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December 3, 2015

-VIA ELECTRONIC FILING-

Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
Betty Easley Conference Center
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

**Re: Docket 15 _____
Florida Power & Light Company's Petition to Terminate the North
Broward Resource Recovery Facility Electric Power Purchase
Agreement**

Dear Ms. Stauffer:

I enclose for electronic filing in the above docket Florida Power & Light Company's Petition to Terminate the North Broward Resource Recovery Facility Electric Power Purchase Agreement.

Please contact me if you or your Staff has any questions regarding this filing.

Sincerely,

Kevin I.C. Donaldson

Enclosure

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Florida Power & Light Company's Petition for Approval to Terminate the North Broward Resource Recovery Facility Electric Power Purchase Agreement with Wheelabrator North Broward, Inc.

Docket No: 15_____

Filed: December , 2015

FLORIDA POWER & LIGHT COMPANY'S PETITION FOR APPROVAL TO TERMINATE THE NORTH BROWARD RESOURCE RECOVERY FACILITY ELECTRIC POWER PURCHASE AGREEMENT

Pursuant to Rules 25-17.0836 and 28-106.21, Florida Administrative Code ("F.A.C."), Florida Power & Light Company ("FPL" or "the Company") hereby petitions the Florida Public Service Commission ("FPSC" or the "Commission") for approval to terminate the Wheelabrator North Broward, Inc. ("Wheelabrator North Broward" or "WNB") Power Purchase Agreement ("WNB Second PPA" or "WNB Second Contract") for the North Broward Resource Recovery Facility ("NBRR Facility"). In support of this Petition, FPL states:

1. FPL is a corporation with headquarters at 700 Universe Boulevard, Juno Beach, Florida 33408. FPL is an investor-owned utility operating under the jurisdiction of this Commission pursuant to the provisions of Chapter 366, Florida Statutes. FPL provides generation, transmission, and distribution service to more than 4.7 million retail customers.

2. Any pleading, motion, notice, order, or other document required to be served upon FPL or filed by any party to this proceeding should be served upon the following individuals:

Kenneth A. Hoffman
Vice President Regulatory Affairs
Ken.hoffman@fpl.com
Florida Power & Light Company
215 S. Monroe Street, Ste 810
Tallahassee, Florida 32301
(850) 521-3919
(850) 521-3939 (fax)

John T. Butler
Assistant General Counsel – Regulatory
John.butler@fpl.com
Kevin I.C. Donaldson
Senior Attorney
Kevin.Donaldson@fpl.com
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408
(561) 304-5639
(561) 691-7135 (fax)

Background

3. In 1986, twenty two municipalities in Broward County signed an interlocal agreement with the County establishing a Resource Recovery Board which would be responsible for the collection and disposal of all solid waste produced by those municipalities and the County.

4. In 1987, FPL entered into two standard offer contracts to purchase energy and capacity from Wheelabrator North Broward and Wheelabrator South Broward, Inc. (“Wheelabrator South Broward” or “WSB”), respectively. One contract (“Original WNB PPA”) was entered into between FPL and WNB for the purchase of energy and capacity from the Wheelabrator NBRR Facility. The NBRR Facility went into service in 1993. The other contract (“Original WSB PPA”) was entered into between FPL and WSB for the purchase of energy and capacity from the Wheelabrator South Broward Facility. Both the NBRR Facility and the Wheelabrator South Broward Facility were designed to burn municipal solid waste as a fuel source, with the NBRR Facility solely dependent upon the

waste stream generated under the interlocal agreement. Both the Original WNB PPA and Original WSB PPA expired on December 31, 2010.

5. In 1991, FPL and Wheelabrator North Broward entered into a separate agreement, the WNB Second PPA, to purchase an additional 11 MW of energy and capacity from the NBRR Facility. (Exhibit "A") This WNB Second PPA expires on December 31, 2026 and is the subject of this Petition. Additionally, FPL and Wheelabrator South Broward entered into a separate agreement, WSB Second PPA, to purchase an additional 3.5 MW of energy and capacity from the Wheelabrator South Broward Facility. The WSB Second PPA also expires on December 31, 2026. The FPSC approved both the WNB Second PPA and WSB Second PPA in Docket No. 91-1140-EQ, Order No. PSC-92-0050-FOF-EQ.

Continued Viability of the WNB Second PPA

6. In July 2013, the interlocal agreement governing waste disposal expired, despite attempts to negotiate a new agreement or an extension to the existing agreement. Whereas Waste Management (parent company of Wheelabrator North Broward) had, under the interlocal agreement, sole control of the waste streams, now the cities which were parties to this agreement began to contract with other entities to handle their waste. As a result, Wheelabrator North Broward no longer had a dedicated waste stream to fuel the NBRR Facility.

7. By the end of 2014, more than 37% of the waste in Broward County was shipped out of the county for disposal. Additionally, since the inception of the interlocal agreement, the energy content of the waste stream has declined due to success in recycling high energy content feed stocks such as paper and plastics.

8. In December 2014, Waste Management sold Wheelabrator to Energy Capital Partners; however, while the sale included the South Broward Facility, it did not include the NBRR Facility, which was retained by Waste Management. The majority of the waste still handled by Waste Management is transported to the South Broward Facility. The NBRR Facility was only allocated enough of the waste stream to meet its 11 MW obligations to FPL under the WNB Second PPA.

9. FPL's low avoided cost further means that the NBRR Facility cannot economically operate by selling additional energy to FPL on an as-available basis, even if fuel could be procured. It is very difficult (or perhaps impossible) for Wheelabrator North Broward to economically justify maintaining and staffing the 68 MW NBRR Facility based only upon the revenue stream from generating 11 MW under the WNB Second PPA.

10. Because of these unfavorable economics, the NBRR Facility has not delivered energy or capacity to FPL since the beginning of August 2015. Even if the NBRR Facility produces no energy or capacity, a capacity payment is due under the WNB Second PPA as long as the Annual Billing Capacity Factor ("ABCF") is above 60%. If the ABCF is below 60%, however, then the contract is in default and FPL can terminate the contract. The ABCF is a rolling twelve month average of the Monthly Capacity Billing Factors (MCBF), which, in turn, is calculated as a combination of the on-peak and off-peak Monthly Capacity Factors (MCF). With the NBRR Facility producing no output, the ABCF declines month by month, and in December 2015 will drop below the 60% threshold at which FPL is entitled to terminate the WNB Second PPA.

Description of Modification/Termination of PPA

11. On September 9, 2015, Waste Management contacted FPL to advise the Company of its decision to shut down and close the NBRR Facility because it lacked a dedicated waste stream.

12. On November 3, 2015, FPL and Wheelabrator North Broward entered into an agreement terminating the WNB Second PPA as of November 3, 2015. (Exhibit "B")

13. The parties agreed that all charges, liabilities, obligations, terms and conditions of the WNB Second PPA had been fully performed and satisfied by each party through the termination date, such that neither party has any further obligations to the other.

14. The parties further agreed that as of the date of the termination, the FPL capacity account balance is zero (\$0), meaning that no obligations exists for Waste Management to refund capacity payments to FPL.

Effect of Terminating the WNB Second PPA

15. The termination of the WNB Second PPA is projected to produce \$30.2 million in savings for FPL customers on a NPV basis. The projected savings are a result of comparing the cost to FPL of (a) declining to terminate the WNB Second PPA and continuing to receive 11 MW of capacity and energy under that contract from the beginning of 2016 until its expiration at the end of 2026, with (b) terminating the contract now and replacing the energy and capacity over the same period of time at FPL's avoided costs (as reflected in FPL's current Standard Offer Contract).

16. Shutting down the NBRR Facility will result in some of the waste stream being released and available for use at the South Broward Facility, which could increase the output of that facility. However, this increase would not reduce the savings to FPL customers from terminating the WNB Second PPA.

17. As discussed above, the Original WSB PPA expired on December 31, 2010. Currently, only the WSB Second PPA is still in effect, and it is only for 3.5 MW of capacity and energy.. The South Broward Facility can generate that much output with its existing waste stream, so additional waste freed up by closure of the NBRR Facility could not result in any additional contract capacity payments under the WSB Second PPA. There may be an increase in energy payments, but these would be at FPL's avoided cost and thus FPL is economically indifferent as to whether it makes additional energy payments for output from the South Broward Facility or generates the equivalent amount of energy from its own system.

18. Rule 25-17.0836(1)(d), F.A.C., provides that a petition for approval of a contract modification should state whether the modification would affect the in-service date of the facility in question. Here, the NBRR Facility has been in-service for years, and approval of the proposed termination of the WNB Second PPA could not have any effect on its in-service date.

WHEREFORE, FPL respectfully requests that the Commission grant this petition and approve the termination of the North Broward Resource Recovery Facility Electric Power Purchase Agreement.

Respectfully submitted,

John T. Butler
Assistant General Counsel - Regulatory
Kevin I.C. Donaldson
Senior Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408
Telephone: (561) 304-5170
Facsimile: (561) 691-7135
Email: kevin.donaldson@fpl.com

By: 

Kevin I.C. Donaldson
Florida Bar No. 0833401

EXHIBIT "A"

NORTH BROWARD RESOURCE RECOVERY FACILITY

ELECTRIC POWER PURCHASE AGREEMENT

BETWEEN

FLORIDA POWER & LIGHT COMPANY AND WHEELABRATOR

NORTH BROWARD INC.

This Electric Power Purchase Agreement ("Agreement") is made and entered this 19th day of Nov., 1991, by and between Wheelabrator North Broward Inc. (hereinafter called the "QF"), a Delaware corporation and Florida Power & Light Company (hereinafter called "FPL" or the "Company"), a private utility corporation organized under the laws of the State of Florida. The QF and FPL shall collectively be identified herein as the "Parties".

WITNESSETH:

WHEREAS, the QF desires to sell, and FPL desires to purchase, electricity to be generated by the QF consistent with Florida Public Service Commission ("FPSC") Rules 25-17.080 through 25-17.091, F.A.C.; and

WHEREAS, the QF is interconnected with FPL, in whose service territory the QF's generating facility is located; and

WHEREAS, Broward Waste Energy Company, L. P., the predecessor in interest to the

QF, and FPL executed a Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Qualifying Facility (the "Contract"), dated as of March 13, 1987, attached hereto as Appendix A; and the QF's Committed Capacity under the Contract is for 45,000 kilowatts ("kW"); and

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

1. Facility:

The QF has installed and is operating a 79,000 KVA, A. C. synchronous generator located at 2600 N.W. 48th Street, Pompano Beach, , Broward County, Florida. The generator is designed to produce a maximum of 67,609 kW of electric power at an 85% power factor, such equipment being hereinafter identified as the "Facility".

2. Term of this Agreement:

This Agreement shall begin immediately upon its execution by the Parties and shall end at 12:01 A.M., December 31, 2026; provided, however, the Parties' obligations under this Agreement shall not become enforceable until the following conditions precedent have occurred or been satisfied:

2.1 The FPSC must approve this Agreement, without change or condition, including FPSC findings that (a) this Agreement is reasonable, prudent and in the best interest of FPL's ratepayers, (b) no costs in excess of FPL's full

avoided costs are likely to be incurred by FPL over the term of this Agreement, (c) FPL may recover from its ratepayers all payments for energy and capacity, and (d) this Agreement does not invalidate, modify or in any way jeopardize the continuing effectiveness and enforceability of the Contract.

2.2 FPL shall submit this Agreement to the FPSC for FPSC review and approval, and the QF shall, upon FPL's request, use its best efforts to support FPL's request for such FPSC approval.

3. Minimum Specifications:

3.1 The date by which firm capacity and energy deliveries from the QF to FPL shall commence shall be January 1, 1993; the QF has thus elected for early capacity payments.

3.2 Minimum performance standards for the delivery of firm capacity and energy by the QF are as follows:

		<u>On Peak*</u>	<u>Off Peak</u>
Availability		87 %	87 %
Capacity Factor	87 %		

* On-Peak hours as defined in Appendix E.

4. Sale of Electricity by the QF:

FPL agrees, pursuant to this Agreement and the Contract, to purchase all energy and capacity in excess of the Facility's internal consumption of energy and capacity. The purchase and sale of electricity pursuant to this Agreement shall be construed as a net billing arrangement. The billing methodology may be changed

at the option of the QF, subject to the following provisions:

- (a) not more frequently than once every twelve months;
- (b) to coincide with the next Fuel and Purchased Power Cost Recovery Factor billing period;
- (c) upon at least thirty days' advance written notice to the Company;
- (d) upon the installation of any additional metering equipment reasonably required to effect the change in billing and upon payment by the QF for such metering's design, equipment and installation;
- (e) upon completion and approval of any alterations to the interconnection reasonably required to effect the change in billing and upon payment by the QF for such alterations; and
- (f) where the election to change billing methods will not contravene the provisions of the tariff under which the Facility receives electrical service, or any previously agreed contractual provision between the QF and the Company.

5. Payment for Electricity Produced by the QF:

5.1 Energy:

FPL agrees to pay the QF for energy produced by the Facility and delivered to the Company in accordance with the rates and procedures contained in Appendix B attached hereto. Prior to January 1, 1997, the QF will receive energy payments equal to ninety five percent (95%) of the

value derived from the section of FPL's COG - 2 tariff (Appendix C) entitled "B. Energy Rates (1) Payments prior to January 1, 1997" appearing on Sheet No. 10.203. After January 1, 1997, the QF's energy payments will be equal to one hundred percent (100%) of the value derived from the section of FPL's COG - tariff (Appendix C) entitled "B. Energy Rates (2) Payments starting on January 1, 1997" appearing on Sheet No. 10.204.

5.2 Capacity:

5.2.1 Capacity Payment: FPL agrees to pay the QF for the capacity described in Section 5.2.2 in accordance with the rates and procedures contained in the rate schedule and the methodology attached hereto, respectively, as Appendices D and E.

5.2.2 Committed Capacity: It is the intent of the QF to sell 3,000 kW of firm capacity ("Committed Capacity") and related energy under this Agreement, beginning on January 1, 1993. The Committed Capacities of the Facility under the Contract and this Agreement total 48,000 kW; and the QF shall have the one-time option of adjusting its Committed Capacity under this Agreement before January 1, 1993, and specifying when capacity payments are to begin. Such option shall be exercised by providing formal written notice, in accordance with Section 10.6 of this Agreement, informing FPL of any change(s) in the Committed Capacity and the beginning date above. In the event such notice is not received by

FPL prior to January 1, 1993, the QF's Committed Capacity pursuant to this Agreement shall be equal to 3,000 kW, subject to Section 5.2.3. Firm capacity purchases under this Agreement shall be the difference between the total Committed Capacities of the Facility, as outlined above, and the Committed Capacity under the Contract (Appendix A).

5.2.3 No later than January 1, 1997, the QF may, upon a minimum of six months' advance written notice to FPL, periodically increase the Committed Capacity by increment(s) of up to 5 MW per increase; provided, however, in no event shall the Committed Capacity under this Agreement exceed 14 MW; and provided further that the QF's option(s) to so increase its Committed Capacity may only take effect on one or more of the following dates: January 1, 1993, January 1, 1995, and January 1, 1997. Capacity payments for any such increased Committed Capacity shall be made at the rates set forth on Appendix D.

5.2.4 After January 1, 1997, and during the term of this Agreement, additional incremental increase(s) in capacity deliveries, if any, shall not entitle the QF to any additional capacity payments.

5.2.5 For purposes of calculating the Monthly Capacity Factor (as defined in Appendix E), notwithstanding anything in said Appendix E to the contrary, whenever the QF shall perform a Facility turbine

overhaul during the term of this Agreement, the upper limit on the Monthly Capacity Factor shall be 93.5% during the twelve (12) month period that begins six months prior to, and ends five months following, the month in which said overhaul occurs; provided, however, a Facility turbine overhaul which occurs earlier than five years following the most recent previous Facility turbine overhaul shall not entitle the QF to the benefits of this Section 5.2.5.

6. **Electricity Production Schedule:** During the term of this Agreement, the QF agrees to:

- 6.1 Provide FPL prior to October 1 of each calendar year an estimate of the amount of electricity to be generated by the Facility and delivered to the Company for each month of the following calendar year, including the time, duration and magnitude of any planned outages, including without limitation a Section 5.2.5 Facility turbine overhaul, or reductions in capacity;
- 6.2 Promptly update the yearly generation schedule and maintenance schedule as and when any changes may be determined necessary;
- 6.3 Coordinate its scheduled Facility outages with FPL; and
- 6.4 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.

7. **The QF's Obligation if the QF Receives Early Capacity Payments:** The QF's payment option choice pursuant to Section 5.2.2 shall result in capacity payments by FPL prior to January 1, 1997. Therefore, the Parties recognize that capacity payments paid through December 31, 1996, are in the nature of an "early payment" for a future capacity benefit to FPL. To ensure that FPL will receive a capacity benefit for which early capacity payments have been made or, alternatively, that the QF will repay the amount of early payments received to the extent the capacity benefit has not been conferred, the following provisions will apply:

7.1 FPL shall establish a Capacity Account. Amounts shall be credited to the Capacity Account each month through December 1996 in the amount of FPL's capacity payments made to the QF pursuant to the Capacity Payment Rate Schedule attached hereto Appendix D. The monthly balance in the Capacity Account shall accrue interest at an annual rate of 10.4%. Commencing on January 1, 1997, there shall be debited from the Capacity Account an Early Payment Offset Amount to reduce the balance in the Capacity Account. Such Early Payment Offset Amount shall be equal to that amount which FPL would have paid for capacity in that month, if capacity payments had been calculated pursuant to Option A in Rate Schedule COG-2, attached hereto as Appendix C, and the QF had elected to begin receiving payments on January 1, 1997, minus the monthly

capacity payment FPL makes to the QF pursuant to the capacity payment option chosen by the QF pursuant to Section 5.2.2.

7.2 The QF shall owe FPL and be liable for the credit balance in the Capacity Account. FPL agrees to notify the QF monthly as to the current Capacity Account balance. Prior to receipt of advance capacity payments, the QF shall execute a promise to repay any credit balance in the Capacity Account in the event that the QF defaults under this Agreement. The specific repayment assurance selected for purposes of this Agreement is a Surety Bond subject to the final approval by FPL 30 days prior to the payment of any early capacity payments. Notwithstanding the foregoing, FPL agrees to consider a guarantee of the QF's parent company in form and substance reasonably acceptable to FPL in lieu of said Surety Bond. The total Capacity Account shall immediately become due and payable in the event of default by the QF. The QF's obligation to pay the credit balance in the Capacity Account shall survive termination of this Agreement.

8. **Non-Performance Provisions:** The QF shall not receive a capacity payment during any month in which the QF's Annual Capacity Billing Factor as defined in Appendix E does not equal or exceed 60%. In addition, if, for any month after January 1, 1997, the QF fails to achieve a 60% Annual Capacity Billing Factor

as defined in Appendix E and the QF has received capacity payments prior to January 1, 1997, the QF shall be liable for and shall pay FPL an amount equal to the Early Payment Offset Amount for the month; provided, however, such calculation shall assume that the QF achieved a 87% capacity factor. Any payments thus required of the QF shall be separately invoiced by FPL to the QF after each month for which such repayment is due and shall be paid by the QF within 20 days after receipt of such invoice by the QF. Such repayment shall be debited from the Capacity Account as an Early Payment Offset Amount. In no event shall the QF repay to FPL for non-performance any amounts which exceed the then-current balance in the Capacity Account.

9. **Default:** Should any one of the following conditions exist, FPL shall have the right to declare the QF in default under this Agreement:

9.1 The QF ceases all electric generation for 12 consecutive months.

9.2 After January 1, 1997, the QF fails to maintain a 60% Annual Capacity Billing Factor as defined in Appendix E for 24 consecutive months.

9.3 The QF ceases the conduct of active business; or if proceedings under the Federal Bankruptcy Act or insolvency laws shall be instituted by or for or against the QF; or if a receiver shall be appointed for the QF or any of its assets or properties; or if any part of the QF shall be attached, levied upon,

encumbered, pledged, seized, or taken under any judicial process and such proceedings shall not be vacated or fully stayed within 30 days thereof; or if the QF shall make an assignment for the benefit of creditors, or admit in writing its inability to pay its debts as they become due.

9.4 The QF fails to give proper assurance of adequate performance as specified under this Agreement within 30 days after FPL, with reasonable grounds for insecurity, has requested in writing such assurance.

9.5 The QF materially fails to perform as specified under this Agreement.

Once this Agreement is declared in default, upon written notice to the QF, the then-current balance in the Capacity Account shall be paid to FPL.

10. General Provisions:

10.1 **Indemnification:** QF agrees to indemnify and save harmless FPL, its subsidiaries, and their respective employees, officers and directors against any and all liability, loss, damage, costs or expense which FPL, its subsidiaries, and their respective employees, officers and directors may hereafter incur, suffer or be required to pay by reason of negligence on the part of the QF in performing its obligations pursuant to this Agreement or the QF's failure to abide by the provisions of this Agreement. FPL agrees to indemnify and save harmless the QF against any and all liability, loss,

damage, cost or expense which the QF 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. The QF agrees to amend (if and as necessary) the liability insurance policy(ies) procured pursuant to Section 9.2 of the Parties' "Interconnection Agreement for Qualifying Facilities", dated as of February 27, 1987, as superseded by Section 10.2 of the "Agreement for Interconnection" dated as of December 19, 1988, and to include FPL as an additional named insured in such liability insurance policy(ies) to protect the QF's and FPL's interests with respect to the QF's indemnity and hold harmless assurances to FPL contained in this Section.

10.2 Renegotiations Due to Regulatory Changes: Notwithstanding anything to the contrary in this Agreement, should FPL at any time during the term of this Agreement fail to obtain or be denied the FPSC's authorization, or the authorization of any other regulatory body which now has or in the future may have jurisdiction over FPL's rates and charges, to recover from its customers all of the payments required to be made to the QF under the terms of this Agreement or any amendment to this Agreement, the Parties agree that, at FPL's option, they shall renegotiate this Agreement or any

applicable amendment. If FPL exercises such option to renegotiate, FPL shall not thereafter be required to make such payments to the extent FPL's authorization to recover them from its customers is not obtained or is denied. FPL's exercise of its option to renegotiate shall not relieve the QF of its obligation to repay the balance in the Capacity Account. It is the intent of the Parties that FPL's payment obligations under this Agreement or any amendment hereto are conditioned upon FPL being fully reimbursed for such payments through the Fuel and Purchased Power Cost Recovery Clause, Capacity Cost Recovery Clause, or other authorized rates or charges. Any amounts initially recovered by FPL from its ratepayers but for which recovery is subsequently disallowed by the FPSC and charged back to FPL may be set off or credited against subsequent payments made by FPL for purchases from the QF or, alternatively, shall be repaid by the QF.

10.3 Force Majeure: If either Party shall be unable, by reason of force majeure, to carry out its obligations under this Agreement, either wholly or in part, the Party so failing shall give written notice and full particulars of such cause(s) to the other Party as soon as possible after the occurrence of any such cause(s); and such obligations shall be suspended during the continuance of such hindrance which, however, shall be remedied with all possible dispatch; and the obligations, terms and conditions of this

Agreement shall be extended for such period as may be necessary for the purpose of making good any suspension so caused. The term force majeure shall be taken to mean causes not within the reasonable control of the Party affected, including, but not limited to, acts of God, strikes, lockouts or other industrial disturbances, wars, blockades, insurrections, riots, arrests and restraints of rules and people, environmental constraints lawfully imposed by federal, state or local governmental bodies, explosions, fires, floods, lightning, wind, perils of the sea, accidents to equipment or machinery or similar occurrences; provided, however, no occurrence may be claimed to be a force majeure if it is caused by the negligence or lack of due diligence on the part of the Party attempting to make such claim. The QF agrees to pay the costs necessary to reactivate the Facility and/or the interconnection with FPL's system if the same are rendered inoperable due to actions of the QF, its agents, or force majeure events affecting the Facility or the interconnection with FPL. FPL agrees to reactivate at its own cost the interconnection with the Facility in circumstances where any interruptions to such interconnection are caused by FPL or its agents.

10.4 Assignment: The QF shall have the right to assign its benefits under this Agreement, but the QF shall not have the right to assign its obligations and duties without FPL's prior written approval.

10.5 Disclaimer: In executing this Agreement, FPL does not, nor should it be construed to, extend its credit or financial support for the benefit of any third parties lending money to or having other transactions with the QF or any assignee of this Agreement.

10.6 Notification: All formal notices affecting the provisions of this Agreement shall be delivered in person or sent by registered or certified mail to the individuals designated below. The Parties designate the following to be notified or to whom payment shall be sent until such time as either Party furnishes the other Party written instructions to contact another individual.

To QF:	To: FPL
Wheelabrator North Broward Inc.	Florida Power & Light Company
Liberty Lane	P. O. Box 029100
Hampton, NH 03842	Miami, Florida 33102
Attention: General Counsel	Attention: Bulk Power Markets Department

10.7 Applicable Law: This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida.

10.8 Taxation: In the event that FPL becomes liable for additional taxes, including interest and/or penalties arising from the Internal Revenue Service's determination, through audit, ruling or other authority, that FPL's early, levelized or early levelized capacity payments to the QF pursuant to this Agreement are not fully deductible when paid (additional tax liability), FPL may bill the QF monthly for the costs, including carrying charges,

interest and/or penalties, which FPL incurs as a direct result of the fact that all or a portion of these early, levelized or early levelized capacity payments are not currently deductible for federal and/or state income tax purposes. FPL, at its option, may offset these costs against amounts due the QF hereunder. These costs would be calculated so as to place FPL in the same economic position in which it would have been if the entire early, levelized or early levelized capacity payments had been deductible in the period in which the payments were made. If FPL decides to appeal the Internal Revenue Service's determination, the decision as to whether the appeal should be made through the administrative or judicial process or both, and all subsequent decisions pertaining to the appeal (both substantive and procedural), shall rest exclusively with FPL.

10.9 Severability: If any part of this Agreement, for any reason, is declared invalid, or unenforceable by a public authority of appropriate jurisdiction, then such decision shall not affect the validity of the remainder of this Agreement, which remainder shall remain in force and effect as if this Agreement had been executed without the invalid or unenforceable portion.

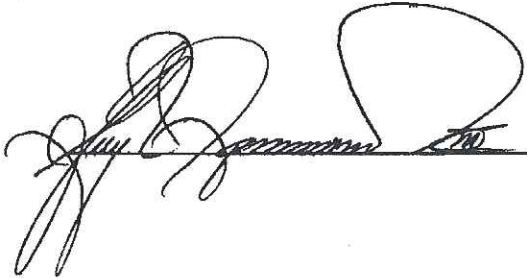
10.10 Complete Agreement and Amendments: All previous communications or agreements between the Parties, whether verbal or written, with reference to the subject matter of this Agreement are hereby abrogated. No amendment or modification to this Agreement shall be binding unless

it shall be set forth in writing and duly executed by both Parties to this Agreement.


10.11 Survival of Agreement: This Agreement, as it may be amended from time to time, shall be binding and inure to the benefit of the Parties' respective successors-in-interest and legal representatives.

IN WITNESS WHEREOF, the QF and FPL executed this Agreement this 19th day of Nov, 1991 .

WITNESS:

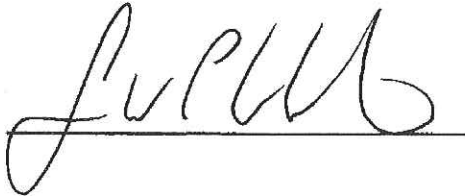


FLORIDA POWER & LIGHT COMPANY

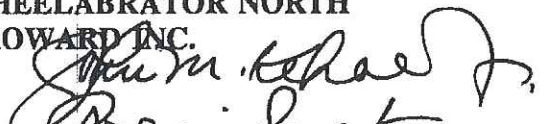

Title: Sr. Vice President Market & Regulatory Services

Date: November 19, 1991

WITNESS:



WHEELABRATOR NORTH
BROWARD INC.


Title: President

Date: 15 Nov 91

APPENDIX A

**STANDARD OFFER CONTRACT
FOR THE PURCHASE OF
FIRM CAPACITY AND ENERGY
FROM A QUALIFYING FACILITY**

THIS AGREEMENT is made and entered into this 13th day of March 1987 by and between Broward Waste Energy Company, Limited Partnership, hereinafter referred to as "QF" and Florida Power & Light Company, hereinafter referred to as "FPL" or the "Company"; a private utility corporation organized under the laws of the State of Florida. The QF and FPL shall collectively be referred to herein as the "Parties".

WITNESSETH:

WHEREAS, QF desires to sell, and FPL desires to purchase electricity to be generated by the QF consistent with Florida Public Service Commission (FPSC) Rules 25-17.80 through 25-17.89 of Order No. 12443, Docket No. 820406-EU; and

WHEREAS, QF has signed an Interconnection Agreement with the utility in whose service territory the QF's generating facility is located, attached hereto as Appendix A; and

WHEREAS, the FPSC has approved this following Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Qualifying Facility;

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

1. Facility

QF contemplates installing and operating a 70,000 KVA A.C. Synchronous generator located at 48th Street and West Powerline Road, Broward County, Florida. The generator is designed to produce a maximum of 59,500 kilowatts (KW) of electric power at an 85% power factor, such equipment being hereinafter referred to as "Facility."

2. Term of the Agreement

This Agreement shall begin immediately upon its execution by the parties and shall end at 12:01 a.m., December 31, 2010.

Notwithstanding the foregoing if construction and commercial operation of the Facility are not accomplished by QF before April 1, 1992, this Agreement shall be rendered of no force and effect.

3. Sale of Electricity by QF

FPL agrees to purchase all of the electric power generated at the Facility and transmitted to FPL by QF. The purchase and sale of electricity pursuant to this Agreement shall be construed as a (x) net billing arrangement or () simultaneous purchase and sale arrangement. The billing methodology may be changed at the option of the QF, subject to the following provisions:

- (a) not more frequently than once every twelve months;
- (b) to coincide with the next Fuel and Purchased Power Cost Recovery Factor billing period;
- (c) upon at least thirty days advance written notice to the Company;
- (d) upon the installation of any additional metering equipment reasonably

required to effect the change in billing and upon payment by the QF for such metering equipment and its installation;

(e) upon completion and approval of any alterations to the interconnection reasonably required to effect the change in billing and upon payment by the QF for such alterations; and

(f) where the election to change billing methods will not contravene the provisions of the tariff under which the Facility receives electrical service, or any previously agreed upon contractual provision between the QF and the Company.

4. Payment for Electricity Produced by QF

4.1 Energy

FPL agrees to pay the QF for energy produced by the Facility and delivered to the Company in accordance with the rates and procedures contained in Rate Schedule COG-2 attached hereto as Appendix B, and as may be amended from time to time. Prior to April 1, 1992 QF will receive energy payments based on FPL's actual avoided energy costs. After April 1, 1992 QF's energy payments will be based on the lesser of FPL's actual avoided fuel costs or the fuel cost of the Statewide Avoided Unit as defined in COG-2, such comparison to be made hourly.

4.2 Capacity

4.2.1 Capacity Payment. FPL agrees to pay QF for the capacity described in Paragraph 4.2.2 in accordance with the rates and procedures contained in Rate Schedule COG-2, as it may be amended and approved from time to time by the FPSC, and pursuant to the election of Option A of Rate Schedule COG-2.

The capacity payments will be made in accordance with the schedule provided below.

<u>YEAR</u>	<u>MONTHLY CAPACITY PAYMENT RATE \$/Kw/Mo</u>
4/1/1992 - 3/31/1993	18.58
4/1/1993 - 3/31/1994	19.58
4/1/1994 - 3/31/1995	20.64
4/1/1995 - 3/31/1996	21.75
4/1/1996 - 3/31/1997	22.93
4/1/1997 - 3/31/1998	24.17
4/1/1998 - 3/31/1999	25.47
4/1/1999 - 3/31/2000	26.85
4/1/2000 - 3/31/2001	28.30
4/1/2001 - 3/31/2002	29.83
4/1/2002 - 3/31/2003	31.44
4/1/2003 - 3/31/2004	33.13
4/1/2004 - 3/31/2005	34.92
4/1/2005 - 3/31/2006	36.81
4/1/2006 - 3/31/2007	38.80
4/1/2007 - 3/31/2008	40.89
4/1/2008 - 3/31/2009	43.10
4/1/2009 - 3/31/2010	45.43
4/1/2010 - 12/31/2010	47.88

4.2.2 Committed Capacity. It is the intent of QF to sell 45,000 KW of committed capacity, beginning on April 1, 1992. QF shall have the one time option of finalizing its committed capacity after initial Facility testing and specify when capacity payments are to begin. Such option shall be exercised by providing formal written notice, in accordance with Paragraph 9.7, informing FPL of any change in the committed capacity and beginning date above. In the event such notice is not received by FPL prior to the commercial in-service date of the Facility or April 1, 1990, whichever occurs first, the committed capacity specified in this Paragraph shall be considered as the QF's committed capacity.

5. Electricity Production Schedule

During the term of this Agreement, QF agrees to:

- (a) Provide FPL prior to October 1 of each calendar year an estimate of the amount of electricity to be generated by the Facility and delivered to the Company for each month of the following calendar year, including the time, duration and magnitude of any planned outages or reductions in capacity;
- (b) Promptly update the yearly generation schedule and maintenance schedule as and when any changes may be determined necessary;
- (c) Coordinate its scheduled Facility outages with FPL; 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.

6. QF's Obligation if QF Receives Early Capacity Payments

The QF's payment option choice pursuant to paragraph 4.2.1 may result in payment by FPL for capacity delivered prior to April 1, 1992. The Parties recognize that capacity payments paid through March 31, 1992, are in the nature of "early payment" for

a future capacity benefit to FPL. To ensure that FPL will receive a capacity benefit for which early capacity payments have been made, or alternatively, that the QF will repay the amount of early payments received to the extent the capacity benefit has not been conferred the following provisions will apply:

FPL shall establish a Capacity Account. Amounts shall be credited to the Capacity Account each month through March, 1992, in the amount of FPL's capacity payments made to the QF pursuant to QF's chosen payment option from Rate Schedule COG-2. The monthly balance in the Capacity Account shall accrue interest at an annual rate of 10.5%. Commencing on April 1, 1992, there shall be debited from the Capacity Account an Early Payment Offset Amount to reduce the balance in the Capacity Account. Such Early Payment Offset Amount shall be equal to that amount which FPL would have paid for capacity in that month, if capacity payment had been calculated pursuant to Option A in Rate Schedule COG-2 and the QF had elected to begin receiving payment on April 1, 1992, minus the monthly capacity payment FPL makes to QF pursuant to the capacity payment option chosen by QF in paragraph 4.2.1.

The QF shall owe FPL and be liable for the credit balance in the Capacity Account. FPL agrees to notify QF monthly as to the current Capacity Account balance. Prior to receipt of advance capacity payments the QF shall execute a promise to repay any credit balance in the Capacity Account in the event the QF defaults pursuant to this Agreement. Such promise shall be secured by means mutually acceptable to the Parties and in accordance with the provision of Rate Schedule COG-2. The specific repayment assurance selected for purposes of this Agreement is:

_____ The total Capacity Account shall immediately become due and payable in the event of default by the QF. The QF's obligation to pay the credit balance in the Capacity Account shall survive termination of this Agreement.

7. Non-Performance Provisions

QF shall not receive a capacity payment during any month in which the twelve months rolling average of the QF's capacity factor does not equal or exceed 70% as defined in Rate Schedule COG-2. In addition, if for any month after April 1, 1992, the QF fails to achieve a 70% capacity factor on a 12 month rolling average basis and the QF has received capacity payments prior to April 1, 1992, the QF shall be liable for and shall pay FPL an amount equal to the Early Payment Offset Amount for the month; provided, however, that such calculation shall assume that the QF achieved a 70% capacity factor. Any payments thus required of QF shall be separately invoiced by FPL to QF after each month for which such repayment is due and shall be paid by QF within 20 days after receipt of such invoice by QF. Such repayment shall be debited from the Capacity Amount as an Early Payment Offset Amount. --

In no event shall the QF repay to FPL for non-performance any amounts which exceed the current credit balance in the Capacity Account.

8. Default

Should any one of the following conditions exist, FPL shall have the right to declare the QF in default under this Agreement.

- (a) The QF ceases all electric generation for 12 consecutive months.
- (b) After April 1, 1992, the QF fails to maintain a 70% capacity factor on a twelve month rolling average basis for 24 consecutive months.
- (c) The QF ceases the conduct of active business; or if proceedings under the Federal Bankruptcy Act or insolvency laws shall be instituted by or for or against QF; or if a receiver shall be appointed for the QF or any of its assets or properties; or if any part of the QF shall be attached, levied upon, encumbered, pledged, seized, or taken under

any judicial process and such proceedings shall not be vacated or fully stayed within 30 days thereof; or if the QF shall make an assignment for the benefit of creditors, or admit in writing its inability to pay its debts as they become due.

(d) The QF fails to give proper assurance of adequate performance as specified under this Agreement within 30 days after FPL, with reasonable grounds for insecurity, has requested in writing such assurance.

(e) The QF materially fails to perform as specified under this Agreement.

Once this contract is declared to be in default, upon written notice to the QF the then current balance in the Capacity Account shall be paid to FPL.

9. General Provisions

9.1 Permits. QF hereby agrees to seek to obtain any and all governmental permits, certifications, or other authority QF is required to obtain as a prerequisite to engaging in the activities provided for in this Agreement. FPL hereby agrees to seek to obtain any and all governmental permits, certifications or other authority FPL is required to obtain as a prerequisite to engaging in the activities provided for in this Agreement.

9.2 Indemnification. QF agrees to indemnify and save harmless FPL, its subsidiaries, and their respective employees, officers, and directors against any and all liability, loss, damage, costs or expense which FPL, its subsidiaries, and their respective employees, officers and directors may hereafter incur, suffer or be required to pay by reason of negligence on the part of QF in performing its obligations pursuant to this Agreement or QF's failure to abide by the provision of this Agreement. FPL agrees to indemnify and save harmless QF against any and all liability, loss, damage, cost or expense which QF 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. QF agrees to include FPL as an additional insured in any liability insurance policy or policies QF obtains to protect QF's interests with respect to QF's indemnity and hold harmless assurances to FPL contained in this Section.

9.3 Renegotiations Due to Regulatory Changes. Anything in this Agreement to the contrary notwithstanding, should FPL at any time during the term of this Agreement fail to obtain or be denied the FPSC's authorization, or the authorization of any other regulatory body which now has or in the future may have jurisdiction over FPL's rates and charges, to recover from its customers all of the payments required to be made to QF under the terms of this Agreement or any subsequent amendment to this Agreement, the parties agree that, at FPL's option, they shall renegotiate this Agreement or any applicable amendment. If FPL exercises such option to renegotiate, FPL shall not thereafter be required to make such payments to the extent FPL's authorization to recover them from its customers is not obtained or is denied. FPL's exercise of its option to renegotiate shall not relieve the QF of its obligation to repay the balance in the Capacity Account. It is the intent of the parties that FPL's payment obligations under this Agreement or any amendment hereto are conditioned upon FPL being fully reimbursed for such payments through the Fuel and Purchased Power Cost Recovery Clause or other authorized rates or charges. Any amounts initially recovered by FPL from its ratepayers but for which recovery is subsequently disallowed by the FPSC and charged back to FPL may be set off or credited against subsequent payments made by FPL for purchases from the QF, or alternatively, shall be repaid by the QF.

9.4 Force Majeure. If either Party shall be unable, by reason of force majeure, to carry out its obligations under this Agreement, either wholly or in part, the

Party so failing shall give written notice and full particulars of such cause or causes to the other Party as soon as possible after the occurrence of any such cause; and such obligations shall be suspended during the continuance of such hindrance, which, however, shall be remedied with all possible dispatch; and the obligations, terms and conditions of this Agreement shall be extended for such period as may be necessary for the purpose of making good any suspension so caused. The term force majeure shall be taken to mean causes not within the reasonable control of the Party affected, including but not limited to acts of God, strikes, lockouts or other industrial disturbances, wars, blockades, insurrections, riots, arrests and restraints of rules and people, environmental constraints lawfully imposed by Federal, state or local government bodies, explosions, fires, floods, lightning, wind, perils of the sea, accidents to equipment or machinery or similar occurrences; provided, however, that no occurrences may be claimed to be a force majeure occurrence if it is caused by the negligence or lack of due diligence on the part of the Party attempting to make such claim. QF agrees to pay the costs necessary to reactivate the Facility and/or the interconnection with FPL's system if the same are rendered inoperable due to actions of QF, its agents, or force majeure events affecting the Facility or the interconnection with FPL. FPL agrees to reactivate at its own cost the interconnection with the Facility in circumstances where any interruptions to such interconnections are caused by FPL or its agents.

9.5 Assignment. The QF shall have the right to assign its benefits under this Agreement, but the QF shall not have the right to assign its obligations and duties without FPL's prior written approval.

9.6 Disclaimer. In executing this Agreement, FPL does not, nor should it be construed, to extend its credit or financial support for the benefit of any third parties lending money to or having other transactions with QF or any assignee of this Agreement.

9.7 Notification. All formal notices affecting the provisions of this Agreement shall be delivered in person or sent by registered or certified mail to the parties designated below. The parties designate the following to be notified or to whom payment shall be sent until such time as either party furnished the other party written instructions to contact another individual.

For QF:

**BROWARD WASTE ENERGY COMPANY,
LIMITED PARTNERSHIP
3550 West Busch Blvd.
Tampa, Florida 33618
Attention: Ted Sjoberg**

For FPL:

**FLORIDA POWER & LIGHT COMPANY
P. O. Box 029100
Miami, Florida 33102
Attention: Cogeneration and Small
Power Production**

9.8 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

9.9 Severability. If any part of this Agreement, for any reason, be declared invalid, or unenforceable by a public authority of appropriate jurisdiction, then such decision shall not affect the validity of the remainder of the Agreement, which remainder shall remain in force and effect as if this Agreement had been executed without the invalid or unenforceable portion.

9.10 Complete Agreement and Amendments. All previous communications or agreements between the Parties, whether verbal or written, with reference to the subject

matter of this Agreement are hereby abrogated. No amendment or modification to this Agreement shall be binding unless it shall be set forth in writing and duly executed by both Parties to this Agreement.

9.11 Incorporation of Rate Schedule. The Parties agree that this Agreement shall be subject to all of the provisions contained in FPL's published Rate Schedule COG-2 as approved and on file with the FPSC. The Rate Schedule is incorporated herein by reference.

9.12 Survival of Agreement. This Agreement as may be amended from time to time, shall be binding and inure to the benefit of the Parties' respective successors-in-interest and legal representatives.

IN WITNESS WHEREOF, QF, and FPL executed this Agreement this 13th
day of March, 1987.

WITNESS:

FLORIDA POWER & LIGHT COMPANY (FPL)

John Floyd *J. C. Collier, Jr.*

By: J. C. Collier, Jr.

Title: Senior Vice President

Date: March 13, 1987

WITNESS:

BROWARD WASTE ENERGY COMPANY,
LIMITED PARTNERSHIP (QF)

Christina W. ... *H. T. D. Sjoberg*

By: H. T. D. Sjoberg

Title: President

Date: March 5, 1987

EXHIBIT A

INTERCONNECTION AGREEMENT FOR QUALIFYING FACILITIES

Florida Power & Light Company (hereinafter called "FPL") agrees to interconnect with Broward Waste Energy Company, Limited Partnership ("BWEC"), owner and operator of the Broward County Resource Recovery Facility - North Site (hereinafter called the "QF"), subject to the following provisions:

1. Facility

The BWEC QF is to be located at N.W. 48th Street (Hilton Road) west of Powerline Road, within FPL's service territory. BWEC intends to have the QF installed and operational on or about April 1, 1989. BWEC shall provide to FPL reasonable prior notice of the QF's initial operation, and it shall cooperate with FPL to arrange initial deliveries of power to FPL's system.

The QF 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"). BWEC shall maintain the qualifying status of the QF throughout the term of this Interconnection Agreement ("Agreement").

2. Construction Activities

BWEC shall provide FPL the technical information necessary to develop the conceptual design. The conceptual design will include for informational purposes (a) a listing of the facilities included in the conceptual design and (b) a one-line diagram of the interconnection facilities. FPL agrees to provide the conceptual design to BWEC five (5) months after the execution of this Agreement and receipt of BWEC's related technical information.

After completion of the conceptual design, upon written request by BWEC, FPL will make available to BWEC a cost estimate based on the conceptual design.

Upon (a) completion of the conceptual design, (b) the parties' agreement as to the appropriate interconnection design requirements and (c) receipt of written instructions to proceed delivered by BWEC, then FPL shall design and perform or cause to be performed all of the work necessary to interconnect the QF with the FPL system. FPL agrees to complete the interconnection facilities described in the conceptual design within 24 months of its receipt of the written instructions to proceed.

BWEC agrees to pay FPL for all expenses incurred and to be incurred by FPL regarding the design, procurement, construction, operation, maintenance, repair and replacement of the interconnection facilities necessary for integration of the QF into FPL's electrical system. Such interconnection costs shall not include any costs which FPL would otherwise incur if it were not engaged in interconnected operations with the QF, but instead simply provided the electric power requirements of the QF with electricity either generated by FPL or purchased from another source.

BWEC agrees to pay all construction costs, including design, procurement, supervision and overhead expense, for interconnection work. FPL will provide to BWEC, either monthly or quarterly as the work progresses, itemized invoices, plus appropriate backup documentation upon reasonable request. Invoiced payments are due within 30 days after receipt of each invoice. If payment is not postmarked within 30 days of the date of the receipt of the invoice, a late payment charge shall be assessed at an interest rate calculated at the 30-day highest grade commercial paper rate in effect 30 days prior to the date of mailing of the invoice, computed daily. In case of a disputed bill, payment of the entire bill shall be made within the 30-day period, but the disputed portion of the bill may be paid under protest. Payments made and designated "Paid under Protest" shall be

accompanied by the reason(s) for such protest. Any funds due BWEC resulting from the settlement of a protest shall include interest, from the date of payment, computed in the manner stated above.

In the event that BWEC notifies FPL in writing to cease interconnection work before its completion, BWEC shall be obligated to reimburse FPL for the interconnection costs incurred up to the date such notification is received.

3. Technical Requirements and Operations

The parties agree that the QF's interconnection with, and delivery of electricity into, the FPL system must be in compliance with Rule 25-17.87, adopted by the FPSC in Order No. 12443, Docket No. 820406-EU, and be accomplished in accordance with the provisions of Exhibit A, entitled "General Standards for Safety and Interconnection of Cogeneration and Small Power Production Facilities to the Electric Utility System". Exhibit A is attached to, and made a part of, this Agreement.

BWEC agrees to require that the QF operator immediately notify FPL's System Dispatcher by telephone in the event of discovery of hazardous or unsafe conditions associated with the parties' parallel operations. If such conditions are detected by FPL, then FPL will likewise immediately contact the operator of the QF by telephone. Each party agrees to immediately take whatever appropriate corrective action is necessary to correct the hazardous or unsafe conditions.

4. Cost Estimates

Attached hereto is Exhibit B, entitled "QF Interconnection Cost Estimates". The parties agree that the cost of the interconnection work contained therein is an estimate of the actual cost to be incurred.

5. Interconnection Facilities

The interconnection facilities shall include the items listed in Exhibit C, entitled "Interconnection Facilities", which is attached hereto and hereby made an integral part of this Agreement. Exhibit D, entitled "Sketch of Facilities", designates the interconnection point, metering point, and ownership of the interconnection facilities.

Interconnection facilities on FPL's side of the ownership line with the QF shall be owned, operated, maintained and repaired by FPL. BWEC shall be responsible for the cost of designing, installing, operating and maintaining the interconnection facilities on the QF side of the ownership line as indicated in Exhibit D. BWEC shall be responsible for establishing and maintaining controlled access by third parties to the interconnection facilities on the QF side of such ownership line.

6. Maintenance and Repair Payment

FPL will separately invoice BWEC on a monthly basis for all costs associated with the operation, maintenance and repair of the interconnection facilities. BWEC shall pay for such work on a percentage basis, as set forth in FPL's Rate Schedules COG-1 and COG-2. BWEC agrees to pay FPL within 30 days of receipt of each such invoice. If payment is not postmarked within 30 days of the date of the invoice, a late payment charge shall be assessed at an interest rate calculated at the 30-day highest grade commercial paper rate in effect 30 days prior to the date of mailing of the invoice, computed daily. In case of a disputed bill, payment of the entire bill shall be made within the 30-day period, but the disputed portion of the bill may be paid under protest. Payments made and designated "Paid under Protest" shall be accompanied by the reason(s) for such protest. Any funds due the parties resulting from the settlement of a protest shall include interest, from the date of payment, computed in the manner stated above.

FPL shall have the right to set off any amounts past due (as defined above and in Section 2) and owing to FPL under this Agreement against any amounts due and owing BWEC under any other QF-related contracts which FPL has or may have with BWEC or from amounts due and owing for electric power purchased from the QF.

7. Site Access

In order to help ensure the continuous, safe, reliable and compatible parallel operation of the QF with the FPL system, BWEC hereby grants to FPL, for the period of interconnection, the reasonable rights of ingress and egress, consistent with the safe operation of the QF, over property owned or controlled by BWEC to the extent that FPL deems such ingress and egress necessary in order (i) to examine, test, calibrate and coordinate to ensure any interconnection equipment involved in the parallel operation of the QF and FPL's system is properly operated, maintained and repaired, and (ii) to examine, test, calibrate, coordinate, operate, maintain and repair FPL's metering equipment. FPL shall, if practicable, notify BWEC prior to entering the QF site. FPL personnel shall identify themselves upon entering the QF site.

8. Construction Responsibility

In no event shall any FPL statement, representation or lack thereof, either express or implied, relieve BWEC of its exclusive responsibility for the QF. Specifically, any FPL inspection of the QF shall not be construed as confirming or endorsing the QF's design or its operating or maintenance procedures, nor as a warranty or guarantee as to the safety, reliability or durability of the QF equipment. FPL's inspection, acceptance or its failure to inspect shall not be deemed an endorsement of any QF equipment or procedure.

9. Responsibilities, Indemnification and Insurance

9.1 **Responsibilities and Indemnity:** FPL shall be responsible for FPL-owned facilities. BWEC shall be responsible for the entire QF system, ensuring adequate safeguards for other FPL customers, FPL personnel and equipment, and for the protection of

the QF generating system. BWEC agrees to indemnify and save harmless FPL, its parent, its subsidiaries and affiliated entities and each of their respective employees, officers and directors (hereinafter in this Section 9 collectively called the "Company") 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 BWEC in performing its obligations pursuant to this Agreement or by BWEC's failure to abide by the provisions of this Agreement; similarly, FPL agrees to indemnify and save harmless BWEC, its parent, its subsidiaries and their respective employees, officers and directors against any and all liability, loss, damage, cost or expense which BWEC, its parent, its subsidiaries and their respective employees, officers and directors 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 by FPL's failure to abide by the provisions of this Agreement. Notwithstanding the foregoing, the Company shall not be liable (in contract, for warranty or in tort, including negligence) to BWEC for incidental or consequential damages resulting from FPL's or its contractors' performance, nonperformance or delay in performance of FPL's obligation under this Agreement, and BWEC shall not be liable for (i) FPL's consequential damages (e.g., the cost of replacement power) arising out of any such defect in, failure of, or fault on, FPL's system, or (ii) third parties' consequential damages (e.g., loss of business; food spoilage) when either or both such type(s) of consequential damages is (are) caused by any negligent act or any omission of FPL or its contractors, agents, servants and employees in connection with the installation, operation, maintenance, replacement or removal of any interconnection facilities located on either side of the ownership line depicted on Exhibit D.

9.2 Insurance: BWEC shall procure or cause to be procured a policy of liability insurance on a standard "Insurance Services Office" comprehensive commercial general liability form. Said policy shall cover generally all liabilities which might arise under, or in the performance or nonperformance of, this Agreement and the parties' "Standard Offer

Contract for the Purchase of Firm Capacity and Energy From a Qualifying Facility", and shall be delivered to FPL at least fifteen days prior to the start of any interconnection work. At a minimum, said policy shall contain endorsements providing coverage, including but not limited to products liability/completed operations coverage, for the Company. Effective at least fifteen days prior to the synchronization of the QF with FPL's system, the policy shall be amended to include coverage for interruption or curtailment of power supply in accordance with industry standards.

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 Ten Million Dollars (\$10,000,000) per occurrence, combined single limit, for bodily injury (including death) or property damage; provided, however, in the event that such insurance becomes totally unavailable or only available at unreasonable cost (i.e., above the then-quantifiable insurance industry average), such unavailability shall not constitute an event of default under this Agreement, but FPL and BWEC shall enter into negotiations to develop substitute protection (such as, but not limited to, a broad form indemnity by BWEC's parent corporation, or an express assumption, by BWEC's parent, of all of BWEC's obligations specified in Section 9.1 and 9.2 of this Agreement) for the Company which FPL deems adequate. Any premium assessment or deductible shall be for the account of BWEC and not the Company.

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, BWEC'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 BWEC during the entire period of interconnection and performance by the parties under this Agreement. The policy shall not be cancelled or

materially altered without at least 30 days' written notice to FPL. Coverage must be acceptable to the Company.

BWEC shall provide to FPL evidence of such liability insurance coverage on FPL Form 1364-23, without modification; said Form is attached hereto as Exhibit E. A copy of the policy will be made available for inspection by FPL upon reasonable request.

10. Electric Service to the QF

FPL will provide the class(es) of electric service requested by BWEC to the extent that it (they) is (are) consistent with applicable tariffs; provided, however, interruptible service will not be made available under circumstances where interruptions would impair the QF's ability to generate and deliver electricity to FPL's system.

11. Notification

All formal notices affecting the provisions of this Agreement shall be delivered in person or be sent by registered or certified mail to the individuals designated below, until such time as either party furnishes the other party written instructions to contact another individual.

For BWEC: Broward Waste Energy Company,

Limited Partnership

3550 West Busch Boulevard

Phone:(813) 931-0500

Tampa, Florida 33618

Attention: Mr. Ted Sjoberg

For FPL:

Florida Power & Light Company

P.O. Box 029100

Phone:(305) 552-3533

Miami, Florida 33102

Attention: Cogeneration and Small

Power Production

12. Parties in Interest

The parties hereto shall be the only parties in interest to this Agreement. This Agreement is not intended to, and shall not, grant rights of any character whatsoever in favor of any other person, corporation, association, power supplier or entity other than the parties hereto, and the obligations herein assumed by such parties are solely for their use and benefit. Nothing herein contained shall be construed as permitting or vesting, or attempting to permit or vest, in any person, corporation, association, power supplier or entity other than the parties hereto, any rights hereunder or in any of the electric facilities owned by the parties or the use thereof.

IN WITNESS WHEREOF, BWEC and FPL have executed this Agreement this

27th day of February, 1987

ATTEST:

Nancy Henry
Assistant Secretary

FLORIDA POWER & LIGHT COMPANY

[Signature]
BY: J. C. Collier, Jr.

Title: Senior Vice President

Date: February 27, 1987

ATTEST:

[Signature]

BROWARD WASTE ENERGY COMPANY, L.P.

[Signature]
BY: H.T.D. Sjoberg
Title: President

Date: February 25, 1987

EXHIBIT A
GENERAL STANDARDS FOR SAFETY AND INTERCONNECTION
OF COGENERATION AND SMALL POWER PRODUCTION
FACILITIES TO THE ELECTRIC UTILITY SYSTEM

INTERCONNECTION AND STANDARDS

(1) **Purpose.** The purpose of this standard is to provide the general requirements for each Qualifying Facility ("QF") that wishes to interconnect with the FPL electrical system. This standard adopts FPSC Rule 25-17.87 and provides, where possible, specific guidelines which apply to the FPL system.

Because of the variations of FPL electrical circuits and the multitudes of generator sizes and types, each specific request for interconnection must be analyzed in order to design suitable protection devices for the joint operating system.

(2) **Application for Interconnection.** An owner or operator of a QF shall not operate electric generating equipment in parallel with FPL's electric system without the prior written consent of FPL. The QF operator shall provide to FPL the following documentation:

- (a) Physical layout drawings, including dimensions;
- (b) All associated equipment specifications and characteristics, including, but not limited to, technical parameters, ratings, basic impulse levels, electrical main one-line diagrams, schematic diagrams, system protections, circuit impedances, grounding details, frequency, voltage, current and interconnection distance;
- (c) Functional and logic diagrams, control and meter diagrams, conductor sizes and length, and any other relevant data which might be necessary to understand the proposed system and to be able to make a coordinated system;
- (d) Power requirements in watts and vars;
- (e) Expected radio-noise, harmonic generation and telephone interference factor;
- (f) Synchronizing methods;
- (g) Operating/instruction manuals; and
- (h) Schedule of proposed maintenance of protective devices.

Any subsequent change in the system must also be submitted for review and written approval prior to actual modification. The above-mentioned review, recommendations and approval by FPL do not relieve the owner or operator of the QF from complete responsibility for the adequate engineering design, construction and operation of the QF equipment and for all liability for injuries to property or persons attributable to any failure to perform in a proper and safe manner for any reason.

(3) **Personnel Safety.** Adequate protection and safe operational procedures must be developed and followed by the joint system. These operating procedures must be approved by both FPL and the owner or operator of the QF. The owner or operator of the

QF shall be required to furnish, install, operate and maintain in good order and repair, and be solely responsible for, without cost to FPL, all QF equipment required for the safe operation of the QF in parallel with FPL's system.

The owner or operator of the QF shall permit FPL's employees to enter upon its property at any reasonable time for the purpose of inspection and/or testing the QF's equipment, facilities or apparatus. Such inspections shall not relieve the owner or operator of the QF from its obligation to maintain the QF in safe and satisfactory operating condition.

FPL's approval of isolating devices used at the QF will be required to ensure that these will comply with FPL's switching and tagging procedure for safe working clearances.

Disconnect Switch. A manual disconnect switch, of the visible load break type, to provide a separation point between the QF generation system and FPL's system, shall be required. FPL will specify the location of the disconnect switch. The parties agree that the disconnect provisions as shown on Exhibit D Note 1, satisfy this requirement. The disconnect switch shall be readily accessible to FPL and be capable of being locked in the open position with an FPL padlock. FPL and the owner or operator of the QF each reserve the right to open when necessary the switch (i.e., isolating the QF generation system) without prior notice to the other. To the extent practicable, however, prior notice shall be given. Any of the following conditions shall be cause for disconnection:

- (a) QF or FPL system emergencies and/or maintenance requirements;
- (b) Hazardous conditions existing on the QF generating or protective equipment as determined by the FPL;
- (c) Adverse effects of the QF generation to FPL's other electric customers and/or system as determined by FPL;
- (d) Failure of the owner or operator of the QF to maintain any required insurance; or
- (e) Failure of the owner or operator of the QF to comply with any existing or future regulations, rules, orders or decisions of any governmental or regulatory authority having jurisdiction over the QF electric generating equipment or the operation of such equipment.

(4) Protection and Operation. It will be the responsibility of the owner or operator of the QF to provide all devices necessary to protect the QF equipment from damage by the abnormal conditions and operations which occur on the FPL system and that result in interruptions and restorations of service by FPL's equipment and personnel. The owner or operator of the QF shall protect the QF generator and associated equipment from overvoltage, undervoltage, overload, short circuits (including ground fault conditions), open circuits, phase unbalance and reversal, over or under frequency condition, and other injurious electrical conditions which may arise on FPL's system and any reclose attempt by FPL.

FPL may reserve the right to perform such tests as it reasonably deems necessary to ensure safe and efficient protection and operation of the QF equipment.

(a) Loss of Source. The owner or operator of the QF shall provide, or FPL will provide at the expense of the owner or operator of the QF, approved protective equipment necessary to immediately, completely and automatically disconnect the QF generation from FPL's system in the event of a fault on the QF system, a fault on FPL's system, or loss of source on FPL's system. Disconnection must be completed within the time specified by FPL in order to coordinate with FPL's operating procedure for loss of source on FPL's system.

This automatic disconnecting device may be of the manual or automatic reclose type, and shall not be capable of reclosing until after service is restored by FPL. The type and size of the device shall be specified by FPL depending upon the installation. Adequate test data or technical proof that the device meets the above criteria must be supplied to FPL by the owner or operator of the QF.

(b) **Coordination and Synchronization.** The owner or operator of the QF shall be responsible for coordination and synchronization of the QF equipment with FPL's electrical system, and assumes all responsibility for damage which may occur from improper coordination or synchronization of the QF generator with FPL's system.

FPL may reserve the right to require a separate transformation and/or service for a QF generation system, at the expense of the owner or operator of the QF. The owner or operator of the QF shall bond all neutrals of the QF system to FPL's neutral, shall install a separate grounding system with a resistance value which shall be suitable for the installation, and shall bond this ground to the QF system neutral.

(c) FPL may require that communication channels, including remote terminal units, be installed at the expense of the owner or operator of the QF. These channels may be required for supervisory control, telemetering of data or relay protection. The particular method will be selected by FPL for each installation.

(d) **Exceptions.** More complex interconnection facilities, as deemed necessary by FPL, may be required for a QF generator having a capacity rating that can:

1. Produce power in excess of 1/2 of the minimum utility customer requirements of the interconnected distribution or transmission circuit; or
2. Produce power flows approaching or exceeding the thermal capacity of the FPL distribution or transmission lines or transformers; or
3. Adversely affect the operation of FPL or other FPL customers' voltage, frequency or overcurrent control and protection devices; or
4. Adversely affect the quality of service to other FPL customers; or
5. Interconnect at voltage levels greater than distribution voltages.

(5) Quality of Service. The QF generated electricity shall meet the following minimum guidelines:

(a) **Frequency.** The governor control on the prime mover shall be capable of maintaining the generator output frequency within limits for loads from no-load up to rated output. The limits for frequency shall be 60 hertz (cycles per second), plus or minus an instantaneous variation of less than 1%.

(b) **Voltage.** The regulator control shall be capable of maintaining the generator output voltage within limits for loads from no-load up to rated output. The limits for voltage shall be the nominal operating voltage level, plus or minus 5%.

(c) **Harmonics.** The output sine wave distortion shall be deemed acceptable when it does not have a higher content (root mean square) of harmonics than FPL's normal harmonic content at the interconnection point.

(d) **Power Factor.** The QF generation system shall be designed, operated and controlled to provide reactive power requirements from 0.90 lagging to 0.95 leading power factor.

(6) Metering. The actual metering equipment required, its voltage rating, number of phases, size, current transformers, number of inputs and associated memory are dependent on the type, size and location of the electric service provided. In situations where power may flow both in and out of the QF system, power flowing into the QF system will be measured separately from power flowing out of the QF system.

FPL will provide, at no additional cost to the owner or operator of the QF, the metering equipment necessary to measure capacity and energy deliveries to the QF. FPL will provide, at the expense of the owner or operator of the QF, the necessary additional metering equipment to measure energy deliveries by the QF to FPL.

(7) Cost Responsibility. The owner or operator of the QF is required to bear all initial and subsequent costs associated with the change-out, upgrading or addition of protective devices, transformers, lines, services, meters, switches and associated equipment and devices beyond those which would be required to provide normal service to the QF if no generation were involved. These costs shall be paid to FPL by the owner or operator of the QF for all material and labor which are required. Prior to performing any work, FPL shall supply the owner or operator of the QF with a written cost estimate of all of FPL's required materials and labor. FPL shall also provide project timing and feasibility information to the owner or operator of the QF.

EXHIBIT B

QF INTERCONNECTION COST ESTIMATES

The following estimated interconnection cost is based upon preliminary information provided to FPL by BWEC and is provided for informational purposes only since neither the conceptual design nor the detailed design has been prepared. FPL will make available to BWEC the cost estimates obtained from the construction work orders after engineering work is completed.

Facilities at Broward Substation.	\$ 600,000
138 kV Transmission Line from Broward Substation to QF Plant Site, excluding right-of-way and permit costs.	\$ 400,000
138 kV Substation at QF Plant Site, excluding metering equipment	<u>\$ 550,000</u>
Total	\$ 1,550,000

EXHIBIT C
INTERCONNECTION FACILITIES

The following listing is based upon preliminary information provided to FPL by BWEC and is provided for informational purposes only since neither the conceptual nor the detailed design has been prepared. FPL will make available to BWEC updated listings after the conceptual and detailed designs are completed.

By QF

Generator, 70 MVA, 13.8 kV, Synchronous Type, complete with protective and synchronizing facilities.

Transformer, Delta low side and grounded wye high side, 39-52-65 MVA, 13.8/138 kV.

By FPL

Meters, measuring input and output separately. Meters measuring sales to FPL paid for by QF and compensated to FPL Broward Substation.

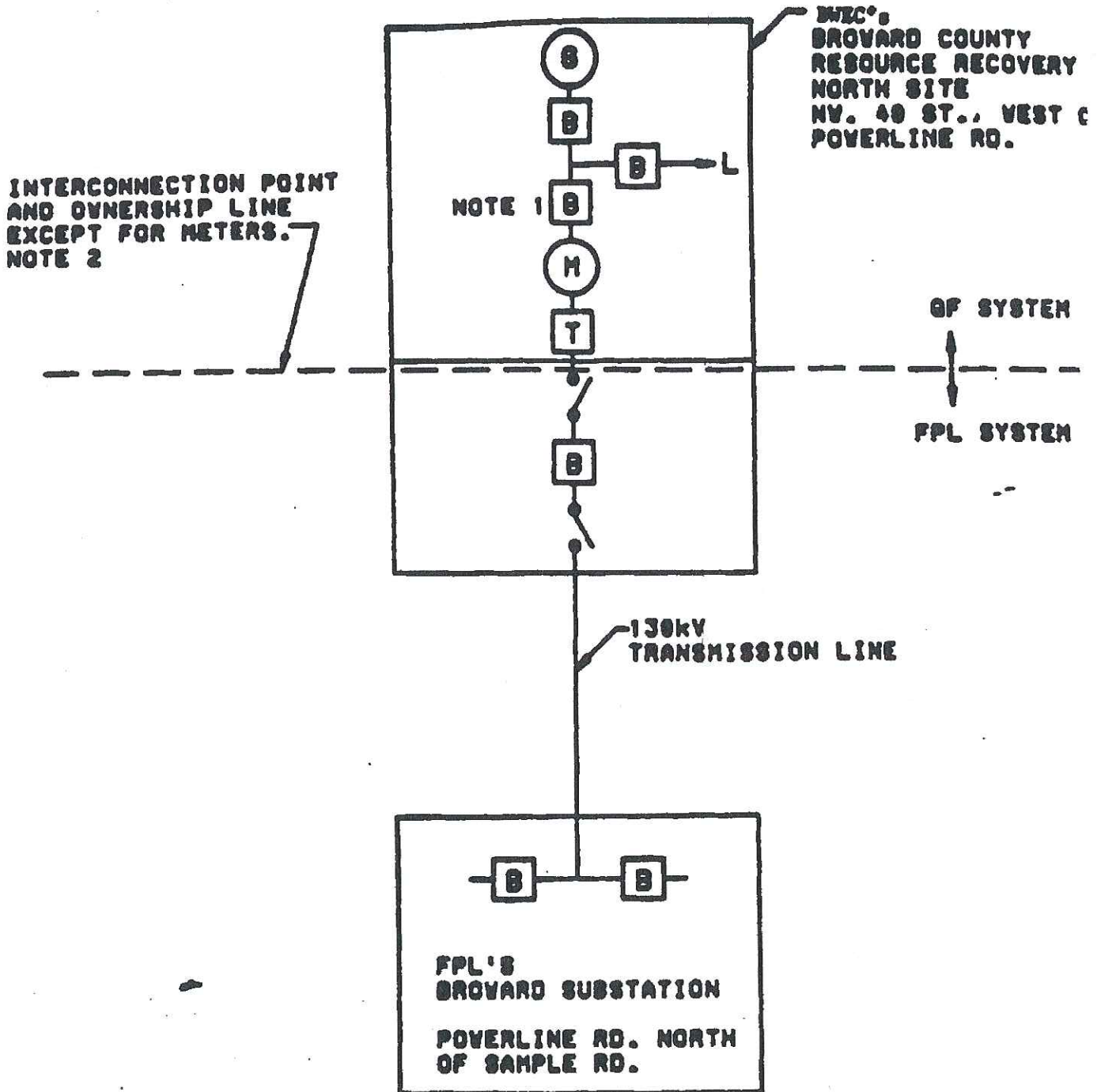
Circuit Breaker, 138 kV with two sets of disconnect switches, complete with protective auxiliaries, relays, remote terminal units, etc.

Transmission Line, QF Site to FPL Broward Substation

Transmission Terminal at Broward Substation, complete with protective facilities.

SKETCH OF FACILITIES

THE FOLLOWING SKETCH IS BASED UPON PRELIMINARY INFORMATION PROVIDED TO FPL BY NRC AND IS PROVIDED FOR INFORMATIONAL PURPOSES ONLY SINCE NEITHER THE CONCEPTUAL NOR THE DETAILED DESIGN HAS BEEN PREPARED. FPL WILL MAKE AVAILABLE TO NRC REVISED SKETCH OF FACILITIES AFTER THE CONCEPTUAL AND DETAILED DESIGN ARE COMPLETED.



LEGEND:

- G- GENERATOR**
- B- CIRCUIT BREAKERS**
- L- GF'S LOAD**
- M- FPL METERS**
- T- TRANSFORMER**

- NOTE 1: THIS CIRCUIT BREAKER SHALL HAVE DRAY-OUT, SAFETY CLEARANCE FEATURES DESCRIBED IN EXHIBIT A, PARAGRAPH 3 OF THIS AGREEMENT.**
- NOTE 2: THE INTERCONNECTION POINT SHALL BE THE TERMINAL ON THE GF END OF THE 130KV DISCONNECT SWITCH.**

EXHIBIT B

CERTIFICATE OF INSURANCE - INTERCONNECTION AGREEMENT

Form 1204-22 (Rev. December 1989)

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 HAVE YOUR TRAILERED INSURED PARTIES 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 Dollars)	
		Policy Number	Exp. Date	Policy Limit	Property D. Sub. Occ.
Comprehensive General Liability					
Homeowners					

*Policy provides a description of interest classes.
 *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 construction liability endorsement insuring against the liabilities covered in the Interconnection Agreement or including 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 premises pertaining to the generating 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 copies of these policies will be furnished or changed to us to affect the interests of Florida Power & Light Company, it's parent, subsidiaries or affiliates until thirty days after written notice of such cancellation or change 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: _____

PLEASE SEND ORIGINAL TO:
 Florida Power & Light Company

 Signature of Authorized Agent
 Issuing Agency or Insurance Company _____

EXHIBIT B

**STANDARD RATE FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM QUALIFYING COGENERATION AND
SMALL POWER PRODUCTION FACILITIES
(QUALIFYING FACILITIES)**

SCHEDULE

COG-2, Firm Capacity and Energy

AVAILABLE

The Company will purchase Firm Capacity and Energy offered by any Qualifying Facility, irrespective of its location, which is either directly or indirectly interconnected with the Company under the provisions of this schedule. The Company will negotiate and may contract with any Qualifying Facility, irrespective of its location, which is either directly or indirectly interconnected with the Company for the purchase of Firm Capacity and Energy pursuant to terms and conditions which deviate from this schedule where such negotiated contracts are in the best interest of the Company's ratepayers.

APPLICABLE

To any cogeneration or small power production Qualifying Facility, irrespective of its location, producing capacity and energy for sale to the Company on a firm basis pursuant to the terms and conditions of this schedule and the Company's "Standard Offer Contract" or a separately negotiated contract. Firm Capacity and Energy are described by the Florida Public Service Commission (FPSC) Rule 25-17.83, F.A.C., and are capacity and energy produced and sold by a Qualifying Facility pursuant to a negotiated or standard Company contract offer and subject to certain contractual provisions as to quantity, time, and reliability of delivery. Criteria for achieving Qualifying Facility status shall be those set out in FPSC Rule 25-17.80, F.A.C.

CHARACTER OF SERVICE

Purchases within the territory served by the Company shall be, at the option of the Company, single or three phase, 60 hertz, alternating current at any available standard Company voltage. Purchases from outside the territory served by the Company shall be three phase, 60 hertz, alternating current at the voltage level available at the interchange point between the Company and the entity delivering the Firm Energy and Capacity from the Qualifying Facility.

LIMITATION:

Purchases under this schedule are subject to the Company's "General Standards for Safety and Interconnection of Cogeneration and Small Power Production Facilities to the Electric Utility System" and to FPSC Rules 25-17.80 through 25-17.87, F.A.C., and are limited to those Qualifying Facilities which:

- A. Execute a Company "Standard Offer Contract" prior to April 1, 1990 for the Company's purchase of Firm Capacity and Energy; and
- B. Commit to commence deliveries of Firm Capacity and Energy no later than April 1, 1992 and to continue such deliveries through at least March 31, 2002.

RATE FOR PURCHASES BY THE COMPANY:

Firm Capacity and Energy are purchased at a unit cost, in dollars per kilowatt per month and cents per kilowatt hour, respectively, based on the value of deferring additional generating capacity in Florida. For the purpose of this schedule, a Statewide Avoided Unit has been designated by the FPSC and is considered to be a jointly owned, peninsular Florida base load generating plant consisting of two (2) 700 MW coal fired generating units with an in-service date of April 1, 1992. Appendix A of this schedule describes the methodology used to calculate payment schedules, general terms, and conditions applicable to the Company's "Standard Offer Contract" pursuant to FPSC Rules 25-17.80 through 25-17.87, F.A.C.

A. Firm Capacity Rates

Three options, A through C, as set forth below, are available for payment of Firm Capacity which is produced by the Qualifying Facility and delivered to the Company. Once selected, an option shall remain in effect for the term of the contract with the Company. Exemplary payment schedules, shown below, contain the monthly rate per kilowatt of Firm Capacity the Qualifying Facility has contractually committed to deliver to the Company

(Continued from Sheet No. 10.200)

and are based on a minimum contract term which extends ten (10) years beyond the anticipated in-service date of the Statewide Avoided Unit (i.e., through March 31, 2002). Payment schedules for longer contract terms will be made available to a Qualifying Facility upon request and may be calculated based on the methodologies described in Appendix A.

Option A - Fixed Value of Deferral

Payment schedules under this option are based on the value of a year-by-year deferral of the Statewide Avoider Unit with an in-service date of April 1, 1992; calculated in accordance with FPSC Rule 25-17.83, F.A.C., as described in Appendix A. Once this option is selected, the current schedule of payments shall remain fixed and in effect throughout the term of the "Standard Offer Contract".

The Qualifying Facility shall select the month and year in which the delivery of Firm Capacity and Energy to the Company is to commence and capacity payments are to start. The Company will provide the Qualifying Facility with a schedule of capacity payment rates based on the month and year in which the delivery of Firm Capacity and Energy are to commence and the term of the contract. The following exemplary payment schedule is based on the minimum required contract term which must extend at least ten (10) years beyond the anticipated in-service date of the Statewide Avoided Unit. The currently approved parameters used to calculate the following schedule of payments are found in Appendix B of this schedule.

MONTHLY CAPACITY PAYMENT RATE \$/KW/MONTH

Contract Year		Normal Payment Option Starting 4/1/92	Early Payment Option Starting								
From	To		4/1/91	4/1/90	4/1/89	4/1/88	4/1/87	4/1/86	4/1/85	4/1/84	
*4/1/84	3/31/85	-	-	-	-	-	-	-	-	4.87	
4/1/85	3/31/86	-	-	-	-	-	-	-	-	5.13	
4/1/86	3/31/87	-	-	-	-	-	-	5.60	-	5.81	
4/1/87	3/31/88	-	-	-	-	6.47	5.90	-	-	5.70	
4/1/88	3/31/89	-	-	-	7.50	6.82	6.22	-	-	6.01	
4/1/89	3/31/90	-	-	8.74	7.90	7.18	6.56	-	-	6.34	
4/1/90	3/31/91	-	-	10.24	9.21	8.33	7.57	6.91	-	6.68	
4/1/91	3/31/92	-	12.08	10.79	9.70	8.78	7.98	7.29	-	11.25	
4/1/92	3/31/93	18.58	16.94	15.39	14.44	13.47	12.63	11.89	-	11.86	
4/1/93	3/31/94	19.58	17.86	16.43	15.22	14.19	13.31	12.54	-	12.50	
4/1/94	3/31/95	20.64	18.82	17.31	16.04	14.96	14.03	13.21	-	13.18	
4/1/95	3/31/96	21.75	19.84	18.25	16.91	15.77	14.78	13.93	-	13.89	
4/1/96	3/31/97	22.93	20.91	19.24	17.82	16.62	15.58	14.68	-	14.64	
4/1/97	3/31/98	24.17	22.04	20.27	18.79	17.52	16.42	15.47	-	15.43	
4/1/98	3/31/99	25.47	23.23	21.37	19.90	18.46	17.31	16.31	-	16.26	
4/1/99	3/31/00	26.85	24.48	22.52	20.87	19.46	18.24	17.19	-	17.14	
4/1/00	3/31/01	28.30	25.81	23.74	22.00	20.51	19.23	18.12	-	18.06	
4/1/01	3/31/02	29.83	27.20	25.02	23.18	21.62	20.27	19.09	-		

*Payments commencing in 1984 are available only for existing Qualifying Facilities not currently under a capacity contract.

(Continued on Sheet No. 10.202)

(Continued from Sheet No. 10.201)

Option B - Variable Value of Deferral

The payment schedule under this option is based on the value of deferral of a statewide avoided unit with an in-service date of April 1, 1992. Once this option is selected, the unit designation and its in-service date shall remain fixed for the term of the contract. The value of deferral shall be recalculated annually and the payment schedule shall be adjusted, upon approval by the FPSC, to reflect the most recent factors affecting the cost of constructing the Statewide Avoided Unit. The Qualifying Facility shall select the month and year in which the delivery of Firm Capacity and Energy to the Company is to commence and capacity payments are to start pursuant to this option.

The methodology used to determine the level of payment each year is the same as that used in Option A of this schedule and is described in Appendix A. For informational purposes only, the current projection of payments are those contained in Option A above.

Option C - Average Embedded Book Cost of Fossil Steam Production Plant

Monthly payment made under this option shall be based on the Company's current average embedded book cost of fossil steam production plant approved by the FPSC and in effect in the year payment is made.

The following monthly payment schedule is provided for informational purposes only. It reflects the Company's current projection of payments.

PROJECTED MONTHLY CAPACITY PAYMENT RATE - \$/KW/MONTH

<u>1984*</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>
3.05	3.73	3.82	3.90	4.48	4.87	4.96	5.05	5.15	5.24
<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	
5.34	9.01	11.57	14.96	15.07	17.14	17.25	20.96	21.06	

* Represents Company's current average embedded book cost of fossil steam plant. Payments commencing in 1984 are available only for existing Qualifying Facilities not currently under a capacity contract.

(Continued on Sheet No. 10.203)

(Continued from Sheet No. 10.202)

B. Energy Rates

(1) Payments Prior to April 1, 1993:

The energy rate, in cents per kilowatt-hour (¢/KWH), shall be based on the Company's actual hourly avoided energy costs which are calculated by the Company in accordance with FPSC Rule 25-17.035, F.A.C. Avoided energy costs include incremental fuel, identifiable operation and maintenance expenses, and an adjustment for line losses reflecting delivery voltage. The calculation of the Company's avoided energy costs reflects the delivery of energy to the region of the Company in which the Qualifying Facility is located. Energy payments to Qualifying Facilities located outside the Company's service territory reflect the region in which the interchange point for the delivery of energy is located. When economy transactions take place, the incremental costs are calculated after the purchase or before the sale of the economy energy.

The calculation of payments to the Qualifying Facility shall be based on the sum, over all hours of the billing period, of the product of each hour's avoided energy cost times the purchases by the Company for that hour. All purchases shall be adjusted for losses from the point of metering to the point of interconnection.

(2) Payments Starting on April 1, 1993:

The energy rate, in cents per kilowatt-hour (¢/KWH), shall be the lesser of an hour-by-hour comparison of: (a) the fuel component of the Company's avoided energy costs calculated in accordance with Rule 25-17.035 F.A.C.; and (b) the Statewide Avoided Unit fuel cost. The Statewide Avoided Unit Fuel Cost, in cents per kilowatt-hour (¢/KWH) shall be defined as the product of: (a) the average monthly inventory charge-out price of coal burned at Tampa Electric Company's Big Bend Unit No. 4, in cents per million Btu; and (b) an average annual heat rate of 10.5 million Btu per megawatt-hour.

Calculations of payments to the Qualifying Facility shall be based on the sum, over all hours of the billing period, of the product of each hour's avoided energy cost times the purchases by the Company for that hour. All purchases shall be adjusted for losses from the point of metering to the point of interconnection.

ESTIMATED FIRM ENERGY COST

For informational purposes only, the estimated incremental avoided energy costs for the next four semi-annual periods are as follows. In addition, avoided energy cost payments will include .009¢/KWH for variable operation and maintenance expenses.

Applicable Period	On-Peak ¢/KWH	Off-Peak ¢/KWH	Average ¢/KWH
October 1, 1986 - March 31, 1987	2.480	2.250	2.290
April 1, 1987 - September 30, 1987	1.770	1.870	1.700
October 1, 1987 - March 31, 1988	2.210	2.070	2.120
April 1, 1988 - September 30, 1988	2.180	1.940	1.990

A MW block size ranging from 48 MW to 328 MW has been used to calculate the estimated avoided energy cost.

The estimated avoided fuel costs associated with the Statewide Avoided Unit are as follows:

¢/KWH ^a										
<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
3.07	3.18	3.32	3.47	3.61	3.76	3.92	4.08	4.26	4.44	4.62

^a Based on current estimates of the delivered price of coal to the Tampa Electric Company, Big Bend No. 4 coal unit.

(Continued on Sheet No. 10.204)

(Continued from Sheet No. 10.203)

PERFORMANCE CRITERIA

Payments for Firm Capacity are conditioned on the Qualifying Facility's ability to maintain the following performance criteria:

A. Commercial In-Service Date

Capacity payments shall not commence until the Qualifying Facility has attained and demonstrated commercial in-service status. The commercial in-service date of a Qualifying Facility shall be defined as the first day of the month following the successful completion of the Qualifying Facility maintaining an hourly kilowatt (KW) output, as metered at the point of interconnection with the Company, equal to or greater than the Qualifying Facility's "Standard Offer Contract" committed capacity for a 24 hour period. A Qualifying Facility shall coordinate the selection of and operation of its facility during this test period with the Company to insure that the performance of its facility during this 24 hour period is reflective of the anticipated day to day operation of the Qualifying Facility.

B. Capacity Factor

Upon achieving commercial in-service status, payments for Firm Capacity shall be made monthly in accordance with the capacity payment rate option selected by the Qualifying Facility and subject to the provision that the Qualifying Facility maintains a 70% capacity factor on a 12 month rolling average basis as defined in Appendix A. Failure to achieve this capacity factor shall result in the Qualifying Facility's forfeiture of payments for Firm Capacity during the month in which such failure occurs. Where early capacity payments have been elected and starting with the month of April 1992, failure of a Qualifying Facility to maintain a 70% capacity factor on a 12 month rolling average basis shall also result in payments by the Qualifying Facility to the Company. The amount of such payments shall be equal to the difference between: (1) what the Qualifying Facility would have been paid had it elected the normal payment option starting April, 1992; and (2) what it would have been paid pursuant to the early payment option had it maintained the capacity factor performance criteria.

All capacity payments made by the Company prior to April 1, 1992 are considered "early payments". The owner or operator of the Qualifying Facility, as designated by the Company, shall secure its obligation to repay, with interest, the cumulative amount of early capacity payments in the event the Qualifying Facility defaults under the terms of its "Standard Offer Contract" with the Company. The Company will provide monthly summaries of the total outstanding balance of such security obligations. A summary of the types of security instruments which are generally acceptable to the Company is discussed in Appendix A.

C. Additional Criteria

- (1) The Qualifying Facility shall provide monthly generation estimates by October 1 for the next calendar year; and
- (2) The Qualifying Facility shall promptly update its yearly generation schedule when any changes are determined necessary; and
- (3) The Qualifying Facility shall agree to reduce generation or take other appropriate action as requested by the Company for safety reasons or to preserve system integrity; and
- (4) The Qualifying Facility shall coordinate scheduled outages with the Company; and
- (5) The Qualifying Facility shall comply with the reasonable requests of the Company regarding daily or hourly communications.

DELIVERY VOLTAGE ADJUSTMENT

Energy payments to Qualifying Facilities within the Company's service territory shall be adjusted according to the delivery voltage by the following multipliers:

<u>Delivery Voltage</u>	<u>Adjustment Factor</u>
Transmission Voltage Delivery	1.0000
Primary Voltage Delivery	1.0110
Secondary Voltage Delivery	1.0214

METERING REQUIREMENTS

Qualifying Facilities within the territory served by the Company shall be required to purchase from the Company hour recording meters to measure their energy deliveries to the company. Energy purchases from Qualifying Facilities outside the territory served by the Company shall be measured as the quantities scheduled for interchange to the Company by the entity delivering Firm Capacity and Energy to the Company.

(Continued on Sheet No. 10.205)

(Continued from Sheet No. 10.204)

For the purpose of this schedule, the on-peak hours occur Monday through Friday except holidays, April 1 - October 31 from 12 noon to 9:00 P.M. and November 1 - March 31 from 6:00 A.M. to 10:00 A.M. and 6:00 P.M. to 10:00 P.M.. All hours not mentioned above and all hours of the holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day are off-peak hours.

BILLING OPTIONS.

The Qualifying Facility may elect to make either simultaneous purchases and sales or net sales. The decision to change billing methods can be made once every twelve (12) months coinciding with the next Fuel and Purchased Power Cost Recovery Factor billing period providing the Company is given at least thirty days written notice before the change is to take place. In addition, allowance must be made for the installation or alteration of needed metering or interconnection equipment for which the qualifying facility must pay, and such purchases and/or sales must not abrogate any provisions of the tariff or contract with the Company.

A statement covering the charges and payments due the Qualifying Facility is rendered monthly, and payment normally is made by the twentieth business day following the end of the billing period.

CHARGES TO QUALIFYING FACILITY:

A. Customer Charges:

<u>Rate Schedule</u>	<u>Customer Charge(\$)</u>	<u>Rate Schedule</u>	<u>Customer Charge(\$)</u>
GS-1	9.00	CST-1	110.00
GST-1	12.30	GSLD-2	170.00
GSD-1	35.00	GSLDT-2	170.00
GSDT-1	41.50	CS-2	170.00
RS-1	5.85	CST-2	170.00
RST-1	8.95	GSLD-3	400.00
GSLD-1	41.00	CS-3	400.00
GSLDT-1	41.00	CST-3	400.00
CS-1	110.00	GSLDT-3	400.00

B. Interconnection Charge for Non-Variable Utility Expenses

The Qualifying Facility shall bear the cost required for interconnection including the metering. The Qualifying Facility shall have the option of payment in full for interconnection or making equal monthly installment payments over a thirty-six (36) month period together with interest charged at the rate then prevailing for thirty (30) days highest grade commercial paper; such rate to be determined by the Company thirty (30) days prior to the date of each payment.

C. Interconnection Charge for Variable Utility Expenses

The Qualifying Facility shall be billed monthly for the cost of variable utility expenses associated with the operation and maintenance of the interconnection. These include (a) the Company's inspections of the interconnection and (b) maintenance of any equipment beyond that which would be required to provide normal electric service to the Qualifying Facility if no sales to the Company were involved.

In lieu of payment for actual charges, the Qualifying Facility may pay a monthly charge equal to a percentage of the installed cost of the interconnection facilities. The applicable percentages are as follows:

<u>Equipment Type</u>	<u>Charge</u>
Metering Equipment	0.459%
Distribution Equipment	0.534%
Transmission Equipment	0.193%

D. Taxes and Assessments

The Qualifying Facility shall be billed monthly an amount equal to the taxes, assessments, or other impositions, if any for which the Company is liable as a result of its purchases of Firm Capacity and Energy produced by the Qualifying Facility.

(Continued on Sheet No. 10.206)

(Continued from Sheet No. 10.205)

TERMS OF SERVICE

- (1) It shall be the Qualifying Facility's responsibility to inform the Company of any change in its electric generation capability.
- (2) Any electric service delivered by the Company to the Qualifying Facility shall be metered separately and billed under the applicable retail rate schedule and the terms and conditions of the applicable retail rate schedule shall pertain.
- (3) A security deposit will be required in accordance with FPSC Rules 35-17.02(5) and 35-6.07, F.A.C. and the following:
 - A. In the first year of operation, the security deposit should be based upon the singular month in which the Qualifying Facility's projected purchases from the Company exceed, by the greatest amount, the Company's estimated purchases from the Qualifying Facility. The security deposit should be equal to twice the amount of the difference estimated for that month. The deposit should be required upon interconnection.
 - B. For each year thereafter, a review of the actual sales and purchases between the Qualifying Facility and the Company should be conducted to determine the actual month of maximum difference. The security deposit should be adjusted to equal twice the greatest amount by which the actual monthly purchases by the Qualifying Facility exceed the actual sales to the Company in that month.
- (4) The Company shall specify the point of interconnection and voltage level.
- (5) The Qualifying Facility must enter into an interconnection agreement with the Company which will, among other things specify safety and reliability standards for the interconnection to the Company's system. In most instances, the Company's filed Interconnection Agreement for Qualifying Facilities will be used; however, special features of the Qualifying Facility or its interconnection to the Company's facilities may require modifications to this agreement or the safety and reliability standards contained therein.
- (6) Service under this rate schedule is subject to the rules and regulations of the Company and the Florida Public Service Commission.

SPECIAL PROVISIONS

- (1) Special contracts deviating from the above standard rate schedule are allowable provided they are agreed to by the Company and approved by the Florida Public Service Commission.
- (2) For a Qualifying Facility in the Company's service territory that wishes to contract with another electric utility which is directly or indirectly interconnected with the Company, the Company will, upon request, provide information on the availability and the terms and conditions of the specified desired transmission service.
 - (a) For transmission service arrangements subject to the jurisdiction of Federal Energy Regulatory Commission ("FERC"), the Company will provide the Qualifying Facility, for informational purposes, copies of Transmission Service Agreements which have been previously accepted or approved by the FERC and which govern arrangements similar to the service being requested by the Qualifying Facility.
 - (b) For transmission service arrangements on an if, when, and as-available (nonfirm) basis which are determined by the FERC to be not subject to its jurisdiction, an experimental or transitional nonfirm rate of 0.1 ¢/KWH shall be applicable pursuant to FPSC Order No. 14339; however any such arrangement shall be by individualized contract and shall not otherwise interfere with the Company's ability to provide firm retail, firm wholesale and firm transmission service.

It is the Company's opinion that, by nature of its interconnections with other electric utilities, any and all transmission service provided, or to be provided, by the Company will be subject to the jurisdiction of the FERC.

(Continued on Sheet No. 207)

(Continued from Sheet No. 10.206)

**APPENDIX A
FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM QUALIFYING COGENERATION AND
SMALL POWER PRODUCTION FACILITIES
SCHEDULE COG-2**

APPLICABILITY

Appendix A provides a detailed description of the methodology used by the Company to calculate the monthly values deferring the Statewide Avoided Unit referred to in Schedule COG-2. When used in conjunction with the current FP approved cost parameters associated with the Statewide Avoided Unit contained in Appendix B, a Qualifying Facility may determine the applicable value of deferral capacity payment rate associated with the timing and operation of its particular facility should the Qualifying Facility enter into a "Standard Offer Contract" with the Company.

Also contained in Appendix A is the methodology used by the Company to calculate the 12 month rolling average capacity factor of a Qualifying Facility and discussion of the types and forms of surety bond requirements or equivalent assurance repayment of early capacity payments acceptable to the Company in the event of contractual default by a Qualifying Facility.

CALCULATION OF VALUE OF DEFERRAL

FPSC Rule 25-17.83(7) specifies that avoided capacity costs, in dollars per kilowatt per month, associated with capacity sold to a utility by a Qualifying Facility pursuant to the utility's standard offer shall be defined as the value of a year-by-year deferral of the Statewide Avoided Unit and shall be calculated as follows:

$$VAC_m = \frac{C}{12} \left[KI_n \left(\frac{1 - \left(\frac{1 + i_p}{1 + r} \right)^L}{1 - \left(\frac{1 + i_p}{1 + r} \right)} \right) + O_n \left(\frac{1 + i_o}{1 + r} \right) \right]$$

Where, for a one year deferral:

- VAC_m = utility's value of avoided capacity, in dollars per kilowatt per month, during month m ;
- C = a constant risk multiplier equal to 0.8 for the purpose of the utility's standard offer agreement.
- K = present value of carrying charge for one dollar of investment over L years with carrying charges assumed to be paid at the end of each year;
- I_n = total direct and indirect cost, in dollars per kilowatt including AFUDC but excluding CWIP, of the statewide avoided unit with an in-service date of year n ;

(Continued on Sheet No. 10.208)

(Continued from Sheet No. 10.207)

- O_n = total first year's fixed and variable operating and maintenance expense, less fuel and in dollars per kilowatt per year, of the statewide avoided unit deflated to the beginning of year n by l_o
- i_p = annual escalation rate associated with the plant cost of the statewide avoided unit
- l_o = annual escalation rate associated with the operation and maintenance expense of the statewide avoided unit
- r = annual discount rate, defined as the utility's incremental after tax cost of capital
- L = expected life of the statewide avoided unit; and
- n = year for which the statewide avoided unit is deferred starting with its original anticipated in-service date and ending with the termination of the contract for the purchase of firm energy and capacity.

Normally, payment for firm capacity shall not commence until the in-service date of the statewide avoided unit. At the option of the Qualifying Facility, however, the utility may begin making early capacity payments consisting of the capital cost component of the value of a year-by-year deferral of the statewide avoided unit starting as early as seven years prior to the anticipated in-service date of the statewide avoided unit. When such early capacity payments are elected the avoided capital cost component of capacity payments shall be paid monthly commencing no earlier than the Commercial In-Service Date of the Qualifying Facility, and shall be calculated as follows:

$$A_m = \frac{A(1 + i_p)^n}{12} \quad \text{For } n = 0, n$$

Where:

- A_m = monthly avoided capital cost component of capacity payments to be made to the Qualifying Facility starting as early as seven years prior to the anticipated in-service date of the statewide avoided unit, in dollars per kilowatt per month
- i_p = annual escalation rate associated with the plant cost of the statewide avoided unit
- n = year for which early capacity payments to a Qualifying Facility are made; and

$$A = F \left[\frac{1 - \left(\frac{1 + i_p}{1 + r} \right)}{1 - \left(\frac{1 + i_p}{1 + r} \right)^t} \right]$$

Where:

- F = the cumulative present value of the avoided capital cost component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the statewide avoided unit

(Continued on Sheet No. 10.209)

(Continued from Sheet No. 10.200)

- r = annual discount rate, defined as the utility's incremental after tax cost of capital; and
- t = the term, in years, of the contract for the purchase of firm capacity commencing prior to the in-service date of the statewide avoided unit, and commencing with the year in which the Qualifying Facility elects to receive early capacity payments.

The currently approved parameters applicable to the formulas above are found in Appendix B.

CALCULATION OF 12 MONTH ROLLING AVERAGE CAPACITY FACTOR

Pursuant to FPSC Rule 25-17.83(3) (a) (ii), F.A.C., and Order 13247, Docket No. 830377-EU, a Qualifying Facility must maintain a 70 percent capacity factor in order to receive capacity payments. For the purpose of this schedule the capacity factor of the Qualifying Facility shall be defined as: the total kilowatt-hours of energy delivered to the utility during the preceding 12 months, divided by the product of: (1) the maximum kilowatt capacity contractually committed for delivery to the Company by the Qualifying Facility during the preceding 12 months, and (2) the sum of the total hours during the preceding 12 months less those hours during which the Company was unable to accept energy and capacity deliveries from the Qualifying Facility. The Company shall be relieved of its obligation under FPSC Rule 25-17.83 F.A.C. to purchase electricity from a Qualifying Facility when purchases result in higher costs to the Company than without such purchases, and where service to the Company's other customers may be impaired by such purchases. The Company shall notify the Qualifying Facility(ies) as soon as possible or practical, and the FPSC of the problems leading to the need for such relief.

During the first twelve months in which the 70 percent capacity factor performance criterion is imposed, the Qualifying Facility's capacity factor shall be calculated by dividing the sum of the kilowatt hours delivered to the Company by the Qualifying Facility for the number of months since the performance criteria became applicable by the product of: (1) the number of hours in the months which have transpired and in which deliveries were accepted by the Company; and (2) the maximum kilowatt capacity contractually committed by the Qualifying Facility. This calculation shall be performed each month until enough months have transpired to calculate a true 12 month rolling average capacity factor.

SURETY BOND REQUIREMENTS

FPSC Rule 25-17.83(3) (a), F.A.C., requires that when early capacity payments are elected, the Qualifying Facility must provide a surety bond or equivalent assurance of repayment of early capacity payments in the event the Qualifying Facility is unable to meet the terms and conditions of its contract. Depending on the nature of the Qualifying Facility's operation, financial health and solvency, and its ability to meet the terms and conditions of the Company's "Standard Offer Contract" one of the following may constitute an equivalent assurance of repayment:

- (1) Surety bond;
- (2) Escrow;
- (3) Irrevocable letter of credit;
- (4) Unsecured promise by a municipal, county, or state government to repay early capacity payments in the event of default in conjunction with a legally binding commitment from such government allowing the utility to levy a surcharge on either the electric bills of the government's electricity consuming facilities or the constituent electric customers of such government to assure that early capacity payments are repaid;
- (5) Unsecured promise by a privately owned Qualifying Facility to repay early capacity payments in the event of default in conjunction with a legally binding commitment from the owner(s) of the Qualifying Facility, parent company, and/or subsidiary companies allowing the utility to levy a surcharge on the electric bills of the owner(s), parent company, and/or subsidiary companies located in Florida to assure that early capacity payments are repaid; or
- (6) Other guarantee acceptable to the Company.

The Company will cooperate with each Qualifying Facility applying for early capacity payments to determine the exact form of an "equivalent assurance of repayment" to be required based on the particular aspects of the Qualifying Facility. The Company will endeavor to accommodate an equivalent assurance of repayment which is in the best interests of both the Qualifying Facility and the Company's ratepayers.

(Continued on Sheet No. 10.210)

(Continued from Sheet No. 10.209)

**APPENDIX B
FOR PURCHASE OF FIRM ENERGY AND CAPACITY
FROM QUALIFYING COGENERATION AND
SMALL POWER PRODUCTION
SCHEDULE COG-2**

NORMAL PAYMENT OPTION PARAMETERS

Where, for a one year deferral:	<u>Value</u>
VAC _m = utility's value of avoided capacity, in dollars per kilowatt per month, during month m;	18.58
C = a constant risk multiplier for the purpose of the utility's standard contract offer;	0.8
K = present value of carrying charge for one dollar of investment over L years with carrying charges assumed to be paid at the end of each year;	1.75616
I _n = total direct and indirect cost, in dollars per kilowatt including AFUDC but excluding CWIP, of the statewide avoided unit with an in-service date of year n;	2044
O _n = total first year's fixed and variable operating and maintenance expense, less fuel and and in dollars per kilowatt per year, of the statewide avoided unit deflated to the beginning of the year n by I ₀ ;	66.27
I _p = annual escalation rate associated with the plant cost of the statewide avoided unit;	5.4%
I ₀ = annual escalation rate associated with the operation and maintenance expense of the statewide avoided unit;	5.4%
r = annual discount rate, defined as the utility's incremental after tax cost of capital;	10.50%
L = expected life of the statewide avoided unit;	31
n = year for which the statewide avoided unit is deferred starting with its original anticipated in-service date and ending with the termination of the contract for the purchase of firm energy and capacity;	1992

EARLY PAYMENT OPTION PARAMETERS

A _m = monthly avoided capital cost component of capacity payments to be made to the Qualifying Facility starting as early as seven years prior to the anticipated in-service date of statewide avoided unit, in dollars per kilowatt per month;	4.87
i _p = annual escalation rate associated with the plant cost of the statewide avoided unit;	5.4%
n = year for which early capacity payments to a Qualifying Facility are made;	1985
F = the cumulative present value of the avoided capital cost component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the statewide avoided unit and continued for a period of 10 years;	699.18
r = Annual discount rate, defined as the utility's incremental after tax cost capital;	10.5%
t = the term, in years, of the contract for the purchase of firm capacity commencing prior to the in-service date of the statewide avoided unit.	17

APPENDIX B

ENERGY PRICING

ESTIMATED ENERGY PAYMENT RATE SCHEDULE

<u>YEAR</u>	<u>TOTAL ENERGYS/MWH</u>
1997	21.87
1998	22.93
1999	23.49
2000	24.41
2001	25.56
2002	26.46
2003	26.97
2004	28.07
2005	29.26
2006	30.45
2007	32.25
2008	33.63
2009	35.11

Notes:

The energy deemed to have been delivered under this Agreement shall be the difference between the total kWh delivered to FPL during the Monthly Billing Period (MBP) less the product of (i) 45,000 kW, (ii) the number of days in the MBP, and (iii) 24 hrs (i.e. Energy under this Agreement = Total kWh during MBP - 45,000 X # of days in MBP X 24 hrs).

APPENDIX B
(continued)

Prices in the above Rate Schedule are current estimates and are not final. Actual energy prices will be based on FPSC - approved prices as they are changed from time to time, in accordance with Section 5.1 of this Agreement.

APPENDIX C
RATE SCHEDULE COG-2

**STANDARD RATE FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM QUALIFYING FACILITIES
LESS THAN 75 MEGAWATTS OR SOLID WASTE FACILITIES**

SCHEDULE

COG-2, Firm Capacity and Energy

AVAILABLE

The Company will, under the provisions of this Schedule and the Company's "Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Qualifying Facility Less than 75 MW or a Solid Waste Facility" ("Standard Offer Contract"), purchase firm capacity and energy offered by any small Qualifying Facility ("the QF") - either cogeneration or small power production, the latter including any governmental solid waste facility ("GSWF") as defined in Rule 25-17.091, F.A.C., and any facility which burns landfill gas - less than 75 megawatts as specified under Section 403.503(7), F.S. (1989), irrespective of the QF's location, and which is either directly or indirectly interconnected with the Company. The Company's obligation to contract to purchase firm capacity from any QFs less than 75 MW, by means of this schedule and the Standard Offer Contract will continue only as long as, and to the extent that, the 125 MW subscription limit as identified in the Company's October 30, 1990, filing with the Florida Public Service Commission ("FPSC"), and as approved by the FPSC in Order No. 24949 is not exceeded and, in any event, no later than December 31, 1992.

APPLICABLE

To any small QF less than 75 MW in size, irrespective of its location, producing capacity and energy for sale to the Company on a firm basis pursuant to the terms and conditions of this schedule and the Company's "Standard Offer Contract". Firm Capacity and Energy are described by FPSC Rule 25-17.0832, F.A.C., and are capacity and energy produced and sold by a QF less than 75 MW in size pursuant to the Standard Offer Contract provisions addressing (among other things) quantity, time and reliability of delivery.

CHARACTER OF SERVICE

Purchases within the territory served by the Company shall be, at the option of the Company, single or three phase, 60 hertz, alternating current at any available standard Company voltage. Purchases from outside the territory served by the Company shall be three phase, 60 hertz, alternating current at the voltage level available at the interchange point between the Company and the entity delivering the Firm Energy and Capacity from the QF.

LIMITATION

Purchases under this schedule are subject to FPSC Rules 25-17.082 through 25-17.091, F.A.C., and are limited to those Qualifying Facilities which:

- A. Are less than 75 megawatts;
- B. Execute a Standard Offer Contract prior to December 31, 1992, the expiration date of the Standard Offer Contract for the Company's purchase of firm capacity and energy;
- C. Commit to commence deliveries of firm capacity and energy no later than January 1, 1997, and to continue such deliveries through at least December 31, 2006, but not later than December 31, 2026; and
- D. Provide capacity which would not result in the capacity subscription limit for the Company on capacity (125 MW), as identified in FPSC Order No. 24949, to be exceeded.

RATES FOR PURCHASES BY THE COMPANY

Firm Capacity and Energy are purchased at a unit cost, in dollars per kilowatt per month and cents per kilowatt-hour, respectively, based on the value of deferring additional capacity required by the Company. For the purpose of this Schedule, an Avoided Unit has been designated by the Company. The Company's next Avoided Unit has been identified as 125 MW of a 1998 907 MW Integrated Coal Gasification Combined Cycle generating unit ("IGCC") with an in-service date of January 1, 1997, as identified in FPSC Order No. 24949. Appendix A to this Schedule describes the methodology used to calculate payment schedules, general terms, and conditions applicable to the Company's Standard Offer Contract filed and approved pursuant to FPSC Rules 25-17.082 through 25-17.091, F.A.C.

(Continued on Sheet No. 10.201)

(Continued from Sheet No. 10.200)

A. Firm Capacity Rates

Four options, A through D, as set forth below, are available for payment of firm capacity which is produced by a QF and delivered to the Company. Once selected, an option shall remain in effect for the term of the Standard Offer Contract with the Company. Exemplary payment schedules, shown below, contain the monthly rate per kilowatt of Firm Capacity which the QF has contractually committed to deliver to the Company and are based on a contract term which extends twenty (20) years beyond the anticipated in-service date of the Company's Avoided Unit (i.e., through December 31, 2016). Payment schedules for other contract terms will be made available to any QF upon request and may be calculated based on the methodologies described in Appendix A. The currently approved parameters used to calculate the following schedule of payments are found in Appendix B to this Schedule.

Adjustment to Capacity Payment

The firm capacity rates will be adjusted to reflect the impact that the location of the QF will have on FPL system reliability due to constraints imposed on the operation of FPL transmission tie-lines.

Appendix C shows, for illustration purposes, the factors that would be used to adjust the firm capacity rate for different geographical areas. The actual adjustment would be determined on a case-by-case basis. The amount of such adjustment, as well as a binding contract rate for firm capacity, shall be provided to the QF within sixty days of receiving a signed Standard Offer Contract.

Option A - Fixed Value of Deferral - Normal Capacity Payments

Payment schedules under this option are based on the value of a year-by-year deferral of the Company's Avoided Unit with an in-service date of January 1, 1997, calculated in accordance with FPSC Rule 25-17.0632 F.A.C., as described in Appendix A. Once this option is selected, the current schedule of payments shall remain fixed and in effect throughout the term of the Standard Offer Contract.

Option B - Fixed Value of Deferral Early Capacity Payments

Payment schedules under this option are based upon early capacity payments consisting of the capital cost component of the value of a year-by-year deferral of the Company's Avoided Unit. These payments can start as early as six (6) years prior to the anticipated in-service date of the Company's Avoided Unit. When this option is selected, the capacity payments shall be made monthly commencing no earlier than the commercial in-service date of the QF and calculated as shown on Appendix A.

The QF shall select the month and year in which the deliveries of firm capacity and energy to the Company are to commence and capacity payments are to start. The Company will provide the QF with a schedule of capacity payment rates based on the month and year in which the deliveries of firm capacity and energy are to commence and the term of the Standard Offer Contract. The following exemplary payment schedule is based on the contract term which extends at least twenty (20) years beyond the anticipated in-service date of the Company's Avoided Unit.

(Continued on Sheet No. 10.202)

(Continued from Sheet No. 10.201)

EXAMPLE MONTHLY CAPACITY PAYMENT IN \$/KW/MONTH
 COMPANY'S 1997 IGCC AVOIDED UNIT
 STANDARD OFFER CONTRACT AVOIDED CAPACITY PAYMENTS
 (\$/KW/MONTH)

Contract Year	Option A	Option B					
	Normal Payment Starting 01/01/97	Early Payment Starting					
		01/01/96	01/01/95	01/01/94	01/01/93	01/01/92	01/01/91
1991							\$11.60
1992						\$13.06	12.18
1993					\$14.72	13.71	12.80
1994				\$16.62	15.46	14.40	13.44
1995			\$18.80	17.46	16.24	15.13	14.12
1996		\$21.30	19.74	18.33	17.06	15.89	14.83
1997	\$24.18	22.37	20.74	19.26	17.92	16.69	15.57
1998	25.40	23.50	21.78	20.23	18.82	17.53	16.36
1999	26.68	24.68	22.88	21.25	19.76	18.41	17.18
2000	28.02	25.92	24.03	22.32	20.76	19.34	18.05
2001	29.44	27.23	25.24	23.44	21.81	20.32	18.96
2002	30.92	28.60	26.51	24.62	22.90	21.34	19.91
2003	32.47	30.04	27.85	25.86	24.06	22.41	20.91
2004	34.11	31.55	29.25	27.16	25.27	23.54	21.97
2005	35.83	33.14	30.72	28.53	26.54	24.73	23.07
2006	37.63	34.81	32.27	29.97	27.88	25.97	24.23
2007	39.53	36.56	33.89	31.47	29.28	27.28	25.45
2008	41.52	38.40	35.60	33.06	30.75	28.65	26.73
2009	43.61	40.34	37.39	34.72	32.30	30.10	28.08
2010	45.80	42.37	39.27	36.47	33.93	31.61	29.50
2011	48.11	44.50	41.25	38.31	35.64	33.20	30.98
2012	50.53	46.74	43.33	40.24	37.43	34.88	32.54
2013	53.07	49.10	45.51	42.26	39.32	36.63	34.18
2014	55.75	51.57	47.80	44.39	41.30	38.48	35.90
2015	58.55	54.17	50.21	46.63	43.38	40.41	37.71
2016	61.50	56.89	52.74	48.98	45.56	42.45	39.61

Option C - Fixed Value of Deferral - Levelized Capacity Payment

Payment schedules under this option are based upon the levelized capital cost component of the value of a year-by-year deferral of the Company's Avoided Unit. The capital portion of capacity payments under this option shall consist of equal monthly payments over the term of the Standard Offer Contract, calculated as shown on Appendix A. The fixed operation and maintenance portion of capacity payments shall be equal to the value of the year-by-year deferral of fixed operation and maintenance expense associated with the Company's Avoided Unit. These calculations are shown in Appendix A.

Option D - Fixed Value of Deferral - Early Levelized Capacity Payment

Payment schedules under this option are based upon the early levelized capital cost component of a year-by-year deferral of the Company's Avoided Unit. The capital portion of capacity payments under this option shall consist of equal monthly payments over the term of the Standard Offer Contract, calculated as shown on Appendix A. The fixed operation and maintenance expense shall be calculated as shown in Appendix A. At the option of the QF, early levelized capacity payments shall commence at any time after the specified early capacity date and before the anticipated in-service date of the Company's Avoided Unit, provided that the QF is delivering firm capacity and energy to the Company.

(Continued on Sheet No. 10.203)

(Continued from Sheet No. 10.202)

EXAMPLE MONTHLY CAPACITY PAYMENT IN \$K/MONTH
 1997 IGCC AVOIDED UNIT (907 MW) LEVELIZED CAPITAL
 AVOIDED CAPACITY PAYMENTS
 (\$/KW/MONTH)

Contract Year	Option C	Option D (Early O&M)					
	Levelized Payment Starting 01/01/97	01/01/96	01/01/95	01/01/94	01/01/93	01/01/92	01/01/91
1991							\$ 15.51
1992						\$ 17.32	15.71
1993					\$ 19.36	17.55	15.93
1994				\$ 21.68	19.63	17.80	16.16
1995			\$ 24.30	21.98	19.90	18.05	16.40
1996		\$ 27.29	24.64	22.29	20.19	18.33	16.65
1997	\$ 30.70	27.67	24.99	22.62	20.50	18.61	16.92
1998	31.13	28.07	25.36	22.96	20.82	18.91	17.20
1999	31.59	28.49	25.76	23.32	21.16	19.22	17.49
2000	32.06	28.94	26.17	23.71	21.51	19.56	17.80
2001	32.57	29.40	26.60	24.11	21.89	19.90	18.13
2002	33.09	29.89	27.05	24.53	22.28	20.27	18.47
2003	33.65	30.40	27.53	24.97	22.69	20.65	18.83
2004	34.23	30.94	28.03	25.44	23.12	21.06	19.20
2005	34.85	31.51	28.55	25.92	23.58	21.48	19.60
2006	35.49	32.11	29.11	26.44	24.06	21.93	20.01
2007	36.17	32.73	29.69	26.98	24.56	22.39	20.45
2008	36.88	33.39	30.30	27.55	25.09	22.89	20.91
2009	37.63	34.08	30.94	28.14	25.64	23.40	21.39
2010	38.41	34.81	31.62	28.77	26.23	23.95	21.90
2011	39.24	35.58	32.33	29.43	26.84	24.52	22.43
2012	40.11	36.38	33.07	30.12	27.48	25.12	23.00
2013	41.02	37.23	33.85	30.85	28.16	25.75	23.59
2014	41.98	38.11	34.68	31.61	28.87	26.42	24.20
2015	42.99	39.05	35.54	32.42	29.62	27.11	24.86
2016	44.05	40.03	36.45	33.26	30.41	27.85	25.54

B. Energy Rates

(1) Payments Prior to January 1, 1997:

The energy rate, in cents per kilowatt-hour (¢/kWh), shall be based on the Company's actual hourly avoided energy costs which are calculated by the Company in accordance with FPSC Rule 25-17.0025, F.A.C. Avoided energy costs include incremental fuel, identifiable operation and maintenance expenses, and an adjustment for line losses reflecting delivery voltage. The calculation of the Company's avoided energy costs reflects the delivery of energy from the region of the Company in which the QF is located. Energy payments to the QFs located outside the Company's service area shall reflect the region in which the interchange point for the delivery of energy is located. When economy transactions take place, the incremental costs are calculated as described in COG-1 Tariff Appendix A.

The calculation of payments to the QF shall be based on the sum, over all hours of the billing period, of the product of each hour's avoided energy cost times the purchases by the Company for that hour. All purchases shall be adjusted for losses from the point of metering to the point of interconnection.

(Continued on Sheet No. 10.204)

(Continued from Sheet No. 10.203)

(2) Payments Starting on January 1, 1997:

The firm energy rate, in cents per kilowatt-hour (¢/kWh), shall be the following on an hour-by-hour basis: (a) to the extent that FPL's Avoided Unit would have operated, the Company's Avoided Unit Fuel Cost (as defined below), and (b) to the extent that the Company's Avoided Unit would not have been operated, the Company's as-available avoided energy costs calculated by the Company in accordance with Rule 25-17.0625, F.A.C., and FPL's Rate Schedule COG-1, as they may each be amended from time to time. The Company's Avoided Unit Fuel Cost, in cents per kilowatt-hour (¢/kWh) shall be defined as the product of: (a) the average monthly inventory charge-out price of coal burned at the St. Johns River Power Park (as can be calculated from the Company's Fuel Cost Recovery A-3 Schedule) with an appropriate adjustment for delivery to the Martin site in cents per million Btu; (b) an average annual heat rate of 8.42 million Btu per megawatt-hour based on the 1997 907 MW Company IGCC Avoided Unit; and (c) an additional .139 cents per kilowatt-hour in mid-1990 \$ for variable operation and maintenance expenses which will be escalated based on the actual Consumer Price Index.

Calculations of payments to the QF shall be based on the sum, over all hours of the billing period, of the product of each hour's avoided energy cost times the purchases by the Company for that hour. All purchases shall be adjusted for losses from the point of metering to the point of interconnection. The calculation of the Company's avoided energy cost reflects the delivery of energy from the geographical area of the Company in which the QF is located. Energy payments to QFs located outside the Company's service territory reflect the region in which the interchange point for the delivery of energy is located.

ESTIMATED AS-AVAILABLE ENERGY COST

For informational purposes only, the estimated incremental avoided energy costs for the next four semi-annual periods are as follows. In addition, avoided energy cost payments will include .008¢/kWh for variable operation and maintenance expenses.

Applicable Period	On-Peak ¢/kWh	Off-Peak ¢/kWh	Average ¢/kWh
October 1, 1991 - March 31, 1992	3.26	2.50	2.69
April 1, 1992 - September 30, 1992	3.79	2.97	3.19
October 1, 1992 - March 31, 1993	3.73	2.71	2.95
April 1, 1993 - September 30, 1993	4.00	3.50	3.63

A MW block size ranging from 19 MW to 220 MW has been used to calculate the estimated avoided energy cost.

ESTIMATED FIRM ENERGY COST

The estimated avoided fuel costs listed below are associated with the Company's Avoided Unit and are based on current estimates of the delivered price of coal to the St. Johns River Power Park coal-fired units.

										¢/kWh
1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	
1.90	2.00	2.12	2.25	2.35	2.44	2.59	2.74	2.90	3.07	

DELIVERY VOLTAGE ADJUSTMENT

Energy payments to the QFs within the Company's service territory shall be adjusted according to the delivery voltage by the following multipliers:

Delivery Voltage	Adjustment Factor
Transmission Voltage Delivery	1.0000
Primary Voltage Delivery	1.0159
Secondary Voltage Delivery	1.0314

(Continued on Sheet No. 10.205)

(Continued from Sheet No. 10.204)

PERFORMANCE CRITERIA

Payments for Firm Capacity are conditioned on the QF's ability to maintain the following performance criteria:

A. Commercial In-Service Date

The commercial in-service date shall be no later than the projected in-service date of the Company's Avoided Unit (i.e., January 1, 1997).

B. Capacity Factor

The capacity factor is used in the determination of firm capacity payments through a performance based calculation as detailed in the Company's Standard Offer Contract.

METERING REQUIREMENTS

The QFs within the territory served by the Company shall be required to purchase from the Company hourly recording meters to measure their energy deliveries to the Company. Energy purchases from the QFs outside the territory of the Company shall be measured as the quantities scheduled for interchange to the Company by the entity delivering Firm Capacity and Energy to the Company.

For the purpose of this Schedule, the on-peak hours shall be 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. prevailing Eastern time. FPL shall have the right to change such On-Peak Hours by providing the QF a minimum of thirty calendar days' advance written notice.

BILLING OPTIONS

A QF, upon entering into a Standard Offer Contract for the sale of firm capacity and energy or prior to delivery of as-available energy, may elect to make either simultaneous purchases from and sales to the Company, or net sales to the Company. A decision on billing methods may only be changed: 1) when a QF selling as-available energy enters into a Standard Offer Contract for the sale of firm capacity and energy; 2) when a Standard Offer Contract expires or is lawfully terminated by either the QF or the Company; 3) when the QF is selling as-available energy and has not changed billing methods within the last twelve months; 4) when the election to change billing methods will not contravene the provisions of Rule 25-17.0832 or a contract between the QF and the Company.

If a QF elects to change billing methods, such changes shall be subject to the following: 1) upon at least thirty days' advance written notice to the Company; 2) the installation by the Company of any additional metering equipment reasonably required to effect the change in billing and upon payment by the QF for such metering equipment and its installation; and 3) upon completion and approval by the Company of any alteration(s) to the interconnection reasonably required to effect the change in billing and upon payment by the QF for such alteration(s).

Payments due a QF will be made monthly, and normally by the twentieth business day following the end of the billing period. The kilowatt-hours sold by the QF and the applicable avoided energy rates at which payments are being made shall accompany the payment to the QF.

A statement covering the charges and payments due the QF is rendered monthly, and payment normally is made by the twentieth business day following the end of the billing period.

CHARGES TO QUALIFYING FACILITY

A. Customer Charges:

<u>Rate Schedule</u>	<u>Customer Charge(\$)</u>	<u>Rate Schedule</u>	<u>Customer Charge(\$)</u>
GS-1	9.00	CST-1	110.00
GST-1	12.30	GSLD-2	170.00
GSD-1	35.00	GSLDT-2	170.00
GSDT-1	41.50	CS-2	170.00
RS-1	5.65	CST-2	170.00
RST-1	8.95	GSLD-3	400.00
GSLD-1	41.00	CS-3	400.00
GSLDT-1	41.00	CST-3	400.00
CS-1	110.00	GSLDT-3	400.00

(Continued on Sheet No. 10.206)

(Continued from Sheet No. 10.205)

B. Interconnection Charge for Non-Variable Utility Expenses

The QF shall bear the cost required for interconnection, including the metering. The QF shall have the option of (i) payment in full for the interconnection costs including the time value of money during the construction of the interconnection facilities and providing a surety bond, letter of credit or comparable assurance of payment acceptable to the Company adequate to cover the interconnection cost estimates, (ii) payment of monthly invoices from the Company for actual costs progressively incurred by the Company in installing the interconnection facilities, or (iii) upon a showing of credit worthiness, making equal monthly installment payments over a period no longer than thirty-six (36) months toward the full cost of interconnection. In the latter case, the Company shall assess interest at the rate then prevailing for thirty (30) day highest grade commercial paper, such rate to be specified by the Company thirty (30) days prior to the date of each installment payment by the QF.

C. Interconnection Charge for Variable Utility Expenses

The QF shall be billed monthly for the variable utility expenses associated with the operation and maintenance of the interconnection facilities. These include (a) the Company's inspections of the interconnection facilities and (b) maintenance of any equipment beyond that which would be required to provide normal electric service to the QF if no sales to the Company were involved.

In lieu of payment for actual charges, the QF may pay a monthly charge equal to a percentage of the installed cost of the interconnection facilities. The applicable percentages are as follows:

<u>Equipment Type</u>	<u>Charge</u>
Metering Equipment	0.386%
Distribution Equipment	0.510%
Transmission Equipment	0.251%

D. Taxes and Assessments

In the event that FPL becomes liable for additional taxes, including interest and/or penalties arising from the Internal Revenue Service's determination, through audit, ruling or other authority, that FPL's early, levelized or early levelized capacity payments to the QF are not fully deductible when paid (additional tax liability), FPL may bill the QF monthly for the costs, including carrying charges, interest and/or penalties, associated with the fact that all or a portion of these early, levelized or early levelized capacity payments are not currently deductible for federal and/or state income tax purposes. FPL, at its option, may offset these costs against amounts due the QF hereunder. These costs would be calculated so as to place FPL in the same economic position in which it would have been if the entire early, levelized or early levelized capacity payments had been deductible in the period in which the payments were made. If FPL decides to appeal the Internal Revenue Service's determination, the decision as to whether the appeal should be made through the administrative or judicial process or both, and all subsequent decisions pertaining to the appeal (both substantive and procedural), shall rest exclusively with FPL.

TERMS OF SERVICE

- (1) It shall be the QF's responsibility to inform the Company of any change in its electric generation capability.
- (2) Any electric service delivered by the Company to a QF located in the Company's service area shall be subject to the following terms and conditions:
 - (a) A QF shall be metered separately and billed under the applicable retail rate schedule, whose terms and conditions shall pertain.
 - (b) A security deposit will be required in accordance with FPSC Rules 25-17.082(5) and 25-6.097, F.A.C., and the following:
 - (i) In the first year of operation, the security deposit should be based upon the singular month in which the QF's projected purchases from the Company exceed, by the greatest amount, the Company's estimated purchases from the QF. The security deposit should be equal to twice the amount of the difference estimated for that month. The deposit is required upon interconnection.
 - (ii) For each year thereafter, a review of the actual sales and purchases between the QF and the Company will be conducted to determine the actual month of maximum difference. The security deposit should be adjusted to equal twice the greatest amount by which the actual monthly purchases by the QF exceed the actual sales to the Company in that month.

(Continued on Sheet No. 10.207)

(Continued from Sheet No. 10.206)

- (c) The Company shall specify the point of interconnection and voltage level.
 - (d) The QF must enter into an interconnection agreement with the Company which will, among other things, specify safety and reliability standards for the interconnection to the Company's system. In most instances, the Company's filed Interconnection Agreement for Qualifying Facilities will be used; however, special features of the QF or its interconnection to the Company's facilities may require modifications to this Interconnection Agreement or the safety and reliability standards contained therein.
- (3) Service under this rate schedule is subject to the rules and regulations of the Company and the Florida Public Service Commission.

SPECIAL PROVISIONS

- (1) Special contracts deviating from the above standard rate schedule are allowable provided the Company agrees to them and they are approved by the Florida Public Service Commission.
- (2) For a QF in the Company's service area that wishes to contract with another electric utility which is directly or indirectly interconnected with the Company, the Company will, upon request, provide information on the availability and the terms and conditions of the specified desired transmission service.
 - (a) The rates, terms and conditions for all of the Company's firm Transmission Service Agreements are subject to the jurisdiction of Federal Energy Regulatory Commission ("FERC"). The Company will provide the QF, for informational purposes, copies of Transmission Service Agreements which have been previously accepted or approved by the FERC and which govern arrangements similar to the service being requested by the QF.
 - (b) Transmission service arrangements on an if, when and as-available (nonfirm) basis are also subject to the FERC's jurisdiction. Any such arrangement shall be by individualized contract and shall not otherwise interfere with the Company's ability to provide firm retail, firm wholesale and firm transmission service.

(Continued on Sheet No. 10.208)

(Continued from Sheet No. 10.207)

**APPENDIX A
 FOR PURCHASE OF FIRM CAPACITY AND ENERGY
 FROM QUALIFYING COGENERATION AND
 SMALL POWER PRODUCTION FACILITIES
 SMALLER THAN 75 MW IN SIZE OR SOLID WASTE FACILITIES
 SCHEDULE COG-2**

APPLICABILITY

Appendix A provides a detailed description of the methodology used by the Company to calculate the monthly values of deferring or avoiding the Company's Avoided Unit identified in Schedule COG-2. When used in conjunction with the current FPSC-approved cost parameters associated with the Company's Avoided Unit contained in Appendix B, a QF may determine the applicable value of deferral capacity payment rate associated with the timing and operation of its particular facility should the QF enter into a Standard Offer Contract with the Company.

Also contained in Appendix A is the discussion of the types and forms of surety bond requirements or equivalent assurance of repayment of early capacity payments acceptable to the Company in the event of contractual default by a QF.

CALCULATION OF VALUE OF DEFERRAL

FPSC Rule 25-17.0832(5) specifies that avoided capacity costs, in dollars per kilowatt per month, associated with capacity sold to a utility by a QF pursuant to the Company's Standard Offer Contract shall be defined as the year-by-year value of deferral of the Company's Avoided Unit. The year-by-year value of deferral shall be the difference in revenue requirements associated with deferring the Company's Avoided Unit one year, and shall be calculated as follows:

$$VAC_m = \frac{1}{12} \left[\frac{KI_n \left[\frac{1 - (1+i_p)^L}{1+r} \right] + O_n \left[\frac{1 - (1+i_p)^L}{(1+r)^L} \right]}{\left[\frac{1 - (1+i_p)^L}{(1+r)^L} \right]} \right]$$

Where, for a one year deferral:

- VAC_m = utility's monthly value of avoided capacity, in dollars per kilowatt per month, for each month of year n;
- K = present value of carrying charges for one dollar of investment over L years with carrying charges computed using average annual rate base and assumed to be paid at the middle of each year and present valued to the middle of the first year;
- I_n = total direct and indirect cost, in mid-year dollars per kilowatt including AFUDC but excluding CWIP, of the Company's Avoided Unit with an in-service date of year n, including all identifiable and quantifiable costs relating to the construction of the Company's Avoided Unit which would have been paid had the Unit been constructed;
- O_n = total fixed operation and maintenance expense for the year n, in mid-year dollars per kilowatt per year, of the Company's Avoided Unit;
- i_p = annual escalation rate associated with the plant cost of the Company's Avoided Unit(s);

(Continued on Sheet No. 10.209)

(Continued from Sheet No. 10.208)

- i_o = annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit(s);
- r = annual discount rate, defined as the utility's incremental after-tax cost of capital;
- L = expected life of the Company's Avoided Unit(s); and
- n = year for which the Company's Avoided Unit(s) is (are) deferred starting with its (their) original anticipated in-service date(s) and ending with the termination of the Company's Standard Offer Contract.

CALCULATION OF EARLY CAPACITY PAYMENTS

Normally, payments for firm capacity shall not commence until the in-service date of the Company's Avoided Unit(s). At the option of the QF, however, the Company may begin making early capacity payments consisting of the capital cost component of the value of a year-by-year deferral of the Company's Avoided Unit starting as early as six years prior to the anticipated in-service date of the Company's Avoided Unit. When such early capacity payments are elected, the avoided capital cost component of capacity payments shall be paid monthly commencing no earlier than the commercial in-service date of the QF, and shall be calculated as follows:

$$A_m = A_c \frac{(1 + ip)^{(m-1)}}{12} + A_o \frac{(1 + io)^{(m-1)}}{12} \text{ for } m = 1 \text{ to } t$$

Where:

- A_m = monthly early capacity payments to be made to the QF for each month of the contract year n , in dollars per kilowatt per month;
- i_p = annual escalation rate associated with the plant cost of the Company's Avoided Unit(s);
- i_o = annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit(s);
- m = year for which early capacity payments to a QF are made, starting in year one and ending in the year t ;
- t = the term, in years, of the Standard Offer Contract;

$$A_c = F \begin{bmatrix} [& &] \\ [& (1 + ip) &] \\ [& 1 - (1 + r) &] \\ [& (1 + ip)^t &] \\ [& 1 - (1 + r)^t &] \end{bmatrix}$$

(Continued on Sheet No. 10.210)

(Continued from Sheet No. 10.209)

Where:

- F = the cumulative present value, in the year that the contractual payments will begin, of the avoided capital cost component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit(s);
- r = annual discount rate, defined as the Company's incremental after-tax cost of capital; and

$$A_o = G \left[\frac{(1+i)^t}{1 - (1+r)^{-t}} \right]$$

Where:

- G = The cumulative present value, in the year that the contractual payments will begin, of the avoided fixed operation and maintenance expense component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit(s).

The currently approved parameters applicable to the formulas above are found in Appendix B.

CALCULATION OF LEVELIZED AND EARLY LEVELIZED CAPACITY PAYMENTS

Levelized and early levelized capacity payments. Monthly levelized and early levelized capacity payments shall be calculated as follows:

$$P_L = \frac{F}{12} \times \frac{r}{1 - (1+r)^{-t}} + O$$

Where:

- P_L = the monthly levelized capacity payment, starting on or prior to the in-service date of the Company's Avoided Unit(s);
- F = the cumulative present value, in the year that the contractual payments will begin, of the avoided capital cost component of the capacity payments which would have been made had the capacity payments not been levelized;
- r = the annual discount rate, defined as the Company's incremental after-tax cost of capital;
- t = the term, in years, of the Standard Offer Contract;
- O = the monthly fixed operation and maintenance component of the capacity payments, calculated in accordance with calculation of value of deferral levelized capacity payments or with calculation for early levelized capacity payments.

(Continued on Sheet No. 10.211)

(Continued from Sheet No. 10.210)

RISK-RELATED GUARANTEES

With the exception of governmental solid waste facilities covered by FPSC Rule 25-17.091, FPSC Rule 25-17.0832 paragraphs (2)(c), (2)(d), (3)(e)8, and (3)(f)1, F.A.C., each require that, when early capacity payments are elected, the QF must provide a surety bond or equivalent assurance of repayment of early capacity payments in the event the QF is unable to meet the terms and conditions of its Standard Offer Contract. Depending on the nature of the QF's operation, financial health and solvency, and its ability to meet the terms and conditions of the Company's Standard Offer Contract, one of the following may constitute an equivalent assurance of repayment:

- (1) Surety bond;
- (2) Escrow;
- (3) Irrevocable letter of credit;
- (4) Unsecured promise by a municipal, county or state government to repay early capacity payments in the event of default, in conjunction with a legally binding commitment from such government allowing the utility to levy a surcharge on either the electric bills of the government's electricity consuming facilities or the constituent electric customers of such government to assure that early capacity payments are repaid;
- (5) Unsecured promise by a privately-owned QF to repay early capacity payments in the event of default, in conjunction with a legally binding commitment from the owner(s) of the QF, parent company, and/or subsidiary companies allowing the Company to levy a surcharge on the electric bills of the owner(s), parent company, and/or subsidiary companies located in Florida to assure that early capacity payments are repaid; or
- (6) Other guarantees acceptable to the Company.

The Company will cooperate with each QF applying for early capacity payments to determine the exact form of an "equivalent assurance of repayment" to be required based on the particular aspects of the QF. The Company will endeavor to accommodate an equivalent assurance of repayment which is in the best interests of both the QF and the Company's ratepayers.

**APPENDIX B
 FOR PURCHASE, PURSUANT TO STANDARD OFFER CONTRACT, OF FIRM ENERGY AND CAPACITY
 FROM QUALIFYING FACILITIES SMALLER THAN 75 MW IN SIZE OR SOLID WASTE FACILITIES
 SCHEDULE COG-2**

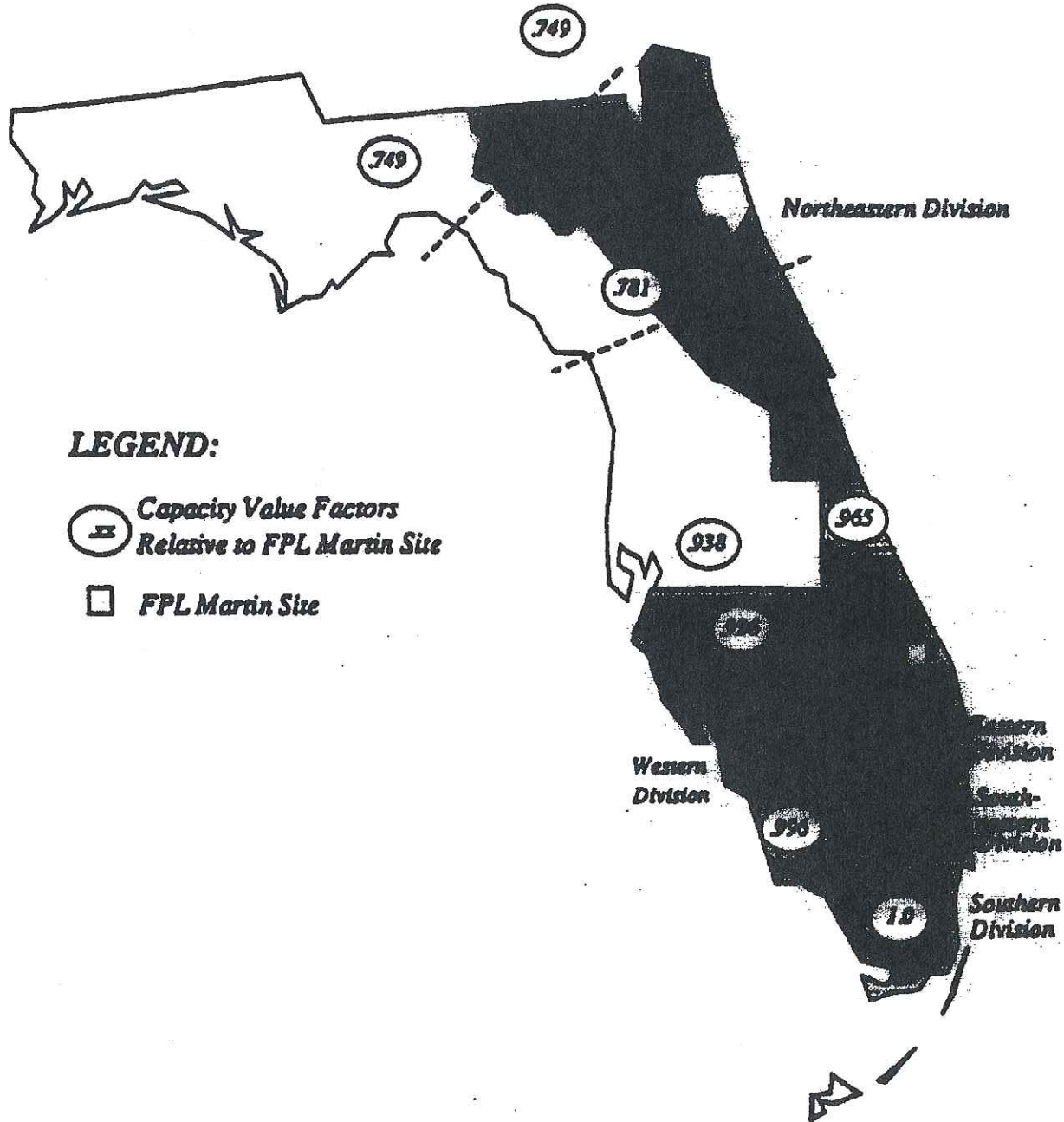
NORMAL PAYMENT OPTION PARAMETERS

Where, for a one year deferral:		<u>Value</u>
VAC_m	= Company's value of avoided capacity and O&M, in dollars per kilowatt per month, during month m;	24.18
K	= present value of carrying charges for one dollar of investment over L years with carrying charges computed using average annual rate base and assumed to be paid at the middle of each year and present valued to the middle of the first year;	1.711
I_n	= total direct and indirect cost, in mid-year dollars per kilowatt including AFUDC but excluding CWIP, of the Company's Avoided Unit with an in-service date of year n;	1,749
O_n	= total fixed operation and maintenance expense, for the year n, in mid-year dollars per kilowatt per year, of the Company's Avoided Unit;	101.86
i_p	= annual escalation rate associated with the plant cost of the Company's Avoided Unit;	5.0%
i_o	= annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit;	5.1%
r	= annual discount rate, defined as the Company's incremental after-tax cost of capital;	10.41%
L	= expected life of the Company's Avoided Unit;	30
n	= year for which the Company's Avoided Unit is deferred starting with its original anticipated in-service date and ending with the termination of the Standard Offer Contract.	1997

EARLY PAYMENT OPTION PARAMETERS

A_m	= monthly avoided capital cost component of capacity payments to be made to the QF starting as early as six years prior to the anticipated in-service date of the Company's Avoided Unit, in dollars per kilowatt per month;	7.53
i_p	= annual escalation rate associated with the plant cost of the Company's Avoided Unit;	5.0%
n	= year for which early capacity payments to a QF are to begin;	1991
F	= the cumulative present value of the avoided capital cost component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit and continued for a period of 20 years;	2,436.86
r	= annual discount rate, defined as the Company's incremental after-tax cost of capital;	10.41%
t	= the term, in years, of the Standard Offer Contract for the purchase of firm capacity commencing prior to the in-service date of the Company's Avoided Unit;	26
G	= the cumulative present value of the avoided fixed operation and maintenance expense component of capacity payments which would have been made had capacity payments commenced with the anticipated in-service date of the Company's Avoided Unit and continued for a period of 20 years.	1,327.68

APPENDIX C
VALUE OF CAPACITY LOCATION
VERSUS AVOIDED UNIT



FOR ILLUSTRATIVE PURPOSES ONLY

RESERVED FOR FUTURE USE

APPENDIX D

CAPACITY PRICING

CAPACITY PAYMENT RATE SCHEDULE

MONTHLY CAPACITY YEAR	BCP PAYMENT \$/kW/MONTH
1993	13.15
1994	13.81
1995	14.50
1996	15.23
1997	22.01
1998	22.29
1999	22.60
2000	22.91
2001	23.25
2002	23.60
2003	23.96
2004	24.35
2005	24.76
2006	25.18
2007	25.63
2008	26.11
2009	26.60
2010	27.12
2011	27.67
2012	28.25
2013	28.85
2014	29.49
2015	30.16
2016	30.86
2017	31.60
2018	32.37
2019	33.19
2020	34.05
2021	34.95
2022	35.89
2023	36.89
2024	37.93
2025	39.03
2026	40.19

APPENDIX D

(continued)

Note:

The capacity payments shall be calculated pursuant to Appendix E.

APPENDIX E

METHODOLOGY FOR COMPUTING

FIRM CAPACITY AND ENERGY PAYMENTS

1. Monthly Capacity Payments (MCP) for each Monthly Billing Period shall be computed according to the following:

- A. In the event that the Annual Capacity Billing Factor ("ACBF"), as defined below, is less than 60%, then no Monthly Capacity Payment shall be due. That is:

$$\text{MCP} = 0$$

- B. In the event that the ACBF is equal to or between 60% and 87%, then the Monthly Capacity Payment shall be calculated by using the following formula:

$$\text{MCP} = \text{BCP} \times [0.02 \times (\text{ACBF} - 37)] \times \text{CC}$$

- C. In the event that the ACBF is greater than 87%, then the Monthly Capacity Payment shall be calculated by using the following formula:

$$\text{MCP} = \text{BCP} \times \text{CC}$$

Where:

MCP = Monthly Capacity Payment in dollars.

BCP = Base Capacity Payment in \$/MW/Month as specified in Appendix D.

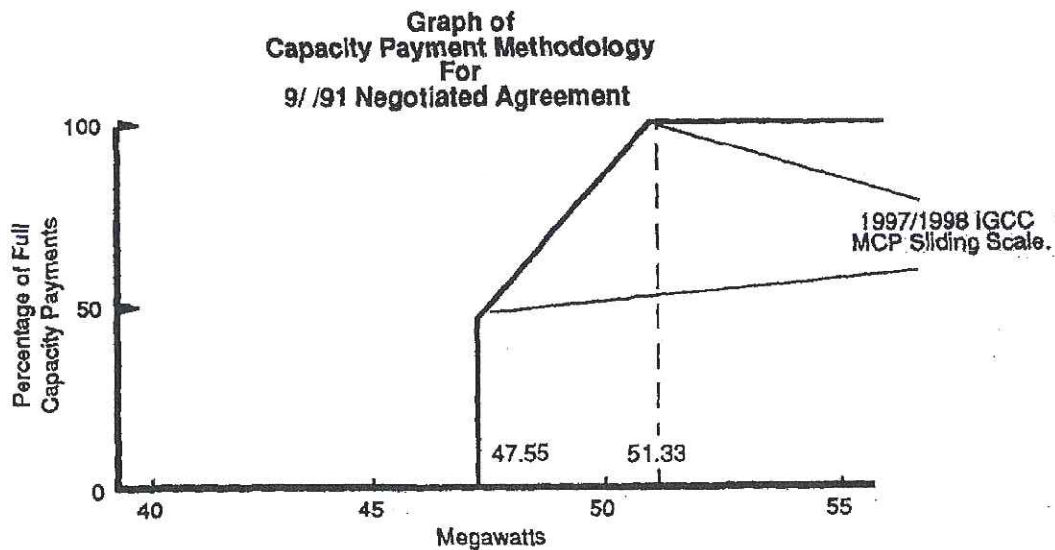
CC = Committed Capacity in MW.

ACBF = Annual Capacity Billing Factor. This factor is calculated using the 12-month, rolling average of the Monthly Capacity Billing Factor. This 12-month rolling average shall be defined as the sum of the 12 consecutive Monthly Capacity Billing Factors preceding the date of calculation, divided by 12. During the first 12 consecutive Monthly Billing Periods, commencing with

the first Monthly Billing Period in which Capacity payments are to be made, the calculation of the Annual Capacity Billing Factor shall be performed as follows: (a) during the first Monthly Billing Period, the Annual Capacity Billing Factor shall be equal to the Monthly Capacity Billing Factor; (b) thereafter, the calculation of the Annual Capacity Billing Factor shall be computed by dividing the sum of the Monthly Capacity Billing Factors during the first year's Monthly Billing Periods in which Capacity payments are to be made by the number of Monthly Billing Periods which have elapsed. This calculation shall be performed at the end of each Monthly Billing Period until enough Monthly Billing Periods have elapsed to calculate a true 12-month rolling average Annual Capacity Billing Factor.

MCBF = Monthly Capacity Billing Factor. The MCBF shall be calculated from the following formula:

$$MCBF = MCF + (PCF/2) - 43.5$$



Assuming CC is 14 MW, then, for outputs between 47.55 MW and 51.33 MW, the capacity payment stream shall follow the capacity payment sliding scale for the 1997/1998 IGCC avoided unit.

For outputs greater than 51.33 MW, the QF shall receive full capacity payments based on the rate schedule in Appendix D.

Monthly Capacity Payments (MCP) for each monthly billing period shall be computed according to the following:

$$47.55 \leq \text{AOF} \leq 51.33$$
$$\text{MCP} = \text{BCP} \times [0.02 \times (\text{ACBF} - 37)] \times \text{CC}$$

where CC = 14 MW

$$51.33 < \text{AOF} \leq 59$$
$$\text{MCP} = \text{BCP} \times \text{CC}$$

where CC = 14 MW

Where:

- AOF = The average delivered output in MW of the Facility during the Monthly Billing Period (MBP).
- MCF = Monthly Capacity Factor. The total energy delivered during the MBP for which the calculation is made, plus the sum of the MWh of energy that could have been produced under this Agreement by the Committed Capacities under the 3/13/87 Standard Offer and this Agreement during periods that FPL did not accept energy for delivery or receive energy pursuant to the 3/30/87 Standard Offer and this Agreement, divided by the product of (a) such 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, hourly energy deliveries shall not exceed those which could be produced by the Committed Capacities under the 3/30/87 Standard Offer and this

Agreement. For purposes of calculating MCBF, the Monthly Capacity Factor cannot exceed 87 %. (See Note 1)

MCF =
$$\frac{\text{Total kWh delivered during MBP} - 39,150 \times \# \text{ of days in MPB} \times 24 \text{ hrs}}{\text{CC} \times \# \text{ of days in MBP} \times 24 \text{ hrs}}$$

PCF = Annual Peak Capacity Factor. The Annual Capacity Factor during On-Peak Hours calculated on a 12-month rolling average basis. This rolling average is calculated in the manner specified in the definition of Annual Capacity Billing Factor, provided however that the PCF shall be allowed to exceed 87%.

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. prevailing Eastern time. FPL shall have the right to change such On-Peak Hours by providing the QF a minimum of thirty calendar days' advance written notice; provided however, any such change(s) made by FPL during the term of this Agreement (i) shall not cummulatively exceed ten percent (10%) of the total hours defined above as On-Peak, and (ii) shall not take place more than once per calendar year.

Monthly Billing Period = The period beginning on the first calendar day of each calendar month, except that the initial Monthly Billing Period shall consist of the period beginning 12:01 a.m. on the date the QF commences firm Capacity deliveries under this Agreement and ending with the last calendar day of

such month.

Notes:

- (1) Except as outlined in Section 5.2.5.

EXHIBIT "B"

**AGREEMENT TO TERMINATE
NORTH BROWARD RESOURCE RECOVERY FACILITY
ELECTRIC POWER PURCHASE AGREEMENT**

WHEREAS, Broward Waste Energy Company, L.P., the predecessor to Wheelabrator North Broward Inc., and Florida Power & Light Company entered into a "Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Qualifying Facility dated March 13, 1987 (the "Contract") and

WHEREAS, Wheelabrator North Broward Inc. and FPL entered into that certain "Electric Power Purchase Agreement" dated November 19, 1991 (the "Agreement"), and

WHEREAS, both the Contract and Agreement provided for the purchase and sale of electricity to be generated by a Qualifying Facility consistent with Florida Public Service Commission rules and regulations; and

WHEREAS, Wheelabrator and FPL desire to terminate the Contract.

NOW THEREFORE, for good and valuable consideration the receipt of which is acknowledged, Wheelabrator and FPL agree as follows:

1. The Agreement shall terminate as of November 3, 2015 ("Agreement Termination Date"). As of the Agreement Termination Date, Wheelabrator and FPL agree that all charges, liabilities, obligations, terms and conditions of the Agreement have been fully performed and satisfied by each party thereto. From and after the Agreement Termination Date, neither FPL nor Wheelabrator shall have any obligation to one another, including without limitation the obligation to generate, sell, or purchase energy or capacity.
2. Wheelabrator and FPL agree that as of the Agreement Termination Date the Capacity Account balance is zero, such that Wheelabrator has no obligation to repay any credit balance in the Capacity Account and Wheelabrator's obligation to pay the credit balance in the Capacity Account, if any, shall not survive this termination of the Agreement.
3. Capitalized terms used herein but not defined shall have the meaning in the Contract.

Agreed to this 3rd of November 2015.

FLORIDA POWER & LIGHT COMPANY

WHEELABRATOR NORTH BROWARD INC.



Name: Sam Forrest
Title: Vice President
Date:

Name: Tim Hawkins
Title: President
Date: 11-3-15

