stated that he provided the answers to interrogatory numbers 1 and 2 from STAFF'S FIRST SET OF INTERROGATORIES (Nos. 1 – 3) served on Office of Public Counsel by Staff of the Florida Public Service Commission on June 23, 2015 and that the responses are true and correct to the best of his/her information and belief.

Christopher Dawson

DATED at July 6, 2015.

Sworn to and subscribed before me this 6th day of July, 2015.

Faye H. Culpepper

NOTARY PUBLIC

State of Georgia at Large

My Commission Expires: March 3, 2018

FAYE H. CULPEPPER NOTARY PUBLIC GEORGIA EXPIRES MARCH 3, 2018 COBB COUNTY

AFFIDAVIT

STATE OF S.C.

COUNTY OF HORRY

BEFORE ME, the undersigned authority, personally appeared Gary Brunault, who deposed and stated that he provided the answers to interrogatory number 3 from STAFF'S FIRST SET OF INTERROGATORIES (Nos. 1 – 3) served on Office of Public Counsel by Staff of the Florida Public Service Commission on June 23, 2015 and that the responses are true and correct to the best of his/her information and belief.

Gary Brunault

DATED at 7/7, 2015.

Sworn to and subscribed before me this 7th day of July, 2015.

NOTARY PUBLIC

State of South Carolina at Large

My Commission Expires: 2-21-2017

54

OPC's Responses to Staff's First Request for Production of Documents (Nos. 1 (excerpt), 2 (excerpt), 3 (CONFIDENTIAL), 4, 5 (CONFIDENTIAL - response only, no attachments), 6 (excerpt plus CONFIDENTIAL excerpt), and 7 (CONFIDENTIAL - response only, no attachments))

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 54
PARTY: STAFF
DESCRIPTION: OPC's Responses to Staff's First Request for Production of Documents

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Approval of Arrangement To Mitigate Impact of Unfavorable Cedar Bay Power Purchase Obligation, by Florida Power & Light Company	DOCKET NO. 150075-EI FILED: July 8, 2015

OFFICE OF PUBLIC COUNSEL'S RESPONSE TO STAFF'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 1-7)

The Office of Public Counsel, ("Citizens"), by the requirements set forth in the Commission Orders Nos. PSC-15-0143-PCO-EI and PSC-15-0143A-EI, Rule 28-106-206, Florida Administrative Code, and Rule 1.350, Florida Rules of Civil Procedure, submit the following response to the First Set of Requests for Documents (No. 1-7) propounded by the Staff of the Florida Public Service Commission ("Staff") on June 23, 2014.

DOCUMENTS REQUESTED

The following requests refer to the Direct Testimony of OPC Witness Dawson.

1. Please refer to page 8, lines 1-5. Please provide the relevant EIA Form 923 referenced in this section.

RESPONSE:

Please see the attached spreadsheet entitled "EIA923_Schedules_2_3_4_5_M_0215" (OPCRESP-PSCPOD1-1-000001-000007). Please note that Mr. Dawson's testimony referred to March 2015 information in error and should read February 2015.

2. Please refer to page 8, lines 7-12. Please provide the relevant source documents used to calculate the figures presented in this section. Please also provide/show calculation steps.

RESPONSE:

Relevant Source Documents:

1. Attachment entitled "EIA923_Schedules_2_3_4_5_M_0215" (OPCRESP-PSCPOD1-1-000001-000007)

2. Attachment entitled "Staff's 1st POD No.2_OPC Response" (OPCRESP-PSCPOD1-2-000001)

Document 1 outlines the figures of $4.072/MMBtu and $3.021/MMBtu quoted on page 8, lines 9-10, in the tab entitled "Page 5 Fuel Receipts and Costs". The relevant Excel rows have been highlighted for ease of read. The calculation undertaken to provide the figures quoted on page, lines 11-12 are found in Document 2. Please note that Mr. Dawson's testimony referred to March 2015 information in error and should read February 2015.

3. Please refer to page 9, lines 5-17. Please provide the relevant source documents used to calculate the figures presented in this section. Please also provide/show calculation steps.

RESPONSE:

Relevant Source Documents:

1. FPL RESP to OPC's 2nd POD, No. 15a – Cedar Bay Fuel Price Forecasts.xlsx (OPCRESP-PSCPOD1-3-000001-000003)

2. FPL RESP to OPC's 2nd POD, No. 34 – Confidential Response (OPCRESP-PSCPOD1-3-000004-000023-CONFIDENTIAL)

3. Attachment entitled "Staff's 1st POD No.3_OPC Response" – Uses Confidential Information (OPCRESP-PSCPOD1-3-000001-CONFIDENTIAL)

Please refer to the response made to the Staff's First Request for Production of Documents No.2 (see above) for an explanation and reference to source documentation in relation to the figure of $0.128/MMBtu quoted on Page 9, line 8. Document 1 (CB15-009489) is the source document for the figure of $0.130/MMBtu on Page 9, line 9. Document 2 is the source document for figures utilized in the calculation behind the $2.1 million figure quoted on Page 9, line 14. The calculation is outlined in Document 3.

4. Please refer to page 10, lines 5-10. Please provide/show the calculation steps used to derive the figure presented in this section.

RESPONSE:

Relevant Source Documents:

1. Attachment entitled "Staff's 1st POD No.4_OPC Response" (OPCRESP-PSCPOD1-4-000001)

Document 1 outlines the calculation of the $14m net present value figure quoted on Page 10, line 9.

The following requests refer to the Direct Testimony of OPC Witness Brunault.

5. Please refer to page 16, lines 6-14. Please provide the relevant source documents used to calculate the figures presented in this section. Please also provide/show calculation steps.

RESPONSE:

Relevant Source Documents:

1. FPL RESP to OPC's 2nd POD, No. 15a – Cedar Bay Fuel Price Forecasts.xlsx (OPCRESP-PSCPOD1-3-000001-000003)

2. FPL RESP to OPC's 2nd POD, No. 15a – Cedar Bay Fuel Price Forecasts GB annual averages.xlsx (OPCRESP-PSCPOD1-5-000001-000003)

3. FPL RESP to OPC's 2nd POD, No. 34_Confidential.xlsm (OPCRESP-PSCPOD1-3-000004-000023)

4. FPL RESP to OPC's 2nd POD, No. 34)_Confidential_Issue 1&2&3_Rev.xlsm (OPCRESP-PSCPOD1-5-000004-000023)

Document 1 (CB15-009489) is the source document. Document 2 includes some additional calculations that I added to the spreadsheet, namely computing annual average fuel prices assumed for the St. Johns River Power Park. Document 3 is the source document (Witness Herr's discounted cash flow model that supports the FV of the PPA). Document 3 contains the [redacted] coal fuel prices that Witness Herr utilized in estimating the PPA energy revenues (see Inputs tab, row 40). Document 4 is the modified DCF model to reflect the combination of changes necessary to correct Valuation Deficiencies

1, 2, and 3 (as outlined in Witness Brunault's testimony). Document 4 (Inputs tab) shows the calculation of St. John's River Power Park coal prices to be [redacted] below the [redacted] coal prices (see cell P41). The prices compared are the St. John's coal prices utilized in the FPL System Impacts Study (line 40) to Witness Herr's assumed [redacted] coal prices (line 119).

6. Please refer to page 17, lines 10-22. Please provide the relevant source documents used to calculate the figures presented in this section. Please also provide/show calculation steps.

RESPONSE:

Relevant Source Documents:

1. EIA923_Schedules_Fuel at Cedar Bay_1214.xlsx (OPCRESP-PSCPOD1-6-000001)

2. 2.27.1_3.14_Coal_Inventory.xls (OPCRESP-PSCPOD1-6-000002-CONFIDENTIAL)

Document 1, as down-loaded from the Energy Information Administration (EIA) website, contains information on the coal delivered to Cedar Bay during calendar year 2014. Column G of that spreadsheet indicates that the Nally & Hamilton supplier (column O) coal contracts' expiration date is "1215", interpreted as December 2015. Document 2 contains a historical accounting for coal inventory costs at Cedar Bay. The average inventory costs reported was for March 2014, shown [redacted]

7. Please refer to page 18, line 14 through page 19, line 10. Please provide the relevant source documents used to calculate the figures presented in this section. Please also provide/show calculation steps.

RESPONSE:

See responses to request #5 and #6 above. In addition, the 17% reduction in fuel costs compares existing 2015 levels [redacted] to the 2016 assumed pricing levels [redacted] shown in FPL Witness Herr's DCF spreadsheet model (Document 3 from the response to request #5 above) on the "Inputs" tab, cell G36.

Current spot prices for CAPP coal can be found at the EIA website: http://www.eia.gov/coal/news_markets/index.cfm

Commodity spot prices for Central Appalachian Coal as of May 29, 2015 were reported by the EIA at $52.75/ton. Together with an approximately [redacted] transportation to Cedar Bay, as assumed by FPL Witness Herr in his DCF spreadsheet model ("Inputs" tab, cell F34), the current spot market for CAPP coal is $82.75/ton delivered to Cedar Bay.

John J. Truitt
Associate Public Counsel

Office of Public Counsel
c/o The Florida Legislature
111 W. Madison Street
Room 812
Tallahassee, FL 32399-1400

(850) 488-9330
Attorney for Florida's Citizens

U.S. Department of Energy, The Energy Information Administration (EIA)
Fuel Receipts and Cost Time Series File, 2015 March
Sources: EIA-923 and EIA-860 Reports
OPC Response to Staff's First PODs, No. 1. (Staff Excerpt)

OPCRESP-PSCPOD1-1-000001-000007 (Staff Excerpt)

YEAR	MONTH	Plant Id	Plant Name	Plant State	Purchase Type	Contract Expiration Date	ENERGY_SOURCE	FUEL_GROUP	Coalmine Type	Coalmine State	Coalmine County	Coalmine Msha Id	Coalmine Name	SUPPLIER	QUANTITY	Average Heat Content	Average Sulfur Content	Average Ash Content	Average Mercury Content	FUEL_COST	Regulated	Operator Name	Operator Id	Reporting Frequency	Primary Transportation Mode	Secondary Transportation Mode	Natural Gas Transportation Service
2015	1	207	St Johns River Power Park	FL	C	1215	BIT	Coal	U	IN	83	1202394	OAKTOWN FUELS MINE #1	SUNRISE COAL SALES	26,920.0	23.226	2.06	6.5	0.1	345.6	REG	JEA	9617	M	RR		
2015	1	207	St Johns River Power Park	FL	S		BIT	Coal	U	IL	65	1103203	WHITE OAK MINE #1	WHITE OAK RESOURCES LLC	116,212.0	23.468	2.41	8.0	0.1	328.6	REG	JEA	9617	M	RR		
2015	1	207	St Johns River Power Park	FL	S		NG	Natural Gas						PEOPLES NATURAL GAS	28,591.0	1.045	0.00	0.0	0.0	399.4	REG	JEA	9617	M	PL		I
2015	2	207	St Johns River Power Park	FL	C	1215	BIT	Coal	S	IN	21	1202460	ACE IN THE HOLE	SUNRISE COAL SALES	26,892.0	21.736	0.73		0.0	407.2	REG	JEA	9617	M	RR		
2015	2	207	St Johns River Power Park	FL	C	1216	BIT	Coal	S	CL	IMP	NA	EL CERREJON	COAL MARKETING COMPANY	193,786.0	21.774	0.69	13.4	0.1	302.1	REG	JEA	9617	M	WT		
2015	2	207	St Johns River Power Park	FL	S		NG	Natural Gas						PEOPLES NATURAL GAS	27,695.0	1.042	0.00	0.0	0.0	342.9	REG	JEA	9617	M	PL		I
2015	3	207	St Johns River Power Park	FL	C	1216	BIT	Coal	S	IN	21	1202460	ACE IN THE HOLE	SUNRISE COAL SALES	26,832.0	21.630	0.78	8.7	0.0	409.2	REG	JEA	9617	M	RR		
2015	3	207	St Johns River Power Park	FL	C	1217	BIT	Coal	S	CL	IMP	NA	EL CERREJON	COAL MARKETING COMPANY	131,148.0	21.910	0.66	13.5	0.1	310.9	REG	JEA	9617	M	WT		
2015	3	207	St Johns River Power Park	FL	S		NG	Natural Gas						PEOPLES NATURAL GAS	9,509.0	1.044	0.00	0.0	0.0	361.9	REG	JEA	9617	M	PL		I

OPC Response to Staff's First PODs, No. 2.
OPCRESP-PSCPOD1-2-000001

February 2015 SJRPP Coal Deliveries (mis-labled in testimony as March 2015)

ACTUAL

Source	Price ($/MMBtu)	Quantity (tons)
El Cerrejon	3.021	193,786
Ace in the Hole	4.072	26,892
WEIGHTED AVERAGE	3.149	

W/O Ace in the Hole

Source	Price	Quantity
El Cerrejon	3.021	
Difference	0.128	

OPC Response to Staff's First PODs, No. 4.
OPCRESP-PSCPOD1-4-000001

Fuel price adjustment to Cedar Bay energy costs

(dollar in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Nominal Total	Present Value[2]
Discount Factor[1]	0.99	0.94	0.88	0.81	0.76	0.7	0.66	0.61	0.57	0.53		
Fuel Price Adjustment	$0.0	$2.1	$2.1	$2.1	$2.1	$2.1	$2.1	$2.1	$2.1	$2.1	$18.9	$13.6

1) Discount Factor is based on weighted average cost of capital of 7.51% discounted to September 1, 2015

2) Present value is calculated as the sum the annual values multiplied by the respective discount factor

U.S. Department of Energy, The Energy Information Administration (EIA)
Fuel Receipts and Cost Time Series File, 2014 December
Sources: EIA-923 and EIA-860 Reports

OPC Response to Staff's First PODs, No. 6.

OPCRESP-PSCPOD1-6-000001 (Staff Formatted/sized from 1 to 2 pages)

YEAR	MONTH	Plant Id	Plant Name	State	CONTRACT_TYPE	CONTRACT_EXP_DATE	ENERGY_SOURCE	FUEL_GROUP	COALMINE_TYPE	COALMINE_STATE	COALMINE_COUNTY	COALMINE_MSHA_ID	COALMINE_NAME	SUPPLIER	QUANTITY	AVERAGE_HEAT_CONTENT	AVERAGE_SULFUR_CONTENT	AVERAGE_ASH_CONTENT	FUEL_COST	Regulated	Operator Name	Operator Id	RESPONDENT_FREQUENCY	Primary Transportation Mode	Secondary Transportation Mode	Natural Gas Transportation Service
2014	1	10672	Cedar Bay Generating Company LP	FL	C	1215	BIT	Coal	P	KY	13	1518986	BALKAN	NALLY & HAMILTON	12,861.0	24.380	1.04	11.3		UNR	Cedar Bay Operating Services LLC	56730	M	RR		
2014	2	10672	Cedar Bay Generating Company LP	FL	C	1215	BIT	Coal	P	KY	13	1518986	BALKAN	NALLY & HAMILTON	12,969.0	24.280	1.02	12.1		UNR	Cedar Bay Operating Services LLC	56730	M	RR		
2014	2	10672	Cedar Bay Generating Company LP	FL	S		DFO	Petroleum						GATE FUEL SERVICE	1,518.0	5.800	0.00	0.0		UNR	Cedar Bay Operating Services LLC	56730	M	TR		
2014	3	10672	Cedar Bay Generating Company LP	FL	C	1215	BIT	Coal	P	KY	13	1518986	BALKAN	NALLY & HAMILTON	38,871.0	24.470	1.18	11.8		UNR	Cedar Bay Operating Services LLC	56730	M	RR		
2014	3	10672	Cedar Bay Generating Company LP	FL	S		DFO	Petroleum						GATE FUEL SERVICE	3.0	5.800	0.00	0.0		UNR	Cedar Bay Operating Services LLC	56730	M	TR		
2014	4	10672	Cedar Bay Generating Company LP	FL	C	1215	BIT	Coal	P	KY	13	1518986	BALKAN	NALLY & HAMILTON	51,515.0	24.400	1.04	12.2		UNR	Cedar Bay Operating Services LLC	56730	M	RR		
2014	4	10672	Cedar Bay Generating Company LP	FL	S		DFO	Petroleum						GATE FUEL SERVICE	2,564.0	5.800	0.00	0.0		UNR	Cedar Bay Operating Services LLC	56730	M	TR		
2014	5	10672	Cedar Bay Generating Company LP	FL	C	1215	BIT	Coal	P	KY	13	1518986	BALKAN	NALLY & HAMILTON	64,654.0	24.080	0.98	12.6		UNR	Cedar Bay Operating Services LLC	56730	M	RR		
2014	5	10672	Cedar Bay Generating Company LP	FL	C	1215	BIT	Coal	P	KY	51	1515153	MANCHESTER PREP PLANT	B & W RESOURCES	12,836.0	24.670	1.21	11.4		UNR	Cedar Bay Operating Services LLC	56730	M	RR		
2014	5	10672	Cedar Bay Generating Company LP	FL	S		DFO	Petroleum						GATE FUEL SERVICE	229.0	5.800	0.00	0.0		UNR	Cedar Bay Operating Services LLC	56730	M	TR		
2014	6	10672	Cedar Bay Generating Company LP	FL	C	1215	BIT	Coal	P	KY	71	1515978	MARTIN PLANT	BLACK DIAMOND	12,710.0	24.370	1.02	10.3		UNR	Cedar Bay Operating Services LLC	56730	M	RR		
2014	6	10672	Cedar Bay Generating Company LP	FL	C	1215	BIT	Coal	P	KY	13	1518986	BALKAN	NALLY & HAMILTON	25,936.0	25.030	1.01	9.9		UNR	Cedar Bay Operating Services LLC	56730	M	RR		
2014	6	10672	Cedar Bay Generating Company LP	FL	S		DFO	Petroleum						GATE FUEL SERVICE	991.0	5.800	0.00	0.0		UNR	Cedar Bay Operating Services LLC	56730	M	TR		
2014	7	10672	Cedar Bay Generating Company LP	FL	C	1215	BIT	Coal	P	KY	13	1518986	BALKAN	NALLY & HAMILTON	22,620.0	24.810	1.09	10.6		UNR	Cedar Bay Operating Services LLC	56730	M	RR		
2014	7	10672	Cedar Bay Generating Company LP	FL	C	1215	BIT	Coal	P	KY	25	1510865	ELKATAWA LOADING FACILITY	REVELATION ENERGY	12,714.0	24.520	1.28	10.1		UNR	Cedar Bay Operating Services LLC	56730	M	RR		
2014	7	10672	Cedar Bay Generating Company LP	FL	C	1215	BIT	Coal	P	KY	71	1513258	IVEL PLANT	PRODUCERS COAL INC	12,335.0	24.210	0.90	9.5		UNR	Cedar Bay Operating Services LLC	56730	M	RR		
2014	7	10672	Cedar Bay Generating Company LP	FL	S		DFO	Petroleum						GATE FUEL SERVICE	6.0	5.800	0.00	0.0		UNR	Cedar Bay Operating Services LLC	56730	M	TR		
2014	8	10672	Cedar Bay Generating Company LP	FL	C	1215	BIT	Coal	P	KY	13	1518986	BALKAN	NALLY & HAMILTON	50,662.0	24.900	1.06	10.8		UNR	Cedar Bay Operating Services LLC	56730	M	RR		

U.S. Department of Energy, The Energy Information Administration (EIA)
Fuel Receipts and Cost Time Series File, 2014 December
Sources: EIA-923 and EIA-860 Reports

OPC Response to Staff's First PODs, No. 6.
OPCRESP-PSCPOD1-6-000001 (Staff Formatted/sized from 1 to 2 pages)

YEAR	MONTH	Plant Id	Plant Name	State	CONTRACT_TYPE	CONTRACT_EXP_DATE	ENERGY_SOURCE	FUEL_GROUP	COALMINE_TYPE	COALMINE_STATE	COALMINE_COUNTY	COALMINE_MSHA_ID	COALMINE_NAME	SUPPLIER	QUANTITY	AVERAGE_HEAT_CONTENT	AVERAGE_SULFUR_CONTENT	AVERAGE_ASH_CONTENT	FUEL_COST	Regulated	Operator Name	Operator Id	RESPONDENT_FREQUENCY	Primary Transportation Mode	Secondary Transportation Mode	Natural Gas Transportation Service
2014	8	10672	Cedar Bay Generating Company LP	FL	C	1215	BIT	Coal	P	KY	71	1513258	IVEL PLANT	PRODUCERS COAL INC.	12,562.0	23.750	1.07	11.8		UNR	Cedar Bay Operating Services LLC	56730	M	RR		
2014	8	10672	Cedar Bay Generating Company LP	FL	C	1215	BIT	Coal	P	KY	25	1510865	ELKATAWA LOADING FACILITY	REVELATION ENERGY	25,100.0	24.340	1.18	10.5		UNR	Cedar Bay Operating Services LLC	56730	M	RR		
2014	8	10672	Cedar Bay Generating Company LP	FL	S		DFO	Petroleum						GATE FUEL SERVICE	6.0	5.800	0.00	0.0		UNR	Cedar Bay Operating Services LLC	56730	M	TR		
2014	9	10672	Cedar Bay Generating Company LP	FL	C	1215	BIT	Coal	P	KY	13	1518986	BALKAN	NALLY & HAMILTON	25,851.0	24.670	1.10	10.2		UNR	Cedar Bay Operating Services LLC	56730	M	RR		
2014	9	10672	Cedar Bay Generating Company LP	FL	S		BIT	Coal	S	CL	IMP	NA	GLENCORE	GLENCORE	9,439.0	22.650	0.78	8.0		UNR	Cedar Bay Operating Services LLC	56730	M	TP		
2014	9	10672	Cedar Bay Generating Company LP	FL	S		DFO	Petroleum						GATE FUEL SERVICE	6.0	5.800	0.00	0.0		UNR	Cedar Bay Operating Services LLC	56730	M	TR		
2014	10	10672	Cedar Bay Generating Company LP	FL	C	1215	BIT	Coal	P	KY	25	1510865	ELKATAWA LOADING FACILITY	NALLY & HAMILTON	12,516.0	24.500	1.10	8.4		UNR	Cedar Bay Operating Services LLC	56730	M	RR		
2014	10	10672	Cedar Bay Generating Company LP	FL	S		BIT	Coal	S	CL	IMP	NA	GLENCORE	GLENCORE	17,619.0	22.650	0.78	8.0		UNR	Cedar Bay Operating Services LLC	56730	M	TP		
2014	10	10672	Cedar Bay Generating Company LP	FL	S		DFO	Petroleum						GATE FUEL SERVICE	5.0	5.800	0.00	0.0		UNR	Cedar Bay Operating Services LLC	56730	M	TR		
2014	11	10672	Cedar Bay Generating Company LP	FL	C	1215	BIT	Coal	P	KY	25	1510865	ELKATAWA LOADING FACILITY	NALLY & HAMILTON	12,395.0	23.250	1.26	12.6		UNR	Cedar Bay Operating Services LLC	56730	M	RR		
2014	11	10672	Cedar Bay Generating Company LP	FL	C	1215	BIT	Coal	P	KY	13	1518986	BALKAN	NALLY & HAMILTON	25,480.0	24.060	1.13	12.2		UNR	Cedar Bay Operating Services LLC	56730	M	RR		
2014	11	10672	Cedar Bay Generating Company LP	FL	S		DFO	Petroleum						GATE FUEL SERVICE	2,526.0	5.800	0.00	0.0		UNR	Cedar Bay Operating Services LLC	56730	M	TR		
2014	12	10672	Cedar Bay Generating Company LP	FL	C	1215	BIT	Coal	P	KY	13	1518986	BALKAN	NALLY & HAMILTON	38,846.0	24.280	1.08	12.1		UNR	Cedar Bay Operating Services LLC	56730	M	RR		

Docket No. 150075-EI
Major Factors Impact FV of Cedar Bay PPA
Exhibit DH-4, Page 1 of 1

Confidential in its entirety.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 55
PARTY: FLORIDA POWER & LIGHT (FPL)
(REBUTTAL)
DESCRIPTION: David Herr DH-4

FERC Accounting Decisions on QF Acquisitions

Acquirer	FPC (Florida Power Corp)	VEPCO (Virginia Electric and Power Company)	VEPCO (Virginia Electric and Power Company)	VEPCO (Virginia Electric and Power Company)
Date of Transaction	7/15/97	11/24/03	8/18/04	11/29/04
Seller	Tiger Bay Limited Partnership	Gordonsville Energy Limited Partnership (GELP)	United American Energy Corp	Multitrade of Pittsylvania County, L.P.
Type of Transaction	Asset acquisition and termination of PPA	Asset acquisition and termination of PPA	Business Combination and termination of PPA	Asset acquisition and termination of PPA
Facility Type	Qualifying Facility	Qualifying Facility	Qualifying Facility	Qualifying Facility
Summary of Transaction	FPC purchased a 220 MW cogeneration facility located in Polk County, Florida from Tiger Bay, LP. In addition, the purchase resulted in the termination of five separate purchased power agreements served by the Tiger Bay facility.	VEPCO purchased a 240 MW cogeneration facility and its associated transmission facilities located in Gordonsville, Virginia from GELP. In addition the purchase resulted in the termination of two separate power purchase agreements serviced by the Gordonsville facility.	VEPCO purchased 100% ownership interests in Mecklenburg Congenco, Inc. and Cogeneration Capital Corporation which owned the 138 MW topping cycle pulverized coal facility from United American Energy Corporation. In addition, VEPCO terminated its related Power Purchase Agreements.	VEPCO purchased a 79.6 megawatt (net) biomass facility and its appurtenant transmission facilities located in Pittsylvania County, Virginia. In addition, VEPCO terminated its related Power Purchase Agreement.
FERC Docket No. for Approval of Entries	AC97-184-000	AC04-22-000	AC05-49-000	AC-05-78-0000
Devoted to Public Service	No	No	No	No
FERC Accounting for Purchase of Facility	Fair Value	Fair Value	Fair Value	Fair Value
Accounting entry	The company recorded the plant at fair value with the remainder of the purchase price to a regulatory asset and O&M	The company recorded the acquired assets and assumed liabilities on its books at fair value and charged the costs to terminate the long-term purchase power agreement to Account 557, Other Expenses	The company recorded the acquired assets and assumed liabilities on its books at fair value and charged the costs to terminate the long-term purchase power agreement to Account 557, Other Expenses	The company recorded the acquired assets and assumed liabilities on its books at fair value and charged the costs to terminate the long-term purchase power agreement to Account 557, Other Expenses

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 56
PARTY: FLORIDA POWER & LIGHT (FPL) (REBUTTAL)
DESCRIPTION: Kim Ousdahl KO-2

Florida Power and Light Company
Cedar Bay Transaction
Journal Entries Using Original Cost Accounting

Line No	Description	FERC Account	Amount ($ Millions)	
1	Electric Plant Purchased	102	$ 520.5	
2	Cash	131		$ 520.5
3				
4	*To record Cedar Bay stock purchase.*			
5				
6	Asset Retirement Cost	101	$ 4.2	
7	Regulatory Asset - Loss on PPA	182	520.5	
8	Regulatory Asset - Tax Gross-Up	182	326.9	
9	Deferred Tax Asset - Book/Tax Diff on Acquired Plant	190	4.9	
10	Asset Retirement Obligation	230		$ 4.2
11	Electric Plant Purchased	102		520.5
12	Regulatory Liability - Def Tax on Plant Book/Tax Diff	254		4.9
13	Deferred Tax Liability - Loss on PPA	283		326.9
14				
15	*To clear account 102, Electric Plant Purchased, and record (1) the termination of the PPA; (2) asset*			
16	*retirement obligation associated with the Cedar Bay Facility; and (3) deferred taxes associated with the*			
17	*book/tax difference on the acquired Cedar Bay Facility.*			
18				
19	Electric Plant in Service[(1)]	101	$ 517.9	
20	Accumulated Provision for Depreciation of Electric Utility Plant[(1)]	108		$ 248.3
21	Electric Plant Acquisition Adjustments[(1)]	114		269.6
22				
23	*To record the cost of the Cedar Bay Facility (based on Cedar Bay Genco's books and records as of 12/31/14).*			
24				
25				
26	Electric Plant Acquisition Adjustments	114	$ 269.6	
27	Accumulated Provision for Depreciation of Electric Utility Plant	108		$ 269.6
28				
29	*To clear account 114, Electric Plant Acquisition Adjustments, and record the negative acquisition*			
30	*adjustment consistent with FERC policy [(2)] .*			
31				
32				

33 **Notes:**

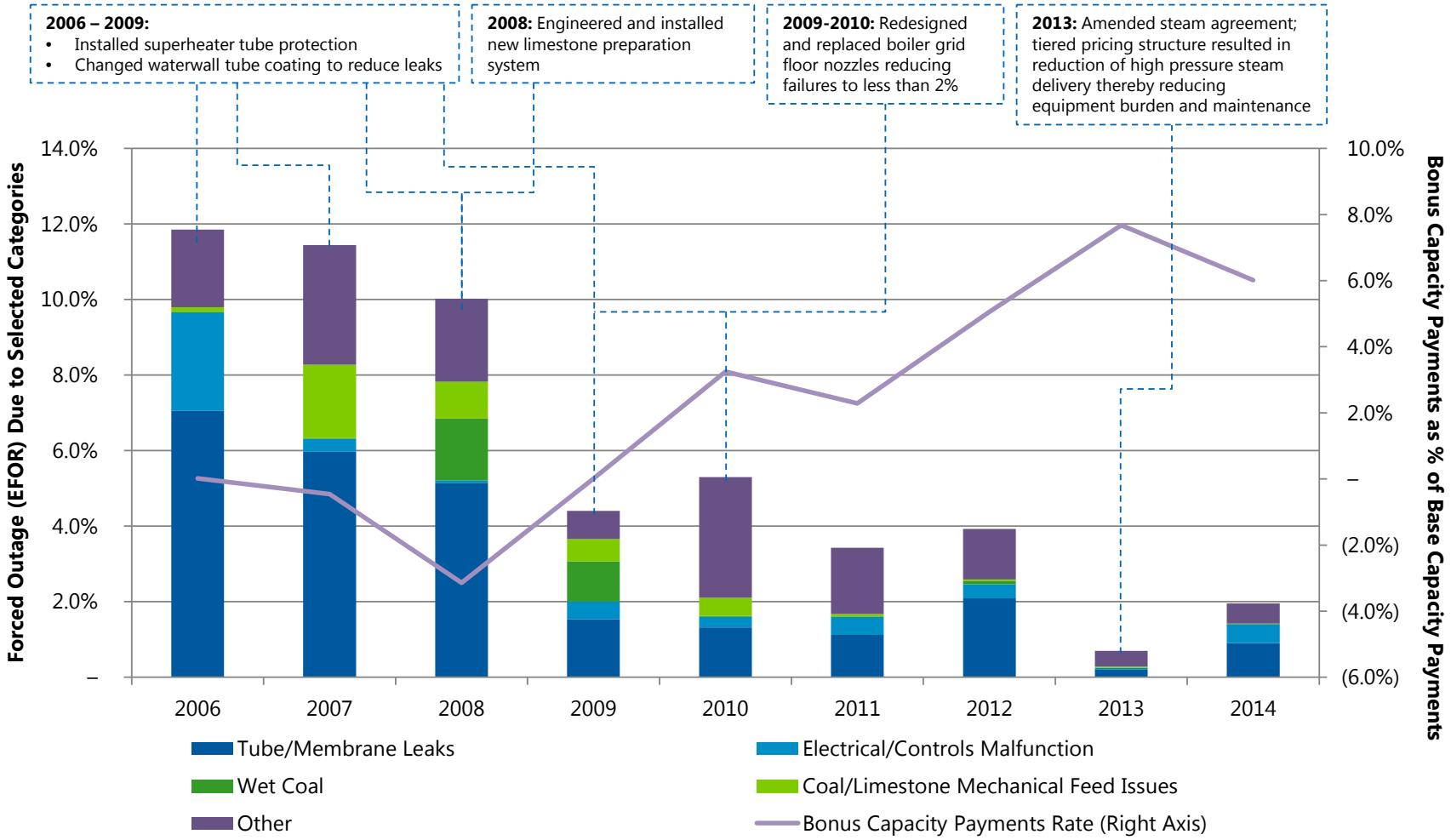
34 (1) The Cedar Bay Facility has a fair value of zero. However, if it is determined that the acquired plant was devoted to public service, FPL will record the plant at net book value. Note, amounts reported were obtained from the financial statements of Cedar Bay Generating Company, LP as of December 31, 2014. Includes Cedar Bay generating plant, equipment, and various fixtures and improvement.

35 (2) See *Locust Ridge Gas Co.* , 29 FERC ¶ 61,052, at 61,114 (1984); *Entergy Corporation* , Docket No. AC06-19 (February 2, 2007) (unpublished letter order); *Amer. Elec. Power* , Docket No. AC06-161 at p. 2 (Apr. 26, 2007) (unpublished letter order); *Goldendale Energy Center, LLC and Puget Sound Energy, Inc.* , 118 FERC ¶ 62,101 at 64,279-80 (2007); *PacifiCorp* , Docket No. AC09-41-000 (May 22, 2009) (unpublished letter order); *Consumers Energy Company and AlphaGen Power LLC* , 148 FERC ¶ 61,251 at P 51 (2014); and *Public Service Company of New Mexico* , Docket No. AC15-47 (May 8, 2015) (unpublished letter order).

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 57
PARTY: FLORIDA POWER & LIGHT (FPL)
(REBUTTAL)

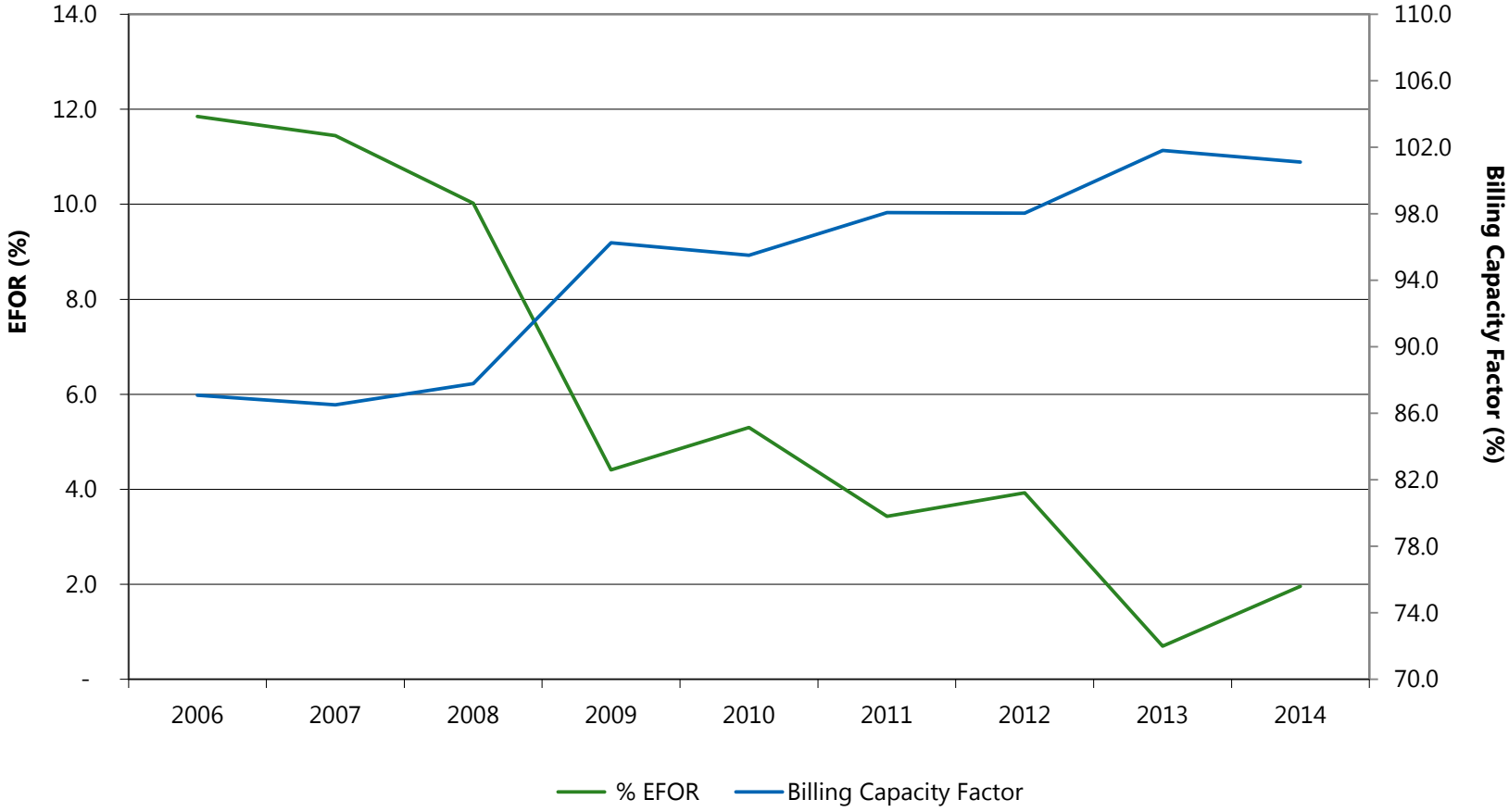
Florida Power and Light Company
Cedar Bay Transaction
Journal Entries Using Original Cost Accounting

Line No	Description	FERC Account	Amount ($ Millions)	
1	**Annual Amortization**			
2				
3	Other Expenses	557	$ 90.3	
4	Regulatory Liability - Def Tax on Plant Book/Tax Diff	254	0.5	
5	Regulatory Asset - Loss on PPA	182		$ 55.8
6	Regulatory Asset - Deferred Taxes on Loss	182		35.0
7				
8	*To record annual amortization of the net regulatory asset on FPL's books and records.*			
9				
10				
11	Deferred Tax Liability - Loss on PPA	283	$ 21.5	
12	Deferred Tax Liability - Deferred Taxes on Loss	283	13.5	
13	Current Income Tax Expense	409.1	35.0	
14	Taxes Accrued	236		$ 35.0
15	Provision for Deferred Income Taxes—Credit	411.1		35.0
16				
17	*To record current and deferred income taxes associated with the amortization of the Regulatory Asset -*			
18	*Loss on PPA and the Regulatory Asset - Deferred Taxes on Loss.*			
19				
20				
21	Provisions for Deferred Income Taxes	410.1	$ 0.7	
22	Taxes Accrued	236	0.7	
23	Current Income Tax Expense	409.1		$ 0.7
24	Deferred Tax Asset - Book/Tax Diff on Acquired Plant	190		0.2
25	Deferred Tax Liability - Other Property(3)	282		0.5
26				
27	*To record current and deferred income taxes associated with the amortization of the Regulatory Liability -*			
28	*Def Tax on Plant Book/Tax Diff and tax depreciation on acquired plant.*			
29				
30				
31	**Notes**			
32	(3) For illustrative purposes only. The actual annual activity will vary based on the tax depreciation rate utilized for each period.			



FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 58
PARTY: FLORIDA POWER & LIGHT (FPL) (REBUTTAL)
DESCRIPTION: Tracy L Patterson TLP-1

Docket No. 150075-EI
Chronology of Cedar Bay Plant Improvements
Exhibit TLP-1, Page 1 of 1



FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 59
PARTY: FLORIDA POWER & LIGHT (FPL) (REBUTTAL)
DESCRIPTION: Tracy L Patterson TLP-2

Docket No. 150075-EI
Cedar Bay Facility Performance Statistics
Exhibit TLP-2, Page 1 of 1

G.Z.1
30R:B/3162t 13

GROUND LEASE

between

SEMINOLE KRAFT CORPORATION

and

AES CB LIMITED PARTNERSHIP

Dated as of April 29th, 1991

Cogeneration Facility
Jacksonville, Florida

To the extent, if any, that the Ground Lessee's interest in this Ground Lease constitutes Chattel Paper (as such term is defined in the Uniform Commercial Code as in effect in any applicable jurisdiction), no security interest in the Ground Lessee's interest in this Ground Lease may be created by the transfer or possession of any counterpart hereof other than the counterpart containing the printed receipt therefor executed by the Financing Parties immediately following the signatures of the Parties to this Ground Lease.

THIS INSTRUMENT WAS PREPARED BY:

Richard Sonkin, Esq.
Chadbourne & Parke
30 Rockfeller Plaza
New York, New York 10112

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 60
PARTY: FLORIDA POWER & LIGHT (FPL)
(REBUTTAL)
DESCRIPTION: Tracy L Patterson TLP-3

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GROUND LEASE

GROUND LEASE dated as of April 29, 1991 between SEMINOLE KRAFT CORPORATION, a Delaware corporation ("Ground Lessor"), and AES CB LIMITED PARTNERSHIP, a Delaware limited partnership ("Ground Lessee").

W I T N E S S E T H :

WHEREAS, Ground Lessee desires to construct and operate a cogeneration facility on a site owned by Ground Lessor adjacent to Ground Lessor's unbleached linerboard and kraft paper mill in the City of Jacksonville, Florida; and

WHEREAS, Ground Lessor desires to lease to Ground Lessee the site upon which such facility shall be developed and operated, to grant to Ground Lessee certain easements and to provide certain services to Ground Lessee needed for such development and operation upon the terms and conditions contained herein; and

WHEREAS, Ground Lessee desires to lease such site and to receive such easements and services upon the terms and conditions contained herein;

NOW, THEREFORE, in consideration of the agreements and covenants hereinafter set forth, and intending to be legally bound hereby, the Parties hereby covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Except as otherwise defined herein, capitalized terms have the meanings assigned to them as follows:

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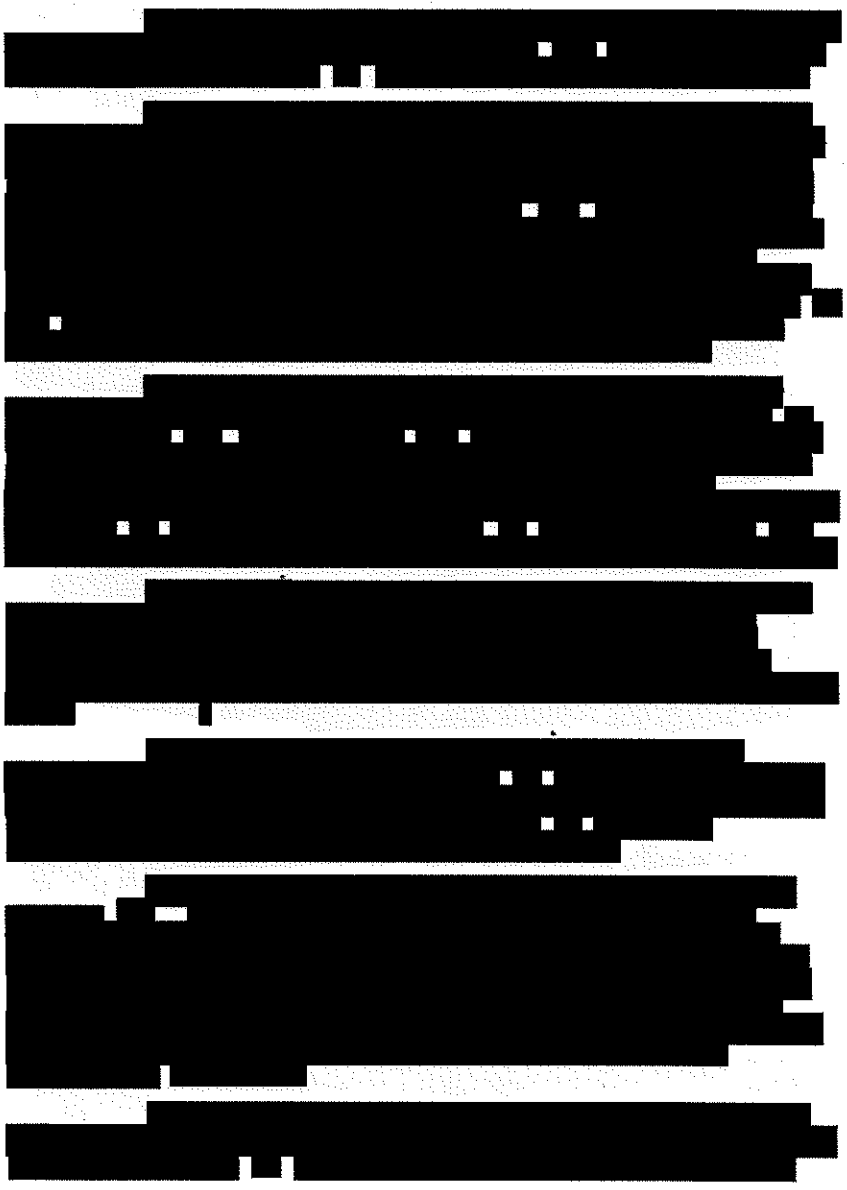
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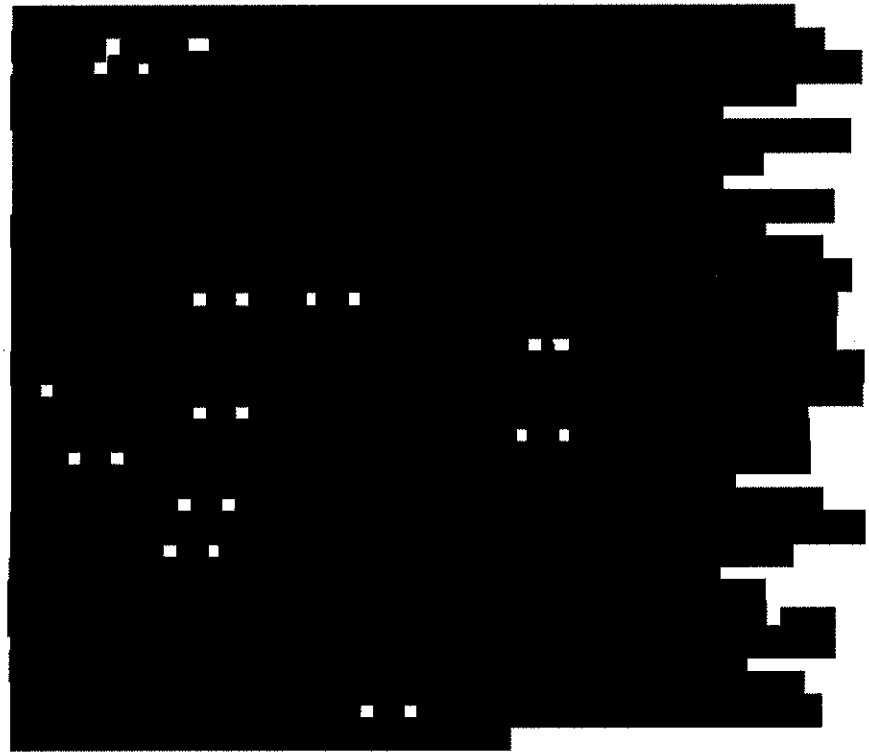
"Affiliate" means, with respect to any Person, a Person that, directly or indirectly, controls or is controlled by or under common control with such Person. For the purposes of this definition, the concept of "control," when used with respect to any specified Person, shall signify the possession of the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities or partnership or other ownership interests, by contract or otherwise; provided that, in any event, any Person (including the family members of such Person) which owns directly or indirectly 5% or more of the securities having ordinary voting power for the election of directors or other governing body of a corporation or 5% or more of the partnership or other ownership interests of any other Person is deemed to control such corporation or other Person.

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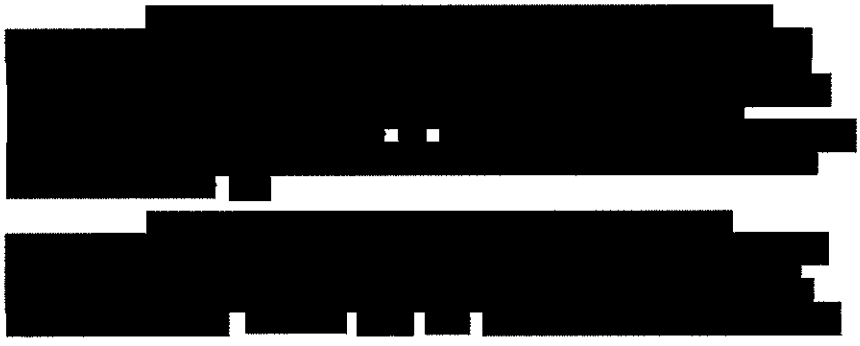
"Applicable Laws" means any statute, law, regulation, ordinance, rule, judgment, rule of common law, order, decree, Permit, approval, concession, grant, franchise, license, agreement, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, whether now or hereinafter in effect and in each case as amended (including, without limitation, any thereof pertaining to land use or zoning restrictions and any Environmental Law).

[redacted]





"Easements" has the meaning specified in Section 3.1(a) hereof,



"Environmental Claims" means any and all obligations, liabilities, losses, administrative, regulatory or judicial actions, suits, demands, decrees, demand letters, claims, liens, judgments, warning notices, notices of noncompliance or violation, investigations, proceedings, removal or remedial actions or orders, or damages, penalties, fees, out-of-pocket costs, expenses, disbursements, attorneys' or consultants' fees, relating in any way to any Environmental Law or any Permit issued under any such Environmental Law (the "Claims"), including without limitation (a) any and all Claims by governmental or regulatory authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law, and (b) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment.

"Environmental Law" means any and all Applicable Laws relating to the protection of the environment, human health, safety, or natural resources (including without limitation, wetlands, wildlife, aquatic and terrestrial species and vegetation), or to emissions, discharges, Releases or threatened Releases of Hazardous Materials into the environment including, without limitation, ambient air, surface water, groundwater, or land, or otherwise relating to the handling or use, treatment, storage, disposal, transport, or handling of Hazardous Materials; including, without limitation, the Site Certification Approval, dated February 11, 1991, relating to the Facility, and all terms and conditions thereof.

[redacted]

"Facility" means the boilers, steam turbine generator and all appurtenant structures, fixtures, improvements, equipment and other personal and real property interests (but not including the Facility Site and the Easements) now or hereafter constructed, owned or leased by Ground Lessee on the Facility Site and the Easements (excluding the Mill and any other improvements now or hereafter constructed, owned or leased by Ground Lessor on the Easements) for the purpose of generating and delivering steam or electricity.

"Facility Site" means all those parcels of land (excluding the Easements) situated in the City of Jacksonville, Florida that Ground Lessee leases from Ground Lessor from time to time under this Ground Lease, as further

described in Appendix 1.1-A attached hereto and made a part hereof.



"Financing Parties" means (i) the Collateral Agent and any and all parties on behalf of whom the Collateral Agent shall, from time to time, act pursuant to the Collateral Agency Agreement (as defined in the Leasehold Mortgage), and (ii) any and all lenders, their successors and assigns providing any refinancing (or refinancings) of the indebtedness secured by the Leasehold Mortgage.

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"Governmental Authority" means any governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, judicial or administrative body, domestic or foreign, federal, state or local having jurisdiction over the matter or matters in question.

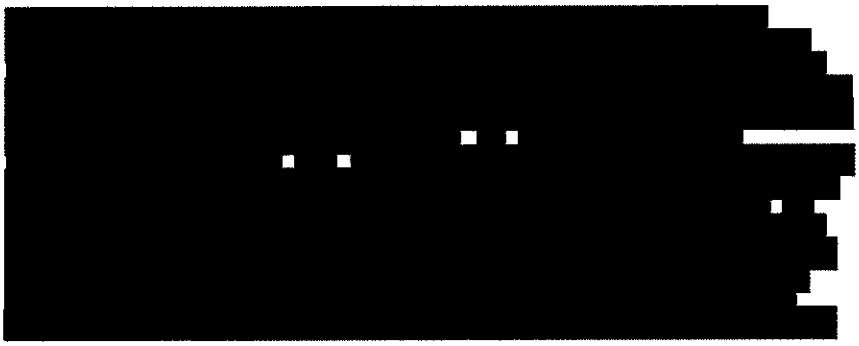
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"Ground Lessee" means AES CB and its successors and permitted assigns as lessee under this Ground Lease.

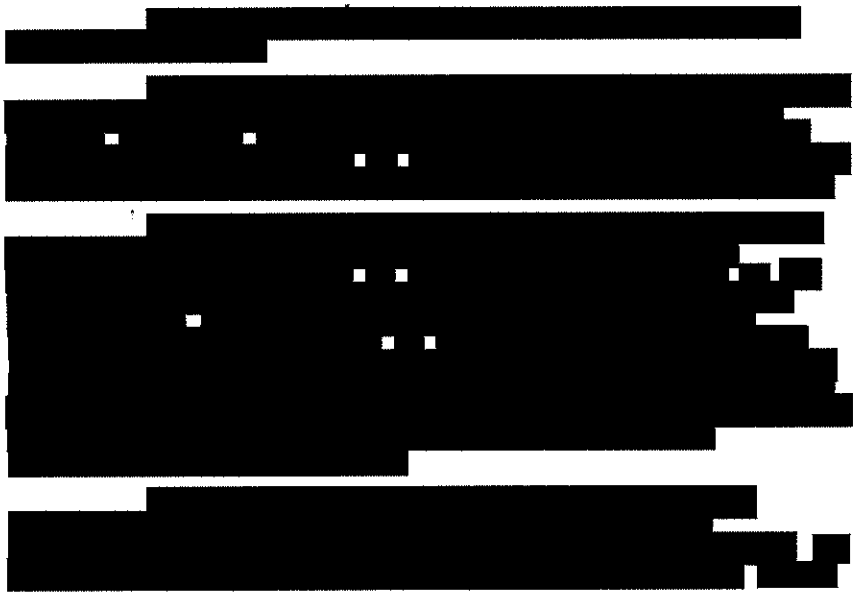
"Ground Lessor" means Seminole Kraft and its successors and permitted assigns as lessor under this Ground Lease.

"Hazardous Material" means (a) any petroleum or petroleum products, flammable explosives, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, transformers or other equipment that contain dielectric fluid containing polychlorinated biphenyls and (b) any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "contaminants" or "pollutants," or words of similar import, under any applicable Environmental Law.

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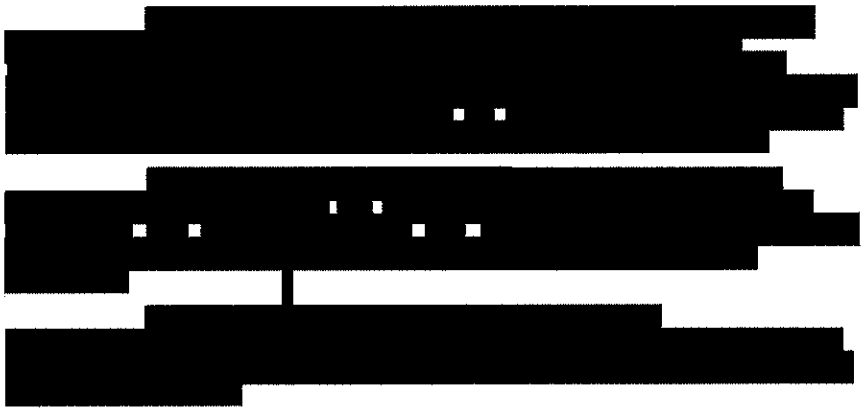
"Improvements" means any and all structures, fixtures, equipment and other personal property interests appurtenant thereto (but not including the Facility) hereafter installed and owned or leased by Ground Lessee on the Facility Site or the Easements (excluding the Mill and any other improvements now or hereafter constructed, owned or leased by Ground Lessor on the Easements) for or related to the purpose of developing and operating a lawful steam-using facility or any other lawful use in accordance with Section 5.1 hereof.





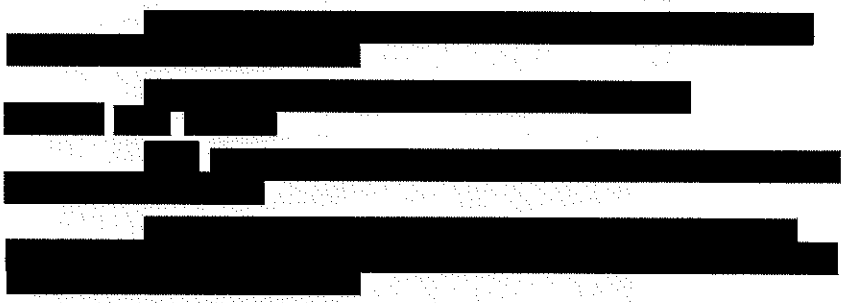
"Material Adverse Effect" means (i) with respect to representations, warranties or covenants by Ground Lessor, a material adverse effect on (a) the business, operations or financial conditions of the Ground Lessee, (b) the construction, operation, maintenance or use of the Facility, the Facility Site, Easements, or Improvements, or (c) the ability of the Ground Lessor to perform its obligations under the Ground Lease, the Services Agreement, or the Stone Undertaking, and (ii) with respect to any covenants by Ground Lessee, a material adverse effect on (a) the business, operations or financial conditions of Ground Lessor, (b) the modification, operation, maintenance, ownership, or use of the Mill or the Mill Site, or (c) the ability of the Ground Lessee to perform its obligations under the Ground Lease or the Services Agreement.

"Mill" means the unbleached linerboard and kraft paper plant located in the City of Jacksonville, Florida with a street address of 9469 Eastport Road, and all appurtenant structures, fixtures, improvements, equipment and other appurtenant personal property interests now or hereafter owned or leased by Ground Lessor or any Affiliate of Ground Lessor on the Mill Site, including the water supply and steam delivery systems between the Mill and the applicable Interconnection Point, Condensate Delivery Point or Demineralized Water Delivery Point (as defined in the Services Agreement), as the case may be, the waste treatment facilities located on the Mill Site servicing the Mill and the Facility pursuant to Section 3.5 hereof, the Mill Effluent System and any and all other improvements (other than the Improvements) installed on the Mill Site from time to time.



"Mill Site" means all of the land now or hereafter owned or leased by Ground Lessor or any Affiliate of Ground Lessor and located in the City of Jacksonville, Duval County, Florida under, at or near the Mill, excluding the Facility Site leased to Ground Lessee under this Ground Lease, as more particularly described in Appendix 1.1-B hereto and made a part hereof.

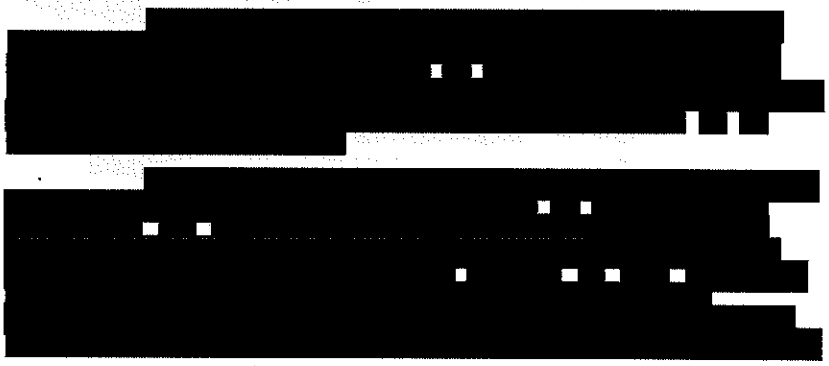


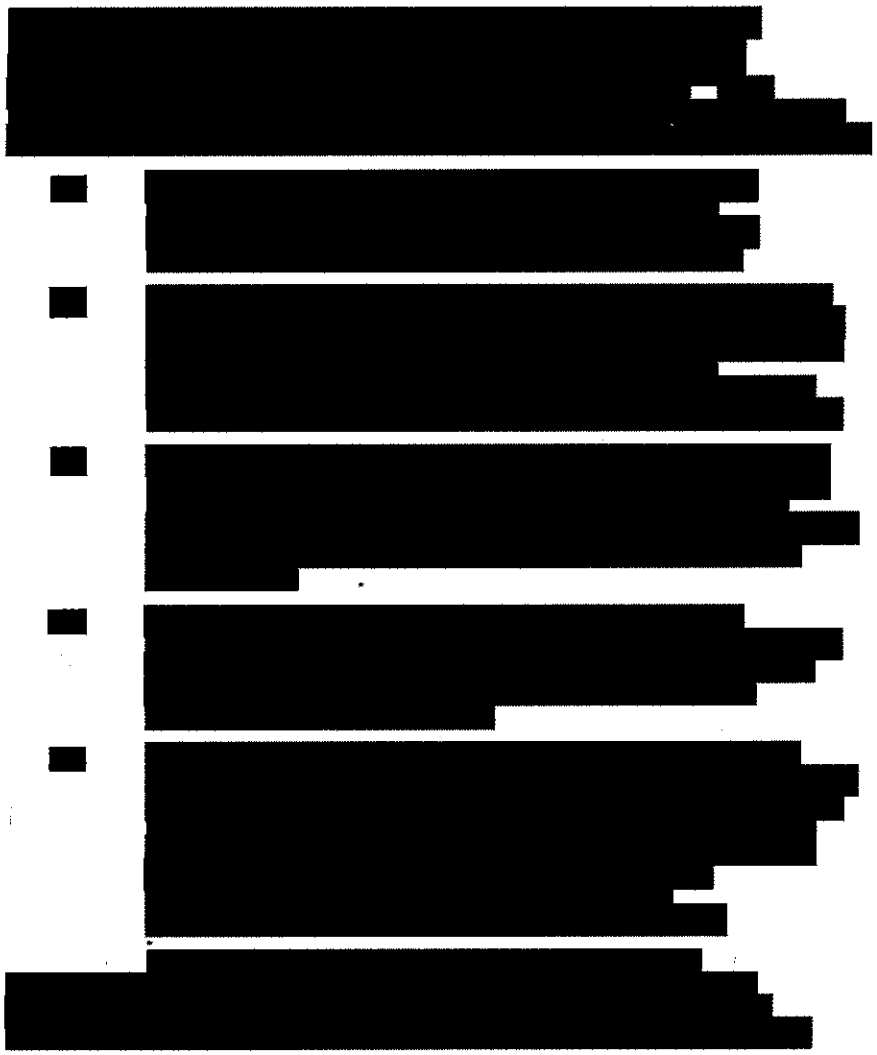


"Party" or "Parties" means the Ground Lessor and the Ground Lessee.



"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or governmental body.





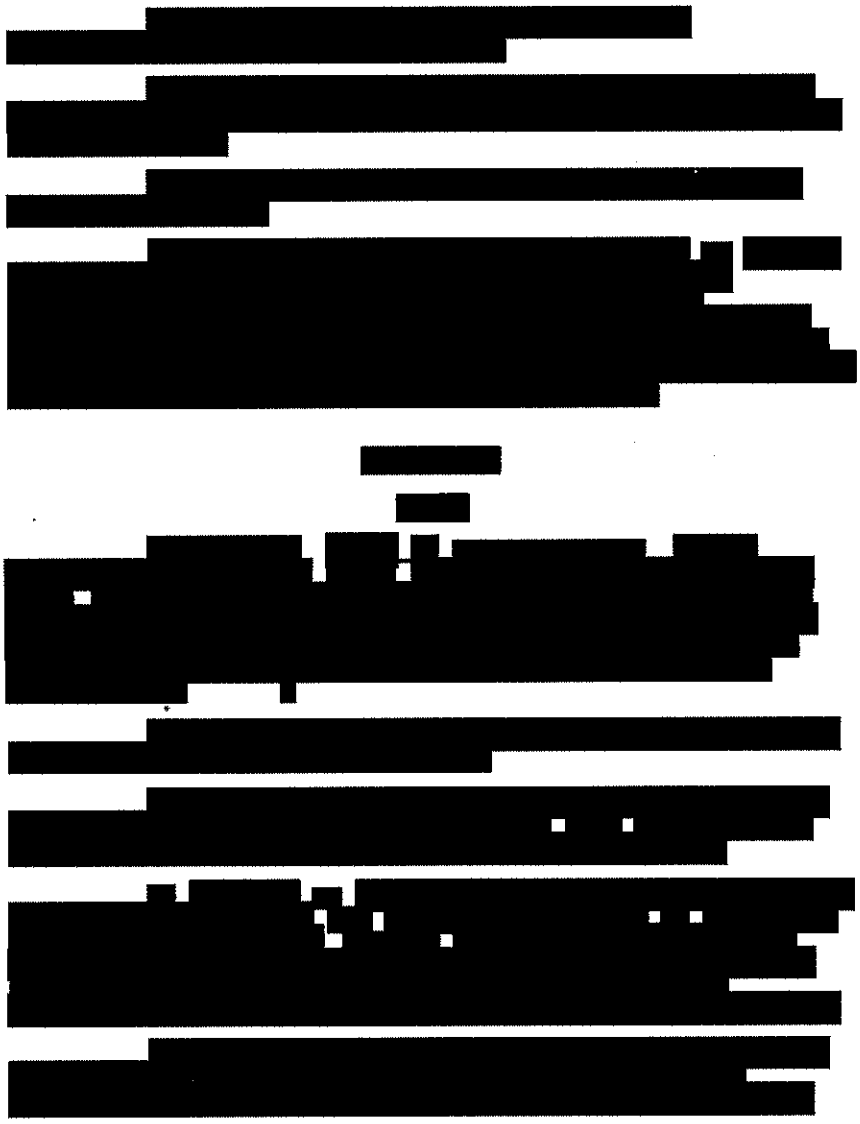
"Release" means disposing, discharging, injecting, spilling, leaking, leaching, dumping, pumping, pouring, emitting, escaping, emptying, seeping, placing and the like,

into or upon any land or water or air, or otherwise entering into the environment.

[redacted]

"SK Site" means the Mill, the Mill Site and the Facility Site.

[redacted]





ARTICLE III

EASEMENTS, ADDITIONAL LAND AND SERVICES

Section 3.1 Easements. (a) In addition to the demise of the Facility Site set forth in Article II hereof, subject to the terms and provisions of this Ground Lease, the Ground Lessor hereby grants to the Ground Lessee the following easements: (i) the easements described in Appendix 3.1(a)(i) attached hereto and made a part hereof (the "Presently Described Easements"), and (ii) the following additional easements (the "Additional Easements"; the Presently Described Easements and the Additional Easements being collectively referred to as the "Easements") with the understanding and intent that this grant is a present grant, vesting in Ground Lessee the present right of use and enjoyment of all of the Easements, subject only (in the case of the Additional Easements) to the conditions hereinafter set forth:

(A) Additional Easements as Required by Permits: Such additional easements upon, over and across the Mill Site as are necessary from time to time to comply with any Permits obtained by or required of Ground Lessee with respect to environmental, construction or operating aspects of the Facility and the Improvements; provided that any such Additional Easement shall be located over, under and/or across such portions of the Mill Site and shall be used and employed by Ground Lessee in such manner as shall not, in Ground Lessor's reasonable judgment, interfere with Ground Lessor's then current or planned future use, enjoyment and operation of the Mill or the Mill Site for normal business purposes and such easement areas shall be maintained by Ground Lessee in a condition comparable to similar areas maintained by Ground Lessor on the Mill Site;

(B) Additional Easements for Ingress and Egress: Such additional easements upon, over and across the Mill Site as are reasonably requested by Ground Lessee from time to time to facilitate pedestrian traffic and the movement of vehicles to and from the Facility Site; provided that such easements described in this subparagraph (B) shall only be granted to Ground Lessee in the event that Ground Lessee shall be unable, after the use of all reasonable efforts, to have the portion of the Mill Site described in Section 5.3(b) hereof rezoned, if necessary, from open rural to a zoning classification appropriate for Ground Lessee's permanent access road; provided, further that in Ground Lessor's reasonable judgment any such Additional Easement sought by Ground Lessee shall be located over, under and/or across such portions of the Mill Site and shall be used and employed by Ground Lessee in such manner as shall not unreasonably interfere with Ground Lessor's then current or planned future use, enjoyment and operation of the Mill or the Mill Site for normal business purposes; and provided further that Ground Lessee shall maintain such easement area in a condition comparable to similar areas maintained by Ground Lessor on the Mill Site;

(C) Additional Easements for Access to Intake System. Such additional easements upon, over and across the Mill Site as are reasonably requested by Ground Lessee from time to time to facilitate access to Ground Lessor's Broward River intake system located on the Mill Site for the purposes contemplated in Section 3.2(a)(ii)(AA) hereof (including, without limitation, installation, maintenance, repair, replacement and use of pipes servicing the Facility and interconnecting with said Broward River intake system); provided that in Ground Lessor's reasonable judgment any such Additional Easement sought by Ground Lessee shall be located over, under and/or across such portions of the Mill Site and shall be used and employed by Ground Lessee in such manner as shall not unreasonably interfere with Ground Lessor's then current or planned future use, enjoyment and operation of the Mill or the Mill Site for normal business purposes; and provided, further, that Ground Lessee shall maintain such easement area in a condition comparable to similar areas maintained by Ground Lessor on the Mill Site;

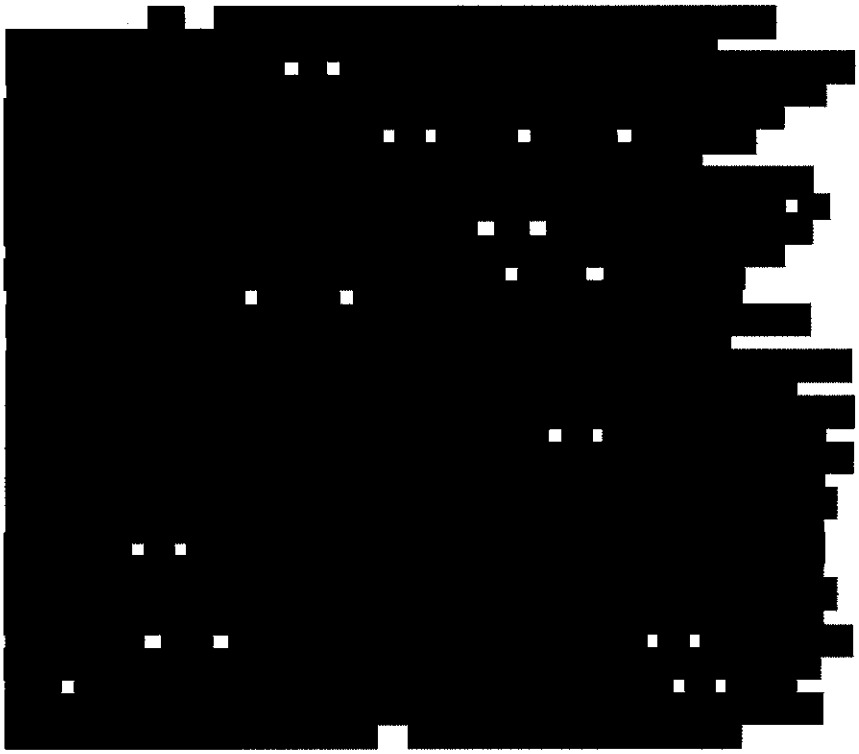
(D) Additional Easements For Access to Mill Effluent System. Such additional easements upon, over

and across the Mill Site as are reasonably requested by Ground Lessee from time to time to facilitate access to the Mill Effluent System located on the Mill Site for the purposes contemplated in Section 3.2(a)(ii)(BB) hereof (including, without limitation, installation, maintenance, repair, replacement and use of pipes servicing the Facility and interconnecting with said Mill Effluent System); provided that in Ground Lessor's reasonable judgment any such Additional Easement sought by Ground Lessee shall be located over, under and/or across such portions of the Mill Site and shall be used and employed by Ground Lessee in such manner as shall not unreasonably interfere with Ground Lessor's then current or planned future use, enjoyment and operation of the Mill or the Mill Site for normal business purposes; and provided, further, that Ground Lessee shall maintain such easement area in a condition comparable to similar areas maintained by Ground Lessor on the Mill Site;

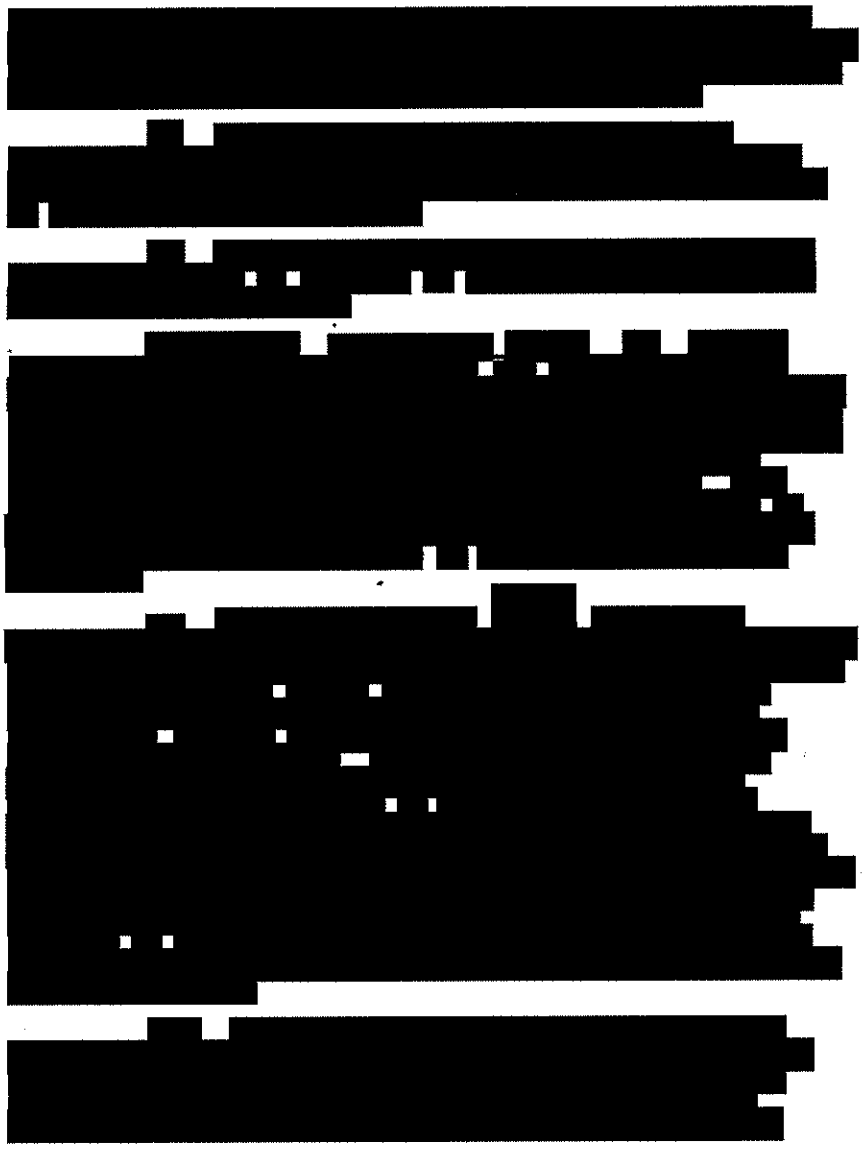
(E) Additional Easement For Access to City Effluent System. Such additional easements upon, over and across the Mill Site as are reasonably requested by Ground Lessee from time to time to facilitate access to the City Effluent System, to enable Ground Lessee to obtain effluent from the City Effluent System to meet some or all of the water requirements for the Facility's cooling towers (including, without limitation, installation, maintenance, repair, replacement and use of pipes servicing the Facility which will interconnect with the City Effluent System at a point on the boundary of the Mill Site); provided that in Ground Lessor's reasonable judgment any such Additional Easement sought by Ground Lessee shall be located over, under and/or across such portions of the Mill Site and shall be used and employed by Ground Lessee in such manner as shall not unreasonably interfere with Ground Lessor's then current or planned future use, enjoyment and operation of the Mill or the Mill Site for normal business purposes; and provided, further, that Ground Lessee shall maintain such easement area in a condition comparable to similar areas maintained by Ground Lessor on the Mill Site;

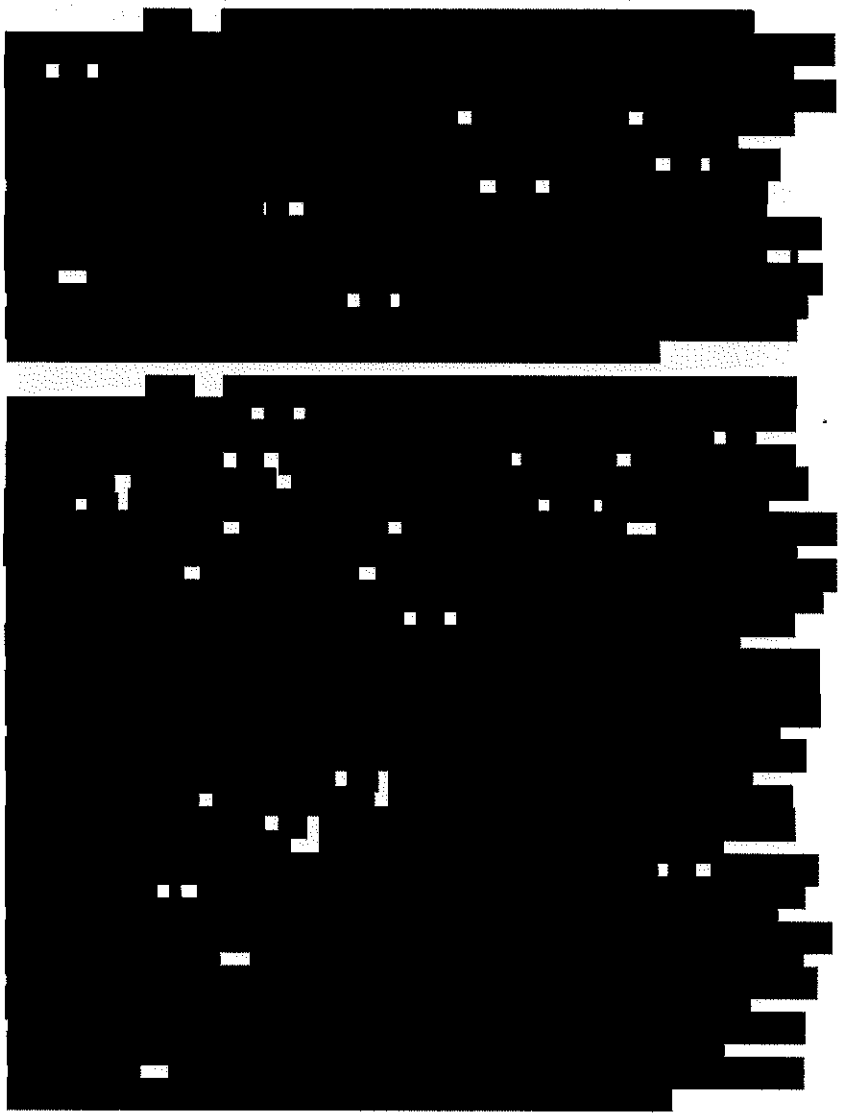
(F) Additional Easements for Access to JEA Interconnection Point. Such additional easements upon, over and across the Mill Site as are reasonably requested by Ground Lessee from time to time for purposes of construction, installation, maintenance,

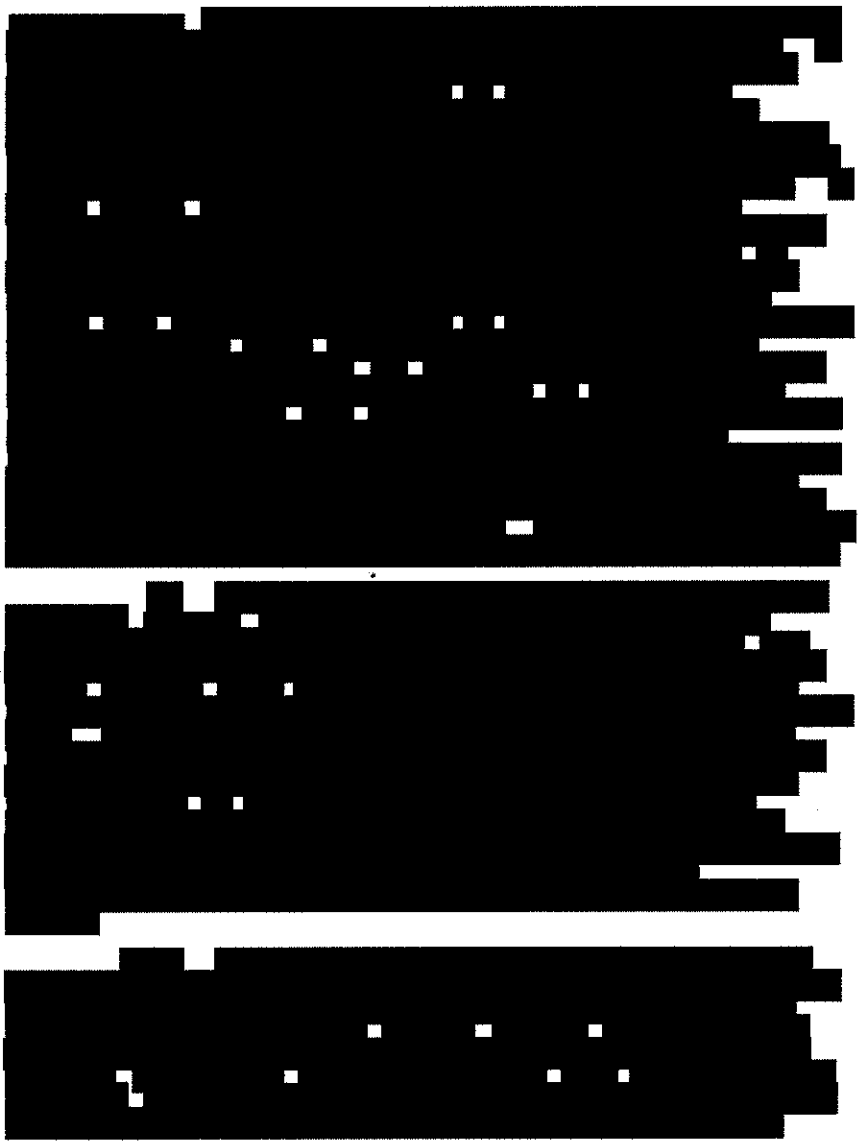
repair, replacement and use of the transmission line to be constructed and maintained by the Jacksonville Electric Authority along Eastport Road; provided, that in Ground Lessor's reasonable judgment any such Additional Easements sought by Ground Lessee shall be located over, under and/or across such portions of the Mill Site and shall be used and employed by Ground Lessee or the Jacksonville Electric Authority in such manner as shall not unreasonably interfere with Ground Lessor's then current or planned future use, enjoyment and operation of the Mill or the Mill Site for normal business purposes; and provided, further, that Ground Lessee or the Jacksonville Electric Authority shall maintain such easement area in a condition comparable to similar areas maintained by Ground Lessor on the Mill Site.



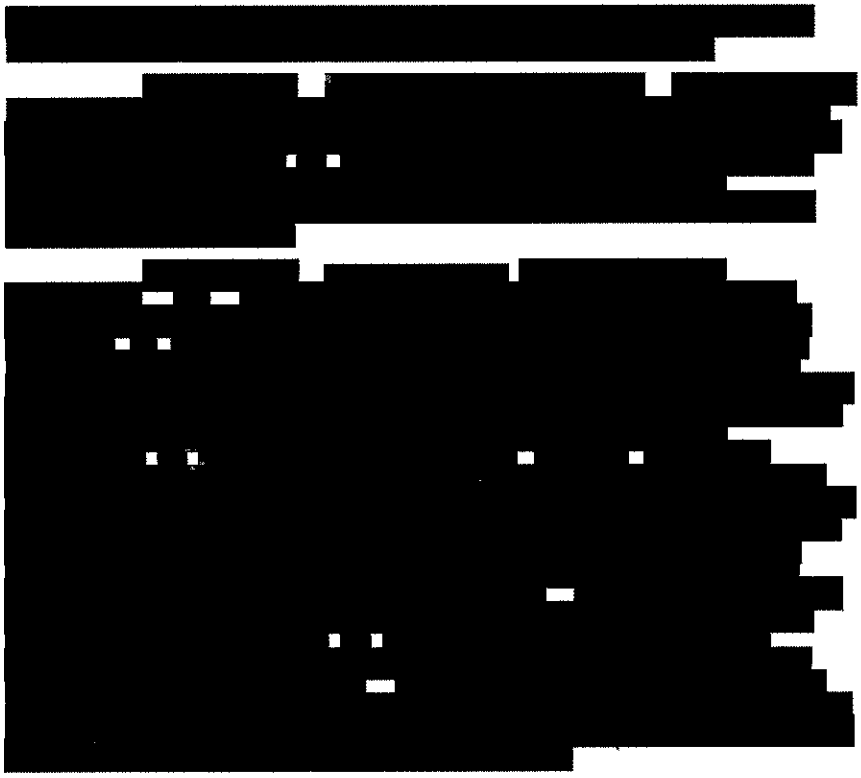






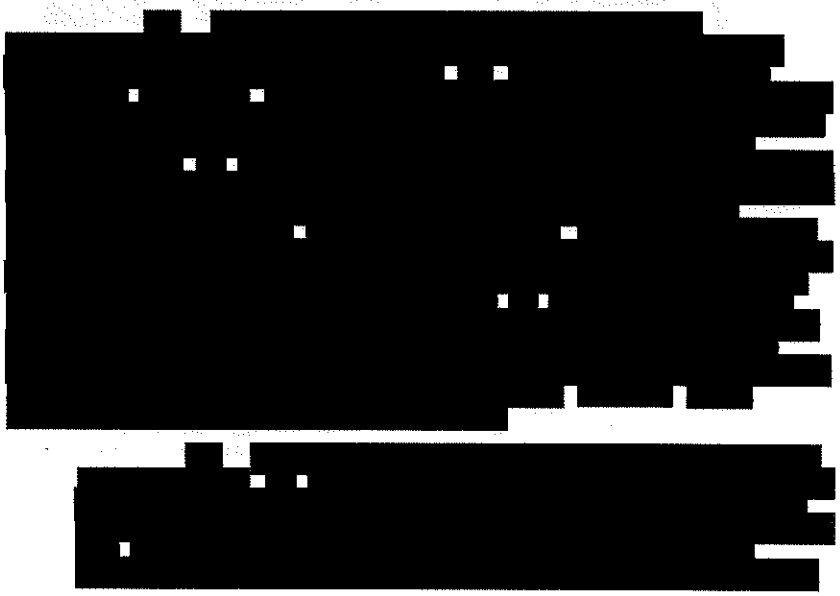


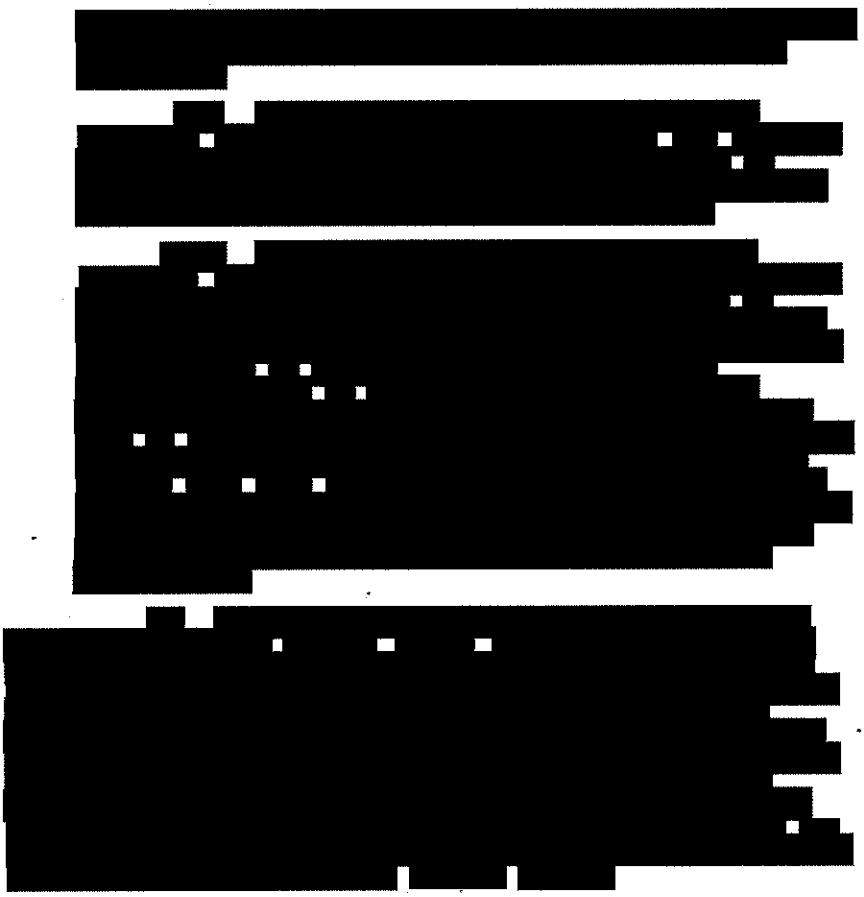




(b) Ground Lessor will provide to Ground Lessee a disposal area on the Mill Site of approximately fourteen and seventy-five hundredths (14.75) acres as described in Appendix 3.1(a)(i) attached hereto and made a part hereof (the "Lime Mud Storage Parcel"), suitable (including, without limitation, licensed, or with all necessary approvals, if any, of governmental authorities having jurisdiction) under Applicable Laws for disposal of the lime mud specified in Section 3.4(a)(ii) hereof; provided that lime mud shall not be mounded on the Lime Mud Storage Parcel to a height in excess of forty (40) feet above the surrounding grade level and shall not be stored in an area within the Lime Mud Storage Parcel that shall exceed eleven (11) acres. In the event that relocation of the lime mud to the Lime Mud Storage Parcel provided pursuant to this Section 3.4(b) results in

any additional regulatory or remediation requirements being imposed on Ground Lessor, other than any requirements set forth in that certain License to Remove Fill dated October 31, 1986 between Seminole Kraft Corporation and Jacksonville Kraft Paper Co., Inc. contained in Warranty Deed recorded on November 4, 1986 in the Official Records of Duval County, Florida in Volume 6222, Page 504 (the "Fill License"), solely as a result of such relocation (including, without limitation, grading of the new disposal area), then the full cost of compliance with such requirements shall be borne by Ground Lessee. If, however, the Lime Mud Storage Parcel shall become unavailable for disposal of lime mud by Ground Lessee as herein contemplated as a result of the exercise of any rights or remedies available to Jacksonville Kraft Paper Co., Inc. (or its successors or assigns) under the Fill License, Ground Lessor shall use its reasonable efforts to make available to Ground Lessee, an additional parcel of land on the Mill Site, consisting of not less than eleven (11) acres, suitable (including, without limitation, licensed, or with all necessary approvals, if any, of governmental authorities having jurisdiction) under Applicable Laws for disposal of the lime mud specified in Section 3.4(a)(ii) hereof.





Section 3.5 Disposal of Sanitary Waste, Facility Effluent and Cooling Tower Blowdown. (a) Ground Lessor shall accept and dispose of, to the extent allowed by and in accordance with Applicable Laws, all of Ground Lessee's sanitary waste in an amount not to exceed an average of fifty (50) gallons per minute calculated over an Annual Period.

(b) Ground Lessor shall accept and dispose of through Ground Lessor's existing waste treatment system (consisting of Ground Lessor's clarifier and aeration ponds),

to the extent allowed by and in accordance with Applicable Laws, all treated, neutralized Facility effluent (consisting of demineralizer wastes, floor drains, treated coal pile runoff and similar materials) and, during the cleaning of the boilers at the Facility, all chemical and non-chemical metal cleaning wastes therefrom in an amount not to exceed (i) an average of five hundred thousand (500,000) gallons per day calculated over an Annual Period, and (ii) a maximum of nine hundred thousand (900,000) gallons in any one day.

(c) Ground Lessor shall accept and dispose of through Ground Lessor's existing discharge structure to the St. Johns River, to the extent allowed by and in accordance with Applicable Laws, (i) all treated cooling tower blowdown from the Facility and (ii) the stormwater runoff from the storage runoff pond during the construction of the Facility and the yard area runoff during operation of the Facility, in an aggregate amount (with respect to the items described in clauses (i) and (ii) above) not to exceed sixteen million (16,000,000) gallons per day. Ground Lessor shall accept and re-use in Ground Lessor's operation of the Mill the dewatering effluent produced during construction of the Facility in the maximum amount not to exceed an average of one hundred (100) gallons per minute (but not to exceed an instantaneous rate of two hundred (200) gallons per minute), provided the quality of such dewatering effluent either (i) meets the standards established for Class Three Surface Water, or (ii) although not meeting all the standards established for Class Three Surface Water, is of a quality sufficient to permit its re-use in connection with Ground Lessor's operation of the Mill.

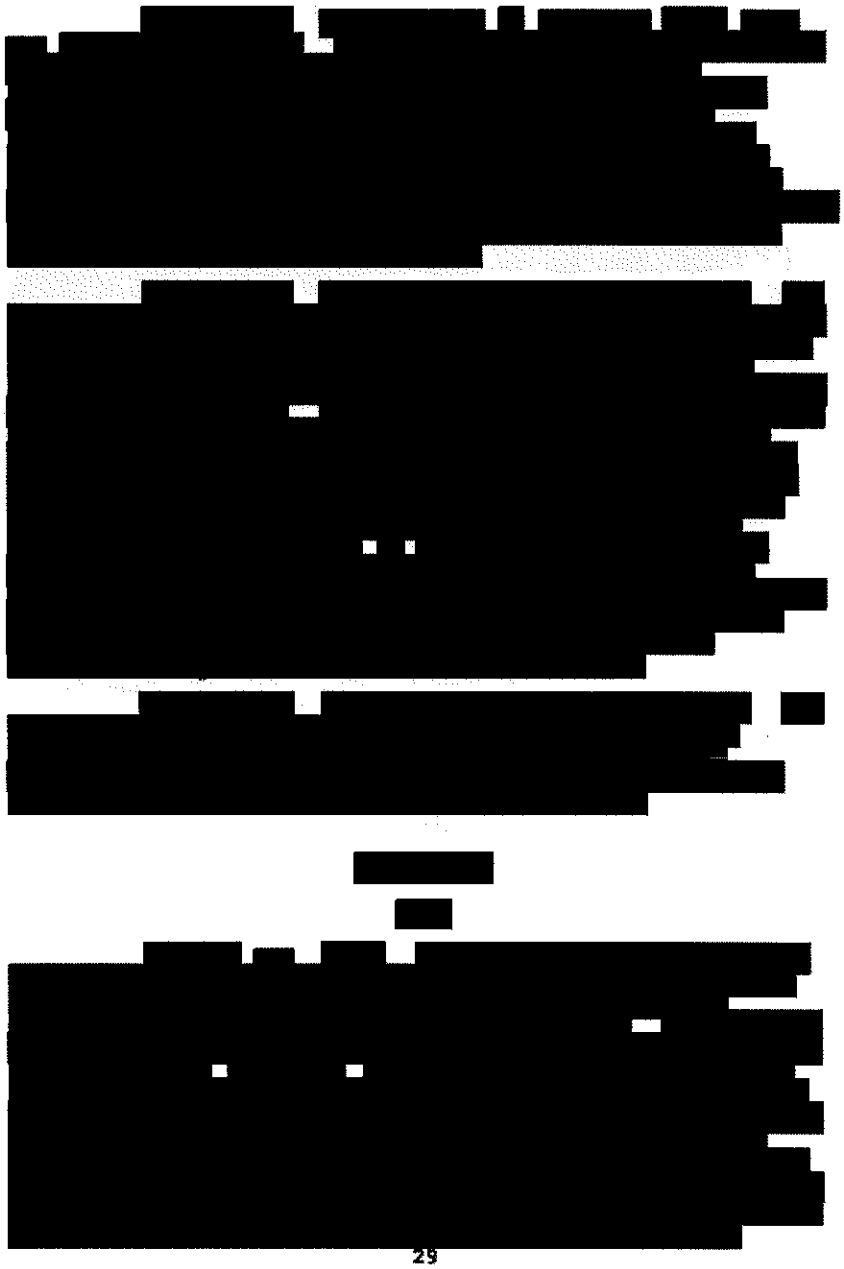
(d) Delivery to Ground Lessor of the sanitary waste, Facility effluent, cooling tower blowdown, stormwater runoff, yard area runoff and dewatering effluent to be disposed of by Ground Lessor pursuant to Sections 3.5(a), (b) and (c) hereof shall be made by Ground Lessee at the boundary of the Facility Site, at specific points to be mutually and reasonably agreed upon by Ground Lessor and Ground Lessee. Ground Lessee shall be responsible, at its expense, for construction and installation of all piping, pumps, meters and related equipment, including all modifications or connections to the present facilities on the Mill Site, necessary on the Mill Site or the Facility Site for transporting (and Ground Lessee shall also be responsible, at its expense, for obtaining and maintaining all Permits necessary to facilitate transporting) the sanitary waste, Facility effluent, cooling tower blowdown, stormwater runoff and yard area runoff to be disposed of by Ground Lessor (and

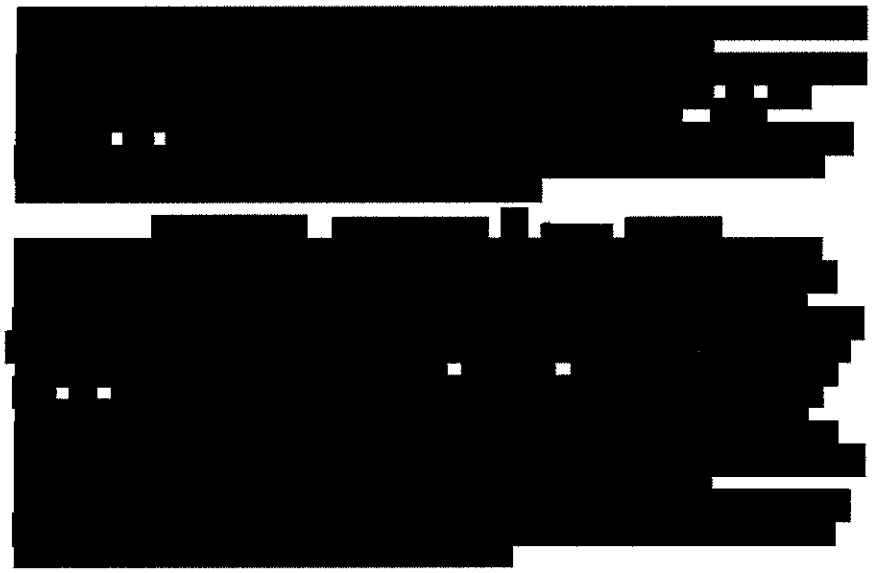
dewatering effluent to be utilized by Ground Lessor) pursuant to Sections 3.5(a), (b) and (c) hereof from the Facility Site to the Mill Site. Ground Lessor shall be responsible throughout the term of this Ground Lease for all repairs associated with connections to the present facilities on the Mill Site necessary for transporting the sanitary waste, Facility effluent, cooling tower blowdown, stormwater runoff and yard area runoff to be disposed of by Ground Lessor (and dewatering effluent to be utilized by Ground Lessor) pursuant to Sections 3.5(a), (b) and (c) hereof from the Facility Site to the Mill Site; provided that Ground Lessee shall reimburse Ground Lessor for direct costs reasonably incurred by Ground Lessor (demonstrated to Ground Lessee's reasonable satisfaction) in making such repairs. Notwithstanding anything to the contrary contained in this Section 3.5(d), Ground Lessee shall not be responsible for costs of repairs to equipment existing on the Mill Site prior to the construction and installation of such connections (contemplated by the preceding sentence) unless specifically caused by the use of such equipment by Ground Lessee.

(e) Ground Lessor shall comply with the provisions of this Section 3.5 in accordance with all Applicable Laws. Ground Lessee shall supply Ground Lessor with information reasonably necessary to allow Ground Lessor to comply with Applicable Laws and to determine the applicability of such Applicable Laws. Such information shall be supplied promptly upon the earlier of (1) Ground Lessor's reasonable request or (2) Ground Lessee's actual knowledge of (i) an anticipated change in operations that can reasonably be expected to result in a change in the quality or quantity of the effluent from the Facility, or (ii) any actual change in the quality or quantity of such effluent.

(f) The services specified in Sections 3.5(a), (b) and (c) hereof shall be provided by Ground Lessor to Ground Lessee for the term hereof, subject to the terms of Article XVIII hereof and Applicable Laws, and without additional charge or cost to Ground Lessee except as specifically provided herein. Ground Lessor shall have no obligation to provide the services described in this Section 3.5 during any period in which (i) Ground Lessee is in violation of the Permits applicable thereto for more than five (5) days, or (ii) the provision of such services by Ground Lessor is causing damage to Ground Lessor's waste treatment system.

(g) Ground Lessee's rights under this Section 3.5 shall be subject to the indemnification obligations of Ground Lessee set forth in Section 10.3 hereof.





ARTICLE V

USE

Section 5.1 Limited Use. (a) The Facility Site and the Easements shall be used by Ground Lessee (i) only for the eraction, construction, start-up, testing, repair, replacement, restoration, operation (including without limitation the receipt, handling, storage and shipment of coal, limestone and any substitute or supplemental fuel other than nuclear materials), and maintenance of the Facility and any additions or modifications thereto, and, for the erection, construction, start-up, testing, repair, replacement, restoration, operation and maintenance of a CO_2 Plant on the portion of the Facility Site described as Parcel B on Appendix 1.1-A attached hereto, and uses reasonably ancillary to the foregoing, and (ii) with the consent of Ground Lessor, which consent shall not be unreasonably withheld, for any other lawful use.

(b) Ground Lessee shall not (i) Release any Hazardous Materials in an amount and manner prohibited by Applicable Law or that would require reporting to a

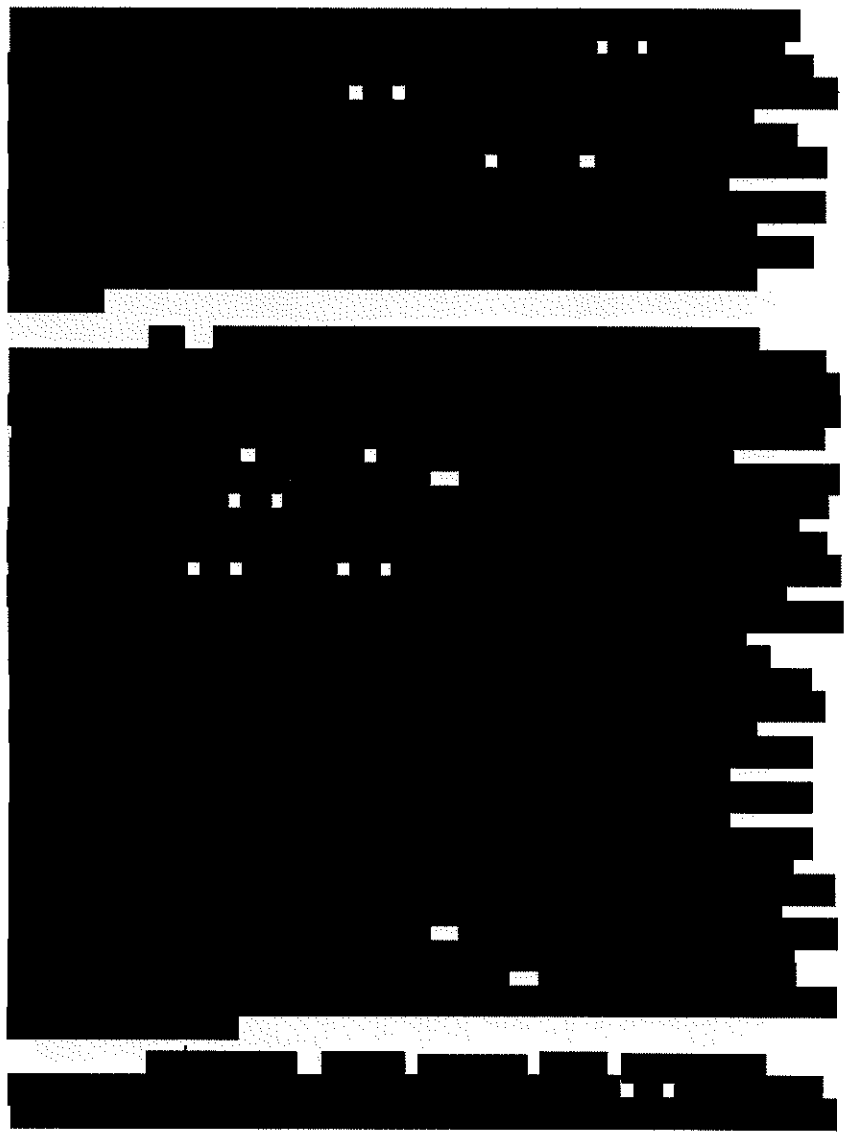
governmental entity under any Applicable Law other than routine reporting required under Applicable Law, or (ii) store any Hazardous Materials on (or under the surface of) the Facility Site or the Mill Site, or in the Facility (except, with respect to the Facility, the Facility Site or the Easements, in the case of inventories of Hazardous Materials to be used or generated in the ordinary course of business of the Facility, which inventories are stored in accordance with Applicable Laws pending such use or disposal).

(c) Ground Lessee agrees to use its reasonable efforts to obtain, if it generates Hazardous Materials, its own generator identification number and to use such number for all off-site disposal of Hazardous Materials generated in connection with its use of the Facility Site.

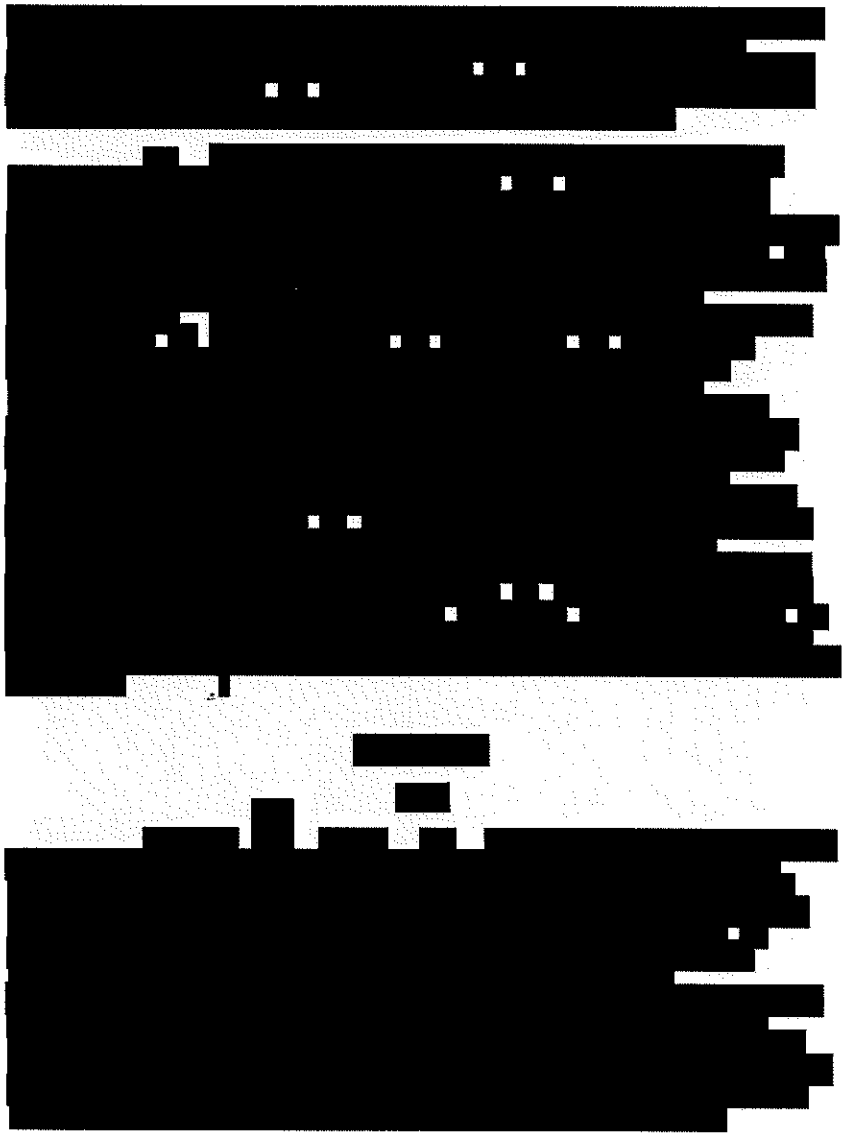
(d) Ground Lessee agrees that if (i) the Services Agreement has been terminated for any reason other than an Event of Default thereunder caused by Seminole Kraft, (ii) the CO_2 Plant shall have been constructed and the Facility shall be then producing Steam, and (iii) Ground Lessor shall request delivery of Steam to the Mill, then Ground Lessee shall not supply steam to any other person or facility (including, without limitation, the CO_2 Plant) unless Ground Lessee shall be furnishing to the Mill, on a first priority basis, all Steam (other than Steam necessary to operate the Facility) produced at the Facility up to the maximum amount of two hundred fifty thousand (250,000) pounds of Steam per hour, at a price equal to the price for such quantity of Steam which would have been payable under the Services Agreement (were the Services Agreement then in full force and effect); provided, however, that Ground Lessee's obligations under this Section 5.1(d) shall be suspended for so long as the Steam Interconnection Facilities servicing only the Mill shall be unable to deliver such Steam to the Mill as a result of a Force Majeure event.

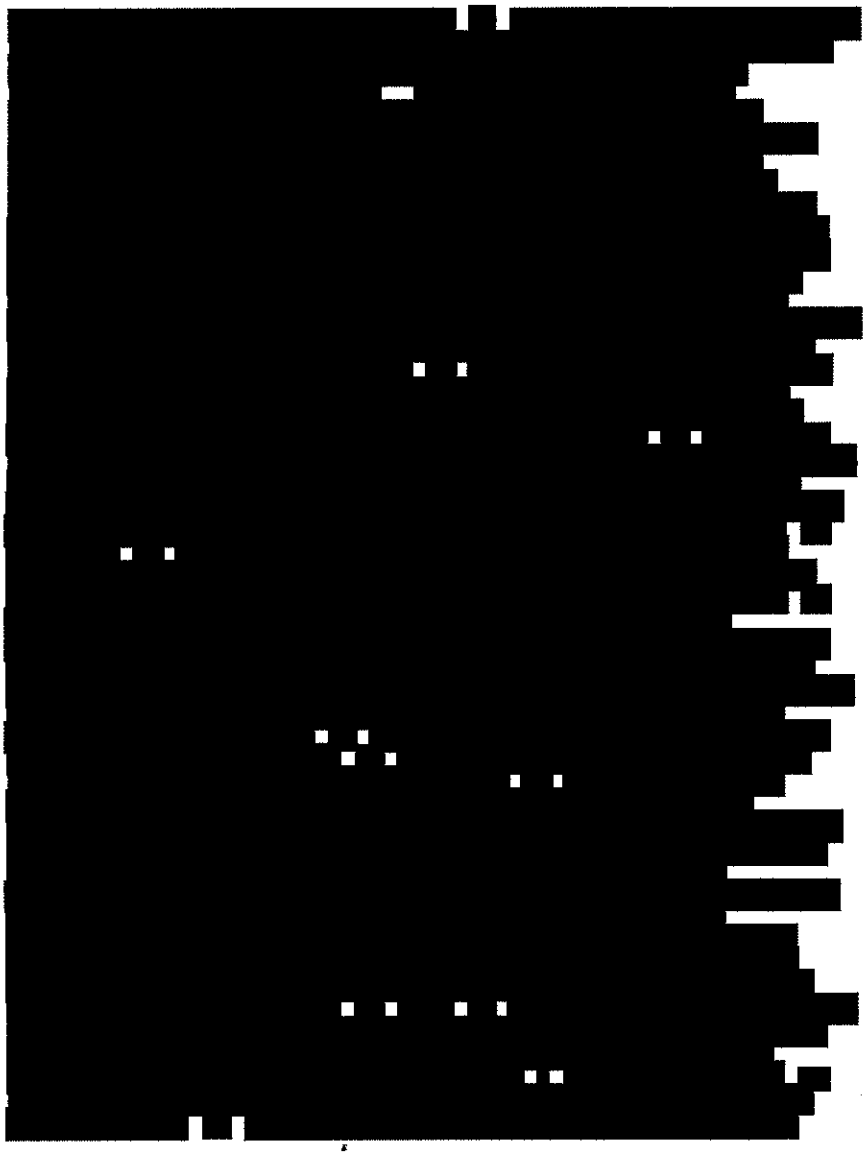
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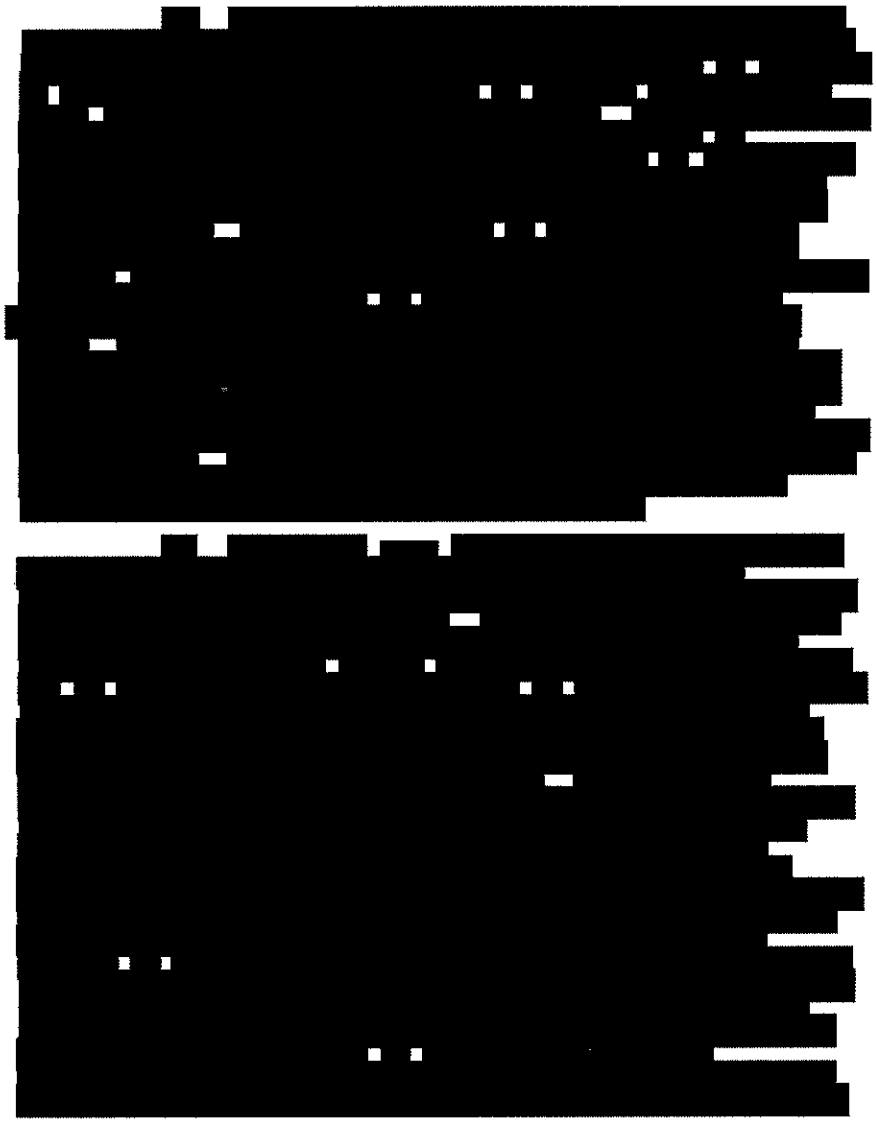




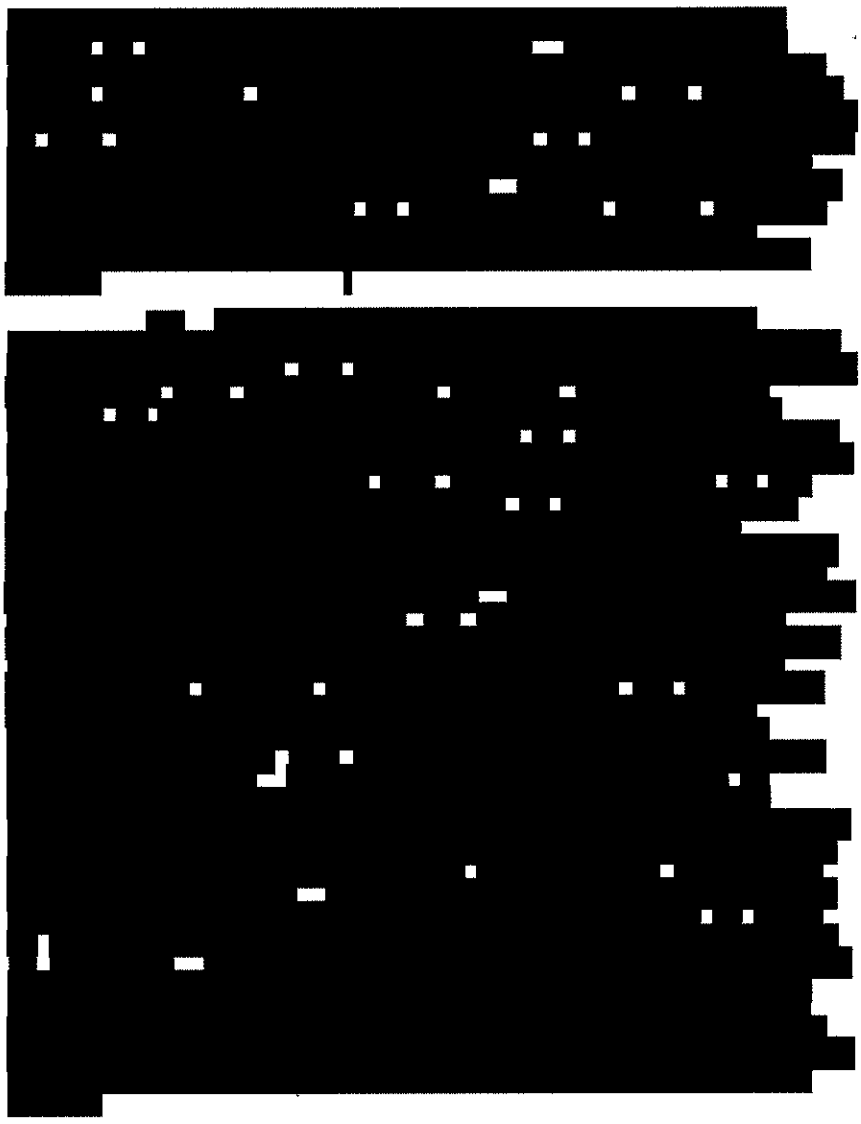










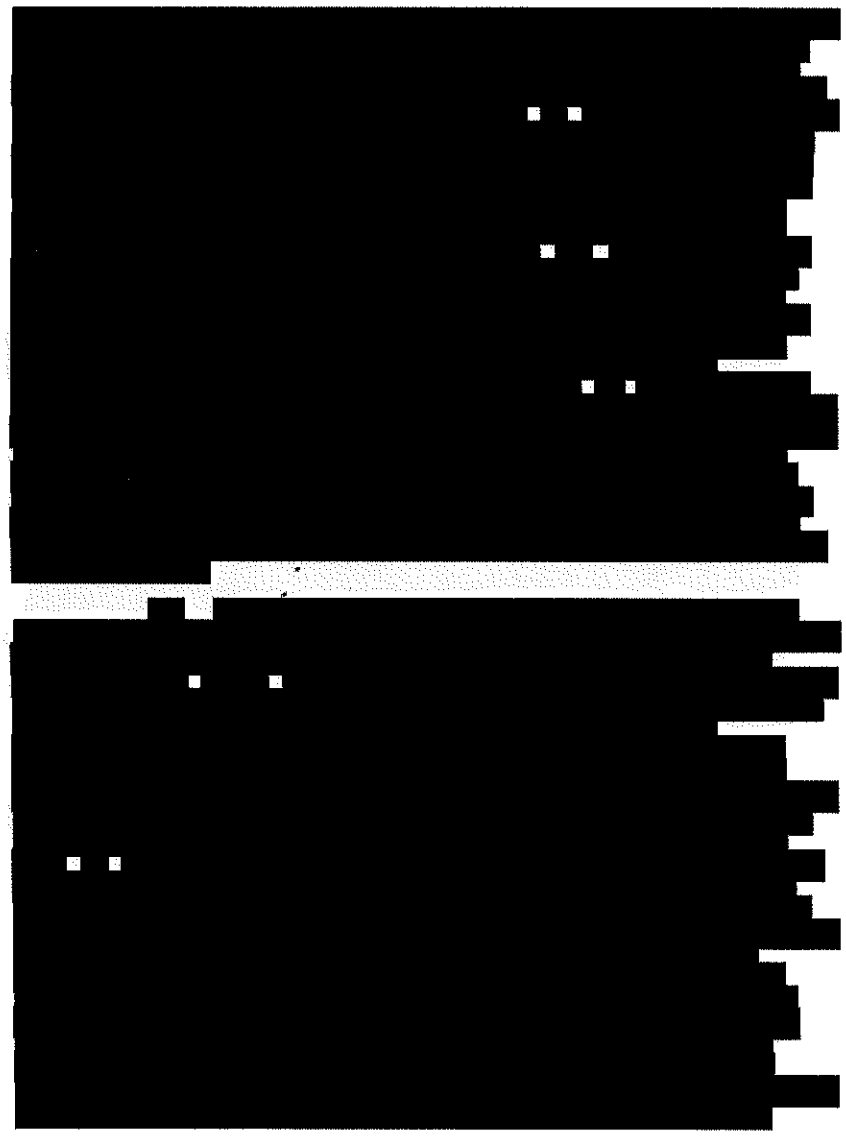


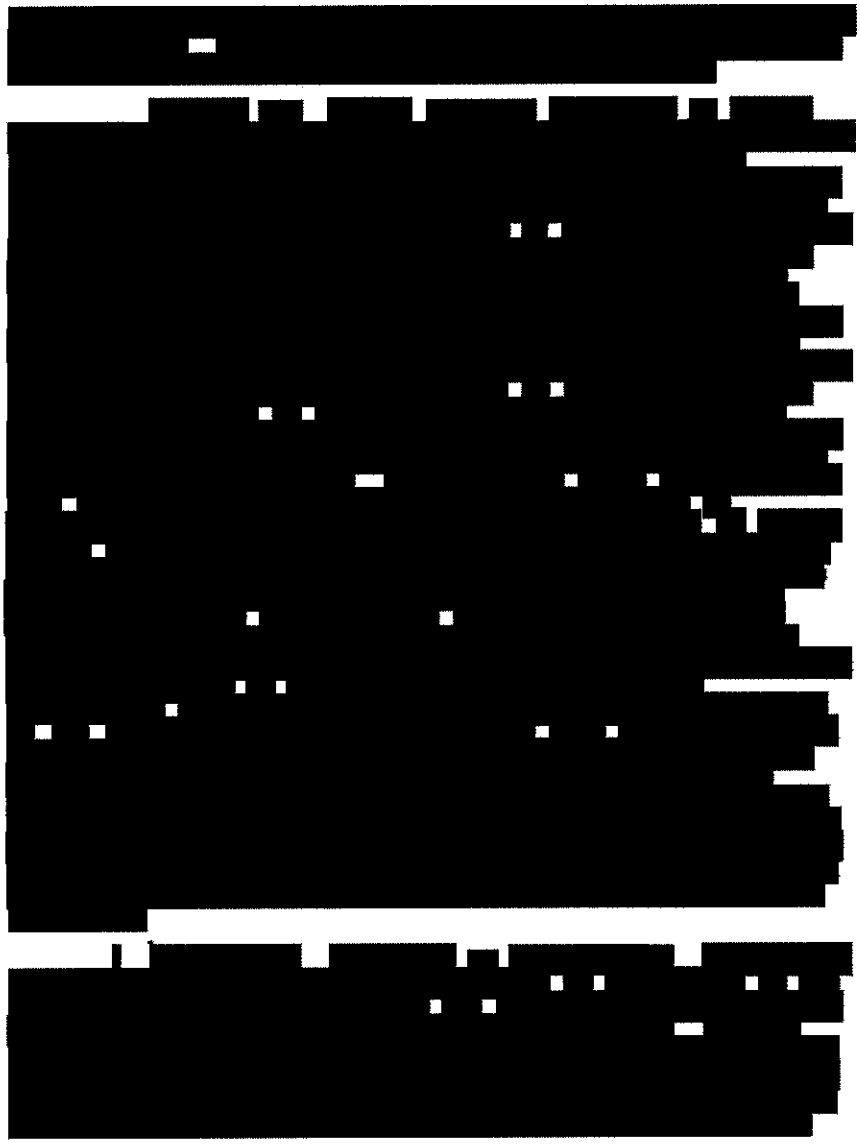














ARTICLE X

INDEMNIFICATION

Section 10.1 Indemnification; General. Subject to the provisions of Section 10.2 hereof, each Party hereto shall indemnify and hold the other Party, its agents, Affiliates, employees, successors and assigns, harmless from and against all damages, losses or expenses suffered or paid as a result of any and all claims, demands, suits, causes of action, proceedings, judgments and liabilities (including reasonable counsel fees incurred in litigation or otherwise) assessed, incurred or sustained by or against the indemnified parties and its agents, employees, successors and assigns as a result of or arising out of a willful or negligent act or willful or negligent failure to act of, or a breach of this Ground Lease by, the indemnifying Party, its employees, subcontractors, agents, representatives or invitees with respect to the Facility, the Improvements, the Mill, the Mill Site, the Facility Site or the Easements, except to the

extent that any such damages, losses or expenses are the result of the willful act or negligence of, or the willful or negligent failure to act of or the failure to comply with the terms of this Ground Lease by, the Indemnified Parties or its agents, employees, successors and assigns; provided that, except as expressly set forth herein, neither Party shall be liable to an indemnified party for any indirect, consequential, incidental, punitive or exemplary damages.

Section 10.2 Indemnification; Environmental (i) Except as otherwise specifically provided in this Ground Lease, Ground Lessee agrees to defend, protect, indemnify and save and hold harmless Ground Lessor (including its officers, directors, employees, Affiliates, and agents) from and against any and all Environmental Claims that may at any time be incurred by, imposed on or asserted or awarded against Ground Lessor directly or indirectly based on or in connection with (1) Ground Lessee's breach of any covenant contained herein relating to any Environmental Law, including covenants relating to Hazardous Materials, (2) compliance or noncompliance with any Environmental Law by Ground Lessee or its agents (irrespective of whether such noncompliance is known or unknown) or (3) the presence, generation, manufacture, refining, recycling, transportation, treatment, storage, handling, or Release of any Hazardous Materials on, in, under, at, from or affecting the Facility, the SK Site or the Improvements by Ground Lessee (or its officers, directors, agents, employees, invitees and licensees), or on, in, at, from or under the Facility or Facility Site by any person other than Ground Lessor and its Affiliates and agents after the date hereof.

(ii) Except as specifically provided in this Ground Lease, Ground Lessor agrees to defend, protect, indemnify and save and hold harmless Ground Lessee (including its officers, directors, employees, agents, and partners, and the respective partners, officers, directors, employees and agents of said partners) from and against any and all Environmental Claims that may at any time be incurred by, imposed on or asserted or awarded against Ground Lessee directly or indirectly based on or in connection with (1) Ground Lessor's breach of any representation, warranty or covenant contained herein relating to any Environmental Law, including any relating to Hazardous Materials, (2) Ground Lessor's compliance or noncompliance with any Environmental Law (irrespective of whether such noncompliance is known, unknown or disclosed on Appendix 20.1 of this Ground Lease), or (3) the existence and relocation of the lime mud from the Facility Site pursuant to Section 3.4 (b) hereof, except as

set forth therein, or (4) the presence, generation, manufacture, refining, recycling, transportation, treatment, storage, handling, or Release of any Hazardous Materials on, in, under, at, from or affecting the Facility, the SK Site, or the Improvements by Ground Lessor (or its officers, directors, agents, employees, invitees and licensees) or on, in, under, at or from the Mill or Mill Site, whether occurring prior to or after the date hereof or by any person other than Ground Lessee and its Affiliates and agents prior to the date hereof, except that Ground Lessor's liability with respect to the presence or Release of Hazardous Materials on, in, under, at, from or affecting the Facility Site prior to the date hereof shall not include materials which are not Hazardous Materials as of the date hereof.

(iii) Where acts or omissions of the nature referred to in clauses (i) and (ii) above by both Ground Lessor and Ground Lessee (including their respective officers, directors, employees, contractors or agents) have caused any liabilities, claims, injuries (including death resulting therefrom), property damage, fines, penalties or assessments by any public agency and costs or expenses, whether or not a third party's acts or omissions also were causal, Ground Lessor and Ground Lessee shall contribute to their common liability a pro rata share based upon the relative degree of fault of each. In such a case, the Parties shall share all costs equally (including attorney's and consultants' fees and other costs of defense, if the parties choose common counsel; but if either Party selects its own counsel, that Party shall bear its own attorneys' and consultants' fees and cost of defense, subject to reimbursement, until (1) there is a final court judgment allocating fault between the parties, or (2) the parties agree to such an allocation).

Section 10.3 Indemnification; Disposal of Waste. Ground Lessee shall indemnify and hold Ground Lessor harmless against any and all costs and expenses (including reasonable counsel fees) arising from any personal injury or property damage, claims, liabilities, actions, suits, judgments and losses in any way relating to or arising out of any violation of Applicable Laws, or any failure or breakdown of Ground Lessor's waste treatment system, to the extent such violation, failure or breakdown is caused by any Hazardous Material contained in Ground Lessee's sanitary waste, Facility effluent, treated cooling tower blowdown, stormwater runoff, yard area runoff or dewatering effluent delivered to Ground Lessor pursuant to Section 3.5 hereof. Any and all costs (demonstrated to Ground Lessee's reasonable

satisfaction) associated with Ground Lessor's compliance with Applicable Laws that it would not have incurred but for its acceptance of Ground Lessee's sanitary waste, Facility effluent, treated cooling tower blowdown, stormwater runoff, yard area runoff or dewatering effluent delivered to Ground Lessor pursuant to Section 3.5 hereof, including costs of permitting procedures (including attorneys' and experts' fees) and user charges, if any, shall be promptly reimbursed by Ground Lessee.

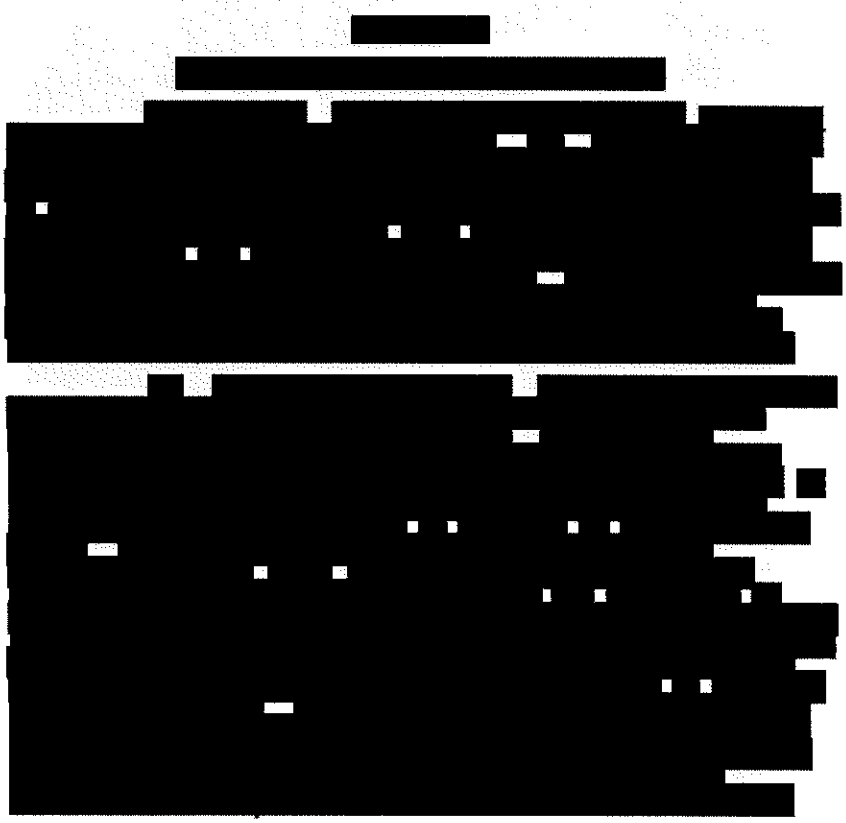
Section 10.4 Notice and Legal Defense. Promptly after receipt by a Party, of any claim or notice of the commencement of any action, administrative or legal proceeding, or investigation as to which the indemnity provided for in Sections 10.1, 10.2 or 10.3 hereof may apply, the indemnified Party shall notify the indemnifying Party in writing of such fact. Should a Party be entitled to indemnification as a result of a claim by a third party, the indemnifying Party shall assume the defense thereof with counsel designated by such Party, and reasonably satisfactory to the indemnified Party; provided that if the defendants in any such action include both the indemnified Party and the indemnifying Party and the indemnified Party shall have reasonably concluded that there may be legal defenses available to it which are different from or additional to, or inconsistent with, those available to the indemnifying Party the indemnified Party shall have the right to select separate counsel to participate in the defense of such action on behalf of such indemnified Party, at the indemnifying Party's expense.

Section 10.5 Failure to Defend Action. Should a Party be entitled to indemnification under Sections 10.1, 10.2 or 10.3 hereof as a result of a claim by a third party, and the indemnifying Party fails to assume the defense of such claim, the indemnified Party may at the expense of the indemnifying Party contest (or, with the prior written consent of such indemnifying Party, settle) such claim, provided that no such contest need be made and settlement or full payment of any such claim may be made without consent of the indemnifying Party (with such indemnifying Party remaining obligated to indemnify the indemnified Party under Sections 10.1, 10.2 or 10.3 hereof) if, in the written opinion of the indemnified Party's counsel, such claim is meritorious.

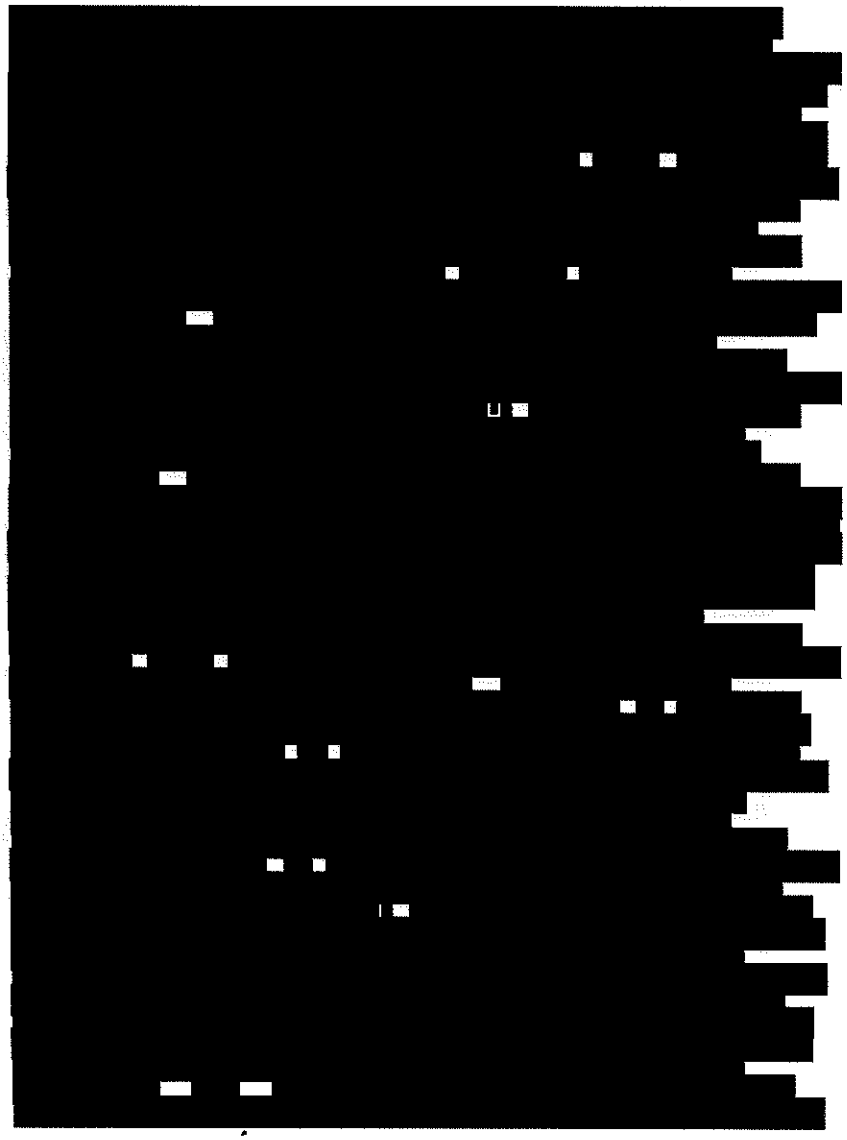
Section 10.6 Indemnification Amount. In the event that a Party is obligated to indemnify and hold the other Party and its successors and assigns harmless under

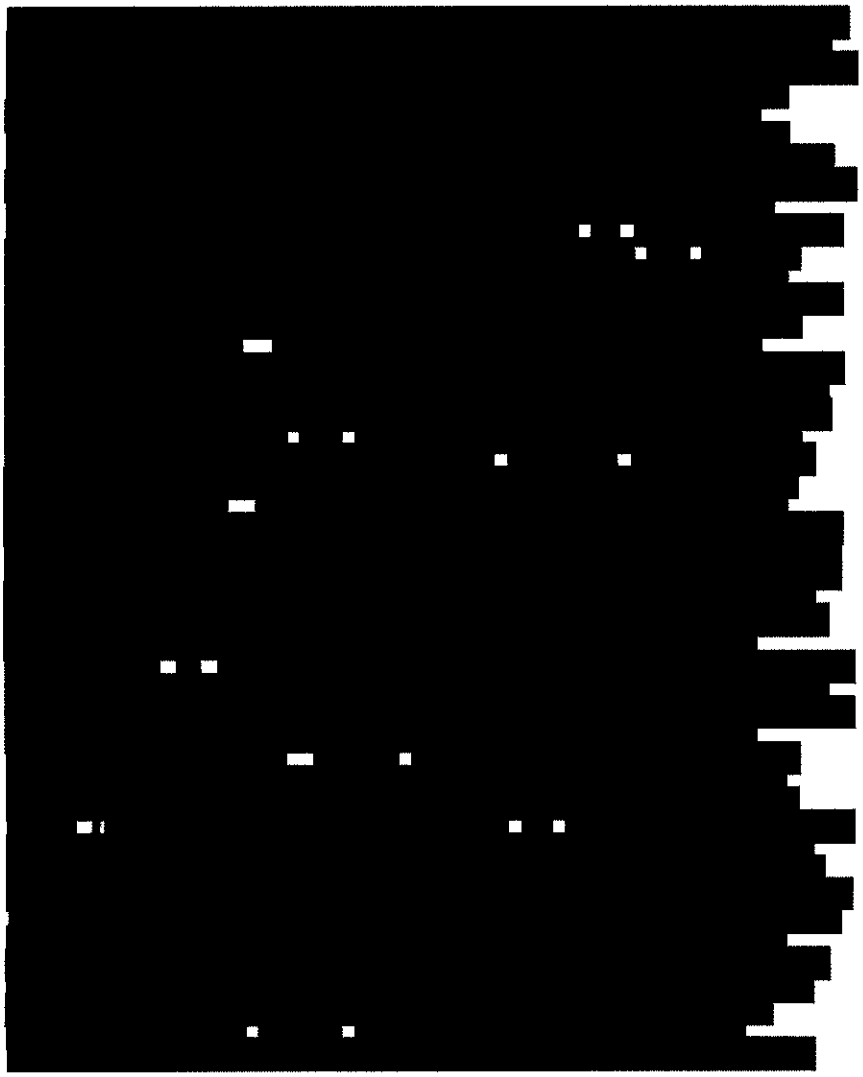
Sections 10.1, 10.2 or 10.3 hereof, the amount owing to the indemnified Party will be the amount of such Party's damages, losses and expenses net of any insurance or other recovery actually received by the indemnified Party, it being expressly understood, however, that, except as expressly set forth herein neither Party shall be liable hereunder for any indirect, consequential, incidental, punitive or exemplary damages.

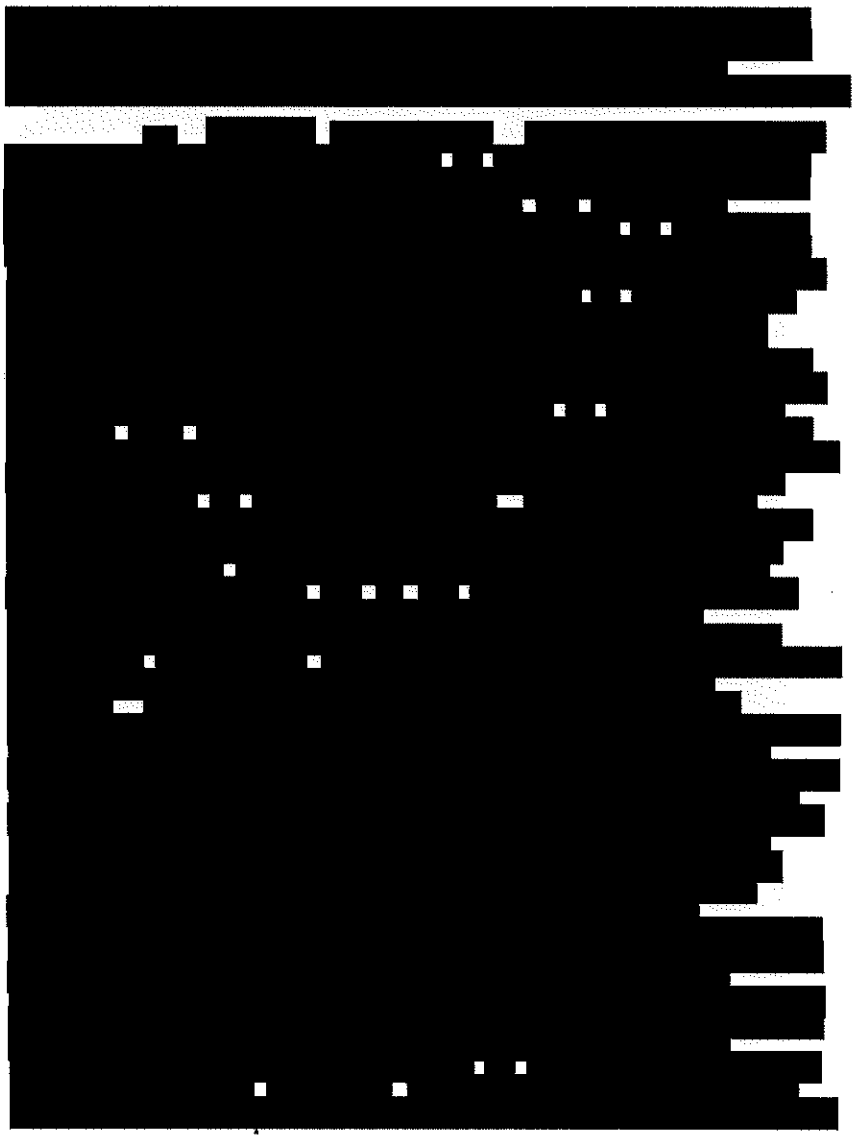
Section 10.7 Survival. The provisions of this Article X shall survive expiration of the term of this Ground Lease.



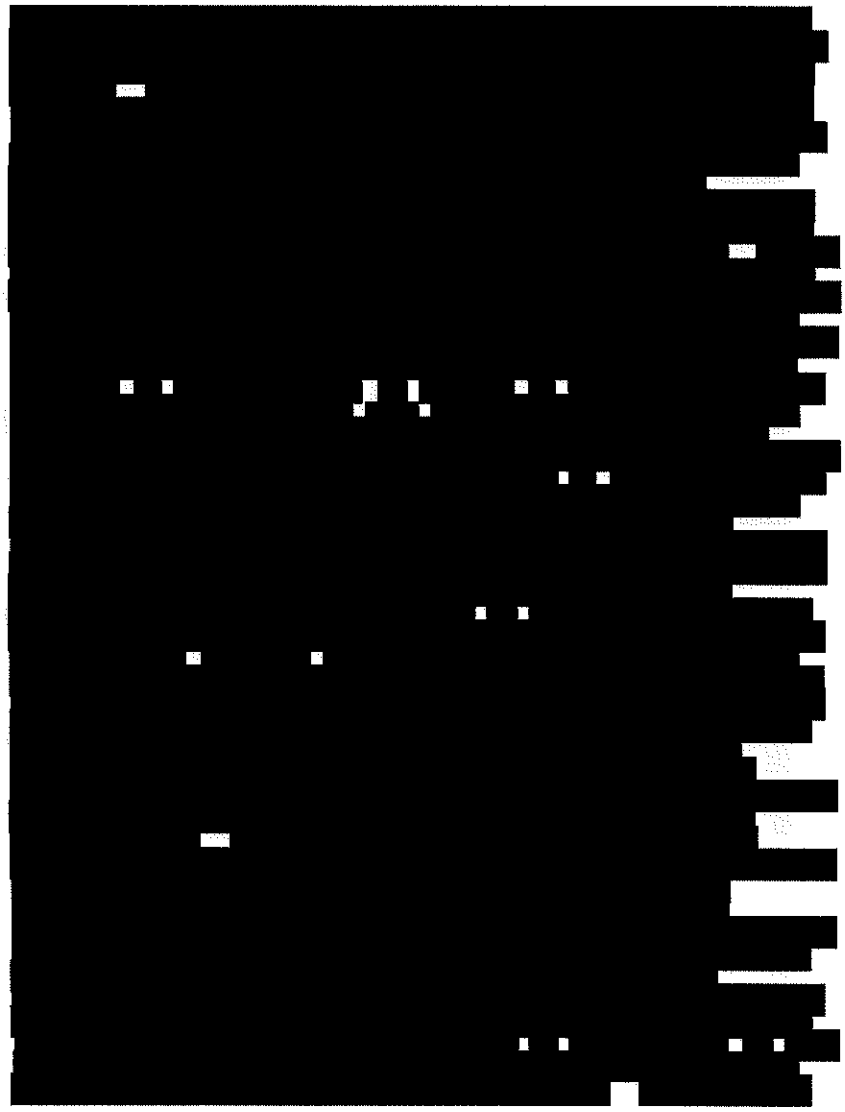


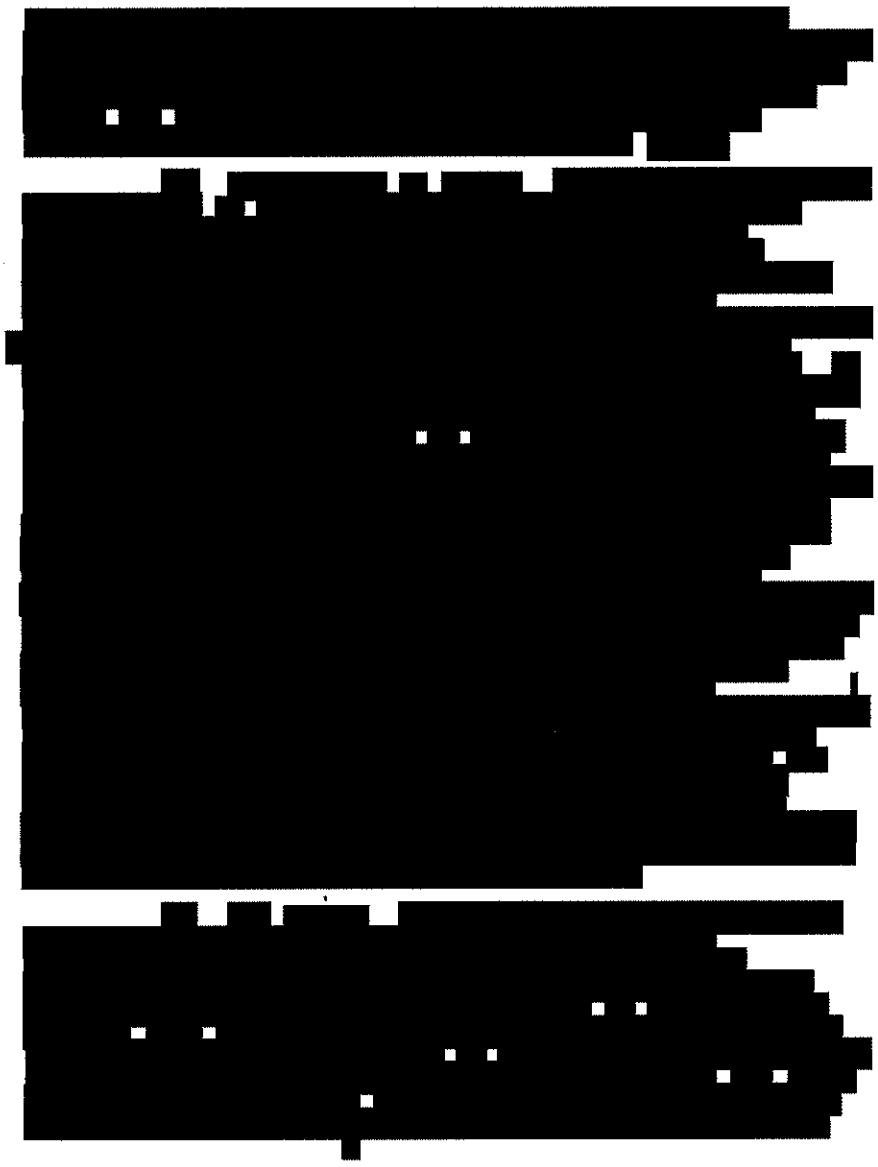


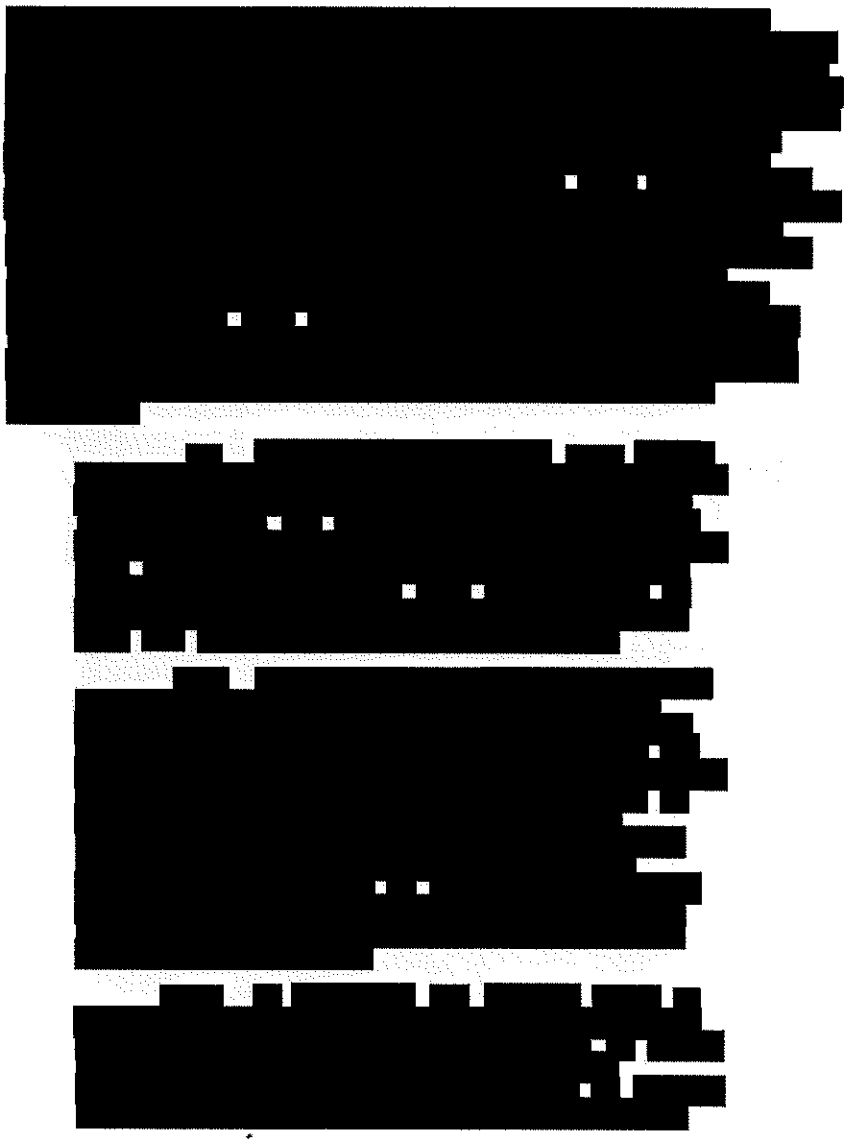


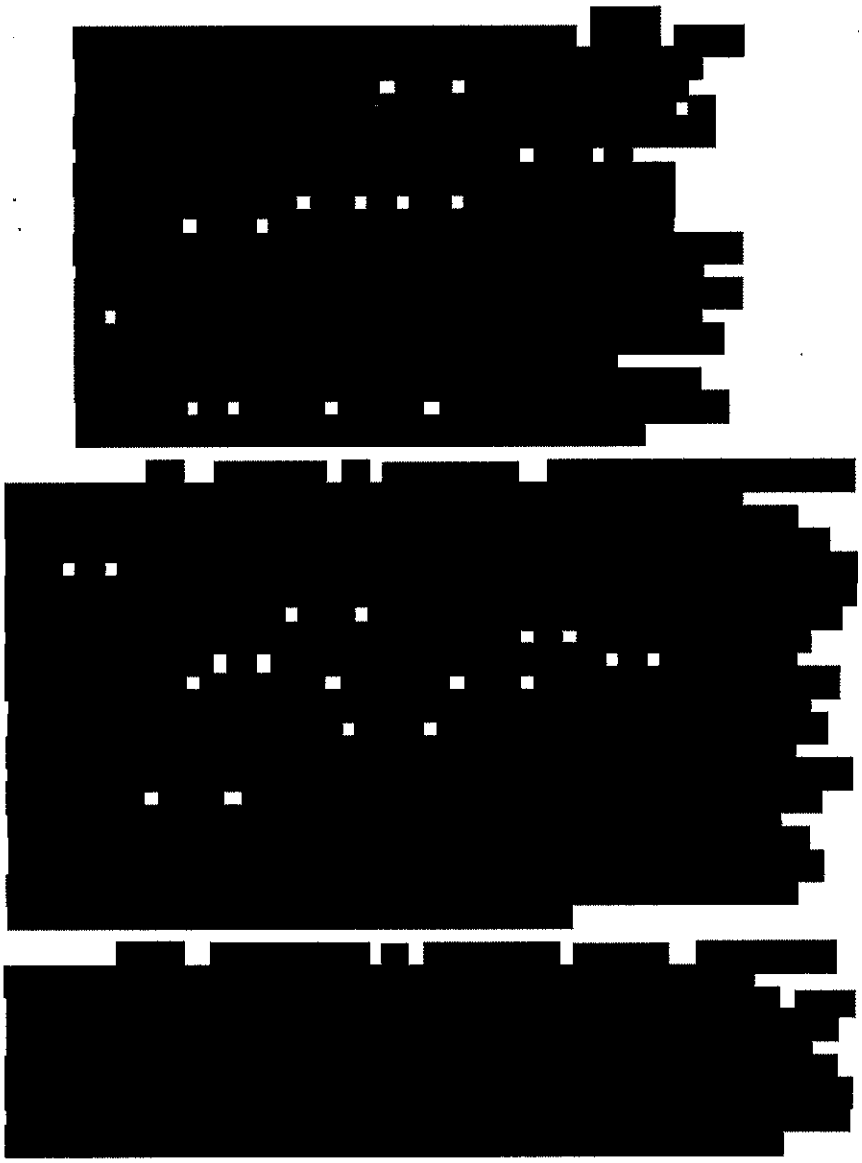




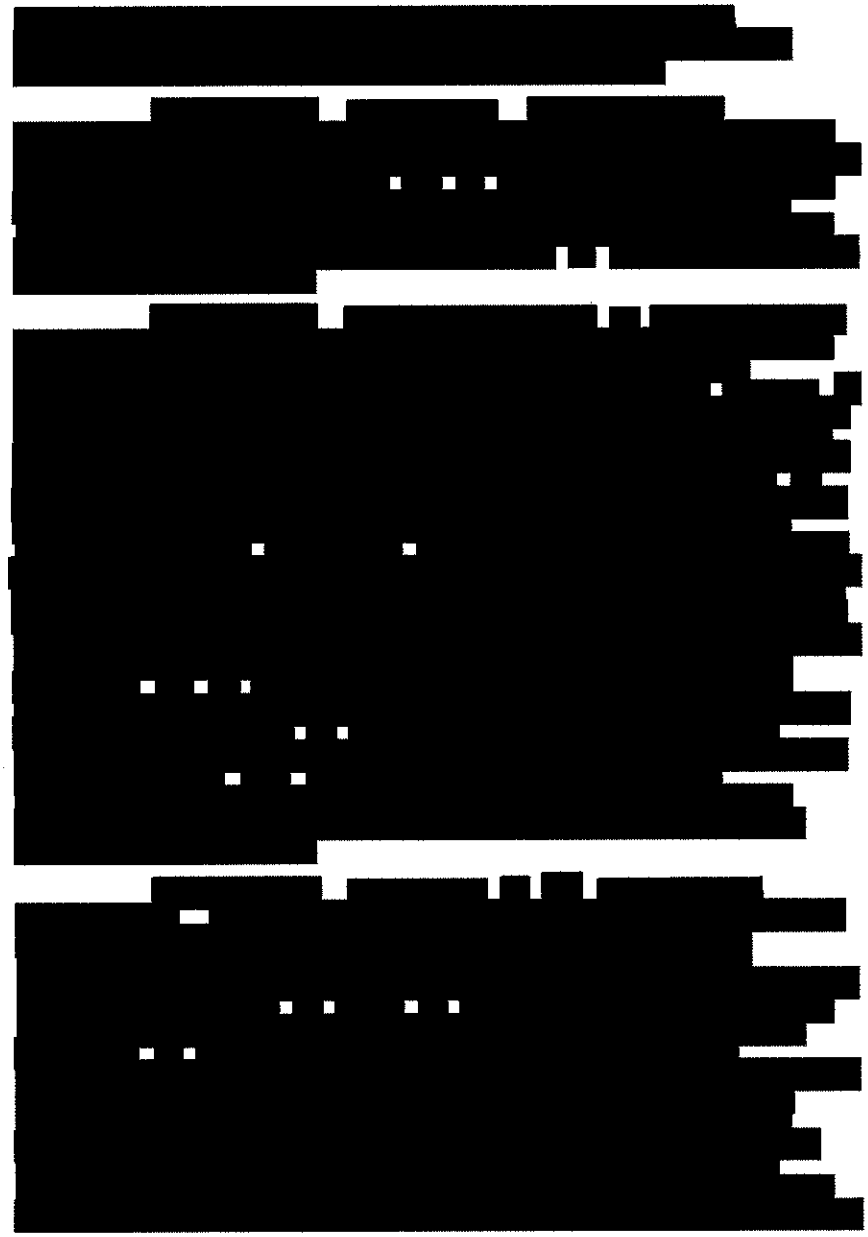


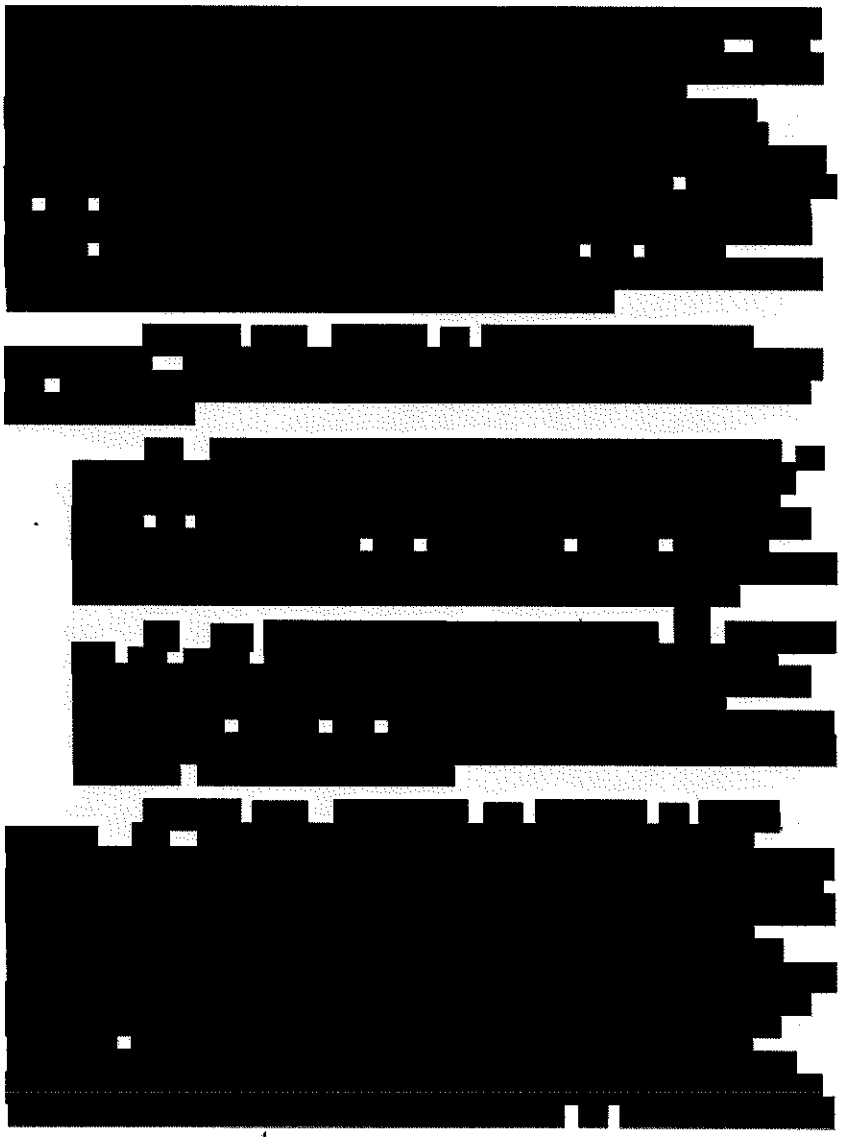


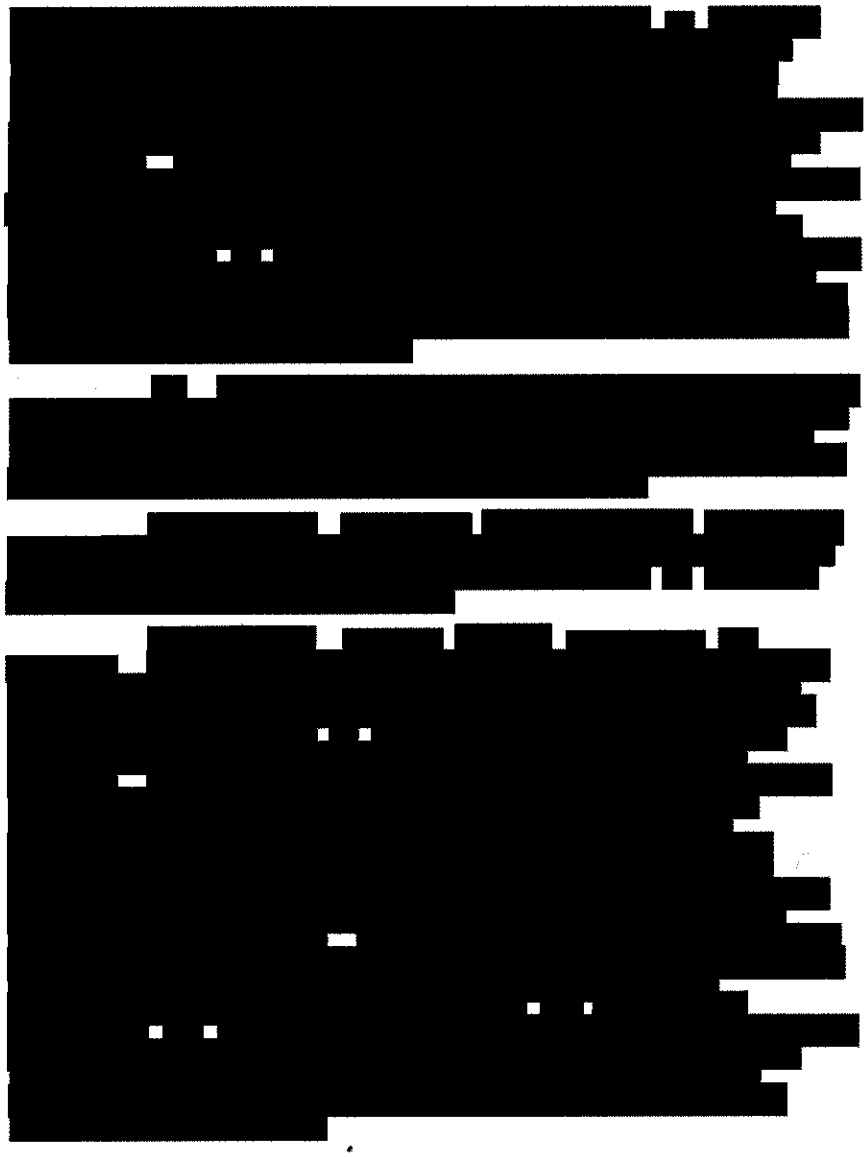


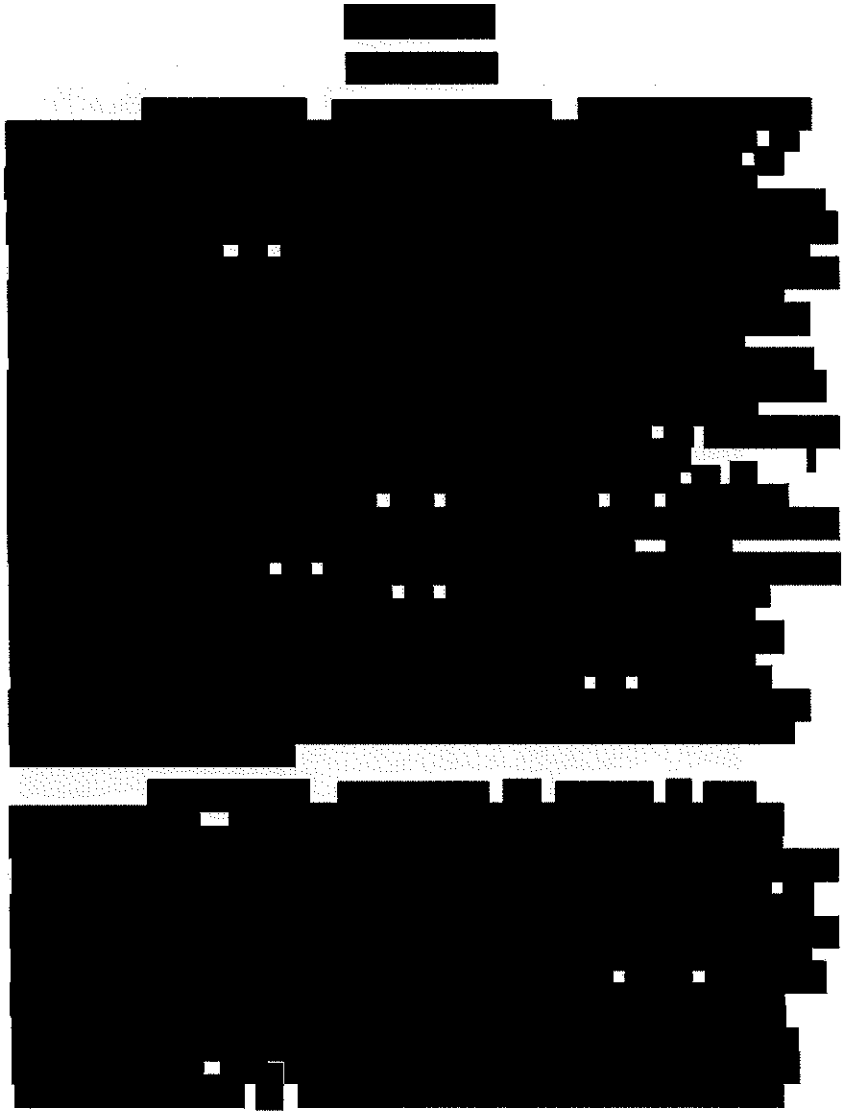






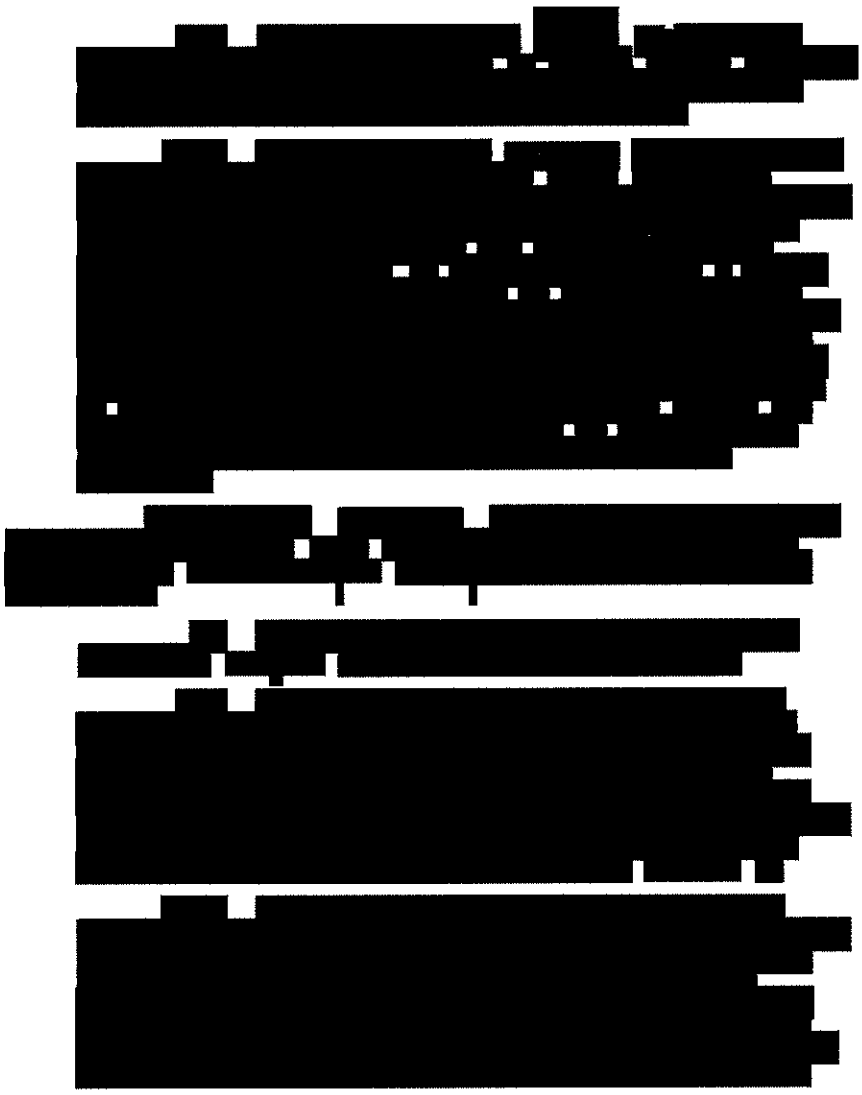


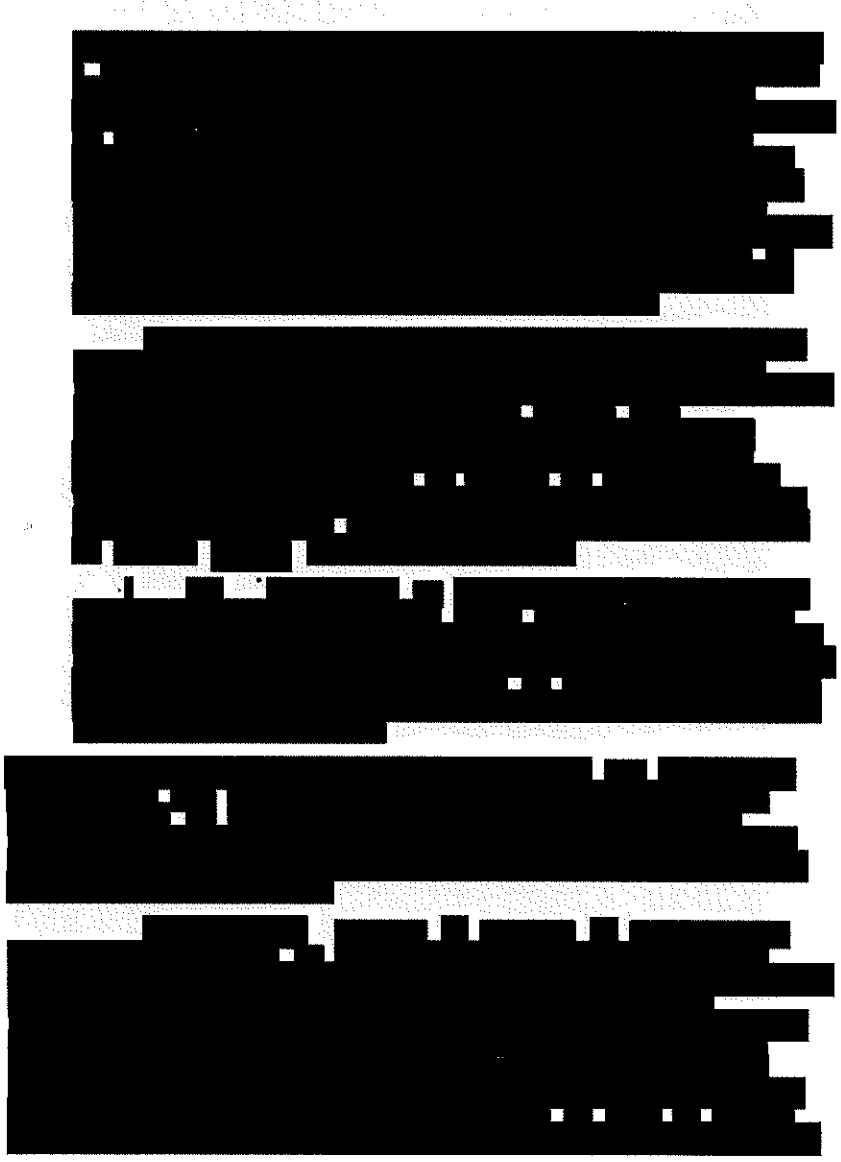




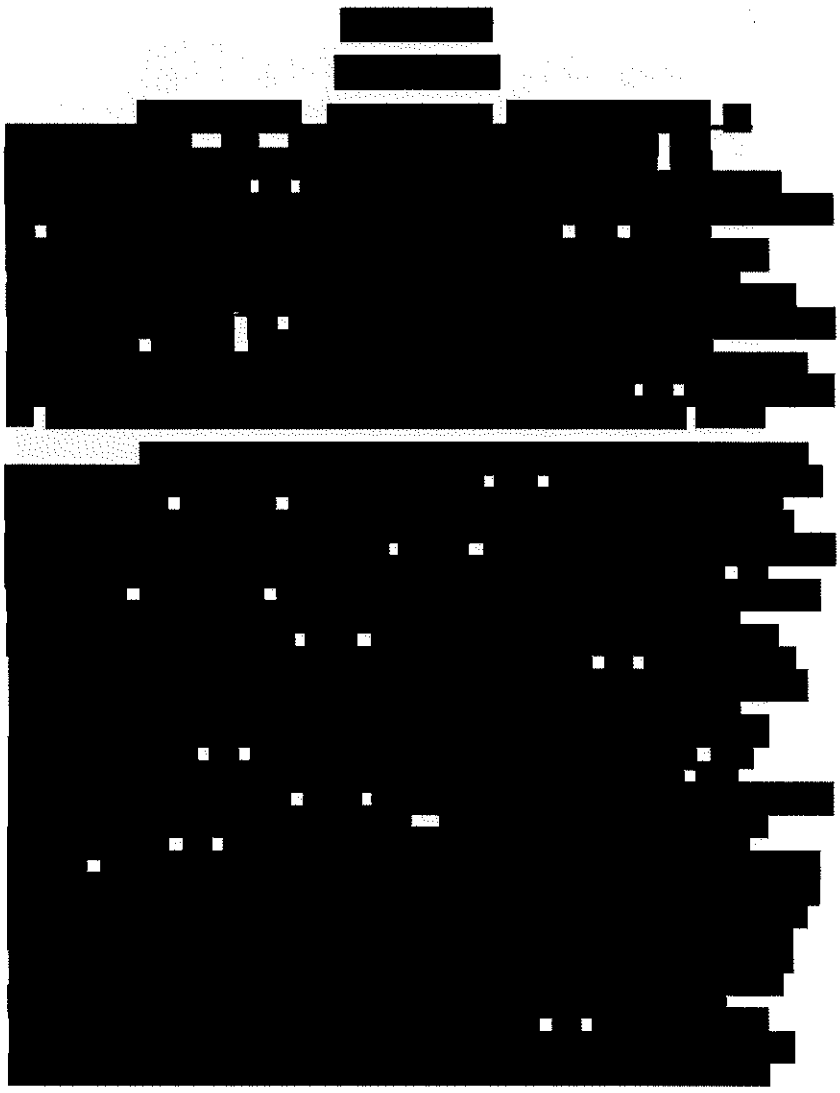




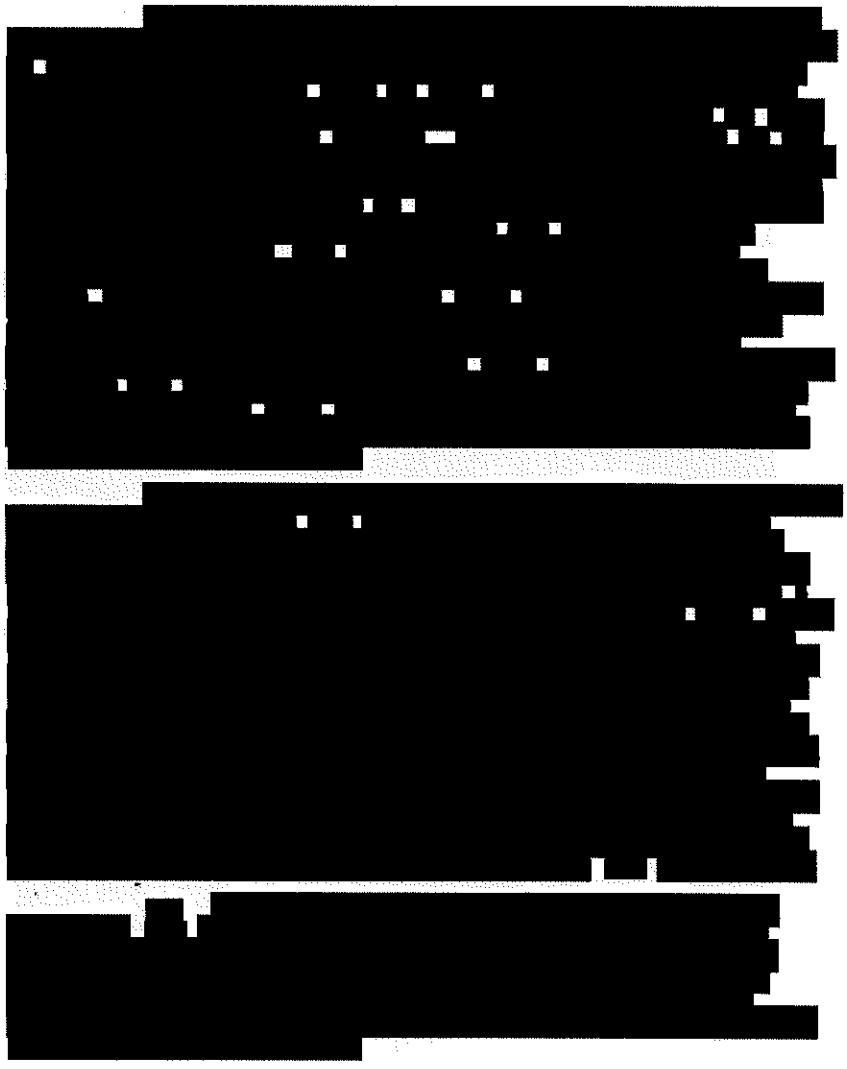


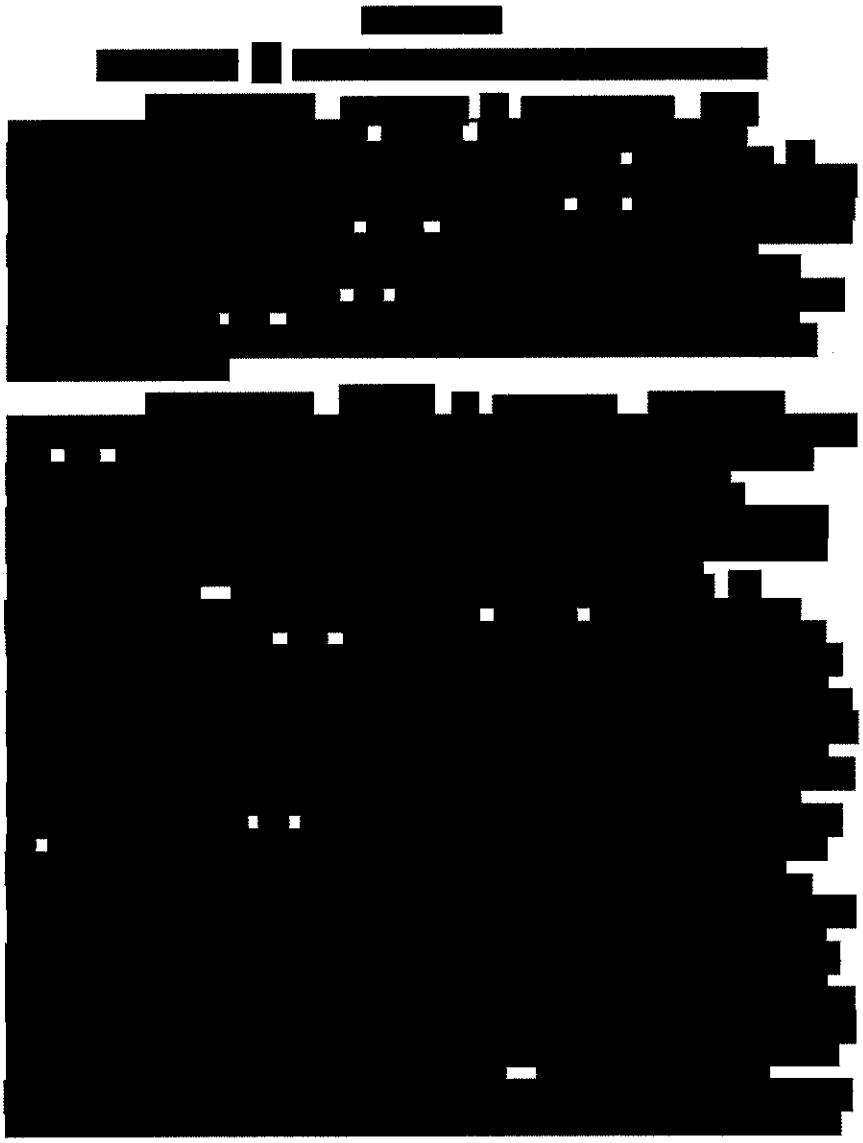


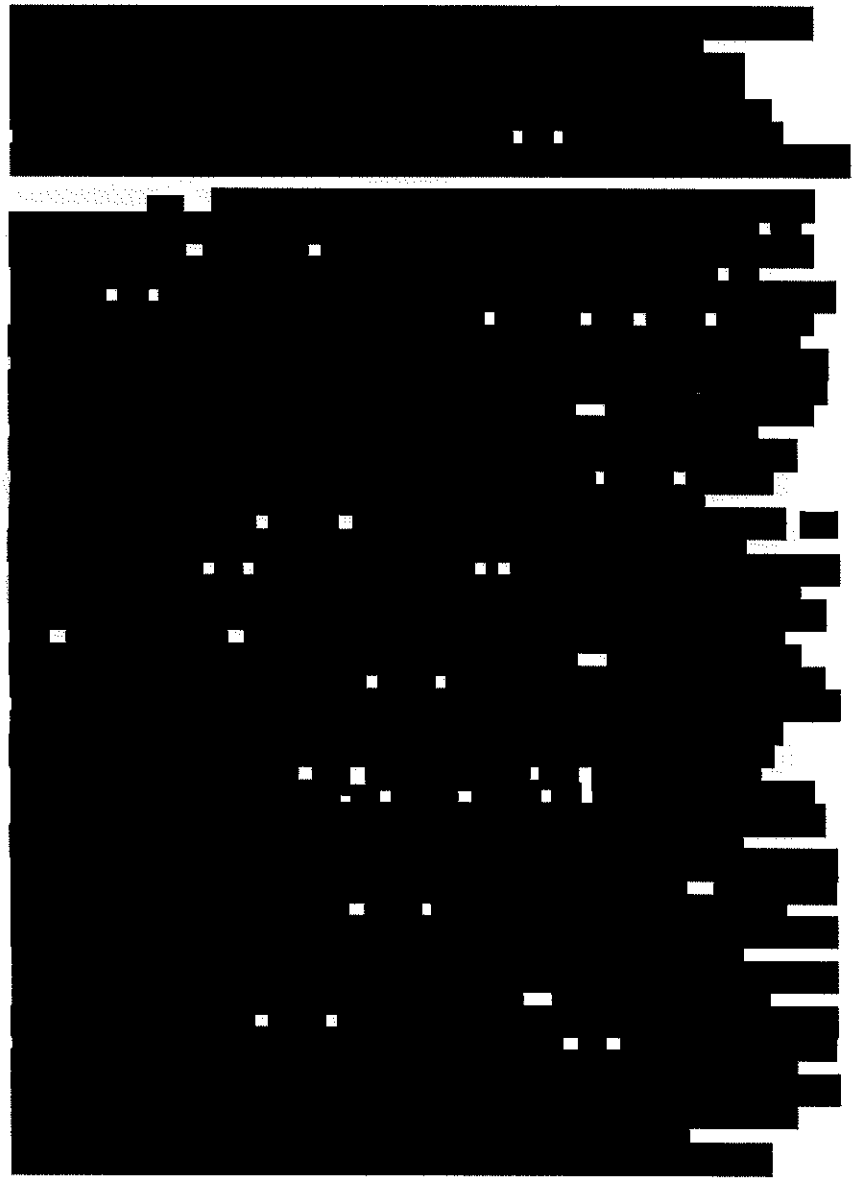




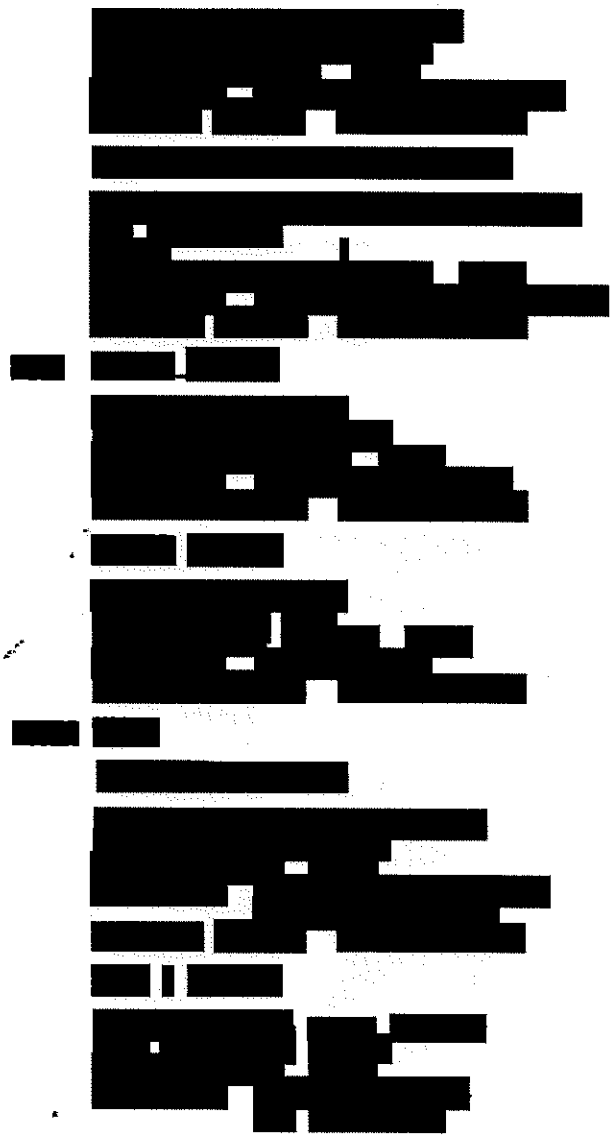


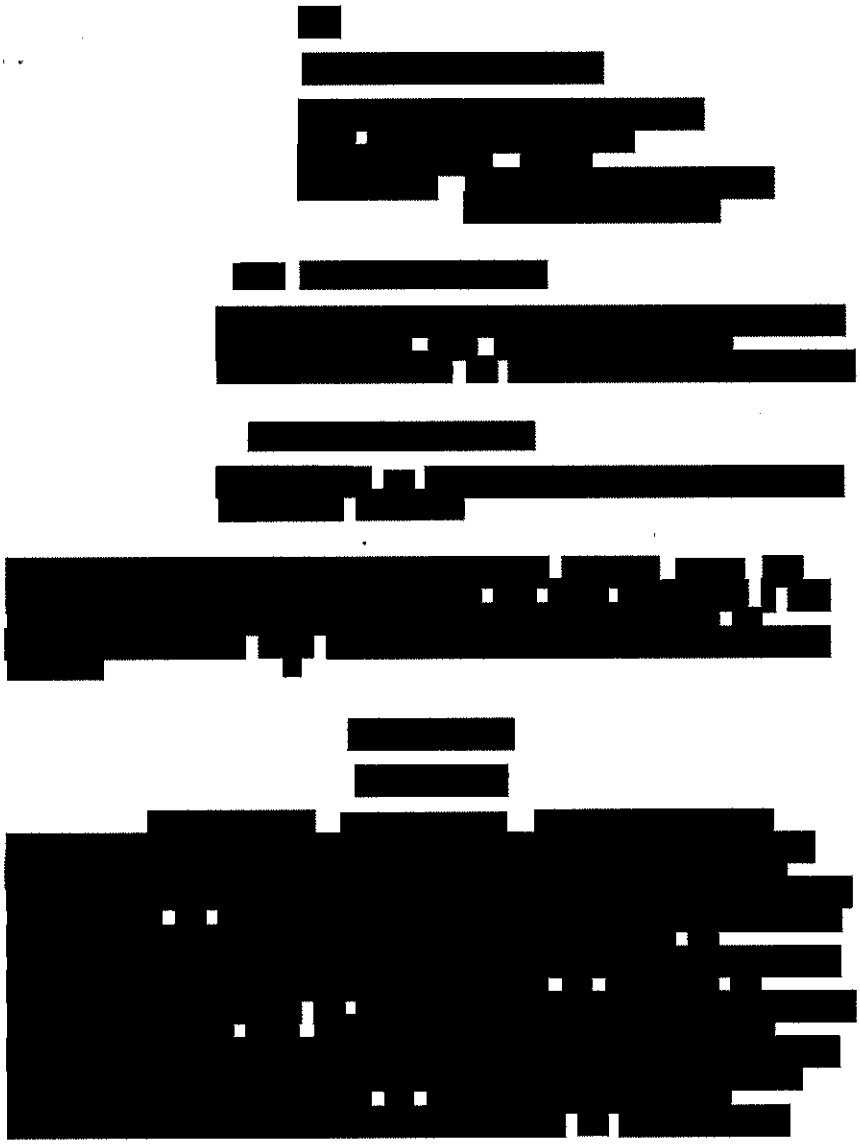


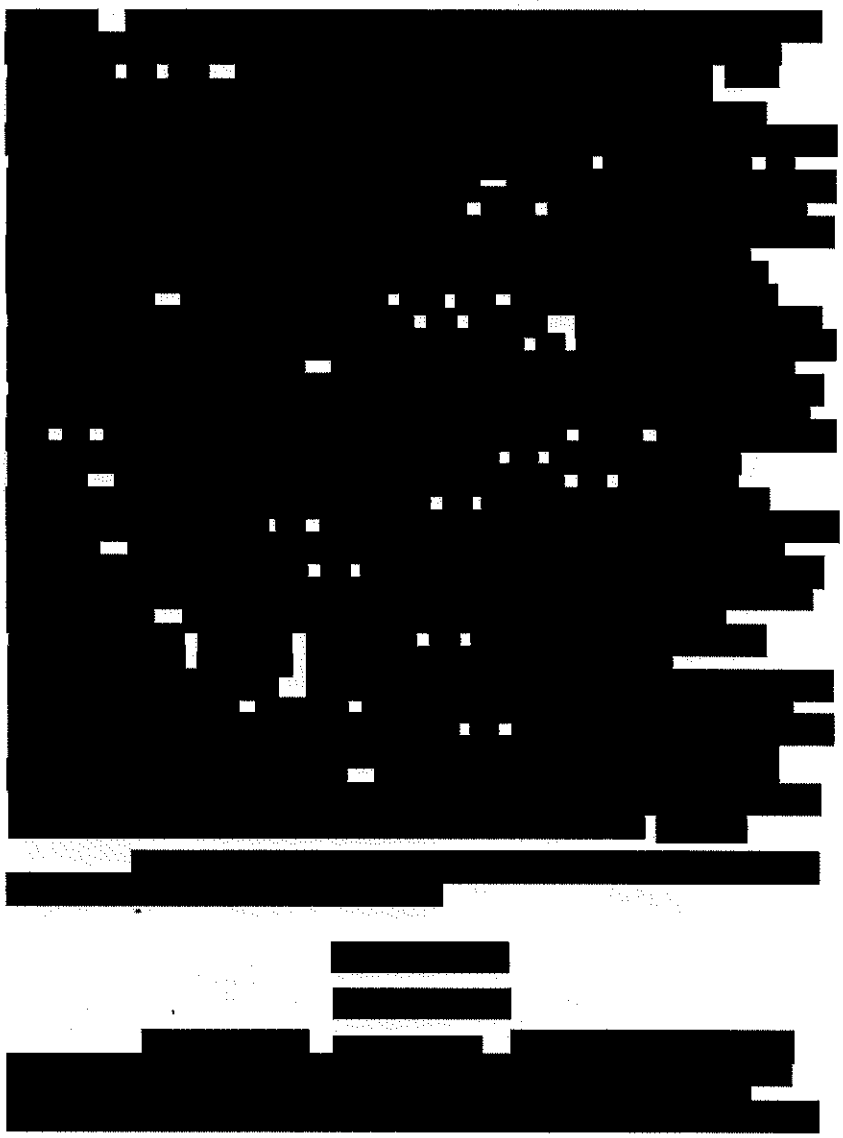


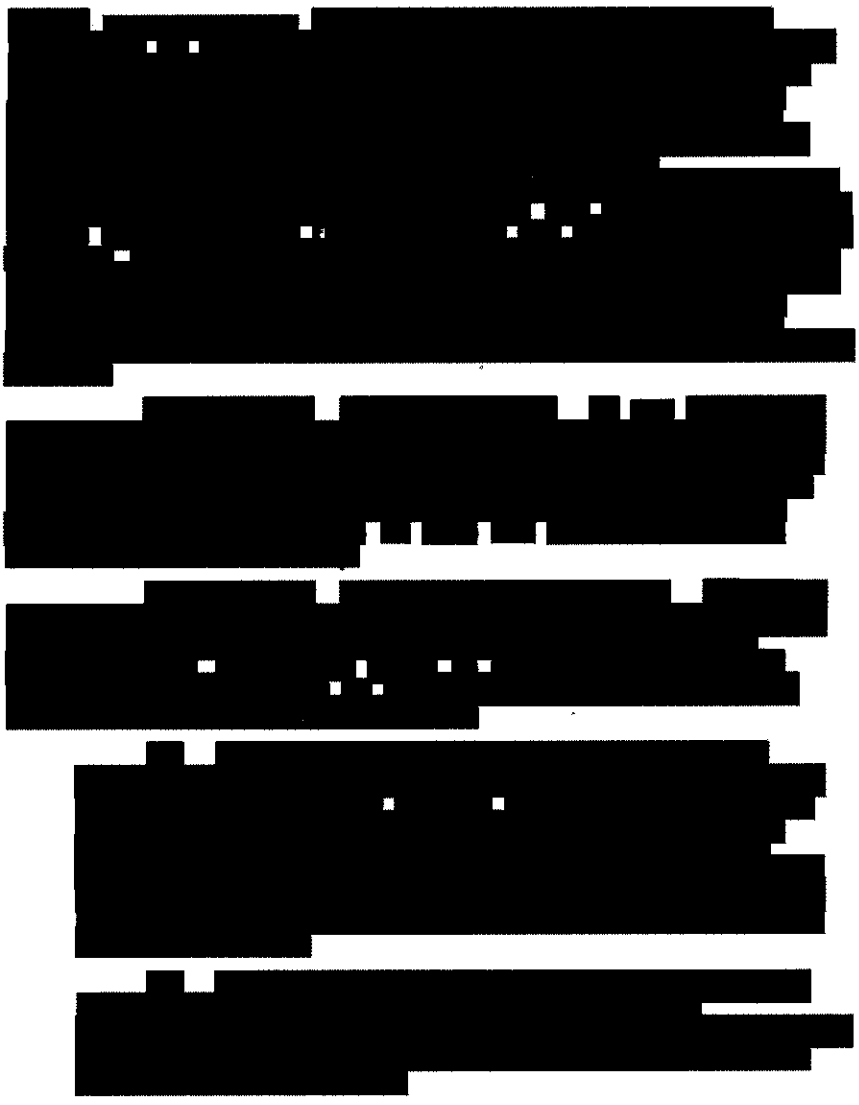










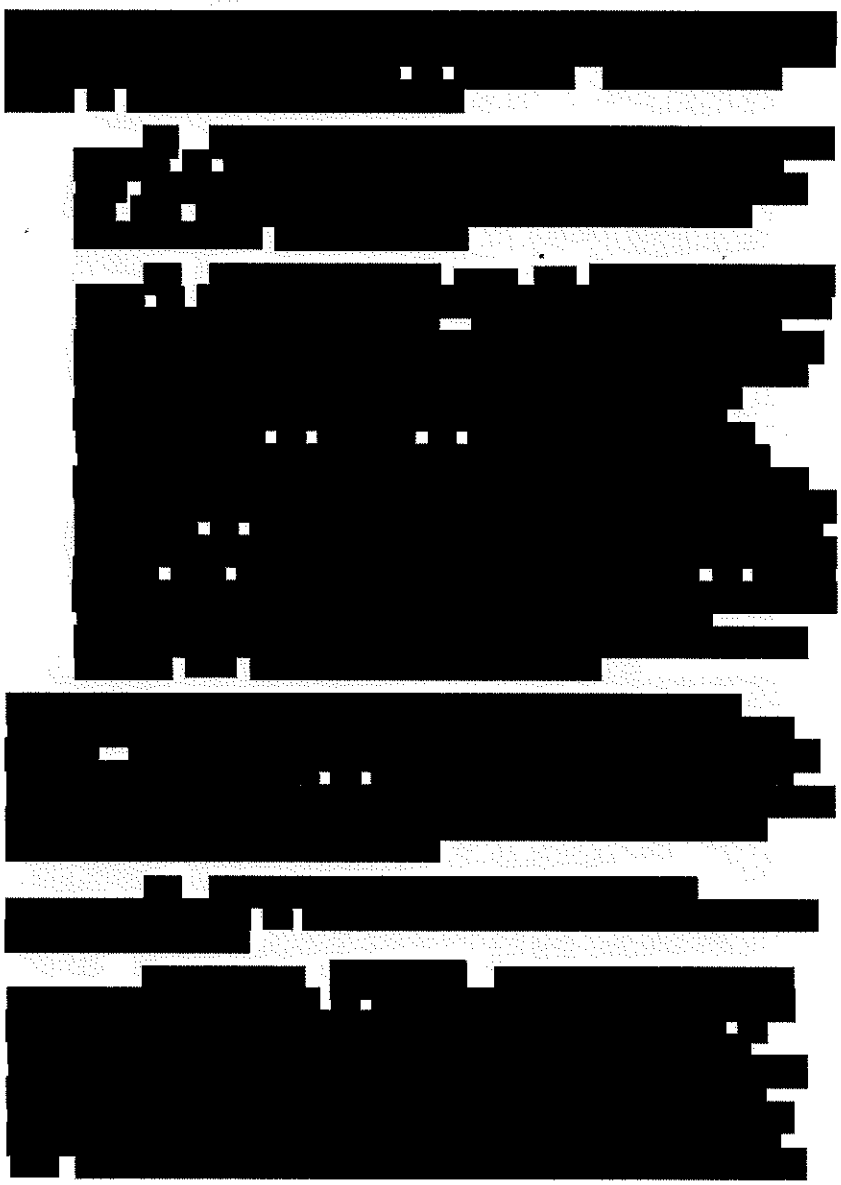


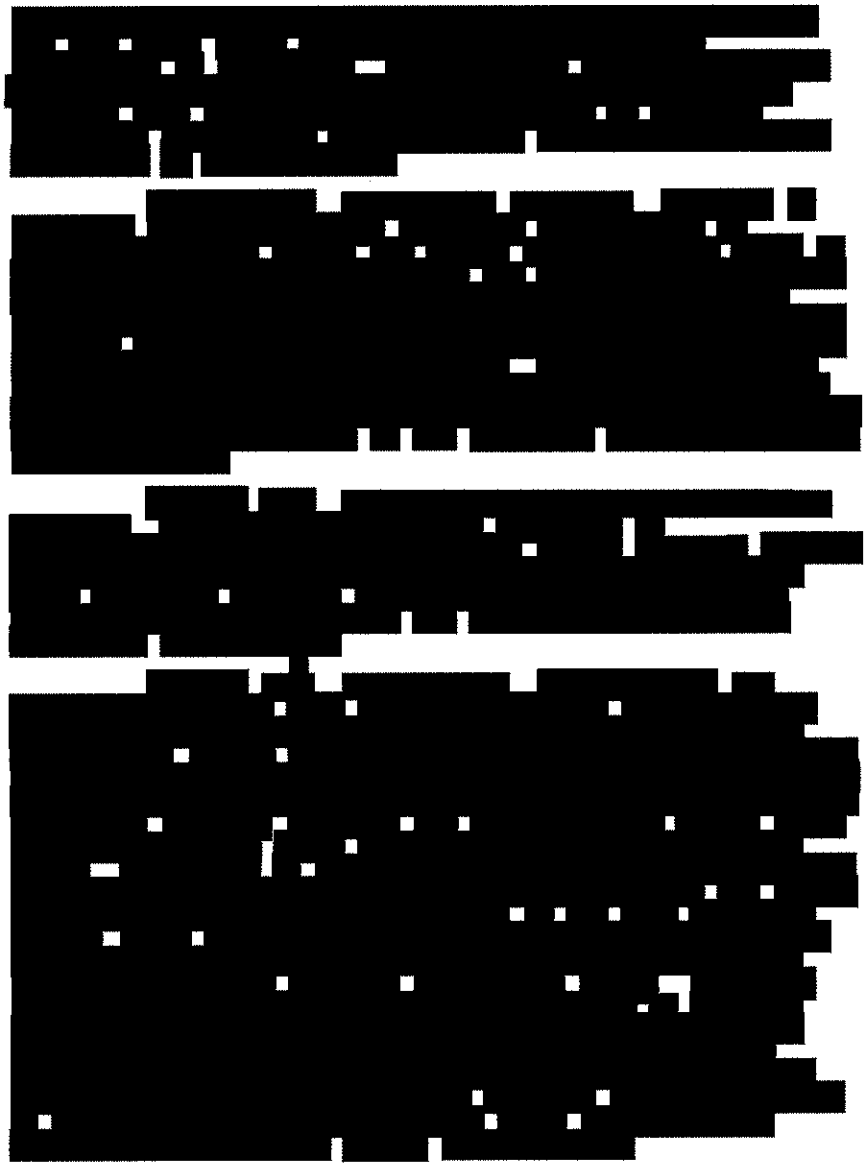
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INSURANCE

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ARTICLE XX

ENVIRONMENTAL MATTERS

Section 20.1 ENVIRONMENTAL REPRESENTATIONS AND WARRANTIES. Ground Lessor represents and warrants that

(i) to the best of its knowledge, except as would not have a Material Adverse Effect and except as indicated on Appendix 20.1 attached hereto:

(a) the SK Site is now in compliance, and Ground Lessor's operations thereon have been and are now in compliance, with all Environmental Laws;

(b) Hazardous Materials have not at any time been Released by Ground Lessor on, under or from any portion of the SK Site;

(c) there are no past, pending or threatened Environmental Claims against Ground Lessor or any of its officers, directors, employees, and agents or any of its lessees, Affiliates, partners, joint venturers, assignees or other Persons currently occupying, using, or conducting operations on or about the SK Site; and

(d) there are no facts, circumstances, conditions or occurrences regarding the SK Site that (i) form the basis of an Environmental Claim against the SK Site, Ground Lessor or any of its officers, directors, employees, and agents or, any of its lessees, partners,

joint venturers, assignees, Affiliates or other Persons occupying or conducting operations on or about the SK Site, (ii) cause the SK Site, the Facility, the Improvements or any ancillary properties or facilities thereto, to be subject to any restrictions on their ownership, occupancy, use or transferability under any Environmental Law, or (iii) require the filing or recording of any notice, registration, permit or disclosure documents under any Environmental Law.

(ii) The information provided by Ground Lessor which formed the basis of the Environmental Audit of the Jacksonville Recycled Linerboard Facility prepared by Sirrine Environmental Consultants dated October 17, 1990 is true, accurate and complete to the best of Ground Lessor's knowledge, and there have been no environmental investigations, studies, audits, reviews or other analyses conducted by, for, or in the possession of Ground Lessor in relation to the SK Site (other than as described in the above-referenced Environmental Audit) that have not been delivered to Ground Lessee and the Financing Parties, other than routine fire, safety, compliance sampling, studies related to modification of the Mill and similar reports.

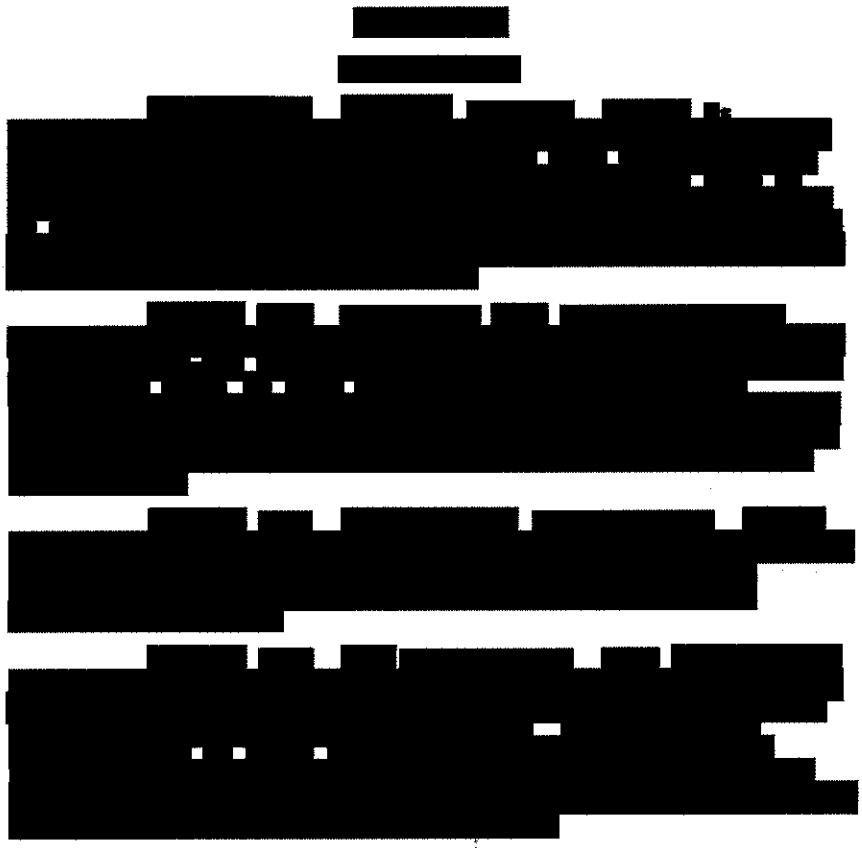
(iii) Except as set forth in Appendix 20.1, each of the National Pollutant Discharge Elimination System (NPDES) permit, Florida Industrial Wastewater Treatment Facility permit, consumptive water use permits, and other Permits, pursuant to which Ground Lessor presently operates the Mill or which are necessary for the performance of its obligations under the Ground Lease, are in full force and effect and not subject to appeal, and Ground Lessor is operating in compliance therewith and has received no notices of noncompliance or warning notices in respect thereof from any Governmental Authority. Ground Lessor has made timely application for the renewal of such permits, which applications are complete and correct, and Ground Lessor is aware of no circumstances which could form the basis for a reasonable belief that such renewals will not be timely granted.

Section 20.2 ENVIRONMENTAL COVENANTS. (i) Ground Lessor covenants and agrees to provide and to cause each of the Persons hereinafter mentioned to provide Ground Lessee with written notice of (a) any fact, circumstances, condition, occurrence or Release at, on, or arising from the SK Site that results in Release of Hazardous Materials from the SK Site under, at or onto the Facility Site by Ground Lessor or any of its Affiliates, partners, joint venturers, contractors, lessees (other than Ground Lessee), assignees or

other Persons occupying or conducting operations on the SK Site, such notice to be given promptly after the condition, Release or occurrence is discovered and (b) any pending or threatened Environmental Claim against Ground Lessor or any of its Affiliates, partners, joint venturers, contractors, lessees (other than Ground Lessee) or any other Persons occupying or conducting operations on the SK Site based in whole or in part on the Release of Hazardous Materials under, at or onto the Facility Site, such notices to be given promptly after such Environmental Claim is commenced or threatened. To the extent possible, all such notices shall describe in reasonable detail the nature of the Environmental Claim, investigation, condition, incident, or occurrence and Ground Lessor's (and each such other Person's response) thereto. Ground Lessor shall also provide, and shall exercise its best efforts to cause all such other Persons hereinbefore mentioned to provide, such detailed reports of any Environmental Claim as may be reasonably requested by Ground Lessee or any Financing Party. Ground Lessee, including its agents and the Financing Parties, shall keep the documents required to be provided hereunder confidential and shall not disclose them to any other Person unless required by law and after reasonable consultation with Ground Lessor.

(ii) Ground Lessee covenants and agrees to provide and to cause each of the Persons hereinafter mentioned to provide Ground Lessor with written notice of (a) any Release of Hazardous Materials on or from the Facility Site by Ground Lessee or any of its affiliates, partners, joint venturers, contractors, lessees, assignees or licensees or other Persons occupying or conducting operations on the Facility Site that has resulted or may result or have a Material Adverse Effect, such notice to be given promptly after the condition Release or occurrence is discovered and (b) any pending or threatened Environmental Claim against Ground Lessee or any of its Affiliates, partners, joint venturers, contractors, lessees (other than Ground Lessor) or any other Persons occupying or conducting operations on the Facility Site that is reasonably likely to have an impact on the SK Site or Ground Lessor's operations, such notices to be given immediately after such Environmental Claim is commenced or threatened. To the extent possible, all such notices shall describe in reasonable detail the nature of the Environmental Claim, investigation, condition, incident, or occurrence and Ground Lessee's (and each such other Person's response) thereto. In addition, Ground Lessee will provide, and shall exercise its best efforts to cause all such other Persons hereinbefore mentioned to provide copies of all written communications with any Governmental Authority relating to any matter for

which notice is required herein to Ground Lessor simultaneously with the giving or receiving of any such written communications. Ground Lessee shall also provide, and shall exercise its best efforts to cause all such other Persons hereinbefore mentioned to provide, such detailed reports of any Environmental Claim as may be reasonably requested by Ground Lessor. Ground Lessor, including its agents, shall keep the documents required to be provided hereunder confidential and shall not disclose them to any other Person unless required by law and after reasonable consultation with Ground Lessor.



STATE OF Illinois)
: ss.:
COUNTY OF Cook)

The foregoing instrument was acknowledged before me this 1st day of May, 1991, by Leslie G. Lebens, Vice President of Seminole Kraft Corporation, a Delaware corporation, on behalf of the corporation.

Evelyn C. Tiberi
Notary Public, State and
County Aforesaid

My Commission Expires:

(SEAL)

"OFFICIAL SEAL"
Evelyn C. Tiberi
Notary Public, State of Illinois
My Commission Expires 6/26/94

STATE OF New York,)
: ss.:
COUNTY OF Queens,)

I HEREBY CERTIFY that on this day before me, [illegible], an officer duly authorized in the state and county aforesaid to take acknowledgements, personally appeared [illegible] Vice President of AES Cedar Bay, Inc. to me known to be the person described in and who executed the foregoing instrument on behalf of the corporation as partner of AES CB LIMITED PARTNERSHIP and he acknowledged before me that the corporation executed the same as such partner in the name and on behalf of said partnership.

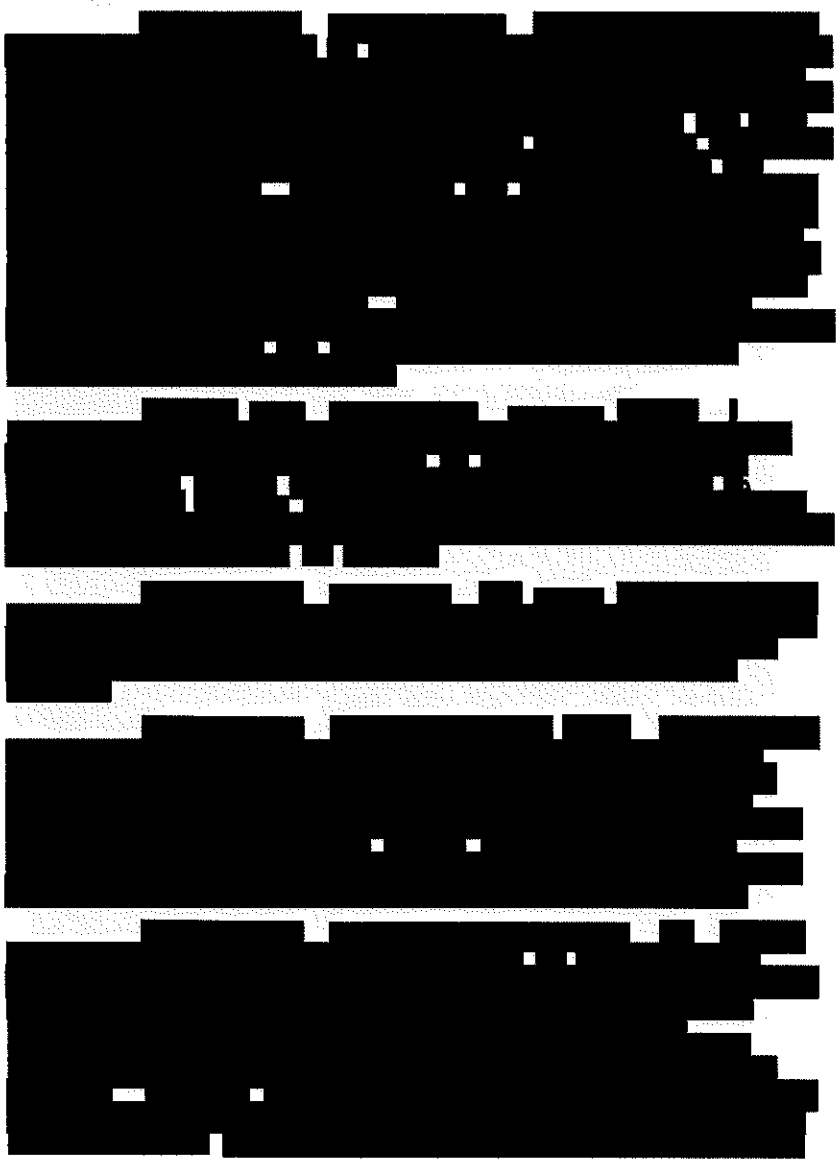
WITNESS my hand and official seal in the county and state last aforesaid this 5th day of May, 1991.

[illegible]
Notary Public

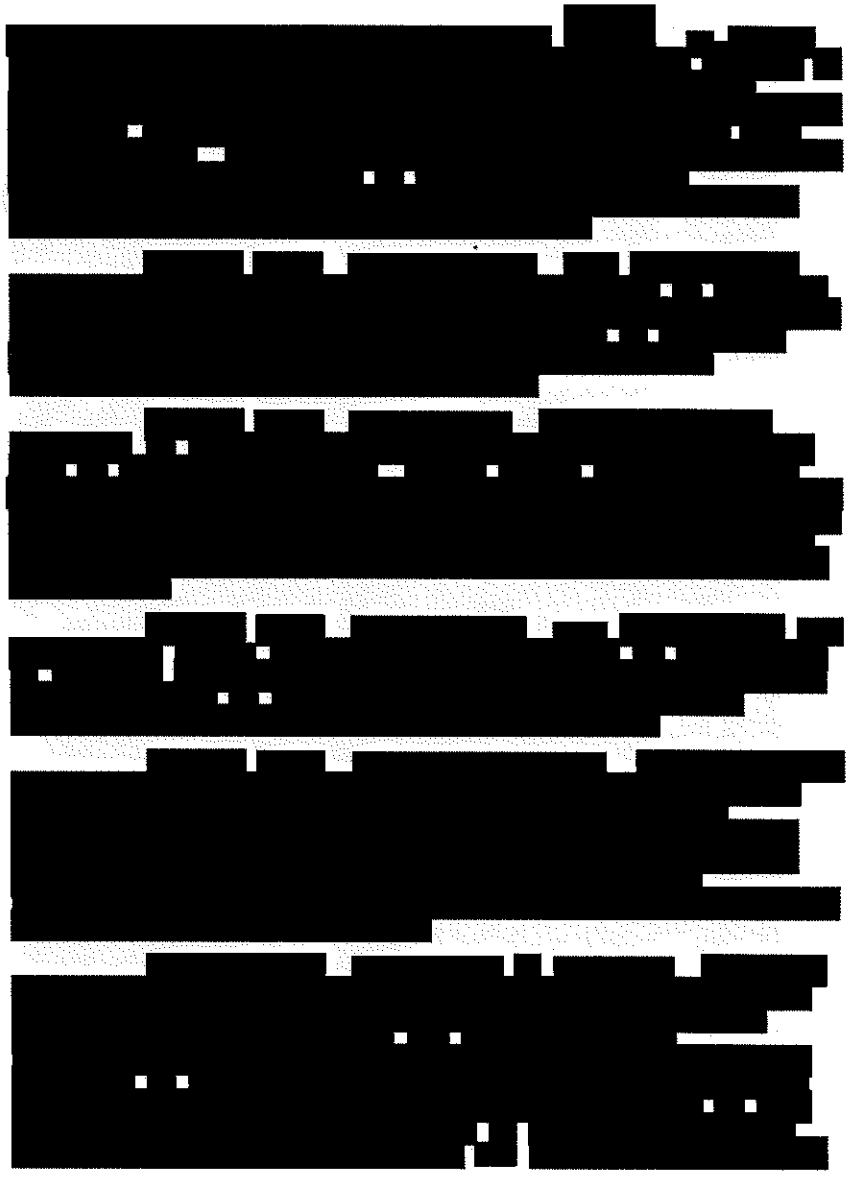
My commission expires:

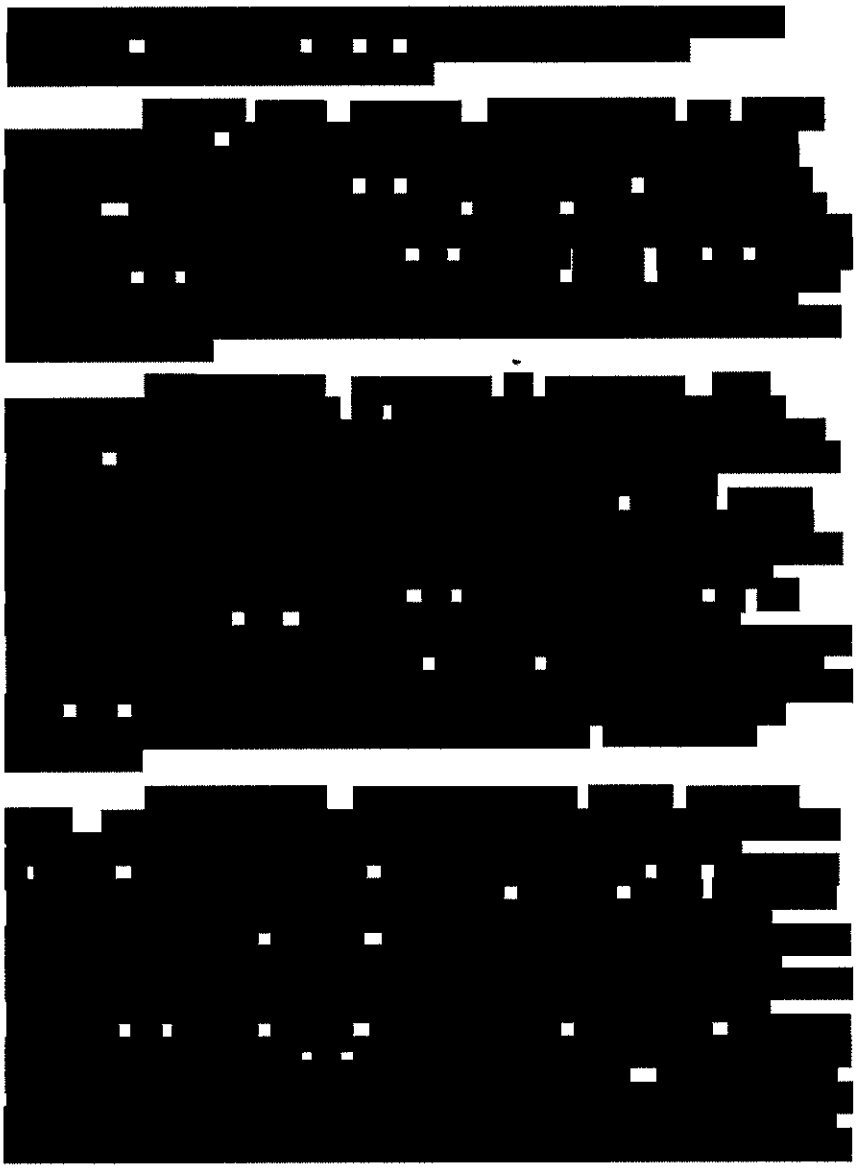
[SEAL]

GREGORY J. HUBOK
Notary Public, State of New York
No. 41-4974161
Qualified in Queens County
Certificate Filed in Queens County
Commission Expires Nov. 5, 1992









[redacted]

IN WITNESS WHEREOF, Ground Lessor and Ground Lessee have caused this Ground Lease to be executed as of the day and year first above mentioned.

SEMINOLE KRAFT CORPORATION

By: _____
Title:
Date:

Signed, Sealed and Delivered
in the presence of:

_____
Witness

_____
Witness

AES CB LIMITED PARTNERSHIP
By: AES Cedar Bay, Inc.
By: _____
Title:
Date:

_____
Witness

_____
Witness

APPENDIX 1.1-A
30R/B:3213r
Ground Lease

FACILITY SITE DESCRIPTION

PARCEL A

A PORTION OF WEBB PLACE OF THE SUBDIVISION OF THE JOHN BROWARD GRANT, SECTION 46, TOWNSHIP 1 SOUTH, RANGE 27 EAST, JACKSONVILLE, DUVAL COUNTY, FLORIDA, AS RECORDED IN PLAT BOOK 1, PAGES 7 AND 8, OF THE FORMER PUBLIC RECORDS OF SAID DUVAL COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR POINT OF REFERENCE, COMMENCE AT A CONCRETE MONUMENT LOCATED AT THE POINT OF INTERSECTION OF THE NORTHERLY LINE OF SECTION 22 OF SAID SUBDIVISION (ALSO BEING THE SOUTHERLY LINE OF SECTION 19 OF SAID SUBDIVISION), WITH THE EASTERLY LINE OF SAID SUBDIVISION, SAID MONUMENT LYING SOUTH 89 DEGREES 57' 56" WEST, A DISTANCE OF 1,325.83 FEET FROM A CONCRETE MONUMENT LOCATED AT THE NORTHEASTERLY CORNER OF SAID SECTION 22; RUN THENCE SOUTH 89 DEGREES 57' 56" WEST, ALONG THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID SECTION 22, A DISTANCE OF 578.30 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF EASTPORT ROAD (A 66 FOOT PUBLIC RIGHT OF WAY AS NOW ESTABLISHED); RUN THENCE NORTH 10 DEGREES 23'56" WEST ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 890.02 FEET TO A POINT ON SAID WESTERLY RIGHT-OF-WAY LINE; RUN THENCE SOUTH 79 DEGREES 36' 04" WEST, A DISTANCE OF 508.51 FEET TO A POINT AT THE NORTHEASTERLY CORNER OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS VOLUME 6652, PAGES 2217-2228 OF THE CURRENT PUBLIC RECORDS OF SAID DUVAL COUNTY, FLORIDA, RUN THENCE ALONG THE NORTHERLY AND WESTERLY LINE OF SAID LANDS RECORDED IN OFFICIAL RECORDS VOLUME 6652, PAGES 2217 THRU 2228, THE FOLLOWING THREE COURSES AND DISTANCES: FIRST COURSE; SOUTH 67 DEGREES 49' 32" WEST, A DISTANCE OF 316.23 FEET TO A POINT; SECOND COURSE; SOUTH 49 DEGREES 13' 44" WEST, A DISTANCE OF 270.00 FEET TO A POINT; THIRD COURSE; SOUTH 40 DEGREES 46' 16" EAST, A DISTANCE OF 644.88 FEET TO AN INTERSECTION WITH SAID WESTERLY PROLONGATION OF SAID NORTHERLY LINE OF SAID SECTION 22; RUN THENCE SOUTH 89 DEGREES 57' 56" WEST, ALONG LAST SAID LINE A DISTANCE OF 618.79 FEET TO A POINT; RUN THENCE NORTH 40 DEGREES 49'39" WEST A DISTANCE OF 128.34 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 11' 04" WEST, A DISTANCE OF 100.00 FEET TO A POINT; RUN THENCE NORTH 40 DEGREES 49'39" WEST A DISTANCE OF 275.00 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 10'21" WEST A DISTANCE OF 100 FEET TO A POINT; RUN THENCE SOUTH 40 DEGREES 49' 39" EAST, A DISTANCE OF 230.77

FEET TO AN INTERSECTION WITH SAID WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SECTION 22 OF SAID SUBDIVISION; RUN THENCE SOUTH 89 DEGREES 57' 56" WEST, ALONG LAST SAID LINE A DISTANCE OF 134.73 FEET TO THE POINT OF BEGINNING.

FROM THE POINT OF BEGINNING THUS DESCRIBED, RUN SOUTH 40 DEGREES 49' 39" EAST, A DISTANCE OF 427.65 FEET TO A POINT; RUN THENCE SOUTH 03 DEGREES 45' 19" WEST, A DISTANCE OF 74.96 FEET TO A POINT; RUN THENCE SOUTH 41 DEGREES 14' 41" EAST, A DISTANCE OF 54.38 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 42.00 FEET TO A POINT; RUN THENCE SOUTH 41 DEGREES 14' 41" EAST, A DISTANCE OF 10.00 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 269.67 FEET TO A POINT; RUN THENCE SOUTH 40 DEGREES 50' 22" EAST, A DISTANCE OF 485.00 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 155.00 FEET TO A POINT; RUN THENCE SOUTH 40 DEGREES 50' 22" EAST, A DISTANCE OF 220.00 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 210.00 FEET TO A POINT; RUN THENCE SOUTH 40 DEGREES 50' 22" EAST, A DISTANCE OF 188.96 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 175 FEET, MORE OR LESS, TO THE MEAN HIGH WATER LINE OF THE BROWARD RIVER; RUN THENCE IN A GENERAL NORTHWESTERLY AND NORTHEASTERLY DIRECTION, ALONG SAID MEAN HIGH WATER LINE, A DISTANCE OF 2,350 FEET, MORE OR LESS, TO AN INTERSECTION WITH SAID WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SECTION 22 OF SAID SUBDIVISION, SAID POINT LYING SOUTH 89 DEGREES 57' 56" WEST, A DISTANCE OF 395 FEET, MORE OR LESS, FROM THE POINT OF BEGINNING; RUN THENCE NORTH 89 DEGREES 57' 56" EAST, ALONG AFOREMENTIONED LINE, A DISTANCE OF 395 FEET, MORE OR LESS TO THE POINT OF BEGINNING.

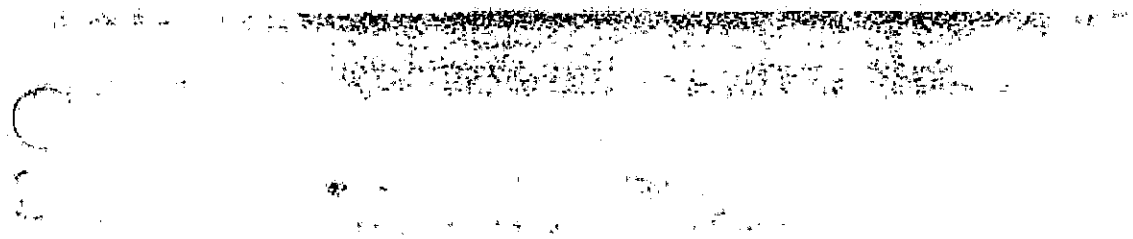
Together with
PARCEL B

A PORTION OF WEBB PLACE OF THE SUBDIVISION OF THE JOHN BROWARD GRANT, SECTION 46, TOWNSHIP 1 SOUTH, RANGE 27 EAST, JACKSONVILLE, DUVAL COUNTY, FLORIDA, AS RECORDED IN PLAT BOOK 1, PAGES 7 AND 8, OF THE FORMER PUBLIC RECORDS OF SAID DUVAL COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR POINT OF REFERENCE, COMMENCE AT A CONCRETE MONUMENT LOCATED AT THE POINT OF INTERSECTION OF THE NORTHERLY LINE OF SECTION 22 OF SAID SUBDIVISION, (ALSO BEING THE SOUTHERLY LINE OF SECTION 19 OF SAID SUBDIVISION), WITH THE EASTERLY LINE OF SAID SUBDIVISION, SAID MONUMENT LYING S-89°57'56"W. A DISTANCE OF 1,325.83 FEET FROM A CONCRETE MONUMENT LOCATED AT THE NORTHEASTERLY CORNER OF SAID SECTION 22; RUN THENCE S-89°57'56"W., ALONG THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID SECTION 22, A DISTANCE OF

578.30 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF EASTPORT ROAD (A 66-FOOT PUBLIC RIGHT-OF-WAY, AS NOW ESTABLISHED); RUN THENCE N-10°23'56"W., ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 890.02 FEET TO A POINT ON SAID WESTERLY RIGHT-OF-WAY LINE; RUN THENCE S-79°36'04"W. A DISTANCE OF 508.51 FEET TO A POINT AT THE NORTHEASTERLY CORNER OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS VOLUME 6652, PAGES 2217-2228 OF THE CURRENT PUBLIC RECORDS OF SAID DUVAL COUNTY, FLORIDA; RUN THENCE ALONG THE NORTHERLY AND WESTERLY LINE OF SAID LANDS RECORDED IN OFFICIAL RECORDS VOLUME 6652, PAGES 2217 THRU 2228, THE FOLLOWING THREE COURSES AND DISTANCES: FIRST COURSE, S-67°49'32"W. A DISTANCE OF 316.23 FEET TO A POINT; SECOND COURSE, S-49°13'44"W. A DISTANCE OF 270.00 FEET TO A POINT; THIRD COURSE, S-40°46'16"E. A DISTANCE OF 644.88 FEET TO AN INTERSECTION WITH SAID WESTERLY PROLONGATION OF SAID NORTHERLY LINE OF SAID SECTION 22; RUN THENCE S-89°57'56"W., ALONG LAST SAID LINE, A DISTANCE OF 618.79 FEET TO A POINT; RUN THENCE N-40°49'39"W. A DISTANCE OF 128.34 FEET TO A POINT; RUN THENCE S-49°11'04"W. A DISTANCE OF 100.00 FEET TO A POINT; RUN THENCE N-40°49'39"W. A DISTANCE OF 275.00 FEET TO A POINT; RUN THENCE S-49°10'21"W. A DISTANCE OF 100.00 FEET TO A POINT; RUN THENCE S-40°49'39"E. A DISTANCE OF 230.77 FEET TO AN INTERSECTION WITH SAID WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SECTION 22 OF SAID SUBDIVISION; RUN THENCE S-89°57'56"W., ALONG LAST SAID LINE, A DISTANCE OF 134.73 FEET TO A POINT; RUN THENCE S-40°49'39"E. A DISTANCE OF 427.65 FEET TO A POINT; RUN THENCE S-03°45'19"W. A DISTANCE OF 74.96 FEET TO A POINT; RUN THENCE S-41°14'41"E. A DISTANCE OF 54.38 FEET TO A POINT; RUN THENCE S-49°09'38"W. A DISTANCE OF 42.00 FEET TO A POINT; RUN THENCE S-41°14'41"E. A DISTANCE OF 10.00 FEET TO A POINT; RUN THENCE S-49°09'38"W. A DISTANCE OF 269.67 FEET TO A POINT; RUN THENCE S-40°50'22"E. A DISTANCE OF 485.00 FEET TO A POINT; RUN THENCE S-49°09'38"W. A DISTANCE OF 155.00 FEET TO A POINT; RUN THENCE S-40°50'22"E. A DISTANCE OF 220.00 FEET TO A POINT; RUN THENCE S-49°09'38"W. A DISTANCE OF 15.00 FEET TO A POINT FOR POINT OF BEGINNING.

FROM THE POINT OF BEGINNING THUS DESCRIBED, RUN S-49°09'38"W. A DISTANCE OF 195.00 FEET TO A POINT; RUN THENCE S-40°50'22"E. A DISTANCE OF 188.96 FEET TO A POINT; RUN THENCE N-49°09'38"E. A DISTANCE OF 93.32 FEET TO A POINT ON A CURVE, CONCAVE SOUTHEASTERLY; RUN THENCE NORTHEASTERLY, ALONG AND AROUND THE ARC OF A CURVE, CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 118.15 FEET, AN ARC DISTANCE OF 105.15 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND N-50°21'58"E. A DISTANCE OF 101.71 FEET; RUN THENCE N-40°50'22"W. A DISTANCE OF 191.10 FEET TO THE POINT OF BEGINNING.



APPENDIX 1.1-B

MILL SITE DESCRIPTION

PARCEL A:

Portions of Sections 19, 22, 24, and Webb Place, Subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, according to Plat recorded in Plat Book 1, Pages 7 and 8, former Public Records of Jacksonville, Duval County, Florida, being more particularly described as follows:

For point of reference, commence at a concrete monument located at the point of intersection of the North line of said Section 22 of said Subdivision, with the East line of Webb Place of said Subdivision, said monument lying S-89°57'56"W. a distance of 1,325.83 feet from a concrete monument located at the Northeast corner of said Section 22; run thence S-89°57'56"W., along the Westerly prolongation of said Northerly line of Section 22, a distance of 578.30 feet to a point on the Westerly right of way line of Eastport Road (a 66-foot right of way, as now established); run thence N-10°23'56"W., along said Westerly right of way line, a distance of 3,231.34 feet to a point; run thence S-89°21'22"W., parallel with the Southerly right of way line of Kraft Road (a 60-foot right of way, as now established), a distance of 1,639.56 feet to a point; run thence S-2°51'06"E. a distance of 1,845.0 feet to a point for point of beginning.

From the point of beginning thus described, run N-2°51'06"W. a distance of 1,845.0 feet to a point; run thence N-89°21'22"E., parallel with said Southerly right of way line of Kraft Road, a distance of 1,639.56 feet to a point on said Westerly right of way line of Eastport Road; run thence S-10°23'56"E., along said Westerly right of way line, a distance of 4,796.00 feet to a concrete monument at the point of curvature; run thence in a Southeasterly direction, along the arc of a curve in the Southwesterly right of way line of said Eastport Road, said curve being concave to the Northeast and having a radius of 592.89 feet, an arc distance of 317.83 feet to a concrete monument at the point of tangency, the aforementioned arc having a chord bearing and distance of S-25°45'21"E., 314.04 feet; run thence S-41°06'46"E., along said Southwesterly right of way

line, a distance of 806.21 feet to a concrete monument; run thence in a Southwesterly direction, along the arc of a curve in said Westerly right of way line, not tangent to last described line, said curve being concave to the Northwest and having a radius of 113.24 feet, an arc distance of 201.17 feet to a concrete monument at the point of tangency, the aforementioned arc having a chord bearing and distance of S-22°59'46"W., 175.74 feet; run thence S-73°53'14"W., along the Northerly right of way line of said Eastport Road, a distance of 166.73 feet to a concrete monument at the intersection of said Northerly right of way line, with the Northerly right of way line of Hecksher Drive, as now established; run thence in a Westerly direction, along the arc of a curve in last mentioned Northerly right of way line, said curve not being tangent to last described line, said curve being concave to the South and having a radius of 766.78 feet, an arc distance of 387.82 feet to a concrete monument at a point on a second non-tangent curve, the aforementioned arc having a chord bearing and distance of S-72°37'12"W., 383.70 feet; run thence in a Southwesterly direction, along the arc of a curve in the Northwesterly right of way line of said Hecksher Drive, said curve being concave to the Southeast and having a radius of 483.06 feet, an arc distance of 275.68 feet to the point of tangency, the aforementioned arc having a chord bearing and distance of S-59°21'27"W., 271.95 feet; run thence S-43°00'30"W., along said Northwesterly right of way line, a distance of 129.62 feet to a point on the Southwesterly line of lands described in deed recorded in Official Records Volume 1344, Page 261, Public Records of said County; run thence N-56°55'00"W., along said Southwesterly line, a distance of 2,485.40 feet to the point of curvature; run thence in a Northwesterly direction, along the arc of a curve in said Southwesterly deed line, said curve being concave to the Northeast and having a radius of 1000.00 feet, an arc distance of 122.00 feet to the Westerly corner of said deed, the aforementioned arc having a chord bearing and distance of N-53°25'18"W., 121.92 feet; run thence in a Northerly direction, along the waters of the Broward River, following the meanderings of same, a distance of 3,150 feet, more or less, to a point which bears S-87°08'54"W. from the point of beginning; run thence N-87°08'54"E. a distance of 40 feet, more or less, to the point of beginning.

Parcel B:

Portions of Sections 18, 19, 22, 23, and Webb Place, Subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, according to plat recorded

in Plat Book 1, Pages 7 and 8, former Public Records of Jacksonville, Duval County, Florida, being more particularly described as follows:

For point of reference, commence at a concrete monument located at the point of intersection of the North line of said Section 22 of said Subdivision, with the East line of Webb Place of said Subdivision, said monument lying S-89°57'56"W. a distance of 1,325.83 feet from a concrete monument located at the Northeast corner of said Section 22; run thence N-89°57'56"E., along said North line, a distance of 1,325.83 feet to said concrete monument located at the Northeast corner of said Section 22; run thence S-76°37'10"W. a distance of 146.58 feet to a point for point of beginning.

From the point of beginning thus described, run N-00°24'12"W. a distance of 682.91 feet to a point; run thence N-53°56'47"E. a distance of 1,076.13 feet to a point; run thence S-60°07'28"E. a distance of 417.67 feet to a point; run thence S-36°36'37"E. a distance of 454.27 feet to a point; run thence S-43°25'48"W. a distance of 871.81 feet to a point; run thence S-35°36'59"E. a distance of 1,515.38 feet to a point; run thence S-54°38'17"W. a distance of 1,833.10 feet to a point lying on the Easterly prolongation of the Northerly line of lands described in Official Records Volume 365, Page 583, Public Records of said County; run thence S-89°57'39"W., along said Easterly prolongation and along said Northerly line, a distance of 742.41 feet to the Northwesterly corner of said lands; run thence S-0°02'21"E., along the Westerly line of said lands, a distance of 202.96 feet to the Easterly corner of lands described in Official Records Volume 3204, Page 401, Public Records of said County; run thence S-54°56'50"W., along the Southeasterly line of said lands, a distance of 210.95 feet to a point lying on the Northeasterly right of way line of Eastport Road (a 66-foot right of way, as now established); run thence N-41°06'46"W., along said Northeasterly right of way line, a distance of 200.02 feet to a point lying on the Northwesterly line of said lands described in Official Records Volume 3204, Page 401; run thence N-54°56'50"E., along said Northwesterly line, a distance of 211.16 feet to the Northerly corner thereof; run thence N-51°36'05"W. a distance of 346.25 feet to a point; run thence N-26°44'44"W. a distance of 905.69 feet to a point; run thence N-10°06'08"W. a distance of 778.33 feet to a point; run thence S-79°36'04"W., perpendicular to the Easterly right of way line of said Eastport Road, a distance of 200.85 feet to a point lying on said Easterly right of way

line; run thence N-10°23'56"W., along said Easterly right of way line, a distance of 434.92 feet to a point; run thence N-79°36'04"E., perpendicular to said Easterly right of way line, a distance of 418.59 feet to a point; run thence S-10°23'56"E., parallel to said Easterly right of way line, a distance of 432.27 feet to a point; run thence N-79°28'07"E. a distance of 751.68 feet to a point; run thence N-53°38'14"E. a distance of 226.55 feet to a point; run thence N-63°51'10"E. a distance of 297.92 feet to the point of beginning.

Less and except

A PORTION OF WEBB PLACE OF THE SUBDIVISION OF THE JOHN BROWARD GRANT, SECTION 46, TOWNSHIP 1 SOUTH, RANGE 27 EAST, JACKSONVILLE, DUVAL COUNTY, FLORIDA, AS RECORDED IN PLAT BOOK 1, PAGES 7 AND 8, OF THE FORMER PUBLIC RECORDS OF SAID DUVAL COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR POINT OF REFERENCE, COMMENCE AT A CONCRETE MONUMENT LOCATED AT THE POINT OF INTERSECTION OF THE NORTHERLY LINE OF SECTION 22 OF SAID SUBDIVISION (ALSO BEING THE SOUTHERLY LINE OF SECTION 19 OF SAID SUBDIVISION), WITH THE EASTERLY LINE OF SAID SUBDIVISION, SAID MONUMENT LYING SOUTH 89 DEGREES 57' 56" WEST, A DISTANCE OF 1,325.83 FEET FROM A CONCRETE MONUMENT LOCATED AT THE NORTHEASTERLY CORNER OF SAID SECTION 22; RUN THENCE SOUTH 89 DEGREES 57' 56" WEST, ALONG THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID SECTION 22, A DISTANCE OF 578.30 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF EASTPORT ROAD (A 66 FOOT PUBLIC RIGHT OF WAY AS NOW ESTABLISHED); RUN THENCE NORTH 10 DEGREES 23'56" WEST ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 890.02 FEET TO A POINT ON SAID WESTERLY RIGHT-OF-WAY LINE; RUN THENCE SOUTH 79 DEGREES 36' 04" WEST, A DISTANCE OF 508.51 FEET TO A POINT AT THE NORTHEASTERLY CORNER OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS VOLUME 6652, PAGES 2217-2228 OF THE CURRENT PUBLIC RECORDS OF SAID DUVAL COUNTY, FLORIDA, RUN THENCE ALONG THE NORTHERLY AND WESTERLY LINE OF SAID LANDS RECORDED IN OFFICIAL RECORDS VOLUME 6652, PAGES 2217 THRU 2228, THE FOLLOWING THREE COURSES AND DISTANCES: FIRST COURSE; SOUTH 67 DEGREES 49' 32" WEST, A DISTANCE OF 316.23 FEET TO A POINT; SECOND COURSE; SOUTH 49 DEGREES 13' 44" WEST, A DISTANCE OF 270.00 FEET TO A POINT; THIRD COURSE; SOUTH 40 DEGREES 46' 16" EAST, A DISTANCE OF 644.88 FEET TO AN INTERSECTION WITH SAID WESTERLY PROLONGATION OF SAID NORTHERLY LINE OF SAID SECTION 22; RUN THENCE SOUTH 89 DEGREES 57' 56" WEST, ALONG LAST SAID LINE A

DISTANCE OF 618.79 FEET TO A POINT; RUN THENCE NORTH 40 DEGREES 49'39" WEST A DISTANCE OF 128.34 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 11' 04" WEST, A DISTANCE OF 100.00 FEET TO A POINT; RUN THENCE NORTH 40 DEGREES 49'39" WEST A DISTANCE OF 275.00 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 10'21" WEST A DISTANCE OF 100 FEET TO A POINT; RUN THENCE SOUTH 40 DEGREES 49' 39" EAST, A DISTANCE OF 230.77 FEET TO AN INTERSECTION WITH SAID WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SECTION 22 OF SAID SUBDIVISION; RUN THENCE SOUTH 89 DEGREES 57' 56" WEST, ALONG LAST SAID LINE A DISTANCE OF 134.73 FEET TO THE POINT OF BEGINNING.

FROM THE POINT OF BEGINNING THUS DESCRIBED, RUN SOUTH 40 DEGREES 49' 39" EAST, A DISTANCE OF 427.65 FEET TO A POINT; RUN THENCE SOUTH 03 DEGREES 45' 19" WEST, A DISTANCE OF 74.96 FEET TO A POINT; RUN THENCE SOUTH 41 DEGREES 14' 41" EAST, A DISTANCE OF 54.38 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 42.00 FEET TO A POINT; RUN THENCE SOUTH 41 DEGREES 14' 41" EAST, A DISTANCE OF 10.00 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 269.67 FEET TO A POINT; RUN THENCE SOUTH 40 DEGREES 50' 22" EAST, A DISTANCE OF 485.00 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 155.00 FEET TO A POINT; RUN THENCE SOUTH 40 DEGREES 50' 22" EAST, A DISTANCE OF 220.00 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 210.00 FEET TO A POINT; RUN THENCE SOUTH 40 DEGREES 50' 22" EAST, A DISTANCE OF 188.96 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 175 FEET, MORE OR LESS, TO THE MEAN HIGH WATER LINE OF THE BROWARD RIVER; RUN THENCE IN A GENERAL NORTHWESTERLY AND NORTHEASTERLY DIRECTION, ALONG SAID MEAN HIGH WATER LINE, A DISTANCE OF 2,350 FEET, MORE OR LESS, TO AN INTERSECTION WITH SAID WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SECTION 22 OF SAID SUBDIVISION, SAID POINT LYING SOUTH 89 DEGREES 57' 56" WEST, A DISTANCE OF 395 FEET, MORE OR LESS, FROM THE POINT OF BEGINNING; RUN THENCE NORTH 89 DEGREES 57' 56" EAST, ALONG AFOREMENTIONED LINE, A DISTANCE OF 395 FEET, MORE OR LESS TO THE POINT OF BEGINNING.

and

A PORTION OF WEBB PLACE OF THE SUBDIVISION OF THE JOHN BROWARD GRANT, SECTION 46, TOWNSHIP 1 SOUTH, RANGE 27 EAST, JACKSONVILLE, DUVAL COUNTY, FLORIDA, AS RECORDED IN PLAT BOOK 1, PAGES 7 AND 8, OF THE FORMER PUBLIC RECORDS OF SAID DUVAL COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

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FROM THE POINT OF BEGINNING THUS DESCRIBED, RUN S-49°09'38"W. A DISTANCE OF 195.00 FEET TO A POINT; RUN THENCE S-40°50'22"E. A DISTANCE OF 188.96 FEET TO A POINT;

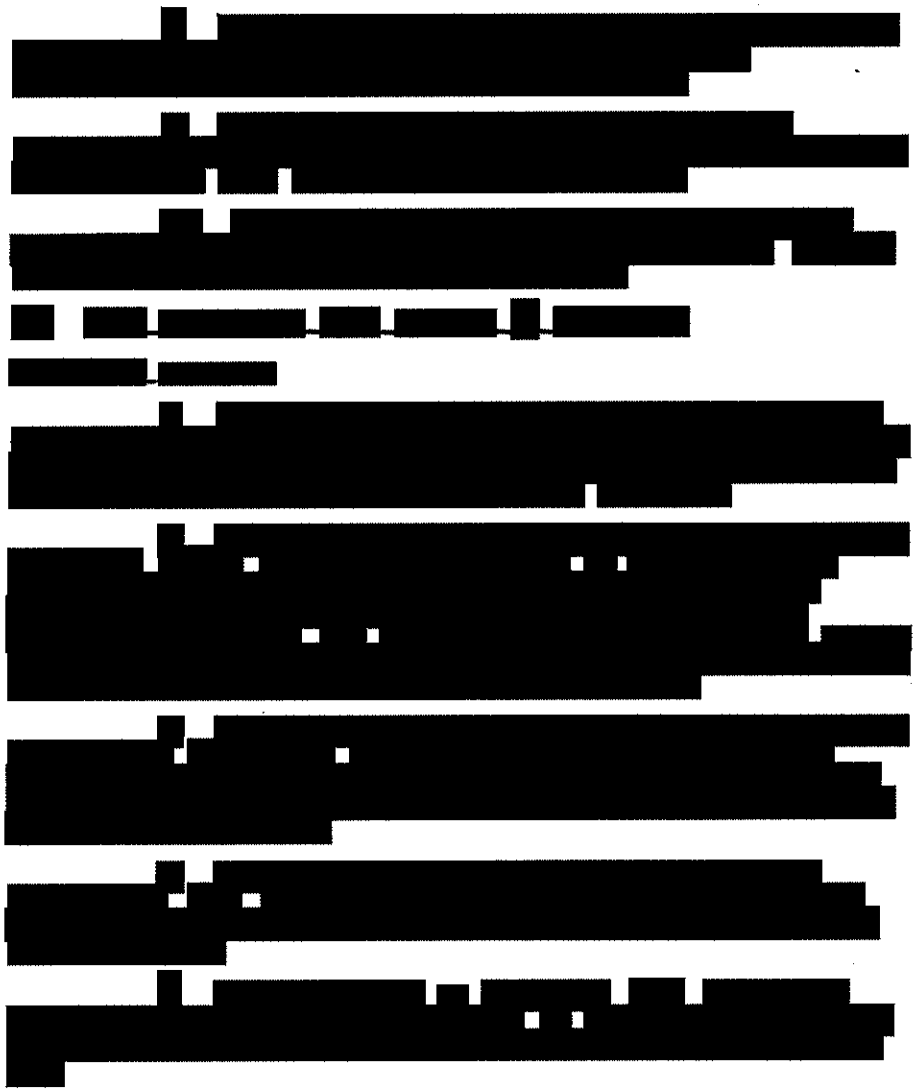
RUN THENCE N-49°09'38"E. A DISTANCE OF 93.32 FEET TO A POINT ON A CURVE, CONCAVE SOUTHEASTERLY; RUN THENCE NORTHEASTERLY, ALONG AND AROUND THE ARC OF A CURVE, CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 118.15 FEET, AN ARC DISTANCE OF 105.15 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND N-50°21'58"E. A DISTANCE OF 101.71 FEET; RUN THENCE N-40°50'22"W. A DISTANCE OF 191.10 FEET TO THE POINT OF BEGINNING.

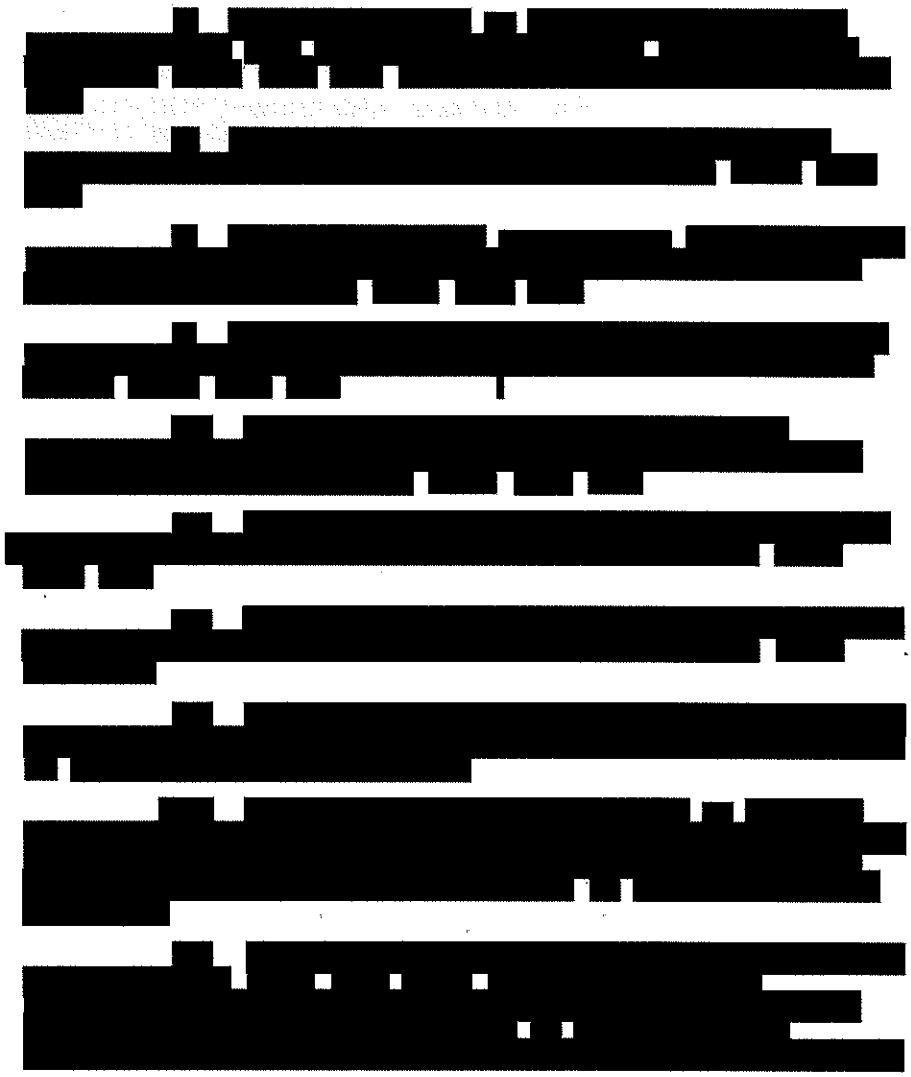
CHARACTERISTICS OF LIME SOFTENED WATER

The water supplied pursuant to Section 3.1 shall be from Seminole Kraft's deep-well system or such other source as shall be reasonably satisfactory to AES-CB and shall be processed through the Mill's present lime softening system, or any replacement system which may be installed in the future, and such processed water shall have the characteristics described below:

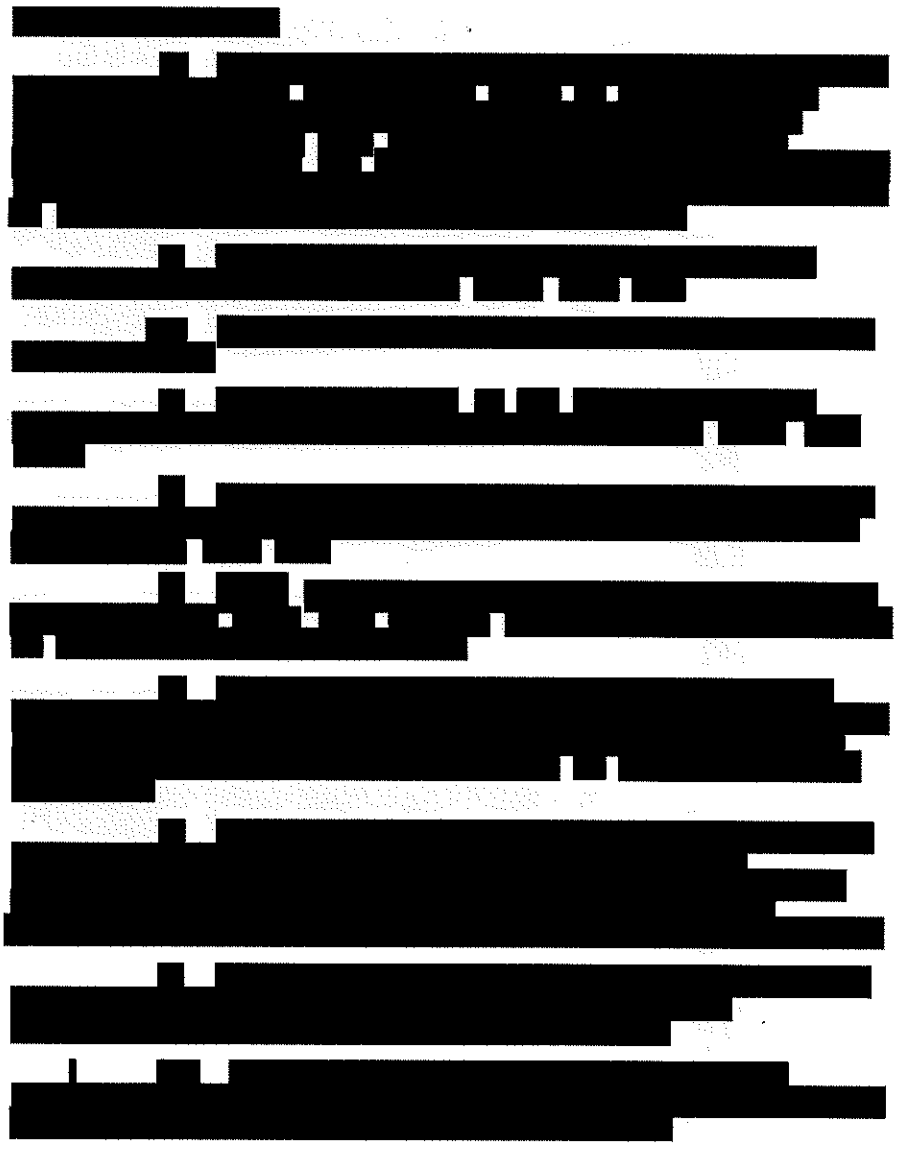
	24 Hour Average Concentration
Calcium and Magnesium as $CaCO_3$	145-165 ppm
M - Alkalinity as $CaCO_3$	30-40 ppm
Silica as SiO_2	15-24 ppm

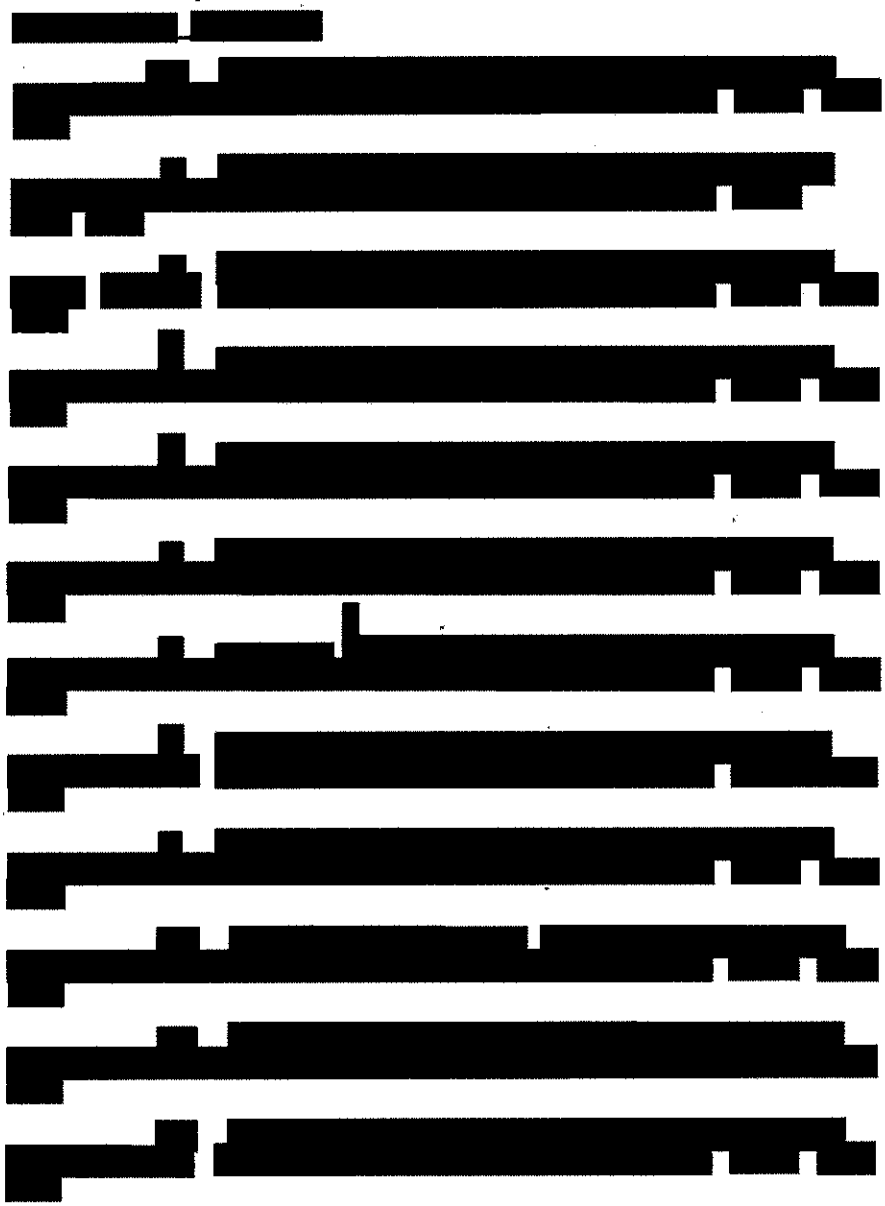
[redacted]

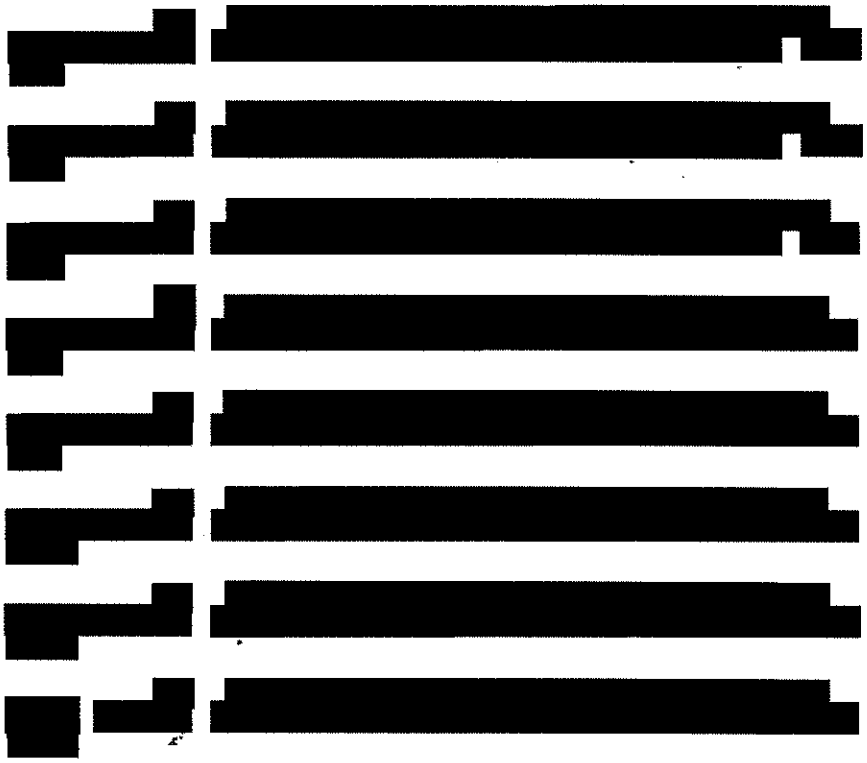












APPENDIX 3.1(a)(1)

DESCRIPTION OF EASEMENTS

1. WATER LINES:

An easement for the installation, maintenance, repair, replacement and use by Ground Lessee of water lines, whether above, below or upon ground, a pump station and a lift station, servicing the Facility with water used for cooling, processing, boiler feedwater make-up and all other water necessary in the operation and maintenance of the Facility, with said water lines, pump station and lift station to be located as described in Schedule C.1 hereof, which easement is granted (i) for and in consideration of the rental herein provided and (ii) for, and subject to, the term of this Ground Lease with respect to the Facility Site.

2. LIME MUD STORAGE PARCEL:

An easement for the relocation, disposal and storage of lime mud suitable (including, without limitation, licensed, or with all necessary approvals, if any, of governmental authorities having jurisdiction) under Applicable Laws for disposal of the lime mud specified in Section 3.4(a)(ii) hereof as described in Section C.2 hereof, which easement is granted (i) for and in consideration of the rental herein provided, and (ii) for and subject to the term of this Ground Lease with respect to the Facility Site.

3. Intentionally Deleted.

4. INGRESS, EGRESS AND REGRESS:

An easement for all purposes of ingress, egress and regress for pedestrian traffic and the movement of vehicles and rail cars over, upon and across those certain roads and railways as described in Schedule C.4 hereof, and said easement with respect to said roads shall be for the use in common of the Parties, and their agents, employees, tenants and business invitees, which easement is granted (i) for and in consideration of the rental herein provided, and (ii) for and subject to the term of this Ground Lease with respect to the Facility Site.

The Parties covenant that they will neither obstruct said easement areas nor authorize the same to be obstructed by any means whatsoever, including but not limited to the parking of a vehicle or vehicles thereon.

5. CONSTRUCTION LAYDOWN AREA:

An easement for accessory parking and storage facilities, to be located at such location as described on Schedule C.5-A hereof for construction equipment, machinery and parts adjacent to the Facility Site as may be reasonably necessary for Ground Lessee and Ground Lessee's contractor in connection with construction of the Facility, and their employees, laborers, subcontractors and assigns in conjunction with the proper execution and performance under the terms of the Construction Contract, which easement is granted (i) for and in consideration of the rental herein provided, and (ii) for a term (if not sooner terminated in accordance with the provisions of the Ground Lease pertaining to the Facility Site) ending on the date of Initial Commercial Operation.

6. POWER LINES:

An easement for the installation, maintenance, repair, replacement and use by Ground Lessee of power lines and electrical utility services in a manner consistent with generally accepted utility practices, together with such surface and air rights as are reasonable and necessary for ingress, egress and regress to and from the Facility for such purpose, with said lines and services to be located as described in Schedule C.6 hereof, which easement is granted (i) for and in consideration of the rental herein provided, and (ii) for and subject to the term of this Ground Lease with respect to the Facility Site.

7. SIGNAGE:

An easement for use by Ground Lessee upon and over the Mill Site for purposes of erecting a sign or signs displaying Ground Lessee's and its tenants or assignees names or symbols, which signs shall be located, installed and maintained in the manner designated by Ground Lessee at the location reasonably designated by Ground Lessor as described in Schedule C.7 hereof and the design of which shall be subject to Ground Lessor's approval, which approval shall not be unreasonably withheld, which easement is granted (i) for and in consideration of the rental herein provided,

and (ii) for and subject to the term of this Ground Lease with respect to the Facility Site.

8. STEAM AND CONDENSATE LINES:

An easement for the installation, maintenance, repair, replacement and use of steam and condensate lines, whether above, below or upon ground, together with such surface, subsurface and air rights as are reasonable and necessary for ingress, egress and regress to and from the Facility for such purpose, with said lines to be located as described in Schedule C.8 hereof, which easement is granted (i) for and in consideration of the rental herein provided, and (ii) for a term (if not sooner terminated in accordance with the provisions of the Ground Lease pertaining to the Facility Site) ending on the date of Initial Commercial Operation. Ground Lessor further covenants to grant additional steam and condensate line easements and rights-of-way which may be necessary or desirable to the Ground Lessee for the proper and efficient operation of the Facility and the transmission of steam produced therefrom and condensate returned thereto, whether to or from Ground Lessor or any other customer/supplier of such steam and condensate; provided that any such additional easements and rights-of-way shall not unreasonably interfere with Ground Lessor's then current or planned and likely future use, enjoyment and operation of the Mill and shall be maintained in a condition comparable to those maintained by Ground Lessor which easements are granted (a) for and in consideration of the rental herein provided, and (b) for and subject to the term of this Ground Lease with respect to the Facility Site.

Specific legal descriptions to be determined in accordance with the provisions relating to Additional Easements as set forth in Section 3.1(b) hereof.

9. TELEPHONE LINES:

An easement for the installation, maintenance, repair, replacement and use by the Ground Lessee of the telephone lines and service to be located as shown in Schedule C.9 hereof, together with such surface, subsurface and air rights as may be reasonable and necessary therefor, which easement is granted (i) for and in consideration of the rental herein provided, and (ii) for and subject to the term of this Ground Lease with respect to the Facility Site.

10. INTENTIONALLY DELETED.

11. ALL UTILITIES:

An easement for the installation, maintenance, repair, replacement and use of all Utilities together with such surface and air rights as are reasonable and necessary for ingress, egress and regress to and from the Facility for such purposes, with said Utilities to be located as described on Schedule C.11 hereof, which easement is granted (i) for and in consideration of the rental herein provided, and (ii) for and subject to the term of this Ground Lease with respect to the Facility Site.

Specific legal descriptions to be determined in accordance with the provisions relating to Additional Easements as set forth in Section 3.1(b) hereof.

12. CAUSEWAY EASEMENT:

An easement for the construction, operation and maintenance of railroad facilities (including rails, ties, tracks, ballast, signals, switches and related equipment) over, upon and across a portion of the Mill Site as more particularly described in Schedule C.12 hereof, which easement is granted (i) for and in consideration of the rental provided herein, and (ii) for and subject to the term of this Ground Lease with respect to the Facility Site.

13. SOUTH RAILROAD EASEMENT:

An easement for the construction, operation and maintenance of railroad facilities (including rails, ties, tracks, ballast, signals, switches and related equipment) over, upon and across a portion of the Mill Site as more particularly described in Schedule C.13 hereof, which easement is granted (i) for and in consideration of the rental provided herein, and (ii) for and in subject to the term of this Ground Lease with respect to the Facility Site.

SCHEDULE C.1
Water Lines

South Railroad Easement

A PORTION OF WEBB PLACE OF THE SUBDIVISION OF THE JOHN BROWARD GRANT, SECTION 46, TOWNSHIP 1 SOUTH, RANGE 27 EAST, JACKSONVILLE, DUVAL COUNTY, FLORIDA AS RECORDED IN PLAT BOOK 1, PAGES 7 AND 8, OF THE FORMER PUBLIC RECORDS OF SAID DUVAL COUNTY, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR POINT OF REFERENCE, COMMENCE AT A CONCRETE MONUMENT LOCATED AT THE POINT OF INTERSECTION OF THE NORTHERLY LINE OF SECTION 22 OF SAID SUBDIVISION (ALSO BEING THE SOUTHERLY LINE OF SECTION 19 OF SAID SUBDIVISION), WITH THE EASTERLY LINE OF SAID SUBDIVISION, SAID MONUMENT LYING SOUTH 89 DEGREES 57' 56" WEST, A DISTANCE OF 1,325.83 FEET FROM A CONCRETE MONUMENT LOCATED AT THE NORTHEASTERLY CORNER OF SAID SECTION 22; RUN THENCE SOUTH 89 DEGREES 57' 56" WEST, ALONG THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID SECTION 22, A DISTANCE OF 578.30 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF EASTPORT ROAD (A 66-FOOT PUBLIC RIGHT-OF-WAY, AS NOW ESTABLISHED); RUN THENCE NORTH 10 DEGREES 23' 56" WEST, ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 890.02 FEET TO A POINT ON SAID WESTERLY RIGHT-OF-WAY LINE; RUN THENCE SOUTH 79 DEGREES 36' 04" WEST, A DISTANCE OF 508.51 FEET TO A POINT AT THE NORTHEASTERLY CORNER OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS VOLUME 6652, PAGES 2217-2228 OF THE CURRENT PUBLIC RECORDS OF SAID DUVAL COUNTY, FLORIDA; RUN THENCE ALONG THE NORTHERLY AND WESTERLY LINE OF SAID LANDS RECORDED IN OFFICIAL RECORDS VOLUME 6652, PAGES 2217 THRU 2228, THE FOLLOWING THREE COURSES AND DISTANCES: FIRST COURSE: SOUTH 67 DEGREES 49' 32" WEST, A DISTANCE OF 316.23 FEET TO A POINT; SECOND COURSE: SOUTH 49 DEGREES 13' 44" WEST, A DISTANCE OF 270.00 FEET TO A POINT, THIRD COURSE: SOUTH 40 DEGREES 46' 16" EAST, A DISTANCE OF 644.88 FEET TO AN INTERSECTION WITH SAID WESTERLY PROLONGATION OF SAID NORTHERLY LINE OF SAID SECTION 22; RUN THENCE SOUTH 89 DEGREES 57' 56" WEST, ALONG LAST SAID LINE, A DISTANCE OF 618.79 FEET TO A POINT; RUN THENCE NORTH 40 DEGREES 49' 39"

WEST, A DISTANCE OF 128.34 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 11' 04" WEST, A DISTANCE OF 100.00 FEET TO A POINT; RUN THENCE NORTH 40 DEGREES 49' 39" WEST, A DISTANCE OF 275.00 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 10'21" WEST, A DISTANCE OF 100.00 FEET TO A POINT; RUN THENCE SOUTH 40 DEGREES 49' 39" EAST, A DISTANCE OF 230.77 FEET TO AN INTERSECTION WITH SAID WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SECTION 22 OF SAID SUBDIVISION; RUN THENCE SOUTH 89 DEGREES 57' 56" WEST, ALONG LAST SAID LINE, A DISTANCE OF 134.73 FEET; RUN SOUTH 40 DEGREES 49' 39" EAST, A DISTANCE OF 427.65 FEET TO A POINT; RUN THENCE SOUTH 03 DEGREES 45' 19" WEST, A DISTANCE OF 74.96 FEET TO A POINT; RUN THENCE SOUTH 41 DEGREES 14' 41" EAST, A DISTANCE OF 54.38 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 42.00 FEET TO A POINT; RUN THENCE SOUTH 41 DEGREES 14' 41" EAST, A DISTANCE OF 10.00 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 09' 38" WEST A DISTANCE OF 269.67 FEET TO A POINT; RUN THENCE SOUTH 40 DEGREES 50' 22" EAST, A DISTANCE OF 485.00 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 155.00 FEET TO A POINT; RUN THENCE SOUTH 40 DEGREES 50' 22" EAST, A DISTANCE OF 220.00 FEET TO A POINT RUN THENCE SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 210.00 FEET TO A POINT; RUN THENCE SOUTH 40 DEGREES 50' 22" EAST, A DISTANCE OF 188.96 FEET TO A POINT FOR POINT OF BEGINNING.

FROM THE POINT OF BEGINNING THUS DESCRIBED, RUN SOUTH 54 DEGREES 16' 48" EAST, A DISTANCE OF 103.22 FEET TO A POINT ON A CURVE LEADING SOUTHEASTERLY; RUN THENCE SOUTHEASTERLY, ALONG AND AROUND THE ARC OF A CURVE, CONCAVE EASTERLY AND HAVING A RADIUS OF 118.15 FEET, AN ARC DISTANCE OF 70.04 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 54 DEGREES 16' 48" EAST, 69.02 FEET; RUN THENCE SOUTH 54 DEGREES 16' 48" EAST, A DISTANCE OF 564.62 FEET TO A POINT; RUN THENCE SOUTH 33 DEGREES 14' 16" WEST, A DISTANCE OF 125 FEET, MORE OR LESS, TO THE MEAN HIGH WATERLINE OF THE BROWARD RIVER; RUN THENCE ALONG LAST SAID LINE IN A GENERAL NORTHWESTERLY, WESTERLY AND EASTERLY DIRECTION, A DISTANCE OF 1,530 FEET, MORE OR LESS, TO A POINT WHICH LIES SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 175 FEET, MORE OR LESS, FROM THE POINT OF BEGINNING; RUN THENCE NORTH 49 DEGREES 09' 38" EAST, A DISTANCE OF 175 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

Transmission Right-Of-Way Easement

A portion of Section 19 and Webb Place of the Subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as

recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For point of reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said Subdivision, (also being the Southerly line of Section 19 of said Subdivision), with the Easterly line of said Subdivision, said monument lying S-89°57'56"W. a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence S-89°57'56"W., along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right-of-way line of Eastport Road (a 66-foot public right-of-way, as now established); run thence N-10°23'56"W., along said Westerly right-of-way line, a distance of 1,341.87 feet to the point of beginning.

From the point of beginning thus described, run S-59°21'07"W. a distance of 1,959.89 feet; run thence N-40°49'39"W. a distance of 53.60 feet; run thence S-87°08'54"W. a distance of 155 feet, more or less, to the mean high water line of the Broward River; run thence in a general Southerly direction, along said mean high water line of the Broward River, a distance of 360 feet, more or less, to an intersection with said Westerly prolongation of the Northerly line of said Section 22, of the Subdivision of the John Broward Grant; run thence N-89°57'56"E., along last said line (also being the Northerly line of those lands known as the Cogeneration Plant Site), a distance of 395 feet, more or less, to the Easterly line of said lands known as the Cogeneration Plant Site; run thence along last said line, the following courses: first course, S-40°49'39"E. a distance of 427.65 feet; second course, S-03°45'19"W. a distance of 74.96 feet; third course, S-41°14'41"E. a distance of 54.38 feet; fourth course, S-49°09'38"W. a distance of 42.00 feet; fifth course, S-41°14'41"E. a distance of 10.00 feet; sixth course, S-49°09'38"W. a distance of 269.67 feet; seventh course, S-40°50'22"E. a distance of 150.00 feet; run thence N-12°28'54"W. a distance of 125.00 feet to a point which lies 40.0 feet, when measured perpendicular to the line of those lands known as the Cogeneration Plant Site; run thence N-49°09'38"E., parallel to last said line, a distance of 233.19 feet; run thence N-03°45'19"E. a distance of 172.7[illegible] feet to a point which lies 50.0 feet when measured perpendicular to said Easterly line of the lands known as the Cogeneration Plant site; run thence N-40°49'39"W., parallel to last said line, a distance of 605.14 feet; run thence

N-49°10'21"E. a distance of 127.00 feet; run thence S-40°49'39"E. a distance of 300.00 feet; run thence N-49°11'04"E. a distance of 50.00 feet; run thence N-40°49'39"W. a distance of 300.00 feet; run thence N-49°10'21"E. a distance of 196.55 feet; run thence N-59°21'07"E. a distance of 683.87 feet; run thence N-79°36'04"E. a distance of 791.45 feet to an intersection with said Westerly right-of-way line of Eastport Road; run thence N-10°23'56"W., along last said line, a distance of 40.00 feet; run thence S-79°36'04"W. a distance of 479.92 feet; run thence N-05°09'16"W. a distance of 122.19 feet; run thence N-59°21'07"E. a distance of 499.62 feet to an intersection with said Westerly right-of-way line of Eastport Road; run thence N-10°23'56"W., along last said line, a distance of 117.25 feet to the point of beginning.

Pump Station Easement

A portion of Webb Place of the Subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida and being more particularly described as follows:

For point of reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said Subdivision, (also being the Southerly line of Section 19 of said Subdivision), with the Easterly line of said Subdivision, said monument lying S-89°57'56"W. a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence S-89°57'56"W., along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right-of-way line of Eastport Road (a 66-foot public right-of-way, as now established); run thence N-10°23'56"W., along said Westerly right-of-way line, a distance of 890.02 feet to a point on said Westerly right-of-way line; run thence S-79°36'04"W. a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217-2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Offical Records Volume 6652, Pages 2217 thru 2228, the following three courses and distances: first course, S-67°49'32"W. a distance of 316.23 feet to a point; second course, S-49°13'44"W. a distance of 270.00 feet to a point; third course, S-40°46'16"E. a distance of 644.88 feet

to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence S-89°57'56"W., along last said line, a distance of 618.79 feet to a point, run thence N-40°49'39"W. a distance of 128.34 feet to a point; run thence S-49°11'04"W. a distance of 100.00 feet to a point; run thence N-40°49'39"W. a distance of 275.00 feet to a point; run thence S-49°10'21"W. a distance of 100.00 feet to a point; run thence S-40°49'39"E. a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said Subdivision; run thence S-89°57'56"W., along last said line a distance of 134.73 feet; run S-40°49'39"E. a distance of 427.65 feet to a point; run thence S-03°45'19"W. a distance of 74.96 feet to a point; run thence S-41°14'41"E. a distance of 54.38 feet to a point; run thence S-49°09'38"W. a distance of 42.00 feet to a point; run thence S-41°14'41"E. a distance of 10.00 feet to a point; run thence S-49°09'38"W. a distance of 269.67 feet to a point; run thence S-40°50'22"E. a distance of 485.00 feet to a point; run thence S-49°09'38"W. a distance of 155.00 feet to a point; run thence S-40°50'22"E. a distance of 220.00 feet to a point; run thence S-49°09'38"W. a distance of 210.00 feet to a point; run thence S-40°50'22"E. a distance of 188.96 feet to a point; run thence S-54°16'48"E. a distance of 103.22 feet to a point on the arc of a curve, leading Southeasterly; run thence Southeasterly, along and around the arc of a curve, concave Easterly and having a radius of 118.15 feet, an arc distance of 70.04 feet, said arc being subtended by a chord bearing and distance of S-54°16'48"E., 69.02 feet; run thence S-54°16'48"E. a distance of 564.62 feet to the point of beginning.

From the point of beginning thus described, run N-54°16'48"W. a distance of 48.28 feet to a point; run thence N-46°03'56"E. a distance of 75.72 feet to a point; run thence S-43°56'04"E. a distance of 105.22 feet to a point; run thence S-33°14'16"W., 160 feet, more or less, to the mean high water line of the Broward River (formerly known as Cedar Creek); run thence, in a general Northwesterly direction, along last said line, a distance of 80 feet, more or less, to a point which bears S-33°14'16"W., 125 feet, more or less, from the point of beginning; run thence N-33°14'16"E. a distance of 125 feet, more or less, to the point of beginning.

Pipeline Easement

A PORTION OF WEBB PLACE OF THE SUBDIVISION OF THE JOHN BROWARD GRANT, SECTION 46, TOWNSHIP 1 SOUTH, RANGE 27 EAST, JACKSONVILLE, DUVAL COUNTY, FLORIDA, AS RECORDED IN

PLAT BOOK 1, PAGES 7 and 8, OF THE FORMER PUBLIC RECORDS OF SAID DUVAL COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR POINT OF REFERENCE, COMMENCE AT A CONCRETE MONUMENT LOCATED AT THE POINT OF INTERSECTION OF THE NORTHERLY LINE OF SECTION 22 OF SAID SUBDIVISION, (ALSO BEING THE SOUTHERLY LINE OF SECTION 19 OF SAID SUBDIVISION), WITH THE EASTERLY LINE OF SAID SUBDIVISION, SAID MONUMENT LYING S-89°57'56"W. A DISTANCE OF 1,325.83 FEET FROM A CONCRETE MONUMENT LOCATED AT THE NORTHEASTERLY CORNER OF SAID SECTION 22; RUN THENCE S-89°57'56"W., ALONG THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID SECTION 22, A DISTANCE OF 578.30 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF EASTPORT ROAD (A 66-FOOT PUBLIC RIGHT-OF-WAY, AS NOW ESTABLISHED); RUN THENCE N-10°23'56"W., ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 890.02 FEET TO A POINT ON SAID WESTERLY RIGHT-OF-WAY LINE; RUN THENCE S-79°36'04"W. A DISTANCE OF 508.51 FEET TO A POINT AT THE NORTHEASTERLY CORNER OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS VOLUME 6652, PAGES 2217-2228 OF THE CURRENT PUBLIC RECORDS OF SAID DUVAL COUNTY, FLORIDA, RUN THENCE ALONG THE NORTHERLY AND WESTERLY LINE OF SAID LANDS RECORDED IN OFFICIAL RECORDS VOLUME 6652, PAGES 2217 THRU 2228, THE FOLLOWING THREE COURSES AND DISTANCES: FIRST COURSE, S-67°49'32"W. A DISTANCE OF 316.23 FEET TO A POINT; SECOND COURSE, S-49°13'44"W. A DISTANCE OF 270.00 FEET TO A POINT; THIRD COURSE, S-40°46'16"E. A DISTANCE OF 644.88 FEET TO AN INTERSECTION WITH SAID WESTERLY PROLONGATION OF SAID NORTHERLY LINE OF SAID SECTION 22; RUN THENCE S-89°57'56"W., ALONG LAST SAID LINE, A DISTANCE OF 618.79 FEET TO A POINT RUN THENCE N-40°49'39"W. A DISTANCE OF 128.34 FEET TO A POINT; RUN THENCE S-49°11'04"W. A DISTANCE OF 100.00 FEET TO A POINT; RUN THENCE N-40°49'39"W. A DISTANCE OF 275.00 FEET TO A POINT; RUN THENCE S-49°10'21"W. A DISTANCE OF 100.00 FEET TO A POINT; RUN THENCE S-40°49'39"E. A DISTANCE OF 230.77 FEET TO AN INTERSECTION WITH SAID WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SECTION 22 OF SAID SUBDIVISION; RUN THENCE S-89°57'56"W., ALONG LAST SAID LINE. A DISTANCE OF 134.73 FEET; RUN S 40°49'39"E. A DISTANCE OF 427.65 FEET TO A POINT; RUN THENCE S 03°45'19"W. A DISTANCE OF 74.96 FEET TO A POINT; RUN THENCE S-41°14'41"E. A DISTANCE OF 54.38 FEET TO A POINT; RUN THENCE S-49°09'38"W. A DISTANCE OF 42.00 FEET TO A POINT; RUN THENCE S-41°14'41"E. A DISTANCE OF 10.00 FEET TO A POINT; RUN THENCE S-49°09'38"W. A DISTANCE OF 269.67 FEET TO A POINT; RUN THENCE S-40°50'22"E. A DISTANCE OF 485.00 FEET TO A POINT; RUN THENCE S-49°09'38"W. A DISTANCE OF 155.00 FEET TO A POINT; RUN THENCE

S-40°50'22"E. A DISTANCE OF 220.00 FEET TO A POINT; RUN THENCE S-49°09'38"W. A DISTANCE OF 210.00 FEET TO A POINT; RUN THENCE S-40°50'22"E. A DISTANCE OF 188.96 FEET TO A POINT; RUN THENCE S-54°16'48"E. A DISTANCE OF 103.22 FEET TO A POINT ON THE ARC OF A CURVE, LEADING SOUTHEASTERLY; RUN THENCE SOUTHEASTERLY, ALONG AND AROUND THE ARC OF A CURVE, CONCAVE EASTERLY AND HAVING A RADIUS OF 118.15 FEET, AN ARC DISTANCE OF 70.04 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF S-54°16'48"E., 69.02 FEET; RUN THENCE S-54°16'48"E. A DISTANCE OF 516.34 FEET TO A POINT; RUN THENCE N-46°03'56"E. A DISTANCE OF 75.72 FEET TO A POINT; RUN THENCE S-43°56'04"E. A DISTANCE OF 105.22 FEET TO A POINT; RUN THENCE S-33°14'16"W. A DISTANCE OF 5.06 FEET TO A POINT FOR POINT OF BEGINNING.

FROM THE POINT OF BEGINNING THUS DESCRIBED, CONTINUE S-33°14'16"W. A DISTANCE OF 40.05 FEET TO A POINT; RUN THENCE S-53°57'14"E. A DISTANCE OF 87.85 FEET TO A POINT; RUN THENCE N-85°18'30"E. A DISTANCE OF 219.06 FEET TO A POINT OF CURVATURE OF A CURVE, LEADING SOUTHEASTERLY; RUN THENCE SOUTHEASTERLY, ALONG AND AROUND THE ARC OF A CURVE, CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 569.94 FEET, AN ARC DISTANCE OF 471.19 FEET TO THE POINT OF TANGENCY OF SAID CURVE, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF S-71°00'27"E., 457.89 FEET; RUN THENCE S-47°19'24"E., ALONG SAID TANGENCY, A DISTANCE OF 206.72 FEET TO THE POINT OF CURVATURE, LEADING SOUTHERLY; RUN THENCE SOUTHERLY, ALONG AND AROUND THE ARC OF A CURVE, CONCAVE WESTERLY AND HAVING A RADIUS OF 150.00 FEET, AN ARC DISTANCE OF 117.81 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE, LEADING SOUTHERLY; SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF S-24°49'24"E., 114.81 FEET; RUN THENCE SOUTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, AN ARC DISTANCE OF 209.63 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF S-18°24'04"E., 206.89 FEET; RUN THENCE N-55°31'17"E., 179.60 FEET TO A POINT; RUN THENCE N-34°28'43"W. A DISTANCE OF 12.50 FEET TO A POINT; RUN THENCE N-55°31'17"E. A DISTANCE OF 6.26 FEET TO A POINT; RUN THENCE N-47°19'24"W. A DISTANCE OF 790.54 FEET TO A POINT; RUN THENCE S-85°18'30"W. A DISTANCE OF 471.75 FEET TO A POINT; RUN THENCE N-53°57'14"W. A DISTANCE OF 74.96 FEET TO THE POINT OF BEGINNING.

Pipeline Easement Number 2

A portion of Webb Place of the Subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in

Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For point of reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said Subdivision (also being the Southerly line of Section 19 of said Subdivision), with the Easterly line of said Subdivision, said monument lying S-89°57'56"W. a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence S-89°57'56"W., along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right-of-way line of Eastport Road (a 66-foot public right-of-way, as now established); run thence N-10°23'56"W., along said Westerly right-of-way line, a distance of 890.02 feet to a point on said Westerly right-of-way line; run thence S-79°36'04"W. a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217-2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217 thru 2228, the following three courses and distances; first course, S-67°49'32"W. a distance of 316.23 feet to a point; second course, S-49°13'44"W. a distance of 270.00 feet to a point; third course, S-40°46'16"E. a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence S-89°57'56"W., along last said line, a distance of 618.79 feet to a point run thence N-40°49'39"W. a distance of 128.34 feet to a point; run thence S-49°11'04"W. a distance of 100.00 feet to a point; run thence N-40°49'39"W. a distance of 275.00 feet to a point; run thence S-49°10'21"W. a distance of 100.00 feet to a point; run thence S-40°49'39"E. a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said Subdivision; run thence S-89°57'56"W., along last said line, a distance of 134.73 feet to a point; run thence S-40°49'39"E. a distance of 427.65 feet to a point; run thence S-03°45'19"W. a distance of 74.96 feet to a point; run thence S-41°14'41"E. a distance of 54.38 feet to a point; run thence S-49°09'38"W. a distance of 42.00 feet to a point; run thence S-41°14'41"E. a distance of 10.00 feet to a point; run thence S-49°09'38"W. a distance of 269.67 feet to a point; run thence S-40°50'22"E. a distance of 485.00 feet to a point; run thence S-49°09'38"W. a distance of 135.00 feet to a point for point of beginning.

From the point of beginning thus described, run S-49°09'38"W. a distance of 20.00 feet to a point; run thence S-40°50'22"E. a distance of 322.59 feet to a point; run thence S-49°25'03"W. a distance of 26.97 feet to a point; run thence S-40°34'57"E. a distance of 70.00 feet to a point; run thence N-49°25'07"E. a distance of 95.00 feet to a point; run thence S-40°34'57"E. a distance of 463.42 feet to a point; run thence S-21°23'12"E. a distance of 233.68 feet to a point; run thence N-46°03'56"E. a distance of 37.90 feet to a point; run thence S-43°56'04"E. a distance of 91.28 feet to a point; run thence N-21°23'12"W. a distance of 254.46 feet to a point; run thence N-40°34'57"W. a distance of 602.70 feet to a point; run thence S-49°25'03"W. a distance of 98.03 feet to a point; run thence N-40°50'22"W. a distance of 322.68 feet to the point of beginning.

Lift Station Easement

A portion of Webb Place of the Subdivision of the John Broward Grant, Section 46, Township 1 South Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For point of reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said Subdivision, (also being the Southerly line of Section 19 of said Subdivision), with the Easterly line of said Subdivision, said monument lying S-89°57'56"W. a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence S-89°57'56"W., along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right-of-way line of Eastport Road (a 66-foot public right-of-way, as now established); run thence N-10°23'56"W., along said Westerly right-of-way line, a distance of 890.02 feet to a point on said Westerly right-of-way line; run thence S-79°36'04"W. a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217-2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217 thru 2228, the following three courses and distances: first course, S-67°49'32"W. a distance of 316.23 feet to a point; second

course, S-49°13'44"W. a distance of 270.00 feet to a point; third course, S-40°46'16"E. a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence S-89°57'56"W., along last said line, a distance of 618.79 feet to a point run thence N-40°49'39"W. a distance of 128.34 feet to a point; run thence S-49°11'04"W. a distance of 100.00 feet to a point; run thence N-40°49'39"W. a distance of 275.00 feet to a point; run thence S-49°10'21"W. a distance of 100.00 feet to a point; run thence S-40°49'39"E. a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said Subdivision; run thence S-89°57'56"W., along last said line, a distance of 134.73 feet; run S-40°49'39"E. a distance of 427.65 feet to a point; run thence S-03°45'19"W. a distance of 74.96 feet to a point; run thence S-41°14'41"E. a distance of 54.38 feet to a point; run thence S-49°09'38"W. a distance of 42.00 feet to a point; run thence S-41°14'41"E. a distance of 10.00 feet to a point; run thence S-49°09'38"W. a distance of 269.67 feet to a point; run thence S-40°50'22"E. a distance of 485.00 feet to a point; run thence S-49°09'38"W. a distance of 155.00 feet to a point; run thence S-40°50'22"E. a distance of 220.00 feet to a point; run thence S-49°09'38"W. a distance of 210.00 feet to a point; run thence S-40°50'22"E. a distance of 188.96 feet to a point; run thence S-54°16'48"E. a distance of 103.22 feet to a point on the arc of a curve, leading Southeasterly; run thence Southeasterly, along and around the arc of a curve, concave Easterly and having a radius of 118.15 feet, an arc distance of 70.04 feet, said arc being subtended by a chord bearing and distance of S-54°16'48"E., 69.02 feet; run thence S-54°16'48"E. a distance of 516.34 feet to a point; run thence N-46°03'56"E. a distance of 75.72 feet to a point; run thence S-43°56'04"E. a distance of 105.22 feet to a point; run thence S-33°14'16"W. a distance of 5.06 feet to a point; run thence S-53°57'14"E. a distance of 74.96 feet to a point; run thence N-85°18'30"E. a distance of 471.75 feet to a point; run thence S-47°19'24"E. a distance of 590.54 feet to a point for point of beginning.

From the point of beginning thus described, run N-55°31'17"E. a distance of 63.20 feet to a point; run thence S-34°28'43"E. a distance of 340.00 feet to a point; run thence S-55°31'17"W. a distance of 99.55 feet to a point on a curve and the Northwesterly right of way line of Heckscher Drive, State Road No. 105 (as said right of way is now established); run thence along said right of way line, the following two courses: first course, along the arc of said

curve, concave Southeasterly and having a radius of 766.78 feet, an arc distance of 104.65 feet to a point on a non-tangent curve, said arc being subtended by a chord bearing and distance of S-62°02'26"W., 104.57 feet; second course, along the arc of said curve, concave Southeasterly and having a radius of 483.06 feet, an arc distance of 17.53 feet to a point, said arc being subtended by a chord bearing and distance of S-74°40'02"W., 17.52 feet; thence departing from said right of way line, run N-34°28'43"W. a distance of 322.38 feet to a point; run thence N-55°31'17"E. a distance of 156.80 feet to the point of beginning.

SCHEDULE C.2
Lime Mud Storage Parcel

A portion of Section 19 of the Subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For point of reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said Subdivision (also being the Southerly line of Section 19 of said Subdivision), with the Easterly line of said Subdivision, said monument lying S-89°57'56"W. a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence S-89°57'56"W., along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right-of-way line of Eastport Road (a 66-foot public right-of-way, as now established); run thence N-10°23'56"W., along said Westerly right-of-way line, a distance of 3,231.34 feet to an intersection with the Northerly line of Parcel "A", Exhibit "B" (plant site), as recorded in Official Records Volume 6222, Pages 511-535, of the current Public Records of said Duval County, Florida; run thence S-89°21'22"W., along last said line, a distance of 901.78 feet to the point of beginning.

From the point of beginning thus described, continue S-89°21'22"W., along said Northerly line of Parcel "A", Exhibit "B" (plant site), a distance of 487.97 feet; run thence S-00°20'37"W., a distance of 637.57 feet; run thence N-84°01'01"E. a distance of 583.72 feet; run thence S-35°40'41"E. a distance of 502.30 feet; run thence N-34°15'20"E. a distance of 569.33 feet; run thence N-53°29'51"W. a distance of 873.57 feet to the point of beginning.

Schedule C.4
Ingress, Egress and Regress

Easement for Road

A portion of Section 19 and Webb Place of the Subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For a point of reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said Subdivision (also being the Southerly line of Section 19 of said Subdivision), with the Easterly line of said Subdivision, said monument lying S-89°57'56"W. a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence S-89°57'56"W., along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right-of-way line of Eastport Road (a 66-foot public right-of-way, as now established); run thence N-10°23'56"W., along said Westerly right-of-way line, a distance of 1,745.28 feet to the point of beginning.

From the point of beginning thus described, run S-29°53'29"W. a distance of 626.29 feet; run thence S-08°42'09"W. a distance of 15.66 feet; run thence S-05°09'16"E. a distance of 64.63 feet; run thence S-59°21'07"W. a distance of 88.63 feet; run thence N-05°09'16"W. a distance of 112.50 feet; run thence N-08°42'09"E. a distance of 163.84 feet; run thence N-02°24'20"W. a distance of 190.16 feet; run thence N-01°22'46"E. a distance of 54.12 feet; run thence N-10°03'24"W. a distance of 206.69 feet; run thence N-27°56'55"W. a distance of 610.19 feet; run thence N-34°15'20"E. a distance of 90.43 feet; run thence S-27°56'55"E. a distance of 500.27 feet; run thence N-35°01'15"E. a distance of 62.78 feet; run thence N-79°37'58"E. a distance of 321.43 feet to an intersection with said Westerly right of way line of Eastport Road; run thence S-10°23'56"E., along last said line, a distance of 80.00 feet; run thence S-79°37'58"W. a distance of 288.65 feet; run thence S-35°01'15"W. a distance of 70.78 feet; run thence S-27°56'55"E. a distance of 74.88 feet; run thence S-10°03'24"E. a distance of 227.29 feet; run thence

S-01°22'46"W. a distance of 59.49 feet; run thence S-02°24'20"E. a distance of 144.49 feet; run thence N-29°53'29"E. a distance of 541.37 feet to said Westerly right of way line of Eastport Road; run thence S-10°23'56"E., along last said line, a distance of 123.71 feet to the point of beginning.

South Railroad Easement

A PORTION OF WEBB PLACE OF THE SUBDIVISION OF THE JOHN BROWARD GRANT, SECTION 46, TOWNSHIP 1 SOUTH, RANGE 27 EAST, JACKSONVILLE, DUVAL COUNTY, FLORIDA AS RECORDED IN PLAT BOOK 1, PAGES 7 AND 8, OF THE FORMER PUBLIC RECORDS OF SAID DUVAL COUNTY, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR POINT OF REFERENCE, COMMENCE AT A CONCRETE MONUMENT LOCATED AT THE POINT OF INTERSECTION OF THE NORTHERLY LINE OF SECTION 22 OF SAID SUBDIVISION (ALSO BEING THE SOUTHERLY LINE OF SECTION 19 OF SAID SUBDIVISION), WITH THE EASTERLY LINE OF SAID SUBDIVISION, SAID MONUMENT LYING SOUTH 89 DEGREES 57' 56" WEST, A DISTANCE OF 1,325.83 FEET FROM A CONCRETE MONUMENT LOCATED AT THE NORTHEASTERLY CORNER OF SAID SECTION 22; RUN THENCE SOUTH 89 DEGREES 57' 56" WEST, ALONG THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID SECTION 22, A DISTANCE OF 578.30 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF EASTPORT ROAD (A 66-FOOT PUBLIC RIGHT-OF-WAY, AS NOW ESTABLISHED); RUN THENCE NORTH 10 DEGREES 23' 56" WEST, ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 890.02 FEET TO A POINT ON SAID WESTERLY RIGHT-OF-WAY LINE; RUN THENCE SOUTH 79 DEGREES 36' 04" WEST, A DISTANCE OF 508.51 FEET TO A POINT AT THE NORTHEASTERLY CORNER OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS VOLUME 6652, PAGES 2217-2228 OF THE CURRENT PUBLIC RECORDS OF SAID DUVAL COUNTY, FLORIDA; RUN THENCE ALONG THE NORTHERLY AND WESTERLY LINE OF SAID LANDS RECORDED IN OFFICIAL RECORDS VOLUME 6652, PAGES 2217 THRU 2228, THE FOLLOWING THREE COURSES AND DISTANCES: FIRST COURSE: SOUTH 67 DEGREES 49' 32" WEST, A DISTANCE OF 316.23 FEET TO A POINT; SECOND COURSE: SOUTH 49 DEGREES 13' 44" WEST, A DISTANCE OF 270.00 FEET TO A POINT, THIRD COURSE: SOUTH 40 DEGREES 46' 16" EAST, A DISTANCE OF 644.88 FEET TO AN INTERSECTION WITH SAID WESTERLY PROLONGATION OF SAID NORTHERLY LINE OF SAID SECTION 22; RUN THENCE SOUTH 89 DEGREES 57' 56" WEST, ALONG LAST SAID LINE, A DISTANCE OF 618.79 FEET TO A POINT; RUN THENCE NORTH 40 DEGREES 49' 39" WEST, A DISTANCE OF 128.34 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 11' 04" WEST, A DISTANCE OF 100.00 FEET TO A POINT; RUN THENCE NORTH 40 DEGREES 49' 39" WEST, A DISTANCE OF 275.00 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 10'21"

WEST, A DISTANCE OF 100.00 FEET TO A POINT; RUN THENCE SOUTH 40 DEGREES 49' 39" EAST, A DISTANCE OF 230.77 FEET TO AN INTERSECTION WITH SAID WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SECTION 22 OF SAID SUBDIVISION; RUN THENCE SOUTH 89 DEGREES 57' 56" WEST, ALONG LAST SAID LINE, A DISTANCE OF 134.73 FEET; RUN SOUTH 40 DEGREES 49' 39" EAST, A DISTANCE OF 427.65 FEET TO A POINT; RUN THENCE SOUTH 03 DEGREES 45' 19" WEST, A DISTANCE OF 74.96 FEET TO A POINT; RUN THENCE SOUTH 41 DEGREES 14' 41" EAST, A DISTANCE OF 54.38 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 42.00 FEET TO A POINT; RUN THENCE SOUTH 41 DEGREES 14' 41" EAST, A DISTANCE OF 10.00 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 09' 38" WEST A DISTANCE OF 269.67 FEET TO A POINT; RUN THENCE SOUTH 40 DEGREES 50' 22" EAST, A DISTANCE OF 485.00 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 155.00 FEET TO A POINT; RUN THENCE SOUTH 40 DEGREES 50' 22" EAST, A DISTANCE OF 220.00 FEET TO A POINT RUN THENCE SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 210.00 FEET TO A POINT; RUN THENCE SOUTH 40 DEGREES 50' 22" EAST, A DISTANCE OF 188.96 FEET TO A POINT FOR POINT OF BEGINNING.

FROM THE POINT OF BEGINNING THUS DESCRIBED, RUN SOUTH 54 DEGREES 16' 48" EAST, A DISTANCE OF 103.22 FEET TO A POINT ON A CURVE LEADING SOUTHEASTERLY; RUN THENCE SOUTHEASTERLY, ALONG AND AROUND THE ARC OF A CURVE, CONCAVE EASTERLY AND HAVING A RADIUS OF 118.15 FEET, AN ARC DISTANCE OF 70.04 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 54 DEGREES 16' 48" EAST, 69.02 FEET; RUN THENCE SOUTH 54 DEGREES 16' 48" EAST, A DISTANCE OF 564.62 FEET TO A POINT; RUN THENCE SOUTH 33 DEGREES 14' 16" WEST, A DISTANCE OF 125 FEET, MORE OR LESS, TO THE MEAN HIGH WATERLINE OF THE BROWARD RIVER; RUN THENCE ALONG LAST SAID LINE IN A GENERAL NORTHWESTERLY, WESTERLY AND EASTERLY DIRECTION, A DISTANCE OF 1,530 FEET, MORE OR LESS, TO A POINT WHICH LIES SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 175 FEET, MORE OR LESS, FROM THE POINT OF BEGINNING; RUN THENCE NORTH 49 DEGREES 09' 38" EAST, A DISTANCE OF 175 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

Causeway Easement

A portion of Webb Place of the Subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For point of reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said Subdivision (also being the Southerly line of Section 19 of said Subdivision), with the Easterly line of said Subdivision, said monument lying S-89°57'56"W. a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence S-89°57'56"W., along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right-of-way line of Eastport Road (a 66-foot public right-of-way, as now established); run thence N-10°23'56"W., along said Westerly right-of-way line, a distance of 890.02 feet to a point on said Westerly right-of-way line; run thence S-79°36'04"W. a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217 thru 2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217 thru 2228, the following three courses and distances: first course, S-67°49'32"W. a distance of 316.23 feet to a point; second course, S-49°13'44"W. a distance of 270.00 feet to a point; third course, S-40°46'16"E. a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence S-89°57'56"W., along last said line, a distance of 618.79 feet to a point run thence N-40°49'39"W. a distance of 128.34 feet to a point; run thence S-49°11'04"W. a distance of 100.00 feet to a point; run thence N-40°49'39"W. a distance of 275.00 feet to a point; run thence S-49°10'21"W. a distance of 100.00 feet to a point; run thence S-40°49'39"E. a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said Subdivision; run thence S-89°57'56"W., along last said line, a distance of 332.50 feet to the point of beginning.

From the point of beginning thus described, run N-02°51'06"W. a distance of 2,025.47 feet; run thence S-86°59'53"W. a distance of 112.66 feet to an intersection with the Westerly line of Parcel A, of those lands described and recorded in Official Records Volume 6222, Pages 511 thru 535, of the current Public Records of said County; run thence along last said line the following three courses: first course, S-02°51'06"E. a distance of 699.63 feet to a point; second course, S-87°08'54"W. a distance of 40 feet, more or less, to the mean high water line of the Broward River; third course, thence in a general Southerly direction, along said mean high water line of the Broward River, a distance of 1,320 feet, more or less, to an intersection with said

Westerly prolongation of the Northerly line of Section 22 of said Subdivision, and lying S-89°57'56"W. a distance of 198 feet, more or less, from the point of beginning; run thence N-89°57'56"E., along said Westerly prolongation, a distance of 198 feet, more or less, to the point of beginning.

Less and Except those easements, right-of-ways, and rights of easements recorded in the following instruments, in the current Public Records of said County:

A.) Deed Book 1769, Page 253 et seq
B.) Deed Book 190, Page 156 et seq
C.) Official Records Volume 452, Page 337 et seq.
D.) Official Records Volume 2517, Page 291 et seq.

Causeway Easement Number 2

A portion of Section 19 and Webb Place of the Subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For point of reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said Subdivision, (also being the Southerly line of Section 19 of said Subdivision), with the Easterly line of said Subdivision, said monument lying S-89°57'56"W. a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence S-89°57'56"W., along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right-of-way line of Eastport Road (a 66-foot public right-of-way, as now established); run thence N-10°23'56"W., along said Westerly right-of-way line, a distance of 890.02 feet to a point; run S-79°36'04"W. a distance of 508.51 feet to an intersection with those lands described and recorded in Official Records Volume 6652, Pages 2217 thru 2228 of the current Public Records of said County; run thence along the Northerly and Westerly line of said lands the following three courses: first course, S-67°49'32"W. a distance of 316.23 feet to a point; second course, S-49°13'44"W. a distance of 270.00 feet to a point; third course, S-40°46'16"E. a distance of 644.88 feet to an intersection with the Westerly prolongation of said North line of Section 22; run thence S-89°57'56"W., along aforementioned line, a distance of

618.79 feet to a point; run thence N-40°49'39"W. a distance of 128.34 feet to a point; run thence S-49°11'04"W. a distance of 100.00 feet to a point; run thence N-40°49'39"W. a distance of 275.00 feet to a point; run thence S-49°10'21"W. a distance of 100.00 feet to a point; run thence S-40°49'39"E. a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of said Section 22; run thence S-89°57'56"W., along last said line, a distance of 332.50 feet; run thence N-02°51'06"W. a distance of 1029.79 feet to the point of beginning.

From the point of beginning thus described, continue N-02°51'06"W. a distance of 600.00 feet to a point; run thence N-87°08'54"E. a distance of 150.00 feet to a point; run thence S-02°51'06"E. a distance of 600.00 feet to a point; run thence S-87°08'54"W. a distance of 150.00 feet to the point of beginning.

Permanent Access Road Easement

A portion of Webb Place of the Subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For a point of reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said Subdivision, (also being the Southerly line of Section 19 of said Subdivision), with the Easterly line of said Subdivision, said monument lying S-89°57'56" W. a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence S-89°57'56" W., along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right-of-way line of Eastport Road, (a 66 foot public right-of-way, as now established); run thence S-10°23'56" E., along said Westerly right-of-way line, a distance of 144.81 feet, to the Point of Beginning.

From the Point of Beginning, thus described, continue S-10°23'56" E., along said Westerly right-of-way line of Eastport Road, a distance of 40.04 feet; thence S-77°06'14" W., 158.21 feet; thence S-61°04'42" W., 416.47 feet, to the point of curvature, of a curve leading Southwesterly; thence Southwesterly, along and around the arc

of a curve, concave Northwesterly and having a radius of 469.48 feet, an arc distance of 162.33 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of S-70°59'02" W., 161.53 feet; thence S-80°53'23" W., along said tangency, a distance of 31.76 feet, to the point of curvature, of a curve leading Southwesterly; thence Southwesterly, along and around the arc of curve, concave Southeasterly, having a radius of 249.08 feet, an arc distance of 126.46 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of S-66°20'43" W., 125.10 feet; thence S-51°48'04" W., along said tangency, a distance of 42.83 feet, to the point of curvature, of a curve leading Northwesterly; thence Northwesterly, along and around the arc of a curve, concave Northerly, and having a radius of 100.00 feet, an arc distance of 152.46 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of N-84°31'18" W., 138.12 feet; thence N-40°50'41" W., along said tangency, a distance of 141.15 feet, to the point of curvature, of a curve leading Westerly; thence Westerly, along and around the arc of a curve, concave Southerly and having a radius of 20.11 feet, an arc distance of 29.56 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of N-82°56'42" W., 26.97 feet; thence S-54°57'18" W., along said tangency, a distance of 131.41 feet, to the point of curvature, of a curve leading Northwesterly; thence Northwesterly, along and around the arc of a curve, concave Northeasterly, and having a radius of 60 feet an arc distance of 88.19 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of N-82°56'11" W., 80.46 feet; thence N-40°49'39" W., along said tangency a distance of 653.03 feet, to an intersection with said Westerly prolongation of the Northerly line of said Section 22, of the Subdivision of the John Broward Grant; thence N-89°57'56" E., along last said line, a distance of 52.83 feet, to a point; thence S-40°49'39" E., 618.51 feet, to the point of curvature of a curve leading Southeasterly; thence Southeasterly along and around the arc of a curve, concave Northeasterly, and having a radius of 20.00 feet, an arc distance of 29.40 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of S-82°56'11" E., 26.82 feet; thence N-54°57'18" E., along said tangency, a distance of 131.41 feet, to the point of curvature, of a curve leading Southeasterly; thence Southeasterly, along and around the arc of a curve, concave Southerly, and having a radius of 60.11 feet, an arc distance of 88.34 feet, to the point of tangency of said curve, said

arc being subtended by a chord bearing and distance of S-82°56'42" E., 80.60 feet; thence S-40°50'41" E., along said tangency, a distance of 141.15 feet, to the point of curvature, of a curve leading Southeasterly; thence Southeasterly, along and around the arc of a curve, concave Northeasterly, having a radius of 60.00 feet, an arc distance of 91.48 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of S-84°31'18" E., 82.87 feet thence N-51°48'04" E., along said tangency, a distance of 42.83 feet, to the point of curvature of a curve leading Northeasterly; thence Northeasterly, along and around the arc of a curve, concave Southeasterly, and having a radius of 289.08 feet, an arc distance of 146.76 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of N-66°20'43" E., 145.19 feet; thence N-80°53'23" E., along said tangency, a distance of 31.76 feet, to the point of curvature, of a curve leading Northeasterly; thence Northeasterly, along and around the arc of a curve, being concave Northwesterly, and having a radius of 429.48 feet, an arc distance of 148.50 feet, to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of N-70°59'02" E., 147.76 feet; thence N-61°04'42" E., along said tangency, a distance of 422.10 feet, to a point; thence N-77°06'14" E., a distance of 165.58 feet, to an intersection with said Westerly right-of-way line of Eastport Road, and the Point of Beginning.

Transmission Right-Of-Way Easement

A portion of Section 19 and Webb Place of the Subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For point of reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said Subdivision, (also being the Southerly line of Section 19 of said Subdivision), with the Easterly line of said Subdivision, said monument lying S-89°57'56"W. a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence S-89°57'56"W., along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right-of-way line of

Eastport Road (a 66-foot public right-of-way, as now established); run thence N-10°23'56"W., along said Westerly right-of-way line, a distance of 1,341.87 feet to the point of beginning.

From the point of beginning thus described, run S-59°21'07"W. a distance of 1,959.89 feet; run thence N-40°49'39"W. a distance of 53.60 feet; run thence S-87°08'54"W. a distance of 155 feet, more or less, to the mean high water line of the Broward River; run thence in a general Southerly direction, along said mean high water line of the Broward River, a distance of 360 feet, more or less, to an intersection with said Westerly prolongation of the Northerly line of said Section 22, of the Subdivision of the John Broward Grant; run thence N-89°57'56"E., along last said line (also being the Northerly line of those lands known as the Cogeneration Plant Site), a distance of 395 feet, more or less, to the Easterly line of said lands known as the Cogeneration Plant Site; run thence along last said line, the following courses: first course, S-40°49'39"E. a distance of 427.65 feet; second course, S-03°45'19"W. a distance of 74.96 feet; third course, S-41°14'41"E. a distance of 54.38 feet; fourth course, S-49°09'38"W. a distance of 42.00 feet; fifth course, S-41°14'41"E. a distance of 10.00 feet; sixth course, S-49°09'38"W. a distance of 269.67 feet; seventh course, S-40°50'22"E. a distance of 150.00 feet; run thence N-12°28'54"W. a distance of 125.00 feet to a point which lies 40.0 feet, when measured perpendicular to the line of those lands known as the Cogeneration Plant Site; run thence N-49°09'38"E., parallel to last said line, a distance of 233.19 feet; run thence N-03°45'19"E. a distance of 172.74 feet to a point which lies 50.0 feet when measured perpendicular to said Easterly line of the lands known as the Cogeneration Plant site; run thence N-40°49'39"W., parallel to last said line, a distance of 605.14 feet; run thence N-49°10'21"E. a distance of 127.00 feet; run thence S-40°49'39"E. a distance of 300.00 feet; run thence N-49°11'04"E. a distance of 50.00 feet; run thence N-40°49'39"W. a distance of 300.00 feet; run thence N-49°10'21"E. a distance of 196.55 feet; run thence N-59°21'07"E. a distance of 683.87 feet; run thence N-79°36'04"E. a distance of 791.45 feet to an intersection with said Westerly right-of-way line of Eastport Road; run thence N-10°23'56"W., along last said line, a distance of 40.00 feet; run thence S-79°36'04"W. a distance of 479.92 feet; run thence N-05°09'16"W. a distance of 122.19 feet; run thence N-59°21'07"E. a distance of 499.62 feet to an intersection with said Westerly right-of-way line of Eastport Road; run thence N-10°23'56"W., along last said line, a distance of 117.25 feet to the point of beginning.

SCHEDULE C.5-A
Construction Laydown

Construction Warehouse and Office Area

A PORTION OF WEBB PLACE OF THE SUBDIVISION OF THE JOHN BROWARD GRANT, SECTION 46, TOWNSHIP 1 SOUTH, RANGE 27 EAST, JACKSONVILLE, DUVAL COUNTY, FLORIDA, AS RECORDED IN PLAT BOOK 1, PAGES 7 AND 8, OF THE FORMER PUBLIC RECORDS OF SAID DUVAL COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR POINT OF REFERENCE, COMMENCE AT A CONCRETE MONUMENT LOCATED AT THE POINT OF INTERSECTION OF THE NORTHERLY LINE OF SECTION 22 OF SAID SUBDIVISION, (ALSO BEING THE SOUTHERLY LINE OF SECTION 19 OF SAID SUBDIVISION), WITH THE EASTERLY LINE OF SAID SUBDIVISION, SAID MONUMENT LYING SOUTH 89 DEGREES 57' 56" WEST, A DISTANCE OF 1,325.83 FEET FROM A CONCRETE MONUMENT LOCATED AT THE NORTHEASTERLY CORNER OF SAID SECTION 22; RUN THENCE SOUTH 89 DEGREES 57' 56" WEST, ALONG THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID SECTION 22, A DISTANCE OF 578.30 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF EASTPORT ROAD (A 66-FOOT PUBLIC RIGHT-OF-WAY, AS NOW ESTABLISHED); RUN THENCE NORTH 10 DEGREES 23' 56" WEST ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 890.02 FEET TO A POINT ON SAID WESTERLY RIGHT-OF-WAY LINE; RUN THENCE SOUTH 79 DEGREES 36' 04" WEST, A DISTANCE OF 508.51 FEET TO A POINT AT THE NORTHEASTERLY CORNER OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS VOLUME 6652, PAGES 2217-2228, OF THE CURRENT PUBLIC RECORDS OF SAID DUVAL COUNTY, FLORIDA; RUN THENCE ALONG THE NORTHERLY AND WESTERLY LINE OF SAID LANDS RECORDED IN OFFICIAL RECORDS VOLUME 6652, PAGES 2217 THRU 2228, THE FOLLOWING THREE COURSES AND DISTANCES: FIRST COURSE: SOUTH 67 DEGREES 49' 32" WEST, A DISTANCE OF 316.23 FEET TO A POINT; SECOND COURSE: SOUTH 49 DEGREES 13' 44" WEST, A DISTANCE OF 270.00 FEET TO A POINT; THIRD COURSE: SOUTH 40 DEGREES 46' 16" EAST, A DISTANCE OF 644.88 FEET TO AN INTERSECTION WITH SAID WESTERLY PROLONGATION OF SAID NORTHERLY LINE OF SAID SECTION 22 AND SAID SUBDIVISION; RUN THENCE SOUTH 89 DEGREES 57' 56" WEST, ALONG LAST SAID LINE, A DISTANCE OF 618.79 FEET TO THE POINT OF BEGINNING.

FROM THE POINT OF BEGINNING THUS DESCRIBED, RUN NORTH 40 DEGREES 49' 39" WEST, A DISTANCE OF 128.34 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 11' 04" WEST, A DISTANCE OF 100.00 FEET TO A POINT; RUN THENCE NORTH 40 DEGREES 49' 39" WEST, A DISTANCE OF 275.00 FEET TO A POINT; RUN THENCE

SOUTH 49 DEGREES 10' 21" WEST, A DISTANCE OF 100.00 FEET TO A POINT; RUN THENCE SOUTH 40 DEGREES 49' 39" EAST, A DISTANCE OF 688.13 FEET TO A POINT; RUN THENCE NORTH 49 DEGREES 09' 38" EAST, A DISTANCE OF 200.00 FEET; RUN THENCE NORTH 40 DEGREES 49' 39" WEST, A DISTANCE OF 284.73 FEET TO THE POINT OF BEGINNING.

Construction Laydown Area 1

A PORTION OF WEBB PLACE OF THE SUBDIVISION OF THE JOHN BROWARD GRANT, SECTION 46, TOWNSHIP 1 SOUTH, RANGE 27 EAST, JACKSONVILLE, DUVAL COUNTY, FLORIDA, AS RECORDED IN PLAT BOOK 1, PAGES 7 AND 8, OF THE FORMER PUBLIC RECORDS OF SAID DUVAL COUNTY, FLORIDA, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR POINT OF REFERENCE, COMMENCE AT A CONCRETE MONUMENT LOCATED AT THE POINT OF INTERSECTION OF THE NORTHERLY LINE OF SECTION 22 OF SAID SUBDIVISION, (ALSO BEING THE SOUTHERLY LINE OF SECTION 19 OF SAID SUBDIVISION), WITH THE EASTERLY LINE OF SAID SUBDIVISION, SAID MONUMENT LYING SOUTH 89 DEGREES 57' 56" WEST, A DISTANCE OF 1,325.83 FEET FROM A CONCRETE MONUMENT LOCATED AT THE NORTHEASTERLY CORNER OF SAID SECTION 22; RUN THENCE SOUTH 89 DEGREES 57' 56" WEST, ALONG THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID SECTION 22, A DISTANCE OF 578.30 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF EASTPORT ROAD (A 66-FOOT PUBLIC RIGHT-OF-WAY, AS NOW ESTABLISHED); RUN THENCE NORTH 10 DEGREES 23' 56" WEST, ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 890.02 FEET TO A POINT ON SAID WESTERLY RIGHT-OF-WAY LINE; RUN THENCE SOUTH 79 DEGREES 36' 04" WEST, A DISTANCE OF 508.51 FEET TO A POINT AT THE NORTHEASTERLY CORNER OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS VOLUME 6652, PAGES 2217-2228, OF THE CURRENT PUBLIC RECORDS OF SAID DUVAL COUNTY, FLORIDA; RUN THENCE ALONG THE NORTHERLY AND WESTERLY LINE OF SAID LANDS RECORDED IN OFFICIAL RECORDS VOLUME 6652, PAGES 2217 THRU 2228. THE FOLLOWING THREE COURSES AND DISTANCES: FIRST COURSE: SOUTH 67 DEGREES 49' 32" WEST, A DISTANCE OF 316.23 FEET TO A POINT; SECOND COURSE: SOUTH 49 DEGREES 13' 44" WEST, A DISTANCE OF 270.00 FEET TO A POINT; THIRD COURSE: SOUTH 40 DEGREES 46' 16" EAST, A DISTANCE OF 644.88 FEET TO AN INTERSECTION WITH SAID WESTERLY PROLONGATION OF SAID NORTHERLY LINE OF SAID SECTION 22; RUN THENCE SOUTH 89 DEGREES 57' 56" WEST, ALONG LAST SAID LINE, A DISTANCE OF 618.79 FEET TO A POINT; RUN THENCE NORTH 40 DEGREES 49' 39" WEST, A DISTANCE OF 128.34 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 11' 04" WEST, A DISTANCE OF 100.00 FEET TO A POINT; RUN THENCE NORTH 40 DEGREES 49' 39" WEST, A DISTANCE OF 275.00 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 10'

21" WEST, A DISTANCE OF 100.00 FEET TO A POINT; RUN THENCE SOUTH 40 DEGREES 49' 39" EAST, A DISTANCE OF 230.77 FEET TO AN INTERSECTION WITH SAID WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SECTION 22 OF SAID SUBDIVISION; RUN THENCE SOUTH 89 DEGREES 57' 56" WEST, ALONG LAST SAID LINE, A DISTANCE OF 134.73 FEET; RUN SOUTH 40 DEGREES 49' 39" EAST, A DISTANCE OF 427.65 FEET TO A POINT; RUN THENCE SOUTH 03 DEGREES 45' 19" WEST, A DISTANCE OF 74.96 FEET TO A POINT; RUN THENCE SOUTH 41 DEGREES 14' 41" EAST, A DISTANCE OF 54.38 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 42.00 FEET TO A POINT; RUN THENCE SOUTH 41 DEGREES 14' 41" EAST, A DISTANCE OF 10.00 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 269.67 FEET TO A POINT; RUN THENCE SOUTH 40 DEGREES 50" 22" EAST, A DISTANCE OF 485.00 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 155.00 FEET TO A POINT; RUN THENCE SOUTH 40 DEGREES 50' 22" EAST, A DISTANCE OF 220.00 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 210.00 FEET TO A POINT; RUN THENCE SOUTH 40 DEGREES 50' 22" EAST, A DISTANCE OF 188.96 FEET TO A POINT FOR POINT OF BEGINNING.

FROM THE POINT OF BEGINNING THUS DESCRIBED, RUN NORTH 40 DEGREES 50' 22" WEST, A DISTANCE OF 188.96 FEET TO A POINT; RUN THENCE NORTH 49 DEGREES 09' 38" EAST, A DISTANCE OF 195.00 FEET.TO A POINT; RUN THENCE SOUTH 40 DEGREES 50' 22" EAST, A DISTANCE OF 191.10 FEET TO A POINT ON A CURVE, LEADING SOUTHWESTERLY; RUN THENCE SOUTHWESTERLY, ALONG AND AROUND THE ARC OF A CURVE, CONCAVE SOUTHERLY AND HAVING A RADIUS OF 118.15 FEET, AN ARC DISTANCE OF 454.61 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 34 DEGREES 22' 10" EAST, 221.72 FEET TO A POINT ON SAID CURVE, THENCE DEPARTING FROM SAID CURVE, RUN SOUTH 40 DEGREES 50' 22" EAST, A DISTANCE OF 330.00 FEET; RUN THENCE SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 195 FEET, MORE OR LESS, TO THE MEAN HIGH WATER LINE OF THE BROWARD RIVER; RUN THENCE ALONG LAST SAID LINE, IN A GENERAL NORTHWESTERLY, WESTERLY AND EASTERLY DIRECTION, A DISTANCE OF 1,310 FEET, MORE OR LESS, TO A POINT WHICH LIES SOUTH 49 DEGREES 09' 38" WEST, 175 FEET, MORE OR LESS, FROM THE POINT OF BEGINNING; RUN THENCE NORTH 49 DEGREES 09' 38" EAST, A DISTANCE OF 175 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

Construction Laydown Area 2

A portion of Section 19 and Webb Place of the Subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For point of reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said Subdivision (also being the Southerly line of Section 19 of said Subdivision), with the Easterly line of said Subdivision, said monument lying S-89°57'56"W. a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence S-89°57'56"W., along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right-of-way line of Eastport Road (a 66-foot public right-of-way, as now established); run thence N-10°23'56"W., along said Westerly right-of-way line, a distance of 1,341.87 feet; run thence S-59°21'07"W. a distance of 1,493.54 feet to the point of beginning.

From the point of beginning thus described, run N-39°57'23"W. a distance of 330.35 feet; run thence N-70°51'19"W. a distance of 355.62 feet; run thence S-02°55'20"E. a distance of 435.27 feet to the point of a curve, leading Southeasterly; run thence Southeasterly, along and around the arc of a curve, being concave Easterly and having a radius of 88.46 feet, an arc distance of 58.52 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of S-21°52'30"E. a distance of 57.46 feet; run thence along said tangent, S-40°49'39"E. a distance of 292.28 feet; run thence N-49°10'21"E. a distance of 351.77 feet; run thence N-59°21'07"E. a distance of 107.85 feet; run thence N-39°57'23"W. a distance of 70.93 feet to the point of beginning.

Construction Laydown Area 3

A portion of Section 19 and Webb Place of the Subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For point of reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said Subdivision (also being the Southerly line of Section 19 of said Subdivision), with the Easterly line of said Subdivision, said monument lying S-89°57'56"W. a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence S-89°57'56"W., along the Westerly prolongation of the Northerly line of said Section 22, a distance of

578.30 feet to a point on the Westerly right-of-way line of Eastport Road (a 66-foot public right-of-way, as now established); run thence N-10°23'56"W., along said Westerly right-of-way line, a distance of 1,341.87 feet; run thence S-59°21'07"W. a distance of 532.07 feet to the point of beginning.

From the point of beginning thus described, run S-05°09'16"E. a distance of 77.55 feet; run thence S-59°21'07"W. a distance of 458.07 feet; run thence N-17°54'38"W. a distance of 923.07 feet; run thence S-87°31'54"E. a distance of 676.01 feet; run thence S-10°03'24"E. a distance of 20.71 feet; run thence S-01°22'46"W. a distance of 54.12 feet; run thence S-02°24'20"E. a distance of 190.16 feet; run thence S-08°42'09"W. a distance of 163.84 feet; run thence S-05°09'16"E. a distance of 112.50 feet to the point of beginning.

Construction Laydown Area 4

A portion of Section 19 and Webb Place of the Subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For point of reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said Subdivision (also being the Southerly line of Section 19 of said Subdivision), with the Easterly line of said Subdivision, said monument lying S-89°57'56"W. a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence S-89°57'56"W., along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right-of-way line of Eastport Road (a 66-foot public right-of-way, as now established); run thence N-10°23'56"W., along said Westerly right-of-way line, a distance of 1,341.87 feet to a point; run thence S-59°21'07"W. a distance of 443.44 feet to the point of beginning.

From the point of beginning thus described, continue S-59°21'07"W. a distance of 44.31 feet; run thence S-05°09'16"E. a distance of 180.16 feet; run thence N-47°18'53"E. a distance of 122.13 feet; run thence N-03°53'21"W. a distance of 180.40 feet; run thence N-58°09'11"E. a distance of 153.94 feet; run thence

N-10°55'34"W. a distance of 711.30 feet; run thence
S-79°37'58"W. a distance of 75.01 feet; run thence
S-35°01'15"W. a distance of 70.78 feet; run thence
S-27°56'55"E. a distance of 74.88 feet; run thence
S-10°03'24"E. a distance of 227.29 feet; run thence
S-01°22'46"W. a distance of 59.49 feet; run thence
S-02°24'20"E. a distance of 195.29 feet; run thence
S-08°42'09"W. a distance of 161.89 feet; run thence
S-05°09'16"E. a distance of 64.63 feet to the point of beginning.

SCHEDULE C.6
Power Line

Transmission Right-Of-Way Easement

A portion of Section 19 and Webb Place of the Subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For point of reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said Subdivision, (also being the Southerly line of Section 19 of said Subdivision), with the Easterly line of said Subdivision, said monument lying S-89°57'56"W. a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence S-89°57'56"W., along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right-of-way line of Eastport Road (a 66-foot public right-of-way, as now established); run thence N-10°23'56"W., along said Westerly right-of-way line, a distance of 1,341.87 feet to the point of beginning.

From the point of beginning thus described, run S-59°21'07"W. a distance of 1,959.89 feet; run thence N-40°49'39"W. a distance of 53.60 feet; run thence S-87°08'54"W. a distance of 155 feet, more or less, to the mean high water line of the Broward River; run thence in a general Southerly direction, along said mean high water line of the Broward River, a distance of 360 feet, more or less, to an intersection with said Westerly prolongation of the Northerly line of said Section 22, of the Subdivision of the John Broward Grant; run thence N-89°57'56"E., along last said line (also being the Northerly line of those lands known as the Cogeneration Plant Site), a distance of 395 feet, more or less, to the Easterly line of said lands known as the Cogeneration Plant Site; run thence along last said line, the following courses: first course, S-40°49'39"E. a distance of 427.65 feet; second course, S-03°45'19"W. a distance of 74.96 feet; third course, S-41°14'41"E. a distance of 54.38 feet; fourth course, S-49°09'38"W. a distance of 42.00 feet; fifth course, S-41°14'41"E. a distance of 10.00 feet; sixth course, S-49°09'38"W. a distance of 269.67 feet; seventh course, S-40°50'22"E. a distance of 150.00 feet; run thence

N-12°28'54"W. a distance of 125.00 feet to a point which lies 40.0 feet, when measured perpendicular to the line of those lands known as the Cogeneration Plant Site; run thence N-49°09'38"E., parallel to last said line, a distance of 233.19 feet; run thence N-03°45'19"E. a distance of 172.74 feet to a point which lies 50.0 feet when measured perpendicular to said Easterly line of the lands known as the Cogeneration Plant site; run thence N-40°49'39"W., parallel to last said line, a distance of 605.14 feet; run thence N-49°10'21"E. a distance of 127.00 feet; run thence S-40°49'39"E. a distance of 300.00 feet; run thence N-49°11'04"E. a distance of 50.00 feet; run thence N-40°49'39"W. a distance of 300.00 feet; run thence N-49°10'21"E. a distance of 196.55 feet; run thence N-59°21'07"E. a distance of 683.87 feet; run thence N-79°36'04"E. a distance of 791.45 feet to an intersection with said Westerly right-of-way line of Eastport Road; run thence N-10°23'56"W., along last said line, a distance of 40.00 feet; run thence S-79°36'04"W. a distance of 479.92 feet; run thence N-05°09'16"W. a distance of 122.19 feet; run thence N-59°21'07"E. a distance of 499.62 feet to an intersection with said Westerly right-of-way line of Eastport Road; run thence N-10°23'56"W., along last said line, a distance of 117.25 feet to the point of beginning.

SCHEDULE C.7
Signage

See generally Mill Site description set forth in Appendix 1.1B hereof

SCHEDULE C.8
Steam and Condensate Lines

See generally Mill Site description set forth in Appendix 1.1-B hereof

SCHEDULE C.9
Telephone Lines

Transmission Right-Of-Way Easement

A portion of Section 19 and Webb Place of the Subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For point of reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said Subdivision, (also being the Southerly line of Section 19 of said Subdivision), with the Easterly line of said Subdivision, said monument lying S-89°57'56"W. a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence S-89°57'56"W., along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right-of-way line of Eastport Road (a 66-foot public right-of-way, as now established); run thence N-10°23'56"W., along said Westerly right-of-way line, a distance of 1,341.87 feet to the point of beginning.

From the point of beginning thus described, run S-59°21'07"W. a distance of 1,959.89 feet; run thence N-40°49'39"W. a distance of 53.60 feet; run thence S-87°08'54"W. a distance of 155 feet, more or less, to the mean high water line of the Broward River; run thence in a general Southerly direction, along said mean high water line of the Broward River, a distance of 360 feet, more or less, to an intersection with said Westerly prolongation of the Northerly line of said Section 22, of the Subdivision of the John Broward Grant; run thence N-89°57'56"E., along last said line (also being the Northerly line of those lands known as the Cogeneration Plant Site), a distance of 395 feet, more or less, to the Easterly line of said lands known as the Cogeneration Plant Site; run thence along last said line, the following courses: first course, S-40°49'39"E. a distance of 427.65 feet; second course, S-03°45'19"W. a distance of 74.96 feet; third course, S-41°14'41"E. a distance of 54.38 feet; fourth course, S-49°09'38"W. a distance of 42.00 feet; fifth course, S-41°14'41"E. a distance of 10.00 feet; sixth course, S-49°09'38"W. a distance of 269.67 feet; seventh course, S-40°50'22"E. a distance of 150.00 feet; run thence

N-12°28'54"W. a distance of 125.00 feet to a point which lies 40.0 feet, when measured perpendicular to the line of those lands known as the Cogeneration Plant Site; run thence N-49°09'38"E., parallel to last said line, a distance of 233.19 feet; run thence N-03°45'19"E. a distance of 172.74 feet to a point which lies 50.0 feet when measured perpendicular to said Easterly line of the lands known as the Cogeneration Plant site; run thence N-40°49'39"W., parallel to last said line, a distance of 605.14 feet; run thence N-49°10'21"E. a distance of 127.00 feet; run thence S-40°49'39"E. a distance of 300.00 feet; run thence N-49°11'04"E. a distance of 50.00 feet; run thence N-40°49'39"W. a distance of 300.00 feet; run thence N-49°10'21"E. a distance of 196.55 feet; run thence N-59°21'07"E. a distance of 683.87 feet; run thence N-79°36'04"E. a distance of 791.45 feet to an intersection with said Westerly right-of-way line of Eastport Road; run thence N-10°23'56"W., along last said line, a distance of 40.00 feet; run thence S-79°36'04"W. a distance of 479.92 feet; run thence N-05°09'16"W. a distance of 122.19 feet; run thence N-59°21'07"E. a distance of 499.62 feet to an intersection with said Westerly right-of-way line of Eastport Road; run thence N-10°23'56"W., along last said line, a distance of 117.25 feet to the point of beginning.

SCHEDULE C.11
All Utilities

See generally Mill Site description set forth in Appendix 1.1-B hereof

SCHEDULE C.12
Causeway Easement

A portion of Webb Place of the Subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For point of reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said Subdivision (also being the Southerly line of Section 19 of said Subdivision), with the Easterly line of said Subdivision, said monument lying S-89°57'56"W. a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence S-89°57'56"W., along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right-of-way line of Eastport Road (a 66-foot public right-of-way, as now established); run thence N-10°23'56"W., along said Westerly right-of-way line, a distance of 890.02 feet to a point on said Westerly right-of-way line; run thence S-79°36'04"W. a distance of 508.51 feet to a point at the Northeasterly corner of those lands described and recorded in Official Records Volume 6652, Pages 2217 thru 2228 of the current Public Records of said Duval County, Florida; run thence along the Northerly and Westerly line of said lands recorded in Official Records Volume 6652, Pages 2217 thru 2228, the following three courses and distances: first course, S-67°49'32"W. a distance of 316.23 feet to a point; second course, S-49°13'44"W. a distance of 270.00 feet to a point; third course, S-40°46'16"E. a distance of 644.88 feet to an intersection with said Westerly prolongation of said Northerly line of said Section 22; run thence S-89°57'56"W., along last said line, a distance of 618.79 feet to a point run thence N-40°49'39"W. a distance of 128.34 feet to a point; run thence S-49°11'04"W. a distance of 100.00 feet to a point; run thence N-40°49'39"W. a distance of 275.00 feet to a point; run thence S-49°10'21"W. a distance of 100.00 feet to a point; run thence S-40°49'39"E. a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said Subdivision; run thence S-89°57'56"W., along last said line, a distance of 332.50 feet to the point of beginning.

From the point of beginning thus described, run N-02°51'06"W. a distance of 2,025.47 feet; run thence S-86°59'53"W. a distance of 112.66 feet to an intersection with the Westerly line of Parcel A, of those lands described and recorded in Official Records Volume 6222, Pages 511 thru 535, of the current Public Records of said County; run thence along last said line the following three courses: first course, S-02°51'06"E. a distance of 699.63 feet to a point; second course, S-87°08'54"W. a distance of 40 feet, more or less, to the mean high water line of the Broward River; third course, thence in a general Southerly direction, along said mean high water line of the Broward River, a distance of 1,320 feet, more or less, to an intersection with said Westerly prolongation of the Northerly line of Section 22 of said Subdivision, and lying S-89°57'56"W. a distance of 198 feet, more or less, from the point of beginning; run thence N-89°57'56"E., along said Westerly prolongation, a distance of 198 feet, more or less, to the point of beginning.

Less and Except those easements, right-of-ways, and rights of easements recorded in the following instruments, in the current Public Records of said County:

A.) Deed Book 1769, Page 253 et seq
B.) Deed Book 190, Page 156 et seq
C.) Official Records Volume 452, Page 337 et seq.
D.) Official Records Volume 2517, Page 291 et seq.

Together with

A portion of Section 19 and Webb Place of the Subdivision of the John Broward Grant, Section 46, Township 1 South, Range 27 East, Jacksonville, Duval County, Florida, as recorded in Plat Book 1, Pages 7 and 8, of the former Public Records of said Duval County, Florida, and being more particularly described as follows:

For point of reference, commence at a concrete monument located at the point of intersection of the Northerly line of Section 22 of said Subdivision, (also being the Southerly line of Section 19 of said Subdivision), with the Easterly line of said Subdivision, said monument lying S-89°57'56"W. a distance of 1,325.83 feet from a concrete monument located at the Northeasterly corner of said Section 22; run thence S-89°57'56"W., along the Westerly prolongation of the Northerly line of said Section 22, a distance of 578.30 feet to a point on the Westerly right-of-way line of Eastport Road (a 66-foot public

right-of-way, as now established); run thence N-10°23'56"W., along said Westerly right-of-way line, a distance of 890.02 feet to a point; run S-79°36'04"W. a distance of 508.51 feet to an intersection with those lands described and recorded in Official Records Volume 6652, Pages 2217 thru 2228 of the current Public Records of said County; run thence along the Northerly and Westerly line of said lands the following three courses: first course, S-67°49'32"W. a distance of 316.23 feet to a point; second course, S-49°13'44"W. a distance of 270.00 feet to a point; third course, S-40°46'16"E. a distance of 644.88 feet to an intersection with the Westerly prolongation of said North line of Section 22; run thence S-89°57'56"W., along aforementioned line, a distance of 618.79 feet to a point; run thence N-40°49'39"W. a distance of 128.34 feet to a point; run thence S-49°11'04"W. a distance of 100.00 feet to a point; run thence N-40°49'39"W. a distance of 275.00 feet to a point; run thence S-49°10'21"W. a distance of 100.00 feet to a point; run thence S-40°49'39"E. a distance of 230.77 feet to an intersection with said Westerly prolongation of the Northerly line of said Section 22; run thence S-89°57'56"W., along last said line, a distance of 332.50 feet; run thence N-02°51'06"W. a distance of 1029.79 feet to the point of beginning.

From the point of beginning thus described, continue N-02°51'06"W. a distance of 600.00 feet to a point; run thence N-87°08'54"E. a distance of 150.00 feet to a point; run thence S-02°51'06"E. a distance of 600.00 feet to a point; run thence S-87°08'54"W. a distance of 150.00 feet to the point of beginning.

SCHEDULE C.13
South Railroad Easement

A PORTION OF WEBB PLACE OF THE SUBDIVISION OF THE JOHN BROWARD GRANT, SECTION 46, TOWNSHIP 1 SOUTH, RANGE 27 EAST, JACKSONVILLE, DUVAL COUNTY, FLORIDA AS RECORDED IN PLAT BOOK 1, PAGES 7 AND 8, OF THE FORMER PUBLIC RECORDS OF SAID DUVAL COUNTY, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR POINT OF REFERENCE, COMMENCE AT A CONCRETE MONUMENT LOCATED AT THE POINT OF INTERSECTION OF THE NORTHERLY LINE OF SECTION 22 OF SAID SUBDIVISION (ALSO BEING THE SOUTHERLY LINE OF SECTION 19 OF SAID SUBDIVISION), WITH THE EASTERLY LINE OF SAID SUBDIVISION, SAID MONUMENT LYING SOUTH 89 DEGREES 57' 56" WEST, A DISTANCE OF 1,325.83 FEET FROM A CONCRETE MONUMENT LOCATED AT THE NORTHEASTERLY CORNER OF SAID SECTION 22; RUN THENCE SOUTH 89 DEGREES 57' 56" WEST, ALONG THE WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SAID SECTION 22, A DISTANCE OF 578.30 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF EASTPORT ROAD (A 66-FOOT PUBLIC RIGHT-OF-WAY, AS NOW ESTABLISHED); RUN THENCE NORTH 10 DEGREES 23' 56" WEST, ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 890.02 FEET TO A POINT ON SAID WESTERLY RIGHT-OF-WAY LINE; RUN THENCE SOUTH 79 DEGREES 36' 04" WEST, A DISTANCE OF 508.51 FEET TO A POINT AT THE NORTHEASTERLY CORNER OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS VOLUME 6652, PAGES 2217-2228 OF THE CURRENT PUBLIC RECORDS OF SAID DUVAL COUNTY, FLORIDA; RUN THENCE ALONG THE NORTHERLY AND WESTERLY LINE OF SAID LANDS RECORDED IN OFFICIAL RECORDS VOLUME 6652, PAGES 2217 THRU 2228, THE FOLLOWING THREE COURSES AND DISTANCES: FIRST COURSE: SOUTH 67 DEGREES 49' 32" WEST, A DISTANCE OF 316.23 FEET TO A POINT; SECOND COURSE: SOUTH 49 DEGREES 13' 44" WEST, A DISTANCE OF 270.00 FEET TO A POINT, THIRD COURSE: SOUTH 40 DEGREES 46' 16" EAST, A DISTANCE OF 644.88 FEET TO AN INTERSECTION WITH SAID WESTERLY PROLONGATION OF SAID NORTHERLY LINE OF SAID SECTION 22; RUN THENCE SOUTH 89 DEGREES 57' 56" WEST, ALONG LAST SAID LINE, A DISTANCE OF 618.79 FEET TO A POINT; RUN THENCE NORTH 40 DEGREES 49' 39" WEST, A DISTANCE OF 128.34 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 11' 04" WEST, A DISTANCE OF 100.00 FEET TO A POINT; RUN THENCE NORTH 40 DEGREES 49' 39" WEST, A DISTANCE OF 275.00 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 10'21" WEST, A DISTANCE OF 100.00 FEET TO A POINT; RUN THENCE SOUTH 40 DEGREES 49' 39" EAST, A DISTANCE OF 230.77 FEET TO AN INTERSECTION WITH SAID WESTERLY PROLONGATION OF THE NORTHERLY LINE OF SECTION 22 OF SAID SUBDIVISION; RUN THENCE SOUTH 89 DEGREES 57' 56" WEST, ALONG LAST SAID LINE, A DISTANCE OF

134.73 FEET; RUN SOUTH 40 DEGREES 49' 39" EAST, A DISTANCE OF 427.65 FEET TO A POINT; RUN THENCE SOUTH 03 DEGREES 45' 19" WEST, A DISTANCE OF 74.96 FEET TO A POINT; RUN THENCE SOUTH 41 DEGREES 14' 41" EAST, A DISTANCE OF 54.38 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 42.00 FEET TO A POINT; RUN THENCE SOUTH 41 DEGREES 14' 41" EAST, A DISTANCE OF 10.00 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 09' 38" WEST A DISTANCE OF 269.67 FEET TO A POINT; RUN THENCE SOUTH 40 DEGREES 50' 22" EAST, A DISTANCE OF 485.00 FEET TO A POINT; RUN THENCE SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 155.00 FEET TO A POINT; RUN THENCE SOUTH 40 DEGREES 50' 22" EAST, A DISTANCE OF 220.00 FEET TO A POINT RUN THENCE SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 210.00 FEET TO A POINT; RUN THENCE SOUTH 40 DEGREES 50' 22" EAST, A DISTANCE OF 188.96 FEET TO A POINT FOR POINT OF BEGINNING.

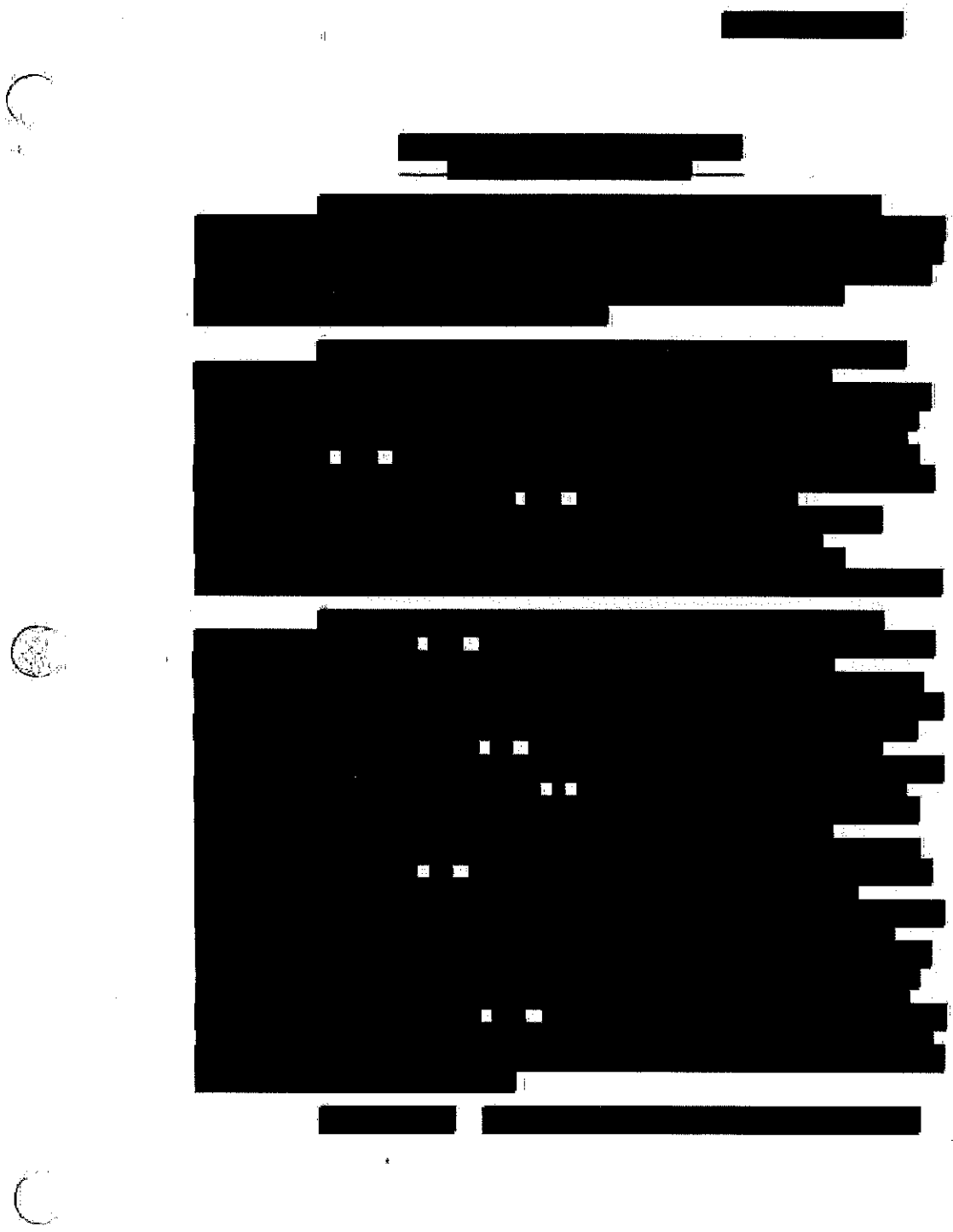
FROM THE POINT OF BEGINNING THUS DESCRIBED, RUN SOUTH 54 DEGREES 16' 48" EAST, A DISTANCE OF 103.22 FEET TO A POINT ON A CURVE LEADING SOUTHEASTERLY; RUN THENCE SOUTHEASTERLY, ALONG AND AROUND THE ARC OF A CURVE, CONCAVE EASTERLY AND HAVING A RADIUS OF 118.15 FEET, AN ARC DISTANCE OF 70.04 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 54 DEGREES 16' 48" EAST, 69.02 FEET; RUN THENCE SOUTH 54 DEGREES 16' 48" EAST, A DISTANCE OF 564.62 FEET TO A POINT; RUN THENCE SOUTH 33 DEGREES 14' 16" WEST, A DISTANCE OF 125 FEET, MORE OR LESS, TO THE MEAN HIGH WATERLINE OF THE BROWARD RIVER; RUN THENCE ALONG LAST SAID LINE IN A GENERAL NORTHWESTERLY, WESTERLY AND EASTERLY DIRECTION, A DISTANCE OF 1,530 FEET, MORE OR LESS, TO A POINT WHICH LIES SOUTH 49 DEGREES 09' 38" WEST, A DISTANCE OF 175 FEET, MORE OR LESS, FROM THE POINT OF BEGINNING; RUN THENCE NORTH 49 DEGREES 09' 38" EAST, A DISTANCE OF 175 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

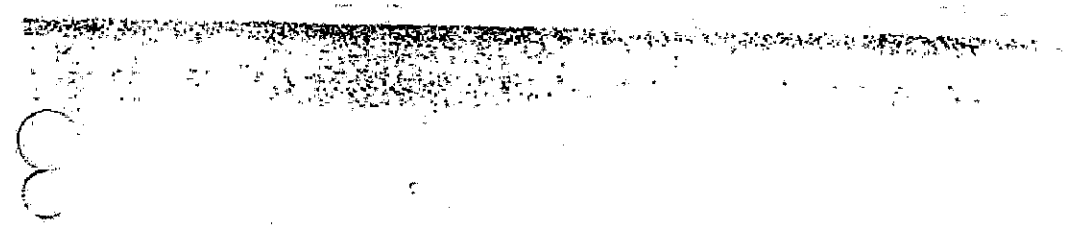
[redacted]

[redacted]









[redacted]

APPENDIX 20.1

Schedule of Environmental Concerns

(i) Environmental Matters

(a) Compliance with Law

1. Stipulation between City of Jacksonville and Seminole Kraft regarding reduction in TRS emissions and schedule for such reduction. The company recently paid a stipulated penalty for excess TRS emissions under the Stipulation, finally resolving the matter.

2. Cease and Desist Citation W-90-2 dated March 7, 1990, from the City of Jacksonville raising concerns over violations of groundwater standards and petroleum contamination. The citation is near resolution through entry of a Consent Order between the City, the Florida Department of Environmental Regulation, and Seminole Kraft.

(b) Releases of Hazardous Materials

1. Asbestos containing materials are present throughout the mill in transite siding, paper machine braking equipment, hoods and insulation materials. Any asbestos removal has been handled by Paul McGowan Co., a licensed asbestos removal contractor.

2. Since 1952 the mill has operated at least seven underground storage tanks for gasoline (2), Number 6 fuel oil (2), and Diesel fuel (3). All oil tanks have been removed from service. Residual contamination (soil and groundwater) will be remediated by the State of Florida under its Early Detection Incentive Program or by AES.

3. During the period from 1957 to 1989 small incidental spills of Number 6 oil occurred within the diked area of the 1.2 million

gallon Number 6 oil storage tank. Beginning in 1989, Seminole Kraft began remediation of the contaminated soil and has removed and disposed of, off-site, all contaminated soils. Characterization and cleanup of contaminated groundwater may be required and would be accomplished by AES at their cost.

4. Slightly elevated concentrations of certain metals were noticed by AES' consultant, Dames and Moore, during a site assessment performed in connection with their Site Certification Application for their proposed cogeneration project.

(c) Environmental Claims

Negotiations with the Jacksonville BESD are currently underway on a groundwater monitoring plan to permit assessment of the groundwater contamination alleged by the BESD (See Sirrine Environmental report pages 43-45). The mill's consultant, CH2M Hill has developed a plan to address remediation, if required, and has estimated the cost at $1.5MM.

(d) Facts, Circumstances, Conditions or Occurrences

1. Seminole Kraft currently has 36 PCB transformers in service and one PCB transformer in storage as a spare. All are labeled and contained within diked areas. Quarterly inspections of all PCB transformers are conducted and appropriate records are kept.

2. The modified operation of the Mill may require Ground Lessor to seek modifications to its air and water permits. It is possible but appears unlikely that acceptance of waste materials contained in wastewater discharge from Ground Lessee would trigger a permitting requirement for solid waste management.

3. The Facility and SK Site contain lime mud (as defined in Section 3.4(a)(ii).

In addition, see matters listed under (b) and (c).

(iii) Permits

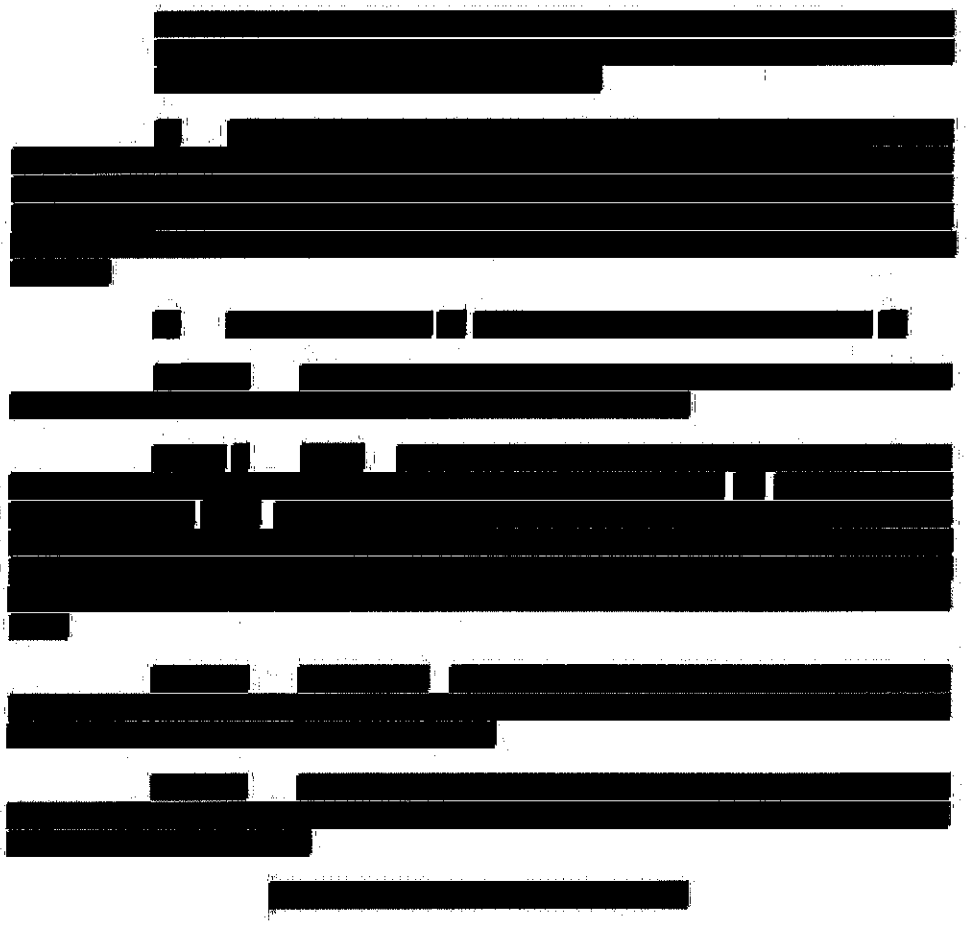
1. NPDES Permit No. FL0000400. The final permit was issued on April 30, 1991 but is subject to a 30-day appeal period.

2. Consumptive Use Permit renewal and modification currently being processed by St. Johns Water Management District. The request for renewal and modification requests less withdrawal of groundwater than in current permit, so there is no reason to believe it will not be granted in the normal processing of permit.

An environmental audit of the facility was conducted by Sirrine Environmental Consultants, Greenville, South Carolina and a full audit report dated October 17, 1990 has been issued and provided to Ground Lessee. That report, in its entirety, is incorporated into this schedule by reference.

CB—Workpaper Set—Tab 10

[redacted]



IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective duly authorized officers as of the date first written above.

SMURFIT-STONE CONTAINER ENTERPRISES, INC.

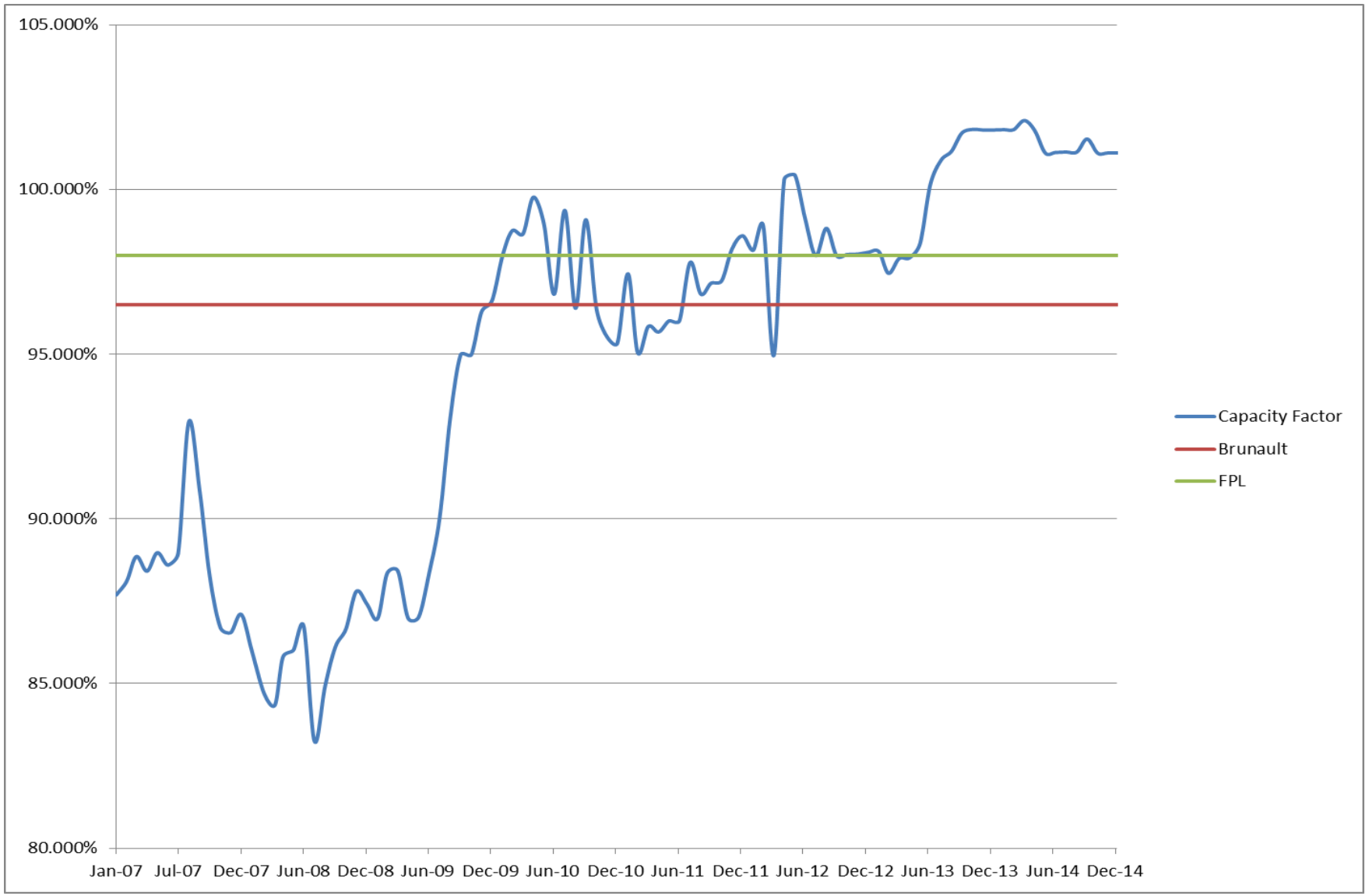
Name: DAVID P. HARRISON
Title: VP - Strategic Sourcing

CEDAR BAY GENERATING COMPANY, L.P.

Name:
Title: Thomas J. Bonner
President

	Average	2013	2012	2011	2010	
Capacity	250	250	250	250	250	MW
Net Generation	1,034,146	789,550	680,744	1,173,367	1,492,921	MWh
Capacity Factor	47.20%	36.05%	31.00%	53.58%	68.17%	Net Generation/(Capacity*PH)
EAF	85.23	88.08	85.35	85.53	81.96	Equivalent Availability Factor (%)
EFOR	3.34	0.70	3.91	3.43	5.30	Equivalent Forced Outage Rate ((FOH+EFDH)/(FOH+SH)*100 (%))
Billing Capacity	98.12%	99.61%	98.44%	96.55%	97.86%	Average annual billing capacity per the provisions of the PPA

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 61
PARTY: FLORIDA POWER & LIGHT (FPL)
(REBUTTAL)
DESCRIPTION: Thomas L Hartman TLH-5



FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 62
PARTY: FLORIDA POWER & LIGHT (FPL)
(REBUTTAL)
DESCRIPTION: Thomas L Hartman TLH-6

Graph of Monthly Capacity Factor from January 2010 through December 2014
Exhibit TLH-6, Page 1 of 1

Docket No. 150075-EI

Summary

	Generation Capital FPL (Millions)	Transmission Capital FPL (Millions)	Generation Fixed O&M (Millions)	Capital Replacement Charges (Millions)	Firm Gas Transport Costs (Millions)	Pipeline Capital Costs (Millions)	Short Term Purchase (Millions)	Nuclear Fuel Unrecovered Investment (Millions)	Total Fixed Costs (Millions)	System Net Fuel (Millions)	Startup + VOM Costs (Millions)	Emission Costs (Millions)	Transmission Losses (Millions)	Total VOM/Fuel Costs (Millions)	Total Annual Costs (Millions)
1) Cedar Bay (own) through 2024	$7,867	$422	$571	$1,449	$0	$126	$2	$0	$10,438	$60,878	$993	$13,283	$0	$75,153	85,591
2) Cedar Bay (own) Retired 2016	$7,867	$422	$486	$1,449	$0	$126	$13	$0	$10,364	$60,885	$991	$13,281	$0	$75,158	85,521
Difference	$0	$0	$85	$0	$0	$0	($11)	$0	$74	($8)	$1	$2	$0	($4)	$70

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 63
PARTY: FLORIDA POWER & LIGHT (FPL) (REBUTTAL)
DESCRIPTION: Thomas L Hartman TLH-7

Docket No. 150075-EI
Economics of Operating the Cedar Bay Facility through 2024
Exhibit TLH-7, Page 1 of 1

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 64
PARTY: FIPUG
DESCRIPTION: Barrett Carlyle 3.24.14
Indicative Proposal

FILED JUL 31, 2015
DOCUMENT NO. 04822-15
FPSC - COMMISSION CLERK

PSC DOCKET NO. 150075-EI

HEARING EXHIBITS 64, 65, 66 AND 67

PUBLIC VERSION

REDACTED

RECEIVED-FPSC
15 JUL 31 AM 11:25
COMMISSION CLERK

EXHIBIT NO. 64

DOCKET NO: 150075-EI

WITNESS: ROBERT BARRETT

PARTY: FLORIDA INDUSTRIAL POWER USERS GROUP

DESCRIPTION: CARLYLE MARCH 24, 2014 INDICATIVE PROPOSAL

THE CARLYLE GROUP

520 Madison Avenue • New York, New York 10022
Tel (212) 381-4900 • Fax (212) 381-4901

STRICTLY PRIVATE & CONFIDENTIAL

March 24, 2014

Mr. Thomas Hartman
Director, Business Management
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408

Re: [redacted]

Dear Mr. Hartman,

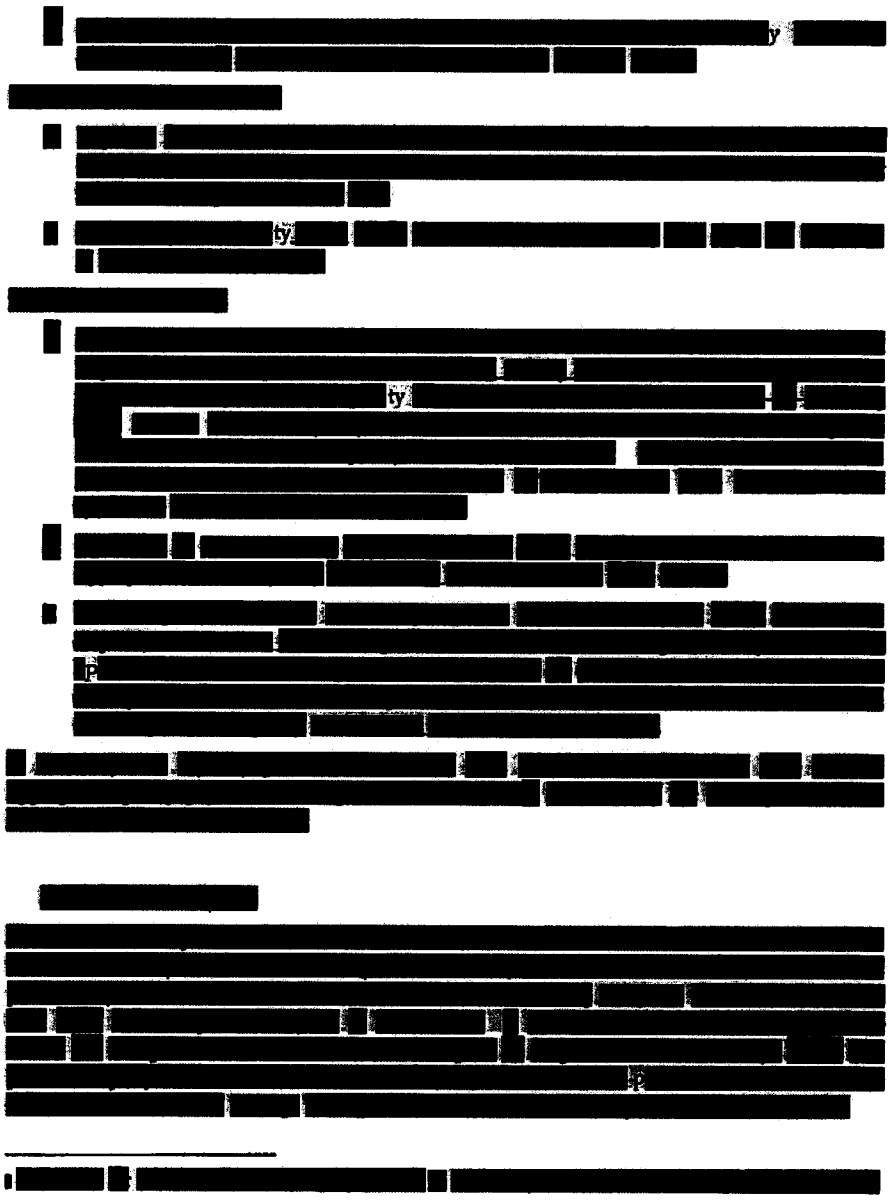
[redacted]

1. PPA Background

Cedar Bay is a 250 MW circulating fluidized bed coal facility operating under the PPA with FPL, which by its terms, runs through January 2025. Pursuant to Appendix A of the PPA, FPL makes certain capacity payments to the Project including: (1) Base Capacity Credits, (2) Operations & Maintenance ("O&M") Credits, and (3) ~~Bonus~~ bonus Capacity Credits [redacted]

[redacted]

EXHIBIT 38
Witness Evans
Date 5-27-15
Reporter: Sarah B. Gilroy



[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

THE CARLYLE GROUP

520 Madison Avenue • New York, New York 10022
Tel (212) 381-4900 • Fax (212) 381-4901

STRICTLY PRIVATE & CONFIDENTIAL

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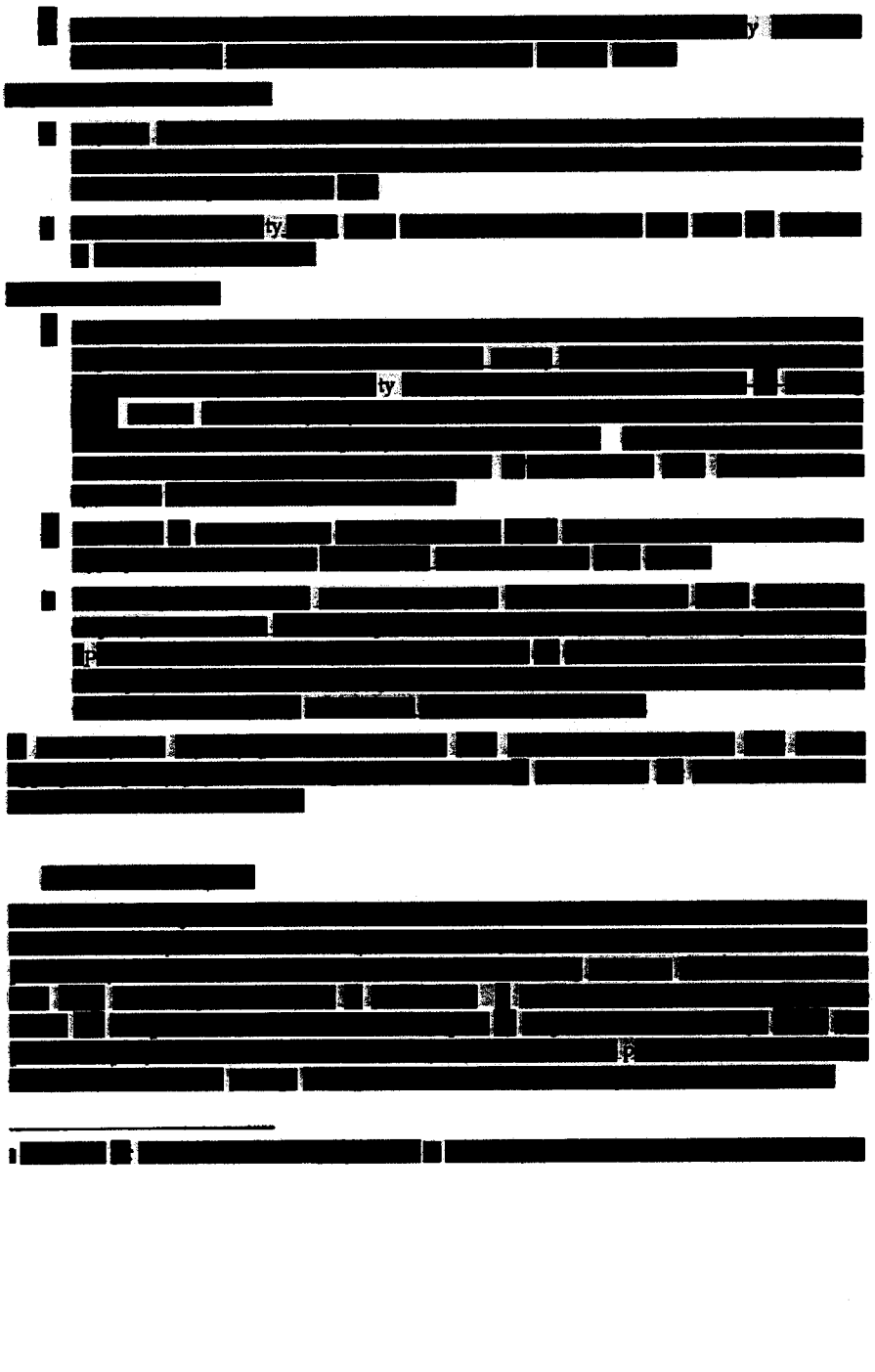
[redacted]

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[redacted]

EXHIBIT 38
Witness QUANO
Date 5-27-15
Reporter: Sarah B. Gilroy



[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 65
PARTY: FIPUG
DESCRIPTION: Barrett/FPL 5.20.14 Proposal

EXHIBIT NO. 65

DOCKET NO: 150075-EI

WITNESS: ROBERT BARRETT

PARTY: FLORIDA INDUSTRIAL POWER USERS GROUP

DESCRIPTION: FPL MAY 20, 2014 OFFER

FPL.

CONFIDENTIAL

May 20, 2014

Mr. Matthew O'Connor
Managing Director
Co-fund head of Carlyle Power Partners
Carlyle Investment Management L.L.C.
The Carlyle Group
520 Madison Avenue
New York, New York 10022

Mr. Robert Mancini
Managing Director
Co-fund head of Carlyle Power Partners
Carlyle Investment Management L.L.C.
The Carlyle Group
520 Madison Avenue
New York, New York 10022

Re: Carlyle's preliminary, non-binding proposal letter dated March 24, 2014 (the "Indicative Proposal") for a potential transaction involving Cedar Bay Generating Company LP ("Cedar Bay" or the "Project")

Gentlemen:

We thoroughly reviewed your Indicative Proposal, as well as the follow-up discussion of April 16. Additionally, we have thoroughly analyzed the economics of your proposals for our customers' benefit.

We believe that your Indicative Proposal for the sale of CBAS Power to FPL, and subsequent resale to affiliates of Carlyle, appears to offer a structure that could provide value for FPL and our customers. We propose a price for the transaction you outlined of $525 million.

Consummation of the transaction is subject to the results of our due diligence investigation, as well as successful negotiation of definitive documents for the transaction.

We look forward to working with you and your team to develop a definitive agreement beneficial to both parties, as well as expeditiously completing appropriate due diligence. In order to expedite the process, we propose that development of the needed documents and the due diligence effort proceed in parallel. Accordingly, we will be submitting our initial due diligence document list within the next week.

Should you have questions please contact either Tim Gerrish at (561) 691-7880 or by email to Timothy.Gerrish@FPL.com or Tom Hartman at (561) 691-7128 or by email to Tom.Hartman@FPL.com.

This response letter is for discussion purposes only. FPL is under no obligations to continue any negotiations regarding your Indicative Proposal. This letter is not intended to, and does not create a legally binding obligation on FPL. Any binding obligation can only occur upon execution of a definitive agreement, which would be in the sole and absolute discretion of the parties.

Sincerely,

Sam Forrest
Vice President
Energy Marketing & Trading
Florida Power & Light Company

Cc: Jim Larocque

FPL.

CONFIDENTIAL

May 20, 2014

Mr. Matthew O'Connor
Managing Director
Co-fund head of Carlyle Power Partners
Carlyle Investment Management L.L.C.
The Carlyle Group
520 Madison Avenue
New York, New York 10022

Mr. Robert Mancini
Managing Director
Co-fund head of Carlyle Power Partners
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Sincerely,

Sam Forrest
Vice President
Energy Marketing & Trading
Florida Power & Light Company

Cc: Jim Larocque

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 66
PARTY: FIPUG
DESCRIPTION: Herr/Excerpt from OPC EXH 18 to Rudolph's deposition

EXHIBIT NO. 66

DOCKET NO:	150075-EI
WITNESS:	DAVID HERR
PARTY:	FLORIDA INDUSTRIAL POWER USERS GROUP
DESCRIPTION:	EXCERPT FROM OPC EXHIBIT #18 TO RUDOLPH PRE-FILED TESTIMONY

DUFF&PHELPS

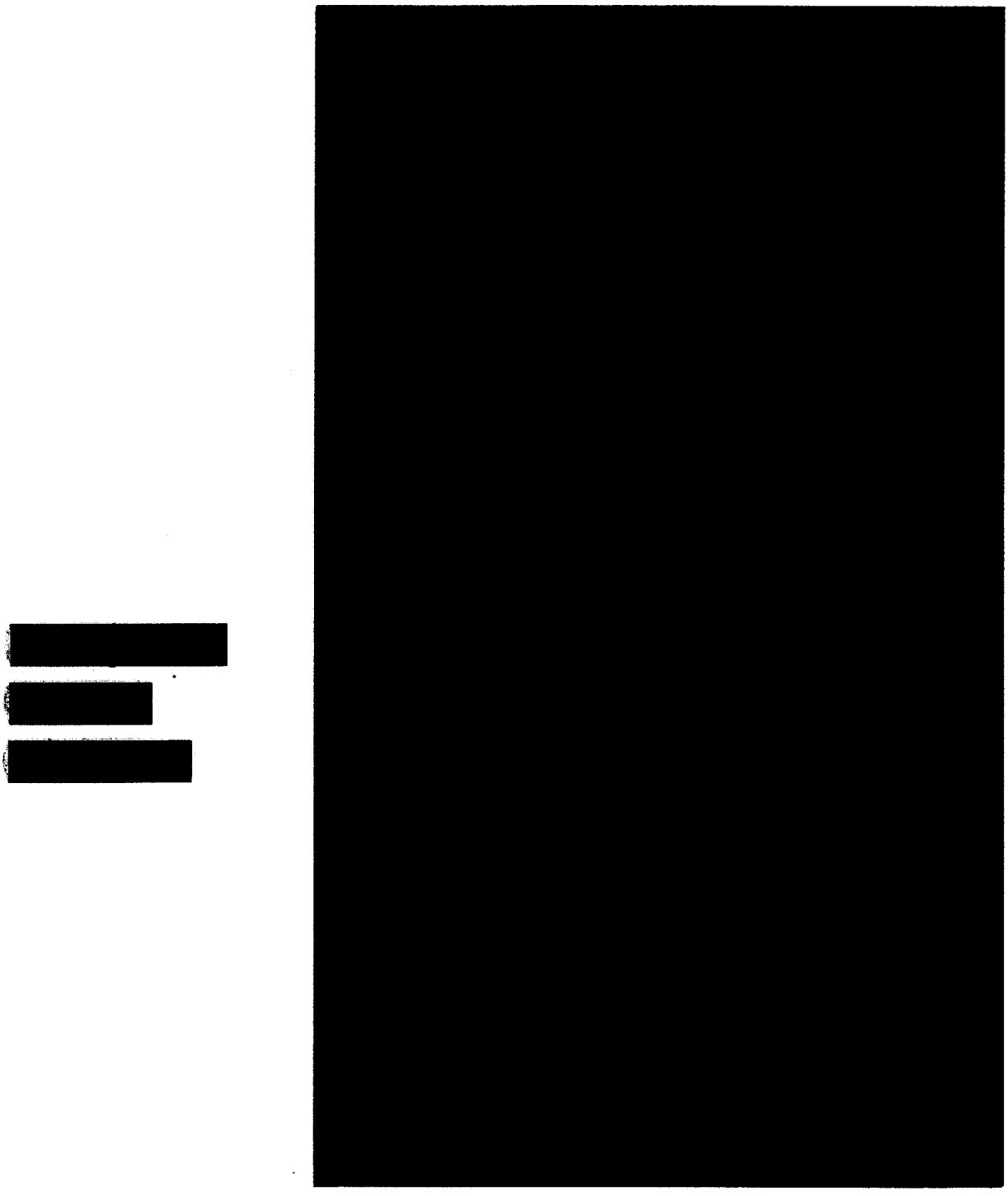
CONFIDENTIAL

Valuation of Certain Tangible and Intangible Assets & Liabilities of Cogentrix Power Holdings LLC

April 5, 2013

Prepared for
Cogentrix Power Holdings LLC

EXHIBIT 18
Witness Audited
Date 5-15-15
Reporter: Sarah B. Gilroy



DUFF&PHELPS

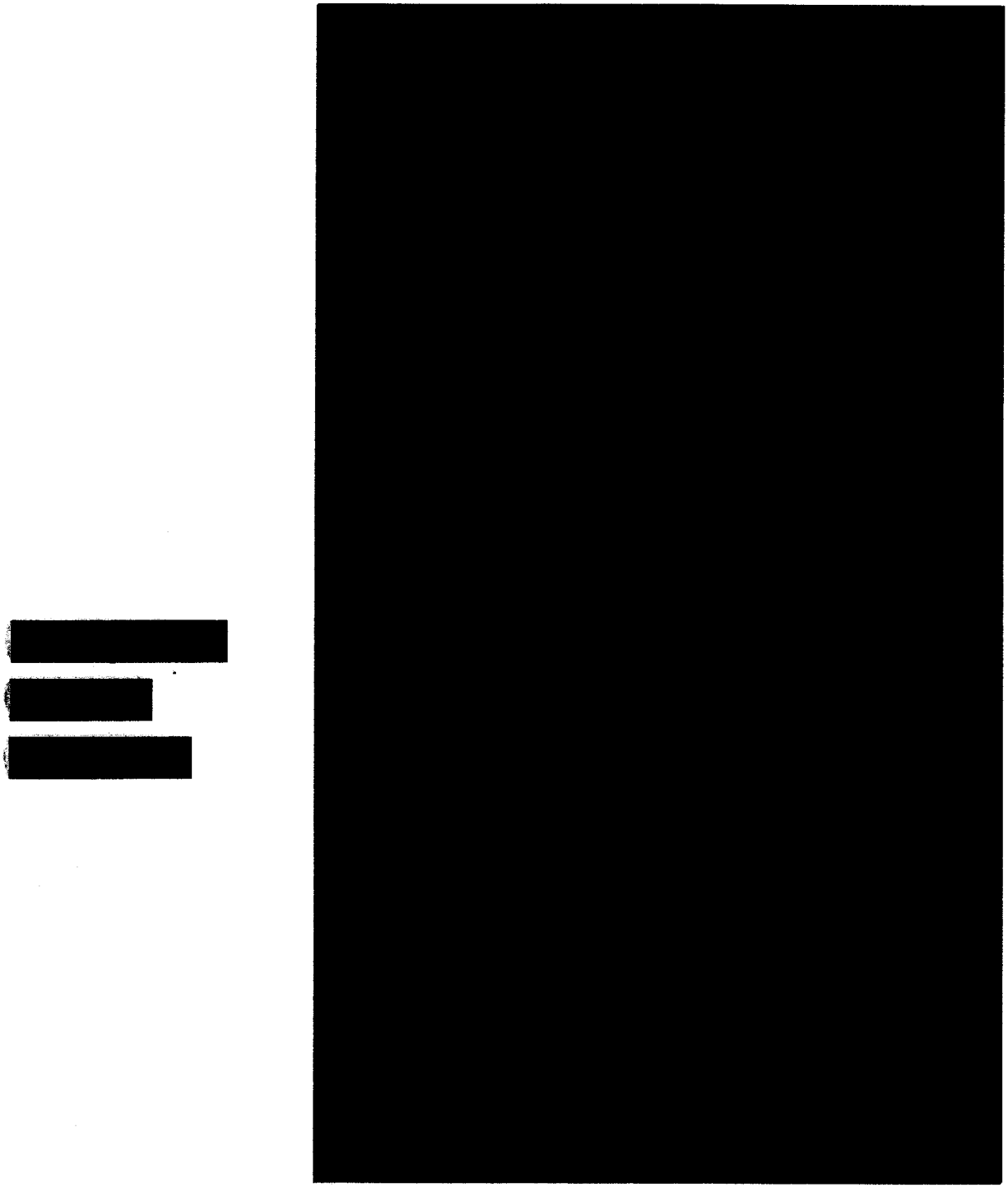
CONFIDENTIAL

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April 5, 2013

Prepared for
Cogentrix Power Holdings LLC

EXHIBIT 18
Witness Audited
Date 5-15-15
Reporter: Sarah B. Gilroy



CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 67
PARTY: FIPUG
DESCRIPTION: Herr/Excerpt form OPC EXH 17 to Rudolph deposition

EXHIBIT NO. 67

DOCKET NO:	150075-EI
WITNESS:	DAVID HERR
PARTY:	FLORIDA INDUSTRIAL POWER USERS GROUP
DESCRIPTION:	EXCERPT FROM OPC EXHIBIT #17 TO RUDOLPH PRE-FILED TESTIMONY

Cogentrix

MEMORANDUM

TO: [redacted] II LLC 2013 accounting files

FROM: Phil Gregorich

DATE: 8/9/13

[redacted]

EXHIBIT 17
Witness Rudolph
Date 5-15-15
Reporter: Sarah B. Gilroy

Cogentrix

MEMORANDUM

TO: [redacted] II LLC 2013 accounting files

FROM: Phil Gregorich

DATE: 8/9/13

[redacted]

EXHIBIT 17
Witness Cudetzki
Date 5-15-15
Reporter: Sarah B. Gilroy

EXHIBIT NO. 68

DOCKET NO: 150075-EI

WITNESS: DAVID HERR

PARTY: FLORIDA INDUSTRIAL POWER USERS GROUP

DESCRIPTION: CARLYLE GROUP SEPT. 6, 2012 PRESS RELEASE REGARDING ACQUISITION OF CEDAR BAY

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 68
PARTY: FIPUG
DESCRIPTION: Herr/Carlyle Group 9.6.2012 press release regarding Cedar Bay acquisition

Overview
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Value Creation Case Studies
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PRESS RELEASE

Thu, 06 September 2012

2012-054

The Carlyle Group to Acquire Cogentrix Energy Assets and Power Project Development and Acquisition Platform

Purchase Includes Five Conventional and Renewable Power Plants and Development Pipeline, Over 550 Megawatts of Operational Capacity

Washington, DC – Global alternative asset manager The Carlyle Group (NASDAQ: CG) today announced that its infrastructure fund has agreed to acquire from Goldman Sachs Group, Inc. (NYSE: GS) the North American power generation assets held by Cogentrix Energy, LLC ("Cogentrix"), which include five coal and solar power projects in Florida, Virginia, Colorado and California, as well as a development pipeline of gas and renewable power projects. The transaction includes the Charlotte, North Carolina-based Cogentrix team, including professionals who will continue to initiate new power generation projects and acquisitions as well as bring their power asset management and operating expertise to Carlyle's future investment activity in the power sector.

Equity for this investment comes from Carlyle Infrastructure Partners, a $1.14 billion fund. Terms of the transaction, which is subject to customary regulatory approvals and is expected to close during the fourth quarter of 2012, were not disclosed.

Daniel A. D'Aniello, Carlyle Chairman and Co-founder, said, "Carlyle has long been committed to investing in energy and expanding its dedicated capabilities in this important segment of the global economy. We are delighted to have the Cogentrix development team as a key resource in the build-out of our long-term energy and power investment strategy."

Robert Dove, Carlyle Managing Director, said, "This is an attractive portfolio of power assets that we look forward to managing and growing. Access to the world-class development team at Cogentrix will deepen our existing infrastructure investment capabilities, enabling us to pursue an active program of acquiring and developing conventional and renewable power projects across the U.S."

The transaction includes significant ownership stakes in coal-fired power plants in Jacksonville, Florida (Cedar Bay) and Hopewell and Portsmouth, Virginia; solar power facilities in Daggett, California (Sunray), and Alamosa, Colorado. Goldman Sachs will retain a minority stake in Cedar Bay. Cogentrix has operating and development personnel with experience developing and acquiring over 7,000 net megawatts of power generation during the past three decades.

Carlyle is a long-standing investor in energy, with investments emanating from a variety of fund groups, including the U.S. and European buyout funds, Carlyle Infrastructure Partners, Carlyle Equity Opportunity Partners and Carlyle Energy Mezzanine Partners. Recent investments include:

- Agreement with Sunoco Inc. (NYSE: SUN) to form Philadelphia Energy Solutions, a joint venture that will enable the historic Philadelphia refinery to continue operating

- Plainfield Renewable Energy, a biomass gasification power plant in Connecticut

- TexOak Energy, an upstream oil and gas company with assets in Texas and Oklahoma

- Black Raven Energy, an exploration and production company based in Denver, Colorado

- Core Minerals Operating Co., an exploration and production company based in Evansville, Indiana.

Current Carlyle Infrastructure Partners investments include Illinois Central School Bus, a Midwest school bus transportation business; ITS Technologies & Logistics, which performs lift-on / lift-off of containers from trains and trucks; Project Service, an innovative partnership with the State of Connecticut to redevelop, operate and maintain Connecticut's 23 highway service areas; and Western Water Holdings, which operates water utilities in California and Montana.

Vinson & Elkins served as legal advisor to Carlyle on the Cogentrix transaction.

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About The Carlyle Group
The Carlyle Group (NASDAQ: CG) is a global alternative asset manager with $156 billion of assets under management across 99 funds and 63 fund of fund vehicles as of June 30, 2012. Carlyle's purpose is to invest wisely and create value. Carlyle invests across four segments – Corporate Private Equity, Real Assets, Global Market Strategies and Fund of Funds Solutions – in Africa, Asia, Australia, Europe, the Middle East, North America and South America. Carlyle has expertise in various industries, including: aerospace, defense & government services, consumer & retail, energy, financial services, healthcare, industrial, technology & business services, telecommunications & media and transportation. The Carlyle Group employs 1,300 people in 32 offices across six continents.
The Carlyle Group – Website
The Carlyle Group – YouTube Channel

About Cogentrix
Cogentrix is a leading developer, owner and operator of independent power in North America. Cogentrix was founded in 1983 and has been directly responsible for the development, engineering, construction, operation and management of fossil and renewable power facilities with a combined generating capability in excess of 5,000 megawatts. Through additional acquisitions, Cogentrix has been directly involved in the operation and management of power assets delivering in excess of 7,000 net megawatts.

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Media Contact:

The Carlyle Group:
Liz Gill
W +1-202-729-5385
Elizabeth.gill@carlyle.com

Goldman Sachs:
Michael DuVally
W +1-212-902-2605
michael.duvally@gs.com

# # #

EXHIBIT NO. 69

DOCKET NO: 150075-EI

WITNESS: RAY BUTTS

PARTY: FLORIDA INDUSTRIAL POWER USERS GROUP

DESCRIPTION: AAI PHASE 2 ENVIRONMENTAL SITE ASSESSMENT OVERVIEW

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET: 150075-EI EXHIBIT: 69
PARTY: FIPUG
DESCRIPTION: Butts/AA Phase 2 environmental site assessment overview

PHASE 2 ENVIRONMENTAL



Free Price Quote

Team Locations

The AAI Advantage

Competitive Pricing

Environmental Assessment Professionals



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Phase 2 Environmental

Phase 2 Environmental Site Assessment reports are sometimes required when a Recognized Environmental Condition (REC) is found during the Phase 1 Environmental Assessment process. Phase 2 Environmental Assessments consist of collecting soil samples to screen for chemical or metal contamination. This sampling is conducted by drill rig, hydraulic push, hand auger or backhoe, depending on site specific conditions. Phase 2 Environmental reports can also include sampling of groundwater and surface water. This testing is recommended when there is a significant potential for the existence of an environmental liability that can affect the value of a property. Environmental liabilities are costs associated with regulatory-mandated cleanup, disposal of regulated-waste and civil liability. Civil liability occurs when the contamination has migrated offsite or tenants sue over exposure to hazardous materials.



Phase 2 Environmental reports



AAI conducts Phase Two reports at sites where there is known or significantly-potential soil and/or groundwater contamination. Phase Two reports are typically limited in nature and are usually the result of a Recognized Environmental Condition being found in a Phase I report during a real estate transaction, or prior to an owner listing a property for sale. The Phase 2 report is only an initial screen of soil and/or groundwater, in order to determine if there is contamination.



Once contamination is found to be significant and/or to exceed federal, state or local cleanup or human-health risk standards, a further site characterization is required, in order to help establish the vertical and lateral extent of a contamination plume. In these situations, agency consultation is required in order to pursue closure from an oversight agency. A "no further action" letter is pursued for a site, in order to make the property "sellable." In some cases, among sophisticated buyers, a liability transfer is negotiated and executed contractually. For regulatory-mandated cleanup and/or monitoring, the client can apply to available cleanup funds, when available, in order to recover moneys spent.

Vapor Intrusion Assessment



Our company conducts a Vapor Intrusion Assessment (VIA) according to ASTM Standard E2600-08 *Standard Practice for Assessment of Vapor Intrusion into Structures on Property Involved in Real Estate Transactions*. Due to potential vapor intrusion from soil and/or groundwater contamination, AAI screens the subsurface to determine if there is significant potential for vapor intrusion into a structure to identify alternatives for further investigation, to determine if the exposure pathway is complete, and if so, whether it poses or may pose an unacceptable risk to human health (that is, whether a Vapor Intrusion Condition or VIC exists). This practice directs the user and environmental professional to existing federal or state vapor intrusion policy, regulation and guidance. This indoor air quality issue can be a serious liability and may result from onsite or offsite volatile organic compound contamination and is now federally regulated and state regulations are also in place in many states. In addition, this may create a toxic tort liability and may affect your business operations, if left undiscovered and is not mitigated properly.



Phase 2 Environmental Assessment

Hydrogeologic Studies

Hydrogeologic studies are conducted at a site to determine the properties, parameters and characteristics of a groundwater-containing aquifer. These investigations are typically conducted to determine if there is significant contamination or potential contamination in a water-bearing zone. These studies are also associated with determining if an aquifer has the characteristics and properties to be useful as a water supply. The most common reasons for conducting hydrogeologic investigations are:

1. As part of a Phase Two Environmental Assessment for a real estate transaction

Price Quote

or call toll free: 1-(888)-970-[illegible]

"**AAI Environmental** puts quality, timeliness and customer service at the top of their list. Never did I have to call requesting additional information or clarification for a report. From ASTM to NEPA to project tracking and billing, they are #1 on my favorite list of consultants to work with. I would recommend them to anyone...as long as you're looking for fabulous customer service, high-quality reports and a friendly atmosphere at an affordable price. I can guarantee you'll never find a better environmental consultant out there...anywhere."
Holly Reisz, Project Manager, WFI



"I wanted to take this opportunity to let you know that you and your team are providing some excellent reports for our review. The reports you submit are well put together and easy to read and understand. The attention you give to site detail is top notch! It makes our job a lot easier when we can review these kinds of reports. When I see reports from you, I am confident that the information you provide is accurate. I just want to say thank you."
Jennifer Jones, Cingular Wireless



"I have been a client for over 9 years and I can give you my highest recommendation. You have completed over thirty reports for my real estate development company, including a groundwater contamination project and your reports are high quality and thorough. When I hire you I feel you have my best interests in mind."
Al Sweet, Sweet Development Corp.










2. To determine if an aquifer can be used as a supply and for optimal well design
3. Monitoring of groundwater at contaminated sites
4. Feasibility studies for remediation design
5. To determine if off-site sources are impacting groundwater in civil liability cases
6. Due to regulatory-mandated cleanup or monitoring

Typical methods for determining groundwater characteristics:

1. Installation of pilot borings
2. Installation of monitoring wells
3. Installation of extraction wells
4. Pump tests
5. Groundwater modeling
6. Geophysical, logging and sieve-analysis for engineered sandpacks and screening

Soils Studies

Soils investigations that are part of an environmental study, typically a **Phase II Environmental Site Assessment**, are conducted to establish the chemical makeup of the soil in order to determine if there are significant amounts of contaminants that will require remediation or monitoring, or create land use limitations. These contaminants are sometimes present due to current or previous storage and use of hazardous chemicals at a property. These investigations are usually associated with Phase 2 Environmental Site Assessments associated with real estate transactions, where a significant potential for significant contamination was determined in a Phase 1 report. Geotechnical soil studies are conducted to determine physical characteristics and properties of soil for construction projects. These soils studies are conducted by licensed professional geologists with extensive experience. Here are some of the typical methods that we incorporate for collecting soil samples for environmental and geotechnical investigations:

1. Hand auger
2. Test pits by shovel for shallow sampling
3. Hydraulic push that minimizes waste-soil cuttings and is good for shallow sampling
4. Backhoe for trenching
5. Truck-mounted open-flight hollow-stem auger
6. Mud-rotary drilling
7. Air-rotary drilling
6. Directional and horizontal drilling

Water Well Design and Analysis

AAI designs and installs private, municipal and industrial supply wells. We conduct pilot studies, obtain permits, design wells, and oversee all aspects of the well installation process. By providing a hydrogeologist-designed sandpack and perforated casing, we are able to provide groundwater wells for large volume use in various geologic environments. Our hydrogeologic investigations will also determine if a supply well is even feasible at a specific location at the volume and/or quality that makes it suitable to the clients' needs.

Additionally, we can design and install groundwater monitoring wells, usually associated with a **Phase 2 Environmental Site Assessment**, at locations where known or potential environmental impact can occur. These wells can be provided for phase two environmental studies, agency-oversight projects and for legal cases.

Phase 2 Environmental Studies, also known as: Phase 2 Environmental Surveys or Audits, are usually done when they are recommended in a Phase I Environmental Site Assessment report. Click the link below to learn more about Phase I Environmental reports.



How much does a Phase 2 Environmental Study cost? price quote

When is Phase 2 Environmental needed?

This is a common question and there is not a simple answer. The ASTM standard describes a recognized environmental condition as the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, ground water, or surface water of the property. The term includes hazardous substances or petroleum products even under conditions in compliance with laws.

In general, previous uses that can typically create the need for a Phase 2 Environmental Study include: gas stations, dry cleaners, machine shops, manufacturing, hazardous waste storage, etc. Further analysis into the specific site details during the Phase 1 Environmental process will determine, if any of these previous uses have created a significant potential for a release or if a known release has occurred. Expertise in soil and groundwater contamination is required in order to make good judgments in regards to these matters. This work should be conducted by a Professional Geologist or Professional Engineer with specific experience in this field.

Many lenders will automatically require a Phase 2 Environmental investigation for a property that has had any of these environmentally-sensitive uses. These studies can range from Limited Phase II Environmental Assessments to full Phase II Environmental Studies, that include installation of groundwater monitoring wells with extensive testing. As part of the due diligence process for real estate transactions, a more limited study should be conducted as a screen initially to determine if there is a severe problem. If this is the case, further site characterization may be required or this can help the buyer decide if he wants to go forward with the transaction.

How much does Phase 2 Environmental cost?

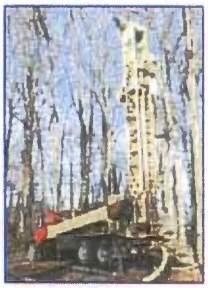
















Proposal for Phase 2 Environmental report

Phase 2 ESA price quote

The cost for a Phase 2 Environmental Assessment ranges greatly, depending on the site specific details. The site specifics include: type of lab analyses required, drilling method needed, access to the subsurface, overhead constraints, groundwater testing required, etc. The cost of our Phase 2 Environmental investigations have ranged from as low as $2,500 to $250,000. Typical due diligence type phase two studies are in the $6,000 to $25,000 range. In order for us to provide an accurate price quote, we will look at the specific site and develop a strategy to minimize costs and maximize information in order to make accurate conclusions regarding the presence of a significant problem.



Please feel free to contact us for any questions regarding your needs for a Phase 2 Environmental Site Assessment report at our toll free phone number. One of our professional geologists will be happy to assist you with your project.

When does Phase 2 Environmental go to Phase 3?

If the lab results from the soil, water or groundwater samples indicate a significant problem, need further delineation or if cleanup is required by an agency or by the responsible party, a site characterization, risk assessment or remediation may be required. The remediation or cleanup typically has to occur until verification samples are less than federal, state or local cleanup standards. In some cases the owner or occupant wants to completely remove all contaminants to non-detectable, if it is feasible.

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