



William P. Cox
 Senior Attorney
 Florida Power & Light Company
 700 Universe Boulevard
 Juno Beach, FL 33408-0420
 (561) 304-5662
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110091-EQ

April 1, 2011

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 COMMISSION
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Ms. Ann Cole, Director
 Division of the Commission Clerk and Administrative Services
 Florida Public Service Commission
 2540 Shumard Oak Blvd.
 Tallahassee, FL 32399-0850

Re: Florida Power & Light Company's Petition for Approval of a Renewable Energy
 Tariff and Standard Offer Contract

Dear Ms. Cole:

Enclosed for filing on behalf of Florida Power & Light Company ("FPL") is an original and 15 copies of FPL's Petition for Approval of a Renewable Energy Tariff and Standard Offer Contract. Also enclosed is a compact disc containing FPL's Petition in Microsoft Word format.

Thank you for your assistance. Please contact me should you or your staff have any questions regarding this filing.

Sincerely,

William P. Cox
 Senior Attorney
 Florida Bar No. 0093531

WPC/aal
 Enclosures

- COM _____
- APA _____
- ECR 1
- GCL 1
- RAD _____
- SSC _____
- ADM _____
- OPC _____
- CLK _____

an FPL Group company

13+1CD containing petition in word form.

DOCUMENT NUMBER-DATE
 02160 APR-1 =
 FPSC-COMMISSION CLERK

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In re: Florida Power & Light Company's)
Petition for Approval of Renewable Energy)
Tariff and Standard Offer Contract)
_____)

Docket No. 110091-EQ
Dated: April 1, 2011

PETITION

Pursuant to Sections 366.04 and 366.91, Florida Statutes ("F.S."), and Rule 25-17.250, Florida Administrative Code ("F.A.C."), Florida Power & Light Company ("FPL" or the "Company") petitions this Commission for approval of FPL's revised standard offer contract and a revised accompanying Rate Schedule QS-2 ("Rate Schedule QS-2"), prepared in compliance with Rule 25-17.0832 and Rules 25-17.200 through 25-17.310, F.A.C.

Rule 25-17.250, F.A.C., directs that each investor-owned electric utility file with the Commission a standard offer contract or contracts for the firm capacity and energy from renewable generating facilities and small qualifying facilities with a design capacity of 100 kW or less. The rule requires that FPL file a standard offer contract on April 1 of each year. FPL's standard offer contract is based on the potential avoidance of a 2016 combined cycle natural gas-fired generating unit.

Accordingly, submitted with this Petition for the Commission's consideration and requested approval is FPL's proposed standard offer contract based upon its next potentially avoidable 1,191 MW combined cycle unit with an expected in-service date of June 1, 2016. A copy of the revised pages of the standard offer contract is attached in proposed format as Attachment A and in legislative format as Attachment B. FPL's proposed revised tariff pages of Rate Schedule QS-2 are attached in proposed format as Attachment C and in legislative format

DOCUMENT NUMBER-DATE

02160 APR-1 =

FPSC-COMMISSION CLERK

as Attachment D. FPL also submits in support of the Petition Attachment E, showing detailed economic assumptions used in determining the full avoided costs that are reflected in FPL's proposed Rate Schedule QS-2. In support of this Petition, FPL states as follows:

1. FPL is a public utility subject to the jurisdiction of the Commission pursuant to Chapter 366, Florida Statutes. FPL's corporate offices are located at 700 Universe Boulevard, Juno Beach, FL 33408. The Commission has jurisdiction pursuant to Section 366.91, Florida Statutes, to establish rates at which a public utility shall purchase capacity and/or energy from specified renewable energy facilities, and FPL invokes that jurisdiction in filing this petition. FPL has a substantial interest in the rates it pays renewable energy facilities for capacity and energy.
2. The names and addresses of FPL's representative to receive communications regarding this docket are:

William P. Cox
Senior Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408
Will.Cox@fpl.com
561-304-5662
561-691-7135 (fax)

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

3. During 2005 the State of Florida enacted Section 366.91, F.S., which states in relevant part that:

(3) On or before January 1, 2006, each public utility must continuously offer a purchase contract to producers of renewable energy. The commission shall establish requirements relating to the purchase of capacity and energy by public utilities from renewable energy producers and may adopt rules to administer this section. The contract shall contain payment provisions for energy and capacity which are based upon the utility's full avoided costs, as defined in s. 366.051; however, capacity payments are not required if, due to the operational characteristics of the renewable energy generator or the anticipated peak and off-peak availability and capacity factor of the utility's

avoided unit, the producer is unlikely to provide any capacity value to the utility or the electric grid during the contract term. Each contract must provide a contract term of at least 10 years. Prudent and reasonable costs associated with a renewable energy contract shall be recovered from the ratepayers of the contracting utility, without differentiation among customer classes, through the appropriate cost-recovery clause mechanism administered by the commission.

4. Rule 25-17.250, F.A.C., requires that a separate standard offer contract shall be based on the next avoidable fossil fueled generating unit of each technology type identified in the utility's Ten-Year Site Plan filed pursuant to Rule 25-22.071, F.A.C. Pursuant to Rule 25-17.250(2), F.A.C., a standard offer contract for each such technology type shall remain open until the utility files a petition for a need determination or commences construction for the unit, among other bases for closure of the standard offer contract.

5. FPL projects that its next potentially avoidable fossil fueled generating unit within the meaning of Rule 25-17.250, F.A.C., would be a 1,191 MW combined cycle unit at a greenfield site with an expected in-service date of June 1, 2016. Accordingly, this combined cycle unit is the subject of FPL's standard offer contract.

6. The revised tariff sheets for the standard offer contract for which FPL seeks Commission approval are: Fourth Revised Sheet No. 9.030, Fourth Revised Sheet No. 9.032, Fourth Revised Sheet No. 9.033, Fourth Revised Sheet No. 9.037, and First Revised No. 9.046.

7. The revised tariff sheets for the Rate Schedule QS-2 for which FPL seeks Commission approval are: Fourth Revised Sheet No. 10.300, Fourth Revised Sheet No. 10.301, Fourth Revised Sheet No. 10.303, Fourth Revised Sheet No. 10.304, Fourth Revised Sheet No. 10.305, Fifth Revised Sheet No. 10.306, and Fourth Revised Sheet No. 10.311.

8. The detailed formula for computing FPL's full avoided costs is contained in the tariff sheets that have been submitted for approval, and is the same formula used for determining

avoided costs in the Commission's rules. Attachment E to this Petition shows the detailed economic assumptions used in determining the full avoided costs that are reflected in FPL's proposed Rate Schedule QS-2.

9. On April 11, 2008, the Commission granted FPL a need determination pursuant to Rule 25-22.082, F.A.C., for FPL's 2,200 – 3,400 MW Turkey Point Nuclear Units 6 and 7 in Order No. PSC-08-0237-FOF-EI, Docket No. 070650-EI. On September 12, 2008, the Commission granted FPL a need determination pursuant to Rule 25-22.082, F.A.C., for FPL's 1,219 MW (Summer) West County Energy Center Unit 3 combined cycle electric generating unit and the conversion of two 400 MW steam units into a combined cycle plant at Cape Canaveral with a summer capacity of 1,219 MW and the conversion of two 280 MW steam units into a combined cycle at Riviera with a summer capacity of 1,207 MW in Order No. PSC-08-0591-FOF-EI, Docket No. 080203-EI. Accordingly, while the conversion units at Cape Canaveral and Riviera appear in FPL's 2011 Ten-Year Site Plan, they do not constitute "avoidable fossil fueled generating units" within the meaning of Rule 25-17.250, F.A.C., and are not subject to standard offer contracts. Furthermore the nuclear units are not fossil fueled and therefore would not be subject to standard offer contracts.

10. FPL's proposed standard offer contract and associated rate schedules are substantially similar to those which were approved in 2010 by the Commission, the primary change being the in-service date and cost of the "potentially avoidable unit." On April 1, 2010, FPL filed for Commission approval of its then proposed standard offer contract and associated rate schedule in Docket No. 100169-EI, FPL's 2010 Renewable Energy Contract and Standard Offer Docket. On July 21, 2010, the Commission issued Order No. PSC-10-0463-TRF-EQ approving FPL's proposed standard offer contract and associated tariffs.

WHEREFORE, for the foregoing reasons, FPL respectfully requests that the Commission grant FPL's Petition and approve FPL's proposed standard offer contract and Appendix A thereto, and the statement of economic and financial assumptions associated with the standard offer contract in the form attached hereto as Attachments A, C, and E.

Dated: April 1, 2011

Respectfully submitted,

By: _____



William P. Cox
Senior Attorney
Florida Bar No. 0093531
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408-0420
(561) 304-5662
(561) 691-7135 (fax)

ATTACHMENT A

Revised Pages of the Standard Offer Contract in Proposed Format

**STANDARD OFFER CONTRACT FOR THE PURCHASE OF
CAPACITY AND ENERGY FROM A RENEWABLE ENERGY FACILITY OR A QUALIFYING
FACILITY WITH A DESIGN CAPACITY OF 100 KW OR LESS (2016 AVOIDED UNIT)**

THIS STANDARD OFFER CONTRACT (the "Contract") is made and entered this ____ day of _____, _____, by and between _____ (herein after "Qualified Seller" or "QS") a corporation/limited liability company organized and existing under the laws of the State of _____ and owner of a Renewable Energy Facility as defined in section 25-17.210 (1) F.A.C. or a Qualifying Facility with a design capacity of 100 KW or less as defined in section 25-17.250, and Florida Power & Light Company (hereinafter "FPL") a corporation organized and existing under the laws of the State of Florida. The QS and FPL shall be jointly identified herein as the "Parties". This Contract contains five Appendices; Appendix A, QS-2 Standard Rate for Purchase of Capacity and Energy; Appendix B, Pay for Performance Provisions; Appendix C, Termination Fee; Appendix D, Detailed Project Information and Appendix E, contract options to be selected by QS.

WITNESSETH:

WHEREAS, the QS desires to sell and deliver, and FPL desires to purchase and receive, firm capacity and energy to be generated by the QS consistent with the terms of this Contract, Section 366.91, Florida Statutes, and/or Florida Public Service Commission ("FPSC") Rules 25-17.082 through 25-17.091, F.A.C. and FPSC Rules 25-17.200 through 25.17.310.F.A.C.

WHEREAS, the QS has signed an interconnection agreement with FPL (the "Interconnection Agreement"), or it has entered into valid and enforceable interconnection/transmission service agreement(s) with the utility (or those utilities) whose transmission facilities are necessary for delivering the firm capacity and energy to FPL (the "Wheeling Agreement(s)");

WHEREAS, the FPSC has approved the form of this Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Facility or a Qualifying Facility with a design capacity of 100 KW or less; and

WHEREAS, the Facility is capable of delivering firm capacity and energy to FPL for the term of this Contract in a manner consistent with the provisions of this Contract; and

WHEREAS, Section 366.91(3), Florida Statutes, provides that the "prudent and reasonable costs associated with a QS energy contract shall be recovered from the ratepayers of the contracting utility, without differentiating among customer classes, through the appropriate cost-recovery clause mechanism" administered by the FPSC.

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

(Continued on Sheet No. 9.031)

(Continued from Sheet No. 9.031)

- (c) If the QS is a REF, the QS shall, on an annual basis and within thirty (30) days after the anniversary date of this Contract and on an annual basis thereafter for the term of this Contract, deliver to FPL a report certified by an officer of the QS: (i) stating the type and amount of each source of fuel or power used by the QS to produce energy during the twelve month period prior to the anniversary date (the "Contract Year"); and (ii) verifying that one hundred percent (100%) of all energy sold by the QS to FPL during the Contract Year complies with Sections 1(a) and (b) of this Contract.
- (d) If the QS is a REF, the QS represents and warrants that the Facility meets the renewable energy requirements of Section 366.91(2)(a) and (b), Florida Statutes, and FPSC Rules 25-17.210(1) and (2), F.A.C., and that the QS shall continue to meet such requirements throughout the term of this Contract. FPL shall have the right at all times to inspect the Facility and to examine any books, records, or other documents of the QS that FPL deems necessary to verify that the Facility meets such requirements.
- (e) The Facility (i) has been certified or has self-certified as a "qualifying facility" pursuant to the Regulations of the Federal Energy Regulatory Commission ("FERC"), or (ii) has been certified by the FPSC as a "qualifying facility" pursuant to Rule 25-17.080(1). A QS that is a qualifying facility with a design capacity of less than 100 KW shall maintain the "qualifying status" of the Facility throughout the term of this Contract. FPL shall have the right at all times to inspect the Facility and to examine any books and records or other documents of the Facility that FPL deems necessary to verify the Facility's qualifying status. On or before March 31 of each year during the term of this Contract, the QS shall provide to FPL a certificate signed by an officer of the QS certifying that the Facility has continuously maintained qualifying status.

2. Term of Contract

Except as otherwise provided herein, this Contract shall become effective immediately upon its execution by the Parties and shall have the termination date stated in Appendix E, unless terminated earlier in accordance with the provisions hereof. Notwithstanding the foregoing, if the Capacity Delivery Date (as defined in Section 5.5) of the Facility is not accomplished by the QS before June 1, 2016, or such later date as may be permitted by FPL pursuant to Section 5 of this Contract, FPL will be permitted to terminate this Contract consistent with the terms herein without further obligations, duties or liability to the QS.

3. Minimum Specifications

Following are the minimum specifications pertaining to this Contract:

- 1. The avoided unit ("Avoided Unit") on which this Contract is based is a 1191 MW combined cycle unit.
- 2. This offer shall expire on April 1, 2012.
- 3. The date by which firm capacity and energy deliveries from the QS to FPL shall commence is June 1, 2016 (or such later date as may be permitted by FPL pursuant to Section 5 of this contract) unless the QS chooses a capacity payment option that provides for early capacity payments pursuant to the terms of this contract.
- 4. The period of time over which firm capacity and energy shall be delivered from the QS to FPL is as specified in Appendix E; provided, such period shall be no less than a minimum of ten (10) years after the in-service date of the Avoided Unit.
- 5. The following are the minimum performance standards for the delivery of firm capacity and energy by the QS to qualify for full capacity payments under this Contract:

	On Peak *	All Hours
Availability	94.0%	94.0%

* QS Performance and On Peak hours shall be as measured and/or described in FPL's Rate Schedule QS-2 attached hereto as Appendix A

(Continued on Sheet No. 9.033)

(Continued from Sheet No. 9.032)

4. Sale of Energy and Capacity by the QS

4.1 Consistent with the terms hereof, the QS shall sell and deliver to FPL and FPL shall purchase and receive from the QS at the Delivery Point (defined below) all of the energy and capacity generated by the Facility. FPL shall have the sole and exclusive right to purchase all energy and capacity produced by the Facility. The purchase and sale of energy and capacity pursuant to this Contract shall be a () net billing arrangement or () simultaneous purchase and sale arrangement; provided, however, that no such arrangement shall cause the QS to sell more energy and capacity than the Facility's net output. The billing methodology may be changed at the option of the QS, subject to the provisions of FPL Rate Schedule QS-2. For purposes of this Contract, Delivery Point shall be defined as either: (i) the point of interconnection between FPL's system and the transmission system of the final utility transmitting energy and capacity from the Facility to the FPL system, as specifically described in the applicable Wheeling Agreement, or (ii) the point of interconnection between the Facility and FPL's transmission system, as specifically described in the Interconnection Agreement.

4.2 The QS shall not rely on interruptible standby service for the start up requirements (initial or otherwise) of the Facility.

4.3 The QS shall be responsible for all costs, charges and penalties associated with the operation of the Facility.

5. Committed Capacity/Capacity Delivery Date

5.1 The QS commits to sell capacity to FPL at the Delivery Point, the amount of which shall be determined in accordance with this Section 5 (the "Committed Capacity"). Subject to Section 5.3 the Committed Capacity shall be _____ KW, with an expected Capacity Delivery Date no later than June 1, 2016.

5.2 Testing of the capacity of the Facility (each such test, a "Committed Capacity Test") shall be performed in accordance with the procedures set forth in Section 6. The Demonstration Period (defined herein) for the first Committed Capacity Test shall commence no earlier than six (6) months prior to the commencement date for deliveries of firm capacity and energy (as such is specified in Appendix E) and testing must be completed by 11:59 p.m., May 31, 2016. The first Committed Capacity Test shall be deemed successfully completed when the QS demonstrates to FPL's satisfaction that the Facility can make available capacity of at least one hundred percent (100%) of the Committed Capacity set forth in Section 5.1. Subject to Section 6.1, the QS may schedule and perform up to three (3) Committed Capacity Tests to satisfy the capacity requirements of the Contract.

5.3 FPL shall have the right to require the QS, by notice no less than ten (10) business days prior to such proposed test, to validate the Committed Capacity of the Facility by means of subsequent Committed Capacity Tests as follows: i) once per each Summer period and once per each Winter period at FPL's sole discretion, ii) at any time the QS is unable to comply with any material obligation under this Contract for a period of thirty (30) days or more in the aggregate as a consequence of an event of Force Majeure, and iii) at any time the QS fails in three consecutive months to achieve an Annual Capacity Billing Factor ("ACBF"), as defined in Appendix B, equal to or greater than 70%. The results of any such test shall be provided to FPL within seven (7) days of the conclusion of such test. On and after the date of such requested Committed Capacity Test, and until the completion of a subsequent Committed Capacity Test, the Committed Capacity shall be deemed as the lower of the tested capacity or the Committed Capacity as set forth in Section 5.1.

5.4 Notwithstanding anything to the contrary herein, the Committed Capacity shall not exceed the amount set forth in Section 5.1 without the consent of FPL, such consent not unreasonably withheld.

5.5 The "Capacity Delivery Date" shall be defined as the first calendar day immediately following the date of the Facility's successful completion of the first Committed Capacity Test but no earlier than the commencement date for deliveries of firm capacity and energy (as such is specified in Appendix E).

5.6 The QS shall be entitled to receive capacity payments beginning on the Capacity Delivery Date, provided, the Capacity Delivery Date occurs on or before June 1, 2016 (or such later date permitted by FPL pursuant to the following sentence). If the Capacity Delivery Date does not occur on or before June 1, 2016, FPL shall be entitled to the Completion/Performance Security (as set forth in Section 9) in full, and in addition, FPL may, but shall not be obligated to, allow the QS up to an additional five (5) months to achieve the Capacity Delivery Date. If the QS fails to achieve the Capacity Delivery Date either by (i) June 1, 2016 or (ii) such later date as permitted by FPL, FPL shall have no obligation to make any capacity payments under this Contract and FPL will be permitted to terminate this Contract, consistent with the terms herein, without further obligations, duties or liability to the QS.

(Continued on Sheet No. 9.034)

(Continued from Sheet No. 9.036)

9.2 The specific security instrument provided for purposes of this Contract is:

- () Letter of Credit.
- () Bond.
- () Cash Collateral.

9.3 FPL shall have the right to monitor (i) the financial condition of the issuer of a Letter of Credit in the event any Letter of Credit is provided by the QS and (ii) the insurer, in the case of any Bond. In the event the issuer of a Letter of Credit no longer qualifies as Qualified Issuer or the issuer of a Bond is no longer financially sound, FPL may require the QS to replace the Letter of Credit or the Bond, as applicable. The replacement Letter of Credit must be issued by a Qualified Issuer, within thirty (30) calendar days following written notification to the QS of the requirement to replace. Failure by the QS to comply with the requirements of this Section 9.3 shall be grounds for FPL to draw in full on the existing Letter of Credit and to exercise any other remedies it may have hereunder.

9.4 Notwithstanding the foregoing provisions of this Section 9, pursuant to FPSC Rule 25-17.091(4), F.A.C., a QS qualifying as a "Solid Waste Facility" pursuant to Section 377.709(3) or (5), F.S., respectively, may use an unsecured written commitment or promise to pay in a form reasonably acceptable to FPL, by the local government which owns the Facility or on whose behalf the QS operates the Facility, to secure its obligation to achieve on a timely basis the Capacity Delivery Date and the satisfactory performance of its obligations hereunder.

9.5 If an Event of Default under Section 12 occurs, FPL shall be entitled immediately to receive, draw upon, or retain, as the case may be, one-hundred percent (100%) of the then-applicable Completion/Performance Security.

9.6 If an Event of Default under Section 12 has not occurred and the QS fails to achieve the Capacity Delivery Date on or before June 1, 2016 or such later date as permitted by FPL pursuant to Section 5.6, FPL shall be entitled immediately to receive, draw upon, or retain, as the case may be, one-hundred (100%) of the Completion/ Performance Security as liquidated damages free from any claim or right of any nature whatsoever of the QS, including any equity or right of redemption by the QS. The Parties acknowledge that the injury that FPL will suffer as a result of delayed availability of Committed Capacity and energy is difficult to ascertain and that FPL may accept such sums as liquidated damages or resort to any other remedies which may be available to it under law or in equity. If the Capacity Delivery Date occurs on or before June 1, 2016 or such later date as permitted by FPL pursuant to Section 5.6, then the QS shall be entitled to reduce the amount of the Completion/Performance Security to an amount equal to \$15.00 per KW (for the number of KW of Committed Capacity set forth in Section 5.1).

9.7 In the event that FPL requires the QS to perform one or more Committed Capacity Test(s) at any time on or before the first anniversary of the Capacity Delivery Date pursuant to Section 5.3 and, in connection with any such Committed Capacity Test(s), the QS fails to demonstrate a Capacity of at least one-hundred percent (100%) of the Committed Capacity set forth in Section 5.1, FPL shall be entitled immediately to receive, draw upon, or retain, as the case may be, one-hundred percent (100%) of the then-remaining amount of the Completion/Performance Security as liquidated damages free from any claim or right of any nature whatsoever of the QS, including any equity or right of redemption by the QS. In the event that FPL does not require the QS to perform a Committed Capacity Test or if the QS successfully demonstrates (in connection with all such Committed Capacity Tests required by FPL pursuant to Section 5.3) a Capacity of at least one-hundred percent (100%) of the Committed Capacity set forth in Section 5.1, in either case, on or before the first anniversary of the Capacity Delivery Date, then FPL shall return, as applicable, any remaining amount of the Completion/Performance Security within thirty (30) days of the first anniversary of the Capacity Delivery Date.

9.8 The QS, as the Pledgor of the Completion/Performance Security, hereby pledges to FPL, as the secured Party, as security for the achievement of the Capacity Delivery Date and satisfactory performance of its obligations hereunder, and grants to FPL a first priority continuing security interest in, lien on and right of set-off against all Completion/Performance Security transferred to or received by FPL hereunder. Upon the transfer or return by FPL to the QS of Completion/Performance Security, the security interest and lien granted hereunder on that Completion/Performance Security will be released immediately and, to the extent possible, without any further action by either party.

(Continued on Sheet No. 9.038)

(Continued from Sheet No. 9.045)

18.6 Notification

All formal notices relating to this Contract shall be deemed duly given when delivered in person, or sent by registered or certified mail, or sent by fax if followed immediately with a copy sent by registered or certified mail, to the individuals designated below. The Parties designate the following individuals 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:

For the QS:

For FPL:

Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408
Attn: EMT Contracts Department

This signed Contract and all related documents may be presented no earlier than 8:00 a.m. on the effective date of the Standard Offer Contract, as determined by the FPSC. Contracts and related documents may be mailed to the address below or delivered during normal business hours (8:00 a.m. to 4:45 p.m.) to the visitors' entrance at the address below:

Florida Power & Light Company
700 Universe Boulevard, Juno Beach, FL 33408
Attention: Contracts Manager/Coordinator
EMT Contracts Department

18.7 Applicable Law

This Contract shall be construed in accordance with and governed by, and the rights of the Parties shall be construed in accordance with, the laws of the State of Florida as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies, without regard to conflict of law rules thereof.

18.8 Venue

The Parties hereby irrevocably submit to the exclusive jurisdiction of the United States District Court for the Southern District of Florida or, in the event that jurisdiction for any matter cannot be established in the United States District Court for the Southern District of Florida, in the state court for Palm Beach County, Florida, solely in respect of the interpretation and enforcement of the provisions of this Contract and of the documents referred to in this Contract, and in respect of the transactions contemplated hereby, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or of any such document, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Contract or any such document may not be enforced in or by such courts, and the Parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in such a court. The Parties hereby consent to and grant any such court jurisdiction over the persons of such Parties solely for such purpose and over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 18.8 hereof or in such other manner as may be permitted by Law shall be valid and sufficient service thereof.

(Continued on Sheet No. 9.047)

ATTACHMENT B

Revised Pages of the Standard Offer Contract in Legislative Format

**STANDARD OFFER CONTRACT FOR THE PURCHASE OF
CAPACITY AND ENERGY FROM A RENEWABLE ENERGY FACILITY OR A QUALIFYING
FACILITY WITH A DESIGN CAPACITY OF 100 KW OR LESS (2025-2016 AVOIDED UNIT)**

THIS STANDARD OFFER CONTRACT (the "Contract") is made and entered this ____ day of _____, _____, by and between _____ (herein after "Qualified Seller" or "QS") a corporation/limited liability company organized and existing under the laws of the State of _____ and owner of a Renewable Energy Facility as defined in section 25-17.210 (1) F.A.C. or a Qualifying Facility with a design capacity of 100 KW or less as defined in section 25-17.250, and Florida Power & Light Company (hereinafter "FPL") a corporation organized and existing under the laws of the State of Florida. The QS and FPL shall be jointly identified herein as the "Parties". This Contract contains five Appendices; Appendix A, QS-2 Standard Rate for Purchase of Capacity and Energy; Appendix B, Pay for Performance Provisions; Appendix C, Termination Fee; Appendix D, Detailed Project Information and Appendix E, contract options to be selected by QS.

WITNESSETH:

WHEREAS, the QS desires to sell and deliver, and FPL desires to purchase and receive, firm capacity and energy to be generated by the QS consistent with the terms of this Contract, Section 366.91, Florida Statutes, and/or Florida Public Service Commission ("FPSC") Rules 25-17.082 through 25-17.091, F.A.C. and FPSC Rules 25-17.200 through 25.17.310.F.A.C.

WHEREAS, the QS has signed an interconnection agreement with FPL (the "Interconnection Agreement"), or it has entered into valid and enforceable interconnection/transmission service agreement(s) with the utility (or those utilities) whose transmission facilities are necessary for delivering the firm capacity and energy to FPL (the "Wheeling Agreement(s)");

WHEREAS, the FPSC has approved the form of this Standard Offer Contract for the Purchase of Firm Capacity and Energy from a Renewable Energy Facility or a Qualifying Facility with a design capacity of 100 KW or less; and

WHEREAS, the Facility is capable of delivering firm capacity and energy to FPL for the term of this Contract in a manner consistent with the provisions of this Contract; and

WHEREAS, Section 366.91(3), Florida Statutes, provides that the "prudent and reasonable costs associated with a QS energy contract shall be recovered from the ratepayers of the contracting utility, without differentiating among customer classes, through the appropriate cost-recovery clause mechanism" administered by the FPSC.

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

(Continued on Sheet No. 9.031)

(Continued from Sheet No. 9.031)

- (c) If the QS is a REF, the QS shall, on an annual basis and within thirty (30) days after the anniversary date of this Contract and on an annual basis thereafter for the term of this Contract, deliver to FPL a report certified by an officer of the QS: (i) stating the type and amount of each source of fuel or power used by the QS to produce energy during the twelve month period prior to the anniversary date (the "Contract Year"); and (ii) verifying that one hundred percent (100%) of all energy sold by the QS to FPL during the Contract Year complies with Sections I(a) and (b) of this Contract.
- (d) If the QS is a REF, the QS represents and warrants that the Facility meets the renewable energy requirements of Section 366.91(2)(a) and (b), Florida Statutes, and FPSC Rules 25-17.210(1) and (2), F.A.C., and that the QS shall continue to meet such requirements throughout the term of this Contract. FPL shall have the right at all times to inspect the Facility and to examine any books, records, or other documents of the QS that FPL deems necessary to verify that the Facility meets such requirements.
- (e) The Facility (i) has been certified or has self-certified as a "qualifying facility" pursuant to the Regulations of the Federal Energy Regulatory Commission ("FERC"), or (ii) has been certified by the FPSC as a "qualifying facility" pursuant to Rule 25-17.080(1). A QS that is a qualifying facility with a design capacity of less than 100 KW shall maintain the "qualifying status" of the Facility throughout the term of this Contract. FPL shall have the right at all times to inspect the Facility and to examine any books and records or other documents of the Facility that FPL deems necessary to verify the Facility's qualifying status. On or before March 31 of each year during the term of this Contract, the QS shall provide to FPL a certificate signed by an officer of the QS certifying that the Facility has continuously maintained qualifying status.

2. Term of Contract

Except as otherwise provided herein, this Contract shall become effective immediately upon its execution by the Parties and shall have the termination date stated in Appendix E, unless terminated earlier in accordance with the provisions hereof. Notwithstanding the foregoing, if the Capacity Delivery Date (as defined in Section 5.5) of the Facility is not accomplished by the QS before June 1, ~~2025~~2016, or such later date as may be permitted by FPL pursuant to Section 5 of this Contract, FPL will be permitted to terminate this Contract consistent with the terms herein without further obligations, duties or liability to the QS.

3. Minimum Specifications

Following are the minimum specifications pertaining to this Contract:

- 1. The avoided unit ("Avoided Unit") on which this Contract is based is a ~~4242-1191~~ MW combined cycle unit.
- 2. This offer shall expire on April 1, ~~2011~~2012.
- 3. The date by which firm capacity and energy deliveries from the QS to FPL shall commence is June 1, ~~2025-2016~~ (or such later date as may be permitted by FPL pursuant to Section 5 of this contract) unless the QS chooses a capacity payment option that provides for early capacity payments pursuant to the terms of this contract.
- 4. The period of time over which firm capacity and energy shall be delivered from the QS to FPL is as specified in Appendix E; provided, such period shall be no less than a minimum of ten (10) years after the in-service date of the Avoided Unit.
- 5. The following are the minimum performance standards for the delivery of firm capacity and energy by the QS to qualify for full capacity payments under this Contract:

	On Peak *	All Hours
Availability	94.0%	94.0%

* QS Performance and On Peak hours shall be as measured and/or described in FPL's Rate Schedule QS-2 attached hereto as Appendix A

(Continued on Sheet No. 9.033)

(Continued from Sheet No. 9.032)

4. Sale of Energy and Capacity by the QS

4.1 Consistent with the terms hereof, the QS shall sell and deliver to FPL and FPL shall purchase and receive from the QS at the Delivery Point (defined below) all of the energy and capacity generated by the Facility. FPL shall have the sole and exclusive right to purchase all energy and capacity produced by the Facility. The purchase and sale of energy and capacity pursuant to this Contract shall be a () net billing arrangement or () simultaneous purchase and sale arrangement; provided, however, that no such arrangement shall cause the QS to sell more energy and capacity than the Facility's net output. The billing methodology may be changed at the option of the QS, subject to the provisions of FPL Rate Schedule QS-2. For purposes of this Contract, Delivery Point shall be defined as either: (i) the point of interconnection between FPL's system and the transmission system of the final utility transmitting energy and capacity from the Facility to the FPL system, as specifically described in the applicable Wheeling Agreement, or (ii) the point of interconnection between the Facility and FPL's transmission system, as specifically described in the Interconnection Agreement.

4.2 The QS shall not rely on interruptible standby service for the start up requirements (initial or otherwise) of the Facility.

4.3 The QS shall be responsible for all costs, charges and penalties associated with the operation of the Facility.

5. Committed Capacity/Capacity Delivery Date

5.1 The QS commits to sell capacity to FPL at the Delivery Point, the amount of which shall be determined in accordance with this Section 5 (the "Committed Capacity"). Subject to Section 5.3 the Committed Capacity shall be _____ KW, with an expected Capacity Delivery Date no later than June 1, ~~2025~~2016.

5.2 Testing of the capacity of the Facility (each such test, a "Committed Capacity Test") shall be performed in accordance with the procedures set forth in Section 6. The Demonstration Period (defined herein) for the first Committed Capacity Test shall commence no earlier than six (6) months prior to the commencement date for deliveries of firm capacity and energy (as such is specified in Appendix E) and testing must be completed by 11:59 p.m., May 31, ~~2025~~2016. The first Committed Capacity Test shall be deemed successfully completed when the QS demonstrates to FPL's satisfaction that the Facility can make available capacity of at least one hundred percent (100%) of the Committed Capacity set forth in Section 5.1. Subject to Section 6.1, the QS may schedule and perform up to three (3) Committed Capacity Tests to satisfy the capacity requirements of the Contract.

5.3 FPL shall have the right to require the QS, by notice no less than ten (10) business days prior to such proposed test, to validate the Committed Capacity of the Facility by means of subsequent Committed Capacity Tests as follows: i) once per each Summer period and once per each Winter period at FPL's sole discretion, ii) at any time the QS is unable to comply with any material obligation under this Contract for a period of thirty (30) days or more in the aggregate as a consequence of an event of Force Majeure, and iii) at any time the QS fails in three consecutive months to achieve an Annual Capacity Billing Factor ("ACBF"), as defined in Appendix B, equal to or greater than 70%. The results of any such test shall be provided to FPL within seven (7) days of the conclusion of such test. On and after the date of such requested Committed Capacity Test, and until the completion of a subsequent Committed Capacity Test, the Committed Capacity shall be deemed as the lower of the tested capacity or the Committed Capacity as set forth in Section 5.1.

5.4 Notwithstanding anything to the contrary herein, the Committed Capacity shall not exceed the amount set forth in Section 5.1 without the consent of FPL, such consent not unreasonably withheld.

5.5 The "Capacity Delivery Date" shall be defined as the first calendar day immediately following the date of the Facility's successful completion of the first Committed Capacity Test but no earlier than the commencement date for deliveries of firm capacity and energy (as such is specified in Appendix E).

5.6 The QS shall be entitled to receive capacity payments beginning on the Capacity Delivery Date, provided, the Capacity Delivery Date occurs on or before June 1, ~~2025-2016~~ (or such later date permitted by FPL pursuant to the following sentence). If the Capacity Delivery Date does not occur on or before June 1, ~~2025~~2016, FPL shall be entitled to the Completion/Performance Security (as set forth in Section 9) in full, and in addition, FPL may, but shall not be obligated to, allow the QS up to an additional five (5) months to achieve the Capacity Delivery Date. If the QS fails to achieve the Capacity Delivery Date either by (i) June 1, ~~2025-2016~~ or (ii) such later date as permitted by FPL, FPL shall have no obligation to make any capacity payments under this Contract and FPL will be permitted to terminate this Contract, consistent with the terms herein, without further obligations, duties or liability to the QS.

(Continued on Sheet No. 9.034)

(Continued from Sheet No. 9.036)

9.2 The specific security instrument provided for purposes of this Contract is:

- Letter of Credit.
- Bond.
- Cash Collateral.

9.3 FPL shall have the right to monitor (i) the financial condition of the issuer of a Letter of Credit in the event any Letter of Credit is provided by the QS and (ii) the insurer, in the case of any Bond. In the event the issuer of a Letter of Credit no longer qualifies as Qualified Issuer or the issuer of a Bond is no longer financially sound, FPL may require the QS to replace the Letter of Credit or the Bond, as applicable. The replacement Letter of Credit must be issued by a Qualified Issuer, within thirty (30) calendar days following written notification to the QS of the requirement to replace. Failure by the QS to comply with the requirements of this Section 9.3 shall be grounds for FPL to draw in full on the existing Letter of Credit and to exercise any other remedies it may have hereunder.

9.4 Notwithstanding the foregoing provisions of this Section 9, pursuant to FPSC Rule 25-17.091(4), F.A.C., a QS qualifying as a "Solid Waste Facility" pursuant to Section 377.709(3) or (5), F.S., respectively, may use an unsecured written commitment or promise to pay in a form reasonably acceptable to FPL, by the local government which owns the Facility or on whose behalf the QS operates the Facility, to secure its obligation to achieve on a timely basis the Capacity Delivery Date and the satisfactory performance of its obligations hereunder.

9.5 If an Event of Default under Section 12 occurs, FPL shall be entitled immediately to receive, draw upon, or retain, as the case may be, one-hundred percent (100%) of the then-applicable Completion/Performance Security.

9.6 If an Event of Default under Section 12 has not occurred and the QS fails to achieve the Capacity Delivery Date on or before June 1, ~~2025-2016~~ or such later date as permitted by FPL pursuant to Section 5.6, FPL shall be entitled immediately to receive, draw upon, or retain, as the case may be, one-hundred (100%) of the Completion/ Performance Security as liquidated damages free from any claim or right of any nature whatsoever of the QS, including any equity or right of redemption by the QS. The Parties acknowledge that the injury that FPL will suffer as a result of delayed availability of Committed Capacity and energy is difficult to ascertain and that FPL may accept such sums as liquidated damages or resort to any other remedies which may be available to it under law or in equity. If the Capacity Delivery Date occurs on or before June 1, ~~2025-2016~~ or such later date as permitted by FPL pursuant to Section 5.6, then the QS shall be entitled to reduce the amount of the Completion/Performance Security to an amount equal to \$15.00 per KW (for the number of KW of Committed Capacity set forth in Section 5.1).

9.7 In the event that FPL requires the QS to perform one or more Committed Capacity Test(s) at any time on or before the first anniversary of the Capacity Delivery Date pursuant to Section 5.3 and, in connection with any such Committed Capacity Test(s), the QS fails to demonstrate a Capacity of at least one-hundred percent (100%) of the Committed Capacity set forth in Section 5.1, FPL shall be entitled immediately to receive, draw upon, or retain, as the case may be, one-hundred percent (100%) of the then-remaining amount of the Completion/Performance Security as liquidated damages free from any claim or right of any nature whatsoever of the QS, including any equity or right of redemption by the QS. In the event that FPL does not require the QS to perform a Committed Capacity Test or if the QS successfully demonstrates (in connection with all such Committed Capacity Tests required by FPL pursuant to Section 5.3) a Capacity of at least one-hundred percent (100%) of the Committed Capacity set forth in Section 5.1, in either case, on or before the first anniversary of the Capacity Delivery Date, then FPL shall return, as applicable, any remaining amount of the Completion/Performance Security within thirty (30) days of the first anniversary of the Capacity Delivery Date.

9.8 The QS, as the Pledgor of the Completion/Performance Security, hereby pledges to FPL, as the secured Party, as security for the achievement of the Capacity Delivery Date and satisfactory performance of its obligations hereunder, and grants to FPL a first priority continuing security interest in, lien on and right of set-off against all Completion/Performance Security transferred to or received by FPL hereunder. Upon the transfer or return by FPL to the QS of Completion/Performance Security, the security interest and lien granted hereunder on that Completion/Performance Security will be released immediately and, to the extent possible, without any further action by either party.

(Continued on Sheet No. 9.038)

Issued by: S. E. Romig, Director, Rates and Tariffs

Effective: July 13, 2010

(Continued from Sheet No. 9.045)

18.6 Notification

All formal notices relating to this Contract shall be deemed duly given when delivered in person, or sent by registered or certified mail, or sent by fax if followed immediately with a copy sent by registered or certified mail, to the individuals designated below. The Parties designate the following individuals 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:

For the QS:

For FPL:

Florida Power & Light Company

~~Manager, Purchased Power~~ 700 Universe Boulevard
~~P. O. Box 029100 Miami, FL 33102-9100~~ Juno Beach, FL 33408
~~or Attn: EMT Contracts Department~~
9250 West Flagler Street
Miami, FL 33174

This signed Contract and all related documents may be presented no earlier than 8:00 a.m. on the effective date of the Standard Offer Contract, as determined by the FPSC. Contracts and related documents may be mailed to the address below or delivered during normal business hours (8:00 a.m. to 4:45 p.m.) to the visitors' entrance at the address below:

Florida Power & Light Company
9250 West Flagler Street Miami, FL 33174 700 Universe Boulevard, Juno Beach, FL 33408
Attention: ~~Manager, Purchased Power~~ Contracts Manager/Coordinator
Resource Assessment and Planning ~~EMT Contracts~~ Department

18.7 Applicable Law

This Contract shall be construed in accordance with and governed by, and the rights of the Parties shall be construed in accordance with, the laws of the State of Florida as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies, without regard to conflict of law rules thereof.

18.8 Venue

The Parties hereby irrevocably submit to the exclusive jurisdiction of the United States District Court for the Southern District of Florida or, in the event that jurisdiction for any matter cannot be established in the United States District Court for the Southern District of Florida, in the state court for Palm Beach County, Florida, solely in respect of the interpretation and enforcement of the provisions of this Contract and of the documents referred to in this Contract, and in respect of the transactions contemplated hereby, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or of any such document, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Contract or any such document may not be enforced in or by said courts, and the Parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in such a court. The Parties hereby consent to and grant any such court jurisdiction over the persons of such Parties solely for such purpose and over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 18.8 hereof or in such other manner as may be permitted by Law shall be valid and sufficient service thereof.

(Continued on Sheet No. 9.047)

ATTACHMENT C

Revised Tariff Pages of Rate Schedule QS-2 in Proposed Format

**RATE SCHEDULE QS-2
APPENDIX A
TO THE STANDARD OFFER CONTRACT
STANDARD RATE FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM A RENEWABLE ENERGY FACILITY
OR A QUALIFYING FACILITY WITH A DESIGN CAPACITY OF 100 KW OR LESS (2016 Avoided Unit)**

SCHEDULE

QS-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 Renewable Energy Facility or a Qualifying Facility with a design capacity of 100 KW or less (2016 Avoided Unit)" ("Standard Offer Contract"), purchase firm capacity and energy offered by a Renewable Energy Facility specified in Section 366.91, Florida Statutes or by a Qualifying Facility with a design capacity of 100 KW or less as specified in FPSC Rule 25-17-0832(4) and which is either directly or indirectly interconnected with the Company. Both of these types of facilities shall also be referred to herein as Qualified Seller or "QS".

The Company will petition the FPSC for closure upon any of the following as related to the generating unit upon which this standard offer contract is based i.e. the Avoided Unit : (a) a request for proposals (RFP) pursuant to Rule 25-22.082, F.A.C., is issued, (b) the Company files a petition for a need determination or commences construction of the Avoided Unit when the generating unit is not subject to Rule 25-22.082, F.A.C., or (c) the generating unit upon which the standard offer contract is based is no longer part of the utility's generation plan, as evidenced by a petition to that effect filed with the Commission or by the utility's most recent Ten Year Site Plan.

APPLICABLE

To Renewable Energy Facilities as specified in Section 366.91, Florida Statutes producing capacity and energy from qualified renewable resources 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 Renewable Capacity and Renewable Energy are capacity and energy produced and sold by a QS pursuant to the Standard Offer Contract provisions addressing (among other things) quantity, time and reliability of delivery.

To Qualifying Facilities ("QF"), with a design capacity of 100 KW or less, as specified in FPSC Rule 25-17.0832(4)(a) 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 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 QS.

LIMITATION

Purchases under this schedule are subject to Section 366.91, Florida Statutes and/or FPSC Rules 25-17.0832 through 25-17.091, F.A.C., and 25-17.200 through 25-17.310 F.A.C and are limited to those Facilities which:

- A. Commit to commence deliveries of firm capacity and energy no later than June 1, 2016, and to continue such deliveries for a period of at least 10 years up to a maximum of the life of the avoided unit;
- B. Are not currently under contract with the Company or with any other entity for the Facility's output for the period specified above

(Continued on Sheet No. 10.301)

Issued by: S. E. Romig, Director, Rates and Tariffs

Effective:

(Continued from Sheet No. 10.300)

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 Avoided Unit has been identified as a 1191 MW combined cycle unit with an in-service date of June 1, 2016. Appendix I to this Schedule describes the methodology used to calculate payment schedules, applicable to the Company's Standard Offer Contract filed and approved pursuant to Section 366.91, Florida Statutes and to FPSC Rules 25-17.082 through 25-17.091, F.A.C and 25-17.200 through 25-17.310, F.A.C.

A. Firm Capacity Rates

Options A through E are available for payment of firm capacity which is produced by a QS and delivered to the Company. Once selected, an option shall remain in effect for the term of the Standard Offer Contract with the Company. A payment schedule, for the normal payment option as shown below, contains the monthly rate per kilowatt of Firm Capacity which the QS has contractually committed to deliver to the Company and is based on a contract term which extends ten (10) years beyond June 1, 2016. Payment schedules for other contract terms, as specified in Appendix E, will be made available to any QS upon request and may be calculated based upon the methodologies described in Appendix I. The currently approved parameters used to calculate the following schedule of payments are found in Appendix II to this Schedule.

Adjustment to Capacity Payment

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

Appendix III 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 QS within sixty days of FPL execution of the signed Standard Offer Contract.

Option A - Fixed Value of Deferral Payments - Normal Capacity

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 June 1, 2016, as described in Appendix I. Once this option is selected, the current schedule of payments shall remain fixed and in effect throughout the term of the Standard Offer Contract.

EXAMPLE MONTHLY CAPACITY PAYMENT IN \$/KW/MONTH
 2016 COMBINED CYCLE AVOIDED UNIT (1191 MW)
 STANDARD OFFER CONTRACT AVOIDED CAPACITY PAYMENTS
 FOR A CONTRACT TERM OF 10 YEARS
 (\$/KW/MONTH)

Contract Year		Normal Payment
From	To	Starting 06/01/2016
6/1/2016	5/31/2017	8.14
6/1/2017	5/31/2018	8.38
6/1/2018	5/31/2019	8.63
6/1/2019	5/31/2020	8.89
6/1/2020	5/31/2021	9.15
6/1/2021	5/31/2022	9.43
6/1/2022	5/31/2023	9.71
6/1/2023	5/31/2024	10.00
6/1/2024	5/31/2025	10.29
6/1/2025	5/31/2026	10.60

(Continued on Sheet No. 10.302)

(Continued from Sheet No. 10.302)

B. Energy Rates**(1) Payments Associated with As-Available Energy Costs prior to the In-Service Date of the Avoided Unit.**

Options A or B are available for payment of energy which is produced by the QS and delivered to the Company prior to the in-service date of the Avoided Unit. The QS shall indicate its selection in Appendix E, Once selected; an option shall remain in effect for the term of the Standard Offer Contract with the Company.

Option A – Energy Payments based on Actual Energy Costs

The energy rate, in cents per kilowatt-hour ($\text{\$/KWh}$), shall be based on the Company's actual hourly avoided energy costs which are calculated by the Company in accordance with FPSC Rule 25-17.0825, 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 Delivery Point of the QS is located. When economy transactions take place, the incremental costs are calculated as described in FPL's Rate Schedule COG-1.

The calculation of payments to the QS 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 of energy from the QS by the Company for that hour. All purchases of energy shall be adjusted for losses from the point of metering to the Delivery Point.

Option B – Energy Payments based on the year by year projection of As-Available energy costs

The energy rate, in cents per kilowatt-hour ($\text{\$/KWh}$), shall be based on the Company's year by year projection of system incremental fuel costs, prior to hourly economy sales to other utilities, based on normal weather and fuel market conditions (annual As-Available Energy Cost Projection which are calculated by the Company in accordance with FPSC Rule 25-17.0825, F.A.C. and with FPSC Rule 25-17.250(6) (a) F.A.C.) plus a fuel market volatility risk premium mutually agreed upon by the utility and the QS. Prior to the start of each applicable calendar year, the Company and the QS shall mutually agree on the fuel market volatility risk premium for the following calendar year, normally no later than November 15. The Company will provide its projection of the applicable annual As-Available Energy Cost prior to the start of the calendar year, normally no later than November 15 of each applicable calendar year. In addition to the applicable As-Available Energy Cost projection the energy payment will include identifiable operation and maintenance expenses, an adjustment for line losses reflecting delivery voltage and a factor that reflects in the calculation of the Company's Avoided Energy Costs the delivery of energy from the region of the Company in which the Delivery Point of the QS is located.

The calculation of payments to the QS shall be based on the sum, over all hours of the billing period, of the product of each hour's applicable Projected Avoided Energy Cost times the purchases of energy from the QS by the Company for that hour. All purchases of energy shall be adjusted for losses from the point of metering to the Delivery Point.

(2) Payments Associated with Applicable Avoided Energy Costs after the In-Service Date of the Avoided Unit.

Option C is available for payment of energy which is produced by the QS and delivered to the Company after the in-service date of the avoided unit. In addition, Option D is available to the QS which elects to fix a portion of the firm energy payment. The QS shall indicate its selection of Option D in Appendix E, once selected, Option D shall remain in effect for the term of the Standard Offer Contract.

Option C- Energy Payments based on Actual Energy Costs starting on June 1, 2016

The calculation of payments to the QS for energy delivered to FPL on and after June 1, 2016 shall be the sum, over all hours of the Monthly Billing Period, of the product of (a) each hour's firm energy rate ($\text{\$/KWh}$); and (b) the amount of energy (KWH) delivered to FPL from the Facility during that hour.

(Continued on Sheet No. 10.304)

(Continued from Sheet No. 10.303)

For any Dispatch Hour the firm energy rate shall be, on an hour-by-hour basis, the Company's Avoided Unit Energy Cost. For any other period during which energy is delivered by the QS to FPL, the firm energy rate in cents per kilowatt hour (¢/KWh) shall be the following on an hour-by-hour basis: the lesser of (a) the as-available energy rate calculated by FPL in accordance with FPSC Rule 25-17.0825, FAC, and FPL's Rate Schedule COG-1, as they may each be amended from time to time and (b) the Company's Avoided Unit Energy Cost. The Company's Avoided Unit Energy Cost, in cents per kilowatt-hour (¢/KWh) shall be defined as the product of: (a) the fuel price in \$/mmBTU as determined from gas prices published in Platts Inside FERC Gas Market Report, first of the month posting for Florida Gas Transmission Zone 3, plus all charges, surcharges and percentages that are in effect from time to time for service under Gulfstream Natural Gas System's Rate Schedule FTS; and (b) an average annual heat rate of 6,607 BTU per kilowatt hour; plus (c) an additional .0758¢ per kilowatt hour in mid 2016 dollars for variable operation and maintenance expenses which will be escalated based on the actual Producer Price Index. All energy purchases shall be adjusted for losses from the point of metering to the Delivery Point. The calculation of the Company's avoided energy cost reflects the delivery of energy from the geographical area of the Company in which the Delivery Point of the QS is located.

Option D- Fixed Firm Energy Payments Starting as early as the In-Service Date of the QS Facility

The calculation of payments to the QS for energy delivered to FPL may include an adjustment at the election of the QS in order to implement the provisions of Rule 25-17.250 (6) (b), F.A.C. Subsequent to the determination of full avoided cost and subject to the provisions of Rule 25-17.0832(3) (a) through (d), F.A.C., a portion of the base energy costs associated with the avoided unit, mutually agreed upon by the utility and renewable energy generator, shall be fixed and amortized on a present value basis over the term of the contract starting, at the election of the QS, as early as the in-service date of the QS. "Base energy costs associated with the avoided unit" means the energy costs of the avoided unit to the extent the unit would have operated. The portion of the base energy costs mutually agreed to by the Company and the QS shall be specified in Appendix E. The Company will provide the QS with a schedule of "Fixed Energy Payments" over the term of the Standard Offer Contract based on the applicable information specified in Appendix E.

ESTIMATED AS-AVAILABLE ENERGY COST

For informational purposes only, the estimated incremental avoided energy costs for the next ten annual periods are as follows. In addition, avoided energy cost payments will include .0016¢/KWh for variable operation and maintenance expenses.

<u>Applicable Period</u>	<u>On-Peak ¢/KWH</u>	<u>Off-Peak ¢/KWH</u>	<u>Average ¢/KWH</u>
2011	5.89	5.57	5.68
2012	5.14	4.71	4.85
2013	4.90	4.52	4.64
2014	4.84	4.50	4.61
2015	5.15	4.80	4.91
2016	5.86	5.40	5.55
2017	6.32	5.87	6.02
2018	6.60	6.22	6.35
2019	7.03	6.67	6.79
2020	7.53	6.97	7.15
2021	7.73	7.31	7.45

A MW block size ranging from 58 MW to 65 MW has been used to calculate the estimated As-Available energy cost.

ESTIMATED UNIT FUEL COST

The estimated unit fuel costs listed below are associated with the Company's Avoided Unit and are based on current estimates of the price of natural gas.

<u>\$/MMBTU</u>									
<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
6.60	7.14	7.70	8.16	8.63	9.12	9.77	10.45	11.16	11.86

(Continued on Sheet No. 10.305)

(Continued from Sheet No. 10.304)

DELIVERY VOLTAGE ADJUSTMENT

Energy payments to a QS 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	1.0213
Secondary Voltage Delivery	1.0465

PERFORMANCE CRITERIA

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

A. Capacity Delivery Date

The Capacity Delivery Date shall be no later than the projected in-service date of the Company's Avoided Unit (i.e., June 1, 2016).

B. Availability and Capacity Factor

The Facility's availability and capacity factor are used in the determination of firm capacity payments through a performance based calculation as detailed in Appendix B to the Company's Standard Offer Contract.

METERING REQUIREMENTS

A QS 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 a QS 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 Renewable Energy to the Company.

For the purpose of this Schedule, the on-peak hours shall be those hours occurring April 1 through October 31 Mondays through Fridays, from 12 noon to 9:00 pm. excluding Memorial Day, Independence Day and Labor Day; and November 1 through March 31 Mondays through Fridays from 6:00 a.m. to 10:00 a.m. and 6:00 p.m. to 10:00 p.m. prevailing Eastern time excluding Thanksgiving Day, Christmas Day, and New Years Day.. FPL shall have the right to change such On-Peak Hours by providing the QS a minimum of thirty calendar days' advance written notice.

BILLING OPTIONS

A QS, 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; provided, however, that no such arrangement shall cause the QS to sell more than the Facility's net output. A decision on billing methods may only be changed: 1) when a QS 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 QS or the Company; 3) when the QS 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 this Tariff or the contract between the QS and the Company.

If a QS 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 QS 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 QS for such alteration(s).

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

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

(Continued on Sheet No. 10.306)

(Continued from Sheet No. 10.305)

CHARGES TO ENERGY FACILITY

The QS shall be responsible for all applicable charges as currently approved or as they may be approved by the Florida Public Service Commission, including, but not limited to:

A. Customer Charges:

Monthly customer charges for meter reading, billing and other applicable administrative costs as per applicable Customer Rate Schedule.

B. Interconnection Charge for Non-Variable Utility Expenses

The QS shall bear the cost required for interconnection, including the metering. The QS 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 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 QS.

C. Interconnection Charge for Variable Utility Expenses

The QS 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 QS if no sales to the Company were involved.

In lieu of payment for actual charges, the QS 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	0.218%
Distribution Equipment	0.188%
Transmission Equipment	0.102%

D. Taxes and Assessments

In the event that FPL becomes liable for additional taxes, including interest and/or penalties arising from an Internal Revenue Service's determination, through audit, ruling or other authority, that FPL's payments to the QS for capacity under options B, C, D, E or for energy pursuant to the Fixed Firm Energy Payment Option D are not fully deductible when paid (additional tax liability), FPL may bill the QS monthly for the costs, including carrying charges, interest and/or penalties, associated with the fact that all or a portion of these 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 QS 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 or the Fixed Firm Energy Payment 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.

(Continued on Sheet No. 10.307)

APPENDIX II
 TO RATE SCHEDULE QS-2
 CAPACITY OPTION PARAMETERS

FIXED VALUE OF DEFERRAL PAYMENTS - NORMAL CAPACITY 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;	\$8.14
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;	2.9992
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;	\$941.72
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;	\$17.74
i _p	= annual escalation rate associated with the plant cost of the Company's Avoided Unit;	3.0%
i _o	= annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit;	2.65%
r	= annual discount rate, defined as the Company's incremental after-tax cost of capital;	7.29%
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.	2016

FIXED VALUE OF DEFERRAL PAYMENTS - EARLY CAPACITY OPTION PARAMETERS

A _m	= monthly capacity payments to be made to the QS starting on the year the QS elects to start receiving early capacity payments, in dollars per kilowatt per month;	*
i _p	= annual escalation rate associated with the plant cost of the Company's Avoided Unit;	3.0%
i _o	= annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit;	2.65%
n	= year for which early capacity payments to a QS are to begin; (at the election of the QS early capacity payments may commence anytime after the actual in-service date of the QS facility and before the anticipated in-service date of the Company's avoided unit)	*
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 10 years;	\$1,115.12
r	= annual discount rate, defined as the Company's incremental after-tax cost of capital;	7.29%
t	= the term, in years, of the Standard Offer Contract for the purchase of firm capacity commencing in the year the QS elects to start receiving early capacity payments prior to the in-service date of the Company's Avoided Unit;	*
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 10 years.	\$243.40

*From Appendix E

ATTACHMENT D

Revised Tariff Pages of Rate Schedule QS-2 in Legislative Format

RATE SCHEDULE QS-2
APPENDIX A
TO THE STANDARD OFFER CONTRACT
STANDARD RATE FOR PURCHASE OF FIRM CAPACITY AND ENERGY
FROM A RENEWABLE ENERGY FACILITY

OR A QUALIFYING FACILITY WITH A DESIGN CAPACITY OF 100 KW OR LESS (~~2025-2016~~ Avoided Unit)

SCHEDULE

QS-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 Renewable Energy Facility or a Qualifying Facility with a design capacity of 100 KW or less (~~2025-2016~~ Avoided Unit)" ("Standard Offer Contract"), purchase firm capacity and energy offered by a Renewable Energy Facility specified in Section 366.91, Florida Statutes or by a Qualifying Facility with a design capacity of 100 KW or less as specified in FPSC Rule 25-17-0832(4) and which is either directly or indirectly interconnected with the Company. Both of these types of facilities shall also be referred to herein as Qualified Seller or "QS".

The Company will petition the FPSC for closure upon any of the following as related to the generating unit upon which this standard offer contract is based i.e. the Avoided Unit : (a) a request for proposals (RFP) pursuant to Rule 25-22.082, F.A.C., is issued, (b) the Company files a petition for a need determination or commences construction of the Avoided Unit when the generating unit is not subject to Rule 25-22.082, F.A.C., or (c) the generating unit upon which the standard offer contract is based is no longer part of the utility's generation plan, as evidenced by a petition to that effect filed with the Commission or by the utility's most recent Ten Year Site Plan.

APPLICABLE

To Renewable Energy Facilities as specified in Section 366.91, Florida Statutes producing capacity and energy from qualified renewable resources 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 Renewable Capacity and Renewable Energy are capacity and energy produced and sold by a QS pursuant to the Standard Offer Contract provisions addressing (among other things) quantity, time and reliability of delivery.

To Qualifying Facilities ("QF"), with a design capacity of 100 KW or less, as specified in FPSC Rule 25-17.0832(4)(a) 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 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 QS.

LIMITATION

Purchases under this schedule are subject to Section 366.91, Florida Statutes and/or FPSC Rules 25-17.0832 through 25-17.091, F.A.C., and 25-17.200 through 25-17.310 F.A.C and are limited to those Facilities which:

- A. Commit to commence deliveries of firm capacity and energy no later than June 1, ~~2025~~2016, and to continue such deliveries for a period of at least 10 years up to a maximum of the life of the avoided unit;
- B. Are not currently under contract with the Company or with any other entity for the Facility's output for the period specified above

(Continued on Sheet No. 10.301)

Issued by: S. E. Romig, Director, Rates and Tariffs

Effective: July 13, 2010

(Continued from Sheet No. 10.300)

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 Avoided Unit has been identified as a ~~4242-1191~~ MW combined cycle unit with an in-service date of June 1, ~~2025~~2016. Appendix I to this Schedule describes the methodology used to calculate payment schedules, applicable to the Company's Standard Offer Contract filed and approved pursuant to Section 366.91, Florida Statutes and to FPSC Rules 25-17.082 through 25-17.091, F.A.C and 25-17.200 through 25-17.310, F.A.C.

A. Firm Capacity Rates

Options A through E are available for payment of firm capacity which is produced by a QS and delivered to the Company. Once selected, an option shall remain in effect for the term of the Standard Offer Contract with the Company. A payment schedule, for the normal payment option as shown below, contains the monthly rate per kilowatt of Firm Capacity which the QS has contractually committed to deliver to the Company and is based on a contract term which extends ten (10) years beyond June 1, ~~2025~~2016. Payment schedules for other contract terms, as specified in Appendix E, will be made available to any QS upon request and may be calculated based upon the methodologies described in Appendix I. The currently approved parameters used to calculate the following schedule of payments are found in Appendix II to this Schedule.

Adjustment to Capacity Payment

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

Appendix III 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 QS within sixty days of FPL execution of the signed Standard Offer Contract.

Option A - Fixed Value of Deferral Payments - Normal Capacity

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 June 1, ~~2025~~2016, as described in Appendix I. Once this option is selected, the current schedule of payments shall remain fixed and in effect throughout the term of the Standard Offer Contract.

EXAMPLE MONTHLY CAPACITY PAYMENT IN \$/KW/MONTH
 2025-2016 COMBINED CYCLE AVOIDED UNIT (~~4242-1191~~ MW)
 STANDARD OFFER CONTRACT AVOIDED CAPACITY PAYMENTS
 FOR A CONTRACT TERM OF 10 YEARS
 (\$/KW/MONTH)

Contract Year		Normal Payment
From	To	Starting
		<u>06/01/2025</u> 2016
<u>6/1/2025</u> 2016	<u>5/31/2026</u> 2017	11.658.14
<u>6/1/2026</u> 2017	<u>5/31/2027</u> 2018	12.048.38
<u>6/1/2027</u> 2018	<u>5/31/2028</u> 2019	12.388.63
<u>6/1/2028</u> 2019	<u>5/31/2029</u> 2020	12.768.89
<u>6/1/2029</u> 2020	<u>5/31/2030</u> 2021	13.169.15
<u>6/1/2030</u> 2021	<u>5/31/2031</u> 2022	13.569.43
<u>6/1/2031</u> 2022	<u>5/31/2032</u> 2023	13.989.71
<u>6/1/2032</u> 2023	<u>5/31/2033</u> 2024	14.410.00
<u>6/1/2033</u> 2024	<u>5/31/2034</u> 2025	14.8510.29
<u>6/1/2034</u> 2025	<u>5/31/2035</u> 2026	15.310.60

(Continued on Sheet No. 10.302)

(Continued from Sheet No. 10.302)

B. Energy Rates**(1) Payments Associated with As-Available Energy Costs prior to the In-Service Date of the Avoided Unit.**

Options A or B are available for payment of energy which is produced by the QS and delivered to the Company prior to the in-service date of the Avoided Unit. The QS shall indicate its selection in Appendix E, Once selected; an option shall remain in effect for the term of the Standard Offer Contract with the Company.

Option A – Energy Payments based on Actual Energy Costs

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 25-17.0825, 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 Delivery Point of the QS is located. When economy transactions take place, the incremental costs are calculated as described in FPL's Rate Schedule COG-1.

The calculation of payments to the QS 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 of energy from the QS by the Company for that hour. All purchases of energy shall be adjusted for losses from the point of metering to the Delivery Point.

Option B – Energy Payments based on the year by year projection of As-Available energy costs

The energy rate, in cents per kilowatt-hour (¢/KWh), shall be based on the Company's year by year projection of system incremental fuel costs, prior to hourly economy sales to other utilities, based on normal weather and fuel market conditions (annual As-Available Energy Cost Projection which are calculated by the Company in accordance with FPSC Rule 25-17.0825, F.A.C. and with FPSC Rule 25-17.250(6) (a) F.A.C.) plus a fuel market volatility risk premium mutually agreed upon by the utility and the QS. Prior to the start of each applicable calendar year, the Company and the QS shall mutually agree on the fuel market volatility risk premium for the following calendar year, normally no later than November 15. The Company will provide its projection of the applicable annual As-Available Energy Cost prior to the start of the calendar year, normally no later than November 15 of each applicable calendar year. In addition to the applicable As-Available Energy Cost projection the energy payment will include identifiable operation and maintenance expenses, an adjustment for line losses reflecting delivery voltage and a factor that reflects in the calculation of the Company's Avoided Energy Costs the delivery of energy from the region of the Company in which the Delivery Point of the QS is located.

The calculation of payments to the QS shall be based on the sum, over all hours of the billing period, of the product of each hour's applicable Projected Avoided Energy Cost times the purchases of energy from the QS by the Company for that hour. All purchases of energy shall be adjusted for losses from the point of metering to the Delivery Point.

(2) Payments Associated with Applicable Avoided Energy Costs after the In-Service Date of the Avoided Unit.

Option C is available for payment of energy which is produced by the QS and delivered to the Company after the in-service date of the avoided unit. In addition, Option D is available to the QS which elects to fix a portion of the firm energy payment. The QS shall indicate its selection of Option D in Appendix E, once selected, Option D shall remain in effect for the term of the Standard Offer Contract.

Option C- Energy Payments based on Actual Energy Costs starting on June 1, 2025-2016

The calculation of payments to the QS for energy delivered to FPL on and after June 1, 2025-2016 shall be the sum, over all hours of the Monthly Billing Period, of the product of (a) each hour's firm energy rate (¢/KWh); and (b) the amount of energy (KWH) delivered to FPL from the Facility during that hour.

(Continued on Sheet No. 10.304)

(Continued from Sheet No. 10.303)

For any Dispatch Hour the firm energy rate shall be, on an hour-by-hour basis, the Company's Avoided Unit Energy Cost. For any other period during which energy is delivered by the QS to FPL, the firm energy rate in cents per kilowatt hour (¢/KWh) shall be the following on an hour-by-hour basis: the lesser of (a) the as-available energy rate calculated by FPL in accordance with FPSC Rule 25-17.0825, FAC, and FPL's Rate Schedule COG-1, as they may each be amended from time to time and (b) the Company's Avoided Unit Energy Cost. The Company's Avoided Unit Energy Cost, in cents per kilowatt-hour (¢/KWh) shall be defined as the product of: (a) the fuel price in \$/mmBTU as determined from gas prices published in Platts Inside FERC Gas Market Report, first of the month posting for Florida Gas Transmission Zone 3, plus all charges, surcharges and percentages that are in effect from time to time for service under Gulfstream Natural Gas System's Rate Schedule FTS; and (b) an average annual heat rate of 6,480-607 BTU per kilowatt hour; plus (c) an additional .0758¢ per kilowatt hour in mid 2025-2016 dollars for variable operation and maintenance expenses which will be escalated based on the actual Producer Price Index. All energy purchases shall be adjusted for losses from the point of metering to the Delivery Point. The calculation of the Company's avoided energy cost reflects the delivery of energy from the geographical area of the Company in which the Delivery Point of the QS is located.

Option D- Fixed Firm Energy Payments Starting as early as the In-Service Date of the QS Facility

The calculation of payments to the QS for energy delivered to FPL may include an adjustment at the election of the QS in order to implement the provisions of Rule 25-17.250 (6) (b), F.A.C. Subsequent to the determination of full avoided cost and subject to the provisions of Rule 25-17.0832(3) (a) through (d), F.A.C., a portion of the base energy costs associated with the avoided unit, mutually agreed upon by the utility and renewable energy generator, shall be fixed and amortized on a present value basis over the term of the contract starting, at the election of the QS, as early as the in-service date of the QS. "Base energy costs associated with the avoided unit" means the energy costs of the avoided unit to the extent the unit would have operated. The portion of the base energy costs mutually agreed to by the Company and the QS shall be specified in Appendix E. The Company will provide the QS with a schedule of "Fixed Energy Payments" over the term of the Standard Offer Contract based on the applicable information specified in Appendix E.

ESTIMATED AS-AVAILABLE ENERGY COST

For informational purposes only, the estimated incremental avoided energy costs for the next ten annual periods are as follows. In addition, avoided energy cost payments will include .00480016¢/KWh for variable operation and maintenance expenses.

<u>Applicable Period</u>	<u>On-Peak ¢/KWH</u>	<u>Off-Peak ¢/KWH</u>	<u>Average ¢/KWH</u>
2010	6.02	5.58	5.72
2011	6.305.89	5.835.57	5.985.68
2012	6.075.14	5.754.71	5.854.85
2013	5.774.90	5.414.52	5.534.64
2014	6.134.84	5.664.50	5.824.61
2015	6.915.15	6.504.80	6.634.91
2016	7.945.86	7.445.40	7.605.55
2017	8.576.32	8.035.87	8.246.02
2018	9.116.60	8.676.22	8.826.35
2019	9.927.03	9.306.67	9.506.79
2020	10.577.53	9.936.97	10.147.15
2021	7.73	7.31	7.45

A MW block size ranging from 58 MW to 65 MW has been used to calculate the estimated As-Available energy cost.

ESTIMATED UNIT FUEL COST

The estimated unit fuel costs listed below are associated with the Company's Avoided Unit and are based on current estimates of the price of natural gas.

<u>\$/MMBTU</u>									
<u>20252016</u>	<u>20262017</u>	<u>20272018</u>	<u>20282019</u>	<u>20292020</u>	<u>20302021</u>	<u>20312022</u>	<u>20322023</u>	<u>20332024</u>	<u>20342025</u>
15.996.60	16.397.14	16.807.70	17.238.16	17.678.63	18.119.12	18.579.77	19.0510.45	19.5311.16	20.0211.86

(Continued on Sheet No. 10.305)

(Continued from Sheet No. 10.304)

DELIVERY VOLTAGE ADJUSTMENT

Energy payments to a QS 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	1.02050213
Secondary Voltage Delivery	1.04480465

PERFORMANCE CRITERIA

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

A. Capacity Delivery Date

The Capacity Delivery Date shall be no later than the projected in-service date of the Company's Avoided Unit (i.e., June 1, 2025~~2016~~).

B. Availability and Capacity Factor

The Facility's availability and capacity factor are used in the determination of firm capacity payments through a performance based calculation as detailed in Appendix B to the Company's Standard Offer Contract.

METERING REQUIREMENTS

A QS 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 a QS 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 Renewable Energy to the Company.

For the purpose of this Schedule, the on-peak hours shall be those hours occurring April 1 through October 31 Mondays through Fridays, from 12 noon to 9:00 pm. excluding Memorial Day, Independence Day and Labor Day; and November 1 through March 31 Mondays through Fridays from 6:00 a.m. to 10:00 a.m. and 6:00 p.m. to 10:00 p.m. prevailing Eastern time excluding Thanksgiving Day, Christmas Day, and New Years Day.. FPL shall have the right to change such On-Peak Hours by providing the QS a minimum of thirty calendar days' advance written notice.

BILLING OPTIONS

A QS, 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; provided, however, that no such arrangement shall cause the QS to sell more than the Facility's net output. A decision on billing methods may only be changed: 1) when a QS 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 QS or the Company; 3) when the QS 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 this Tariff or the contract between the QS and the Company.

If a QS 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 QS 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 QS for such alteration(s).

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

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

(Continued on Sheet No. 10.306)

Issued by: S. E. Romig, Director, Rates and Tariffs

Effective: July 13, 2010

(Continued from Sheet No. 10.305)

CHARGES TO ENERGY FACILITY

The QS shall be responsible for all applicable charges as currently approved or as they may be approved by the Florida Public Service Commission, including, but not limited to:

A. Customer Charges:

Monthly customer charges for meter reading, billing and other applicable administrative costs as per applicable Customer Rate Schedule.

B. Interconnection Charge for Non-Variable Utility Expenses

The QS shall bear the cost required for interconnection, including the metering. The QS 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 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 QS.

C. Interconnection Charge for Variable Utility Expenses

The QS 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 QS if no sales to the Company were involved.

In lieu of payment for actual charges, the QS 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	0.478218%
Distribution Equipment	0.224188%
Transmission Equipment	0.423102%

D. Taxes and Assessments

In the event that FPL becomes liable for additional taxes, including interest and/or penalties arising from an Internal Revenue Service's determination, through audit, ruling or other authority, that FPL's payments to the QS for capacity under options B, C, D, E or for energy pursuant to the Fixed Firm Energy Payment Option D are not fully deductible when paid (additional tax liability), FPL may bill the QS monthly for the costs, including carrying charges, interest and/or penalties, associated with the fact that all or a portion of these 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 QS 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 or the Fixed Firm Energy Payment 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.

(Continued on Sheet No. 10.307)

APPENDIX II
 TO RATE SCHEDULE QS-2
 CAPACITY OPTION PARAMETERS

FIXED VALUE OF DEFERRAL PAYMENTS - NORMAL CAPACITY OPTION PARAMETERS

Where, for a one year deferral:		Value
VAC _m	= Company's value of avoided capacity and O&M, in dollars per kilowatt per month, during month m;	\$11,658.14
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;	1,50962.9992
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;	\$1,321,27941.72
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;	\$27,8217.74
i _p	= annual escalation rate associated with the plant cost of the Company's Avoided Unit;	3.0%
i _o	= annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit;	2.8765%
r	= annual discount rate, defined as the Company's incremental after-tax cost of capital;	7.329%
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.	20252016

FIXED VALUE OF DEFERRAL PAYMENTS - EARLY CAPACITY OPTION PARAMETERS

A _m	= monthly capacity payments to be made to the QS starting on the year the QS elects to start receiving early capacity payments, in dollars per kilowatt per month;	*
i _p	= annual escalation rate associated with the plant cost of the Company's Avoided Unit;	3.0%
i _o	= annual escalation rate associated with the operation and maintenance expense of the Company's Avoided Unit;	2.8765%
n	= year for which early capacity payments to a QS are to begin; (at the election of the QS early capacity payments may commence anytime after the actual in-service date of the QS facility and before the anticipated in-service date of the Company's avoided unit)	*
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 10 years;	\$938,331,115.12
r	= annual discount rate, defined as the Company's incremental after-tax cost of capital;	7.3029%
t	= the term, in years, of the Standard Offer Contract for the purchase of firm capacity commencing in the year the QS elects to start receiving early capacity payments prior to the in-service date of the Company's Avoided Unit;	*
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 10 years.	\$236,63243.40

*From Appendix E

ATTACHMENT E

Economic Assumptions

Florida Power & Light Company
Standard Offer Contract

Economic Assumptions

CAPITALIZATION RATIOS

Debt: 41%
Preferred: 0%
Equity: 59%

DISCOUNT RATE

7.293%

RATE OF RETURN

Debt: 5.5%
Preferred: 0%
Equity: 10%

BOOK DEPRECIATION LIFE

30 years for Combined Cycle Unit
40 years for Transmission Facilities

INCOME TAX RATE

State: 5.5%
Federal: 35.0%

Effective: 38.575%

TAX DEPRECIATION LIFE

20 years for Combined Cycle Unit
15 years for Transmission Facilities

OTHER TAXES AND INSURANCE

1.94%

Florida Power & Light Company
Standard Offer Contract

Economic Escalation Assumptions
(Averages 2016-2026)

Plant Construction Cost Percentage:	3.0%
O&M and Capital Cost Replacement Percentage:	2.5%
Fixed Variable O&M Cost Percentage:	2.5%

Florida Power & Light Company
Standard Offer Contract

Unit Information

Plant Name (Type): Combined Cycle
Net Capacity (MW): 1,191 MW (Summer)
Book Life (Years): 30

Installed Cost (In-Service Year 2016)

Total Installed Cost (\$/kW):	941.72
Direct Construction Cost (\$/kW):	844.89
AFUDC Amount (\$/kW):	96.83
Fixed O&M (\$/kW-Yr) (In-Service Year):	4.92
Capital Replacement (\$/kW-Yr) (In-Service Year):	12.82
Variable O&M (cents/kWh):	0.0858
K Factor:	1.5136

Florida Power & Light Company
Standard Offer Contract

Financial Assumptions
For the Development of K Factor

CAPITALIZATION RATIOS

Debt: 41%
Preferred: 0%
Equity: 59%

RATE OF RETURN

Debt: 5.5%
Preferred: 0%
Equity: 10%

Effective Tax Rate: 38.575%

Discount Rate: 7.293%

Book Life: 30 years for Combined Cycle Unit
40 years for Transmission Facilities

In Service Year: 2016

CONSTRUCTION SPENDING CURVE

<u>Year</u>	<u>% Construction Expenditures*</u>
2011	0.10%
2012	0.34%
2013	12.10%
2014	52.68%
2015	25.50%
2016	9.27%

* To be applied to direct construction costs

Florida Power & Light Company
Fixed Charge Calculations For Development of K Factor
Unit Type: Combined Cycle
(Thousands of Dollars)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Year	Calendar Year	Electric Plant In-Service	Debt	Preferred	Equity	Taxes	Deferred Taxes	Total Debt Preferred Equity & Taxes	Straight Line Depreciation	Property Taxes & Insurance	Total Fixed Charges	Present Worth Fixed Charges	Cumulative Present Worth Fixed Charges
1	2016	\$1,116,860	\$14,904	\$0	\$39,190	\$17,175	\$8,442	\$79,711	\$21,677	\$12,871	\$114,259	\$114,259	\$114,259
2	2017	\$1,079,700	\$24,593	\$0	\$64,666	\$24,495	\$17,840	\$131,594	\$37,160	\$21,671	\$190,426	\$177,482	\$291,741
3	2018	\$1,042,539	\$23,384	\$0	\$61,486	\$24,918	\$15,420	\$125,208	\$37,160	\$20,985	\$183,353	\$159,274	\$451,015
4	2019	\$1,005,379	\$22,227	\$0	\$58,443	\$25,230	\$13,197	\$119,097	\$37,160	\$20,299	\$176,556	\$142,945	\$593,960
5	2020	\$968,218	\$21,117	\$0	\$55,527	\$25,455	\$11,140	\$113,240	\$37,160	\$19,614	\$170,014	\$128,292	\$722,252
6	2021	\$931,058	\$20,053	\$0	\$52,727	\$25,590	\$9,247	\$107,617	\$37,160	\$18,929	\$163,707	\$115,136	\$837,387
7	2022	\$893,897	\$19,028	\$0	\$50,032	\$25,541	\$7,604	\$102,205	\$37,160	\$18,245	\$157,611	\$103,313	\$940,701
8	2023	\$856,737	\$18,037	\$0	\$47,427	\$25,312	\$6,197	\$96,973	\$37,160	\$17,562	\$151,696	\$92,677	\$1,033,377
9	2024	\$819,576	\$17,065	\$0	\$44,871	\$23,933	\$5,970	\$91,839	\$37,160	\$16,879	\$145,878	\$83,065	\$1,116,442
10	2025	\$782,416	\$16,095	\$0	\$42,321	\$22,340	\$5,963	\$86,719	\$37,160	\$16,197	\$140,075	\$74,339	\$1,190,781
11	2026	\$745,255	\$15,126	\$0	\$39,771	\$20,731	\$5,970	\$81,598	\$37,160	\$15,515	\$134,273	\$66,416	\$1,257,197
12	2027	\$708,095	\$14,156	\$0	\$37,222	\$19,137	\$5,963	\$76,477	\$37,160	\$14,834	\$128,472	\$59,227	\$1,316,424
13	2028	\$670,934	\$13,186	\$0	\$34,672	\$17,529	\$5,970	\$71,357	\$37,160	\$14,153	\$122,671	\$52,708	\$1,369,132
14	2029	\$633,774	\$12,217	\$0	\$32,122	\$15,935	\$5,963	\$66,236	\$37,160	\$13,473	\$116,870	\$46,803	\$1,415,935
15	2030	\$596,613	\$11,247	\$0	\$29,573	\$14,326	\$5,970	\$61,116	\$37,160	\$12,794	\$111,071	\$41,457	\$1,457,392
16	2031	\$559,453	\$10,289	\$0	\$27,054	\$13,797	\$4,917	\$56,057	\$37,160	\$12,116	\$105,334	\$36,643	\$1,494,035
17	2032	\$522,293	\$9,355	\$0	\$24,597	\$13,296	\$3,876	\$51,123	\$37,160	\$11,438	\$99,722	\$32,333	\$1,526,368
18	2033	\$485,132	\$8,432	\$0	\$22,171	\$11,776	\$3,872	\$46,251	\$37,160	\$10,761	\$94,173	\$28,458	\$1,554,826
19	2034	\$447,972	\$7,509	\$0	\$19,745	\$10,249	\$3,876	\$41,379	\$37,160	\$10,085	\$88,625	\$24,961	\$1,579,787
20	2035	\$410,811	\$6,587	\$0	\$17,319	\$8,729	\$3,872	\$36,507	\$37,160	\$9,410	\$83,077	\$21,808	\$1,601,595
21	2036	\$373,651	\$5,761	\$0	\$15,147	\$15,937	(\$4,700)	\$32,144	\$37,160	\$8,735	\$78,040	\$19,093	\$1,620,688
22	2037	\$336,490	\$5,127	\$0	\$13,481	\$23,466	(\$13,275)	\$28,799	\$37,160	\$8,061	\$74,021	\$16,879	\$1,637,568
23	2038	\$299,330	\$4,590	\$0	\$12,069	\$22,579	(\$13,275)	\$25,963	\$37,160	\$7,388	\$70,512	\$14,986	\$1,652,554
24	2039	\$262,169	\$4,053	\$0	\$10,657	\$21,693	(\$13,275)	\$23,127	\$37,160	\$6,716	\$67,004	\$13,273	\$1,665,826
25	2040	\$225,009	\$3,516	\$0	\$9,245	\$20,806	(\$13,275)	\$20,292	\$37,160	\$6,045	\$63,497	\$11,723	\$1,677,549
26	2041	\$187,848	\$2,979	\$0	\$7,833	\$19,919	(\$13,275)	\$17,456	\$37,160	\$5,375	\$59,991	\$10,323	\$1,687,872
27	2042	\$150,688	\$2,442	\$0	\$6,421	\$19,032	(\$13,275)	\$14,620	\$37,160	\$4,706	\$56,486	\$9,059	\$1,696,931
28	2043	\$113,527	\$1,905	\$0	\$5,009	\$18,145	(\$13,275)	\$11,784	\$37,160	\$4,038	\$52,982	\$7,919	\$1,704,850
29	2044	\$76,367	\$1,368	\$0	\$3,597	\$17,259	(\$13,275)	\$8,948	\$37,160	\$3,371	\$49,479	\$6,893	\$1,711,743
30	2045	\$39,206	\$831	\$0	\$2,185	\$16,372	(\$13,275)	\$6,112	\$37,160	\$2,705	\$45,978	\$5,970	\$1,717,713
31	2046	\$22,339	\$379	\$0	\$998	\$7,428	(\$6,037)	\$2,768	\$16,867	\$1,186	\$20,821	\$2,520	\$1,720,233
32	2047	\$19,967	\$302	\$0	\$794	\$1,444	(\$867)	\$1,673	\$2,372	\$534	\$4,579	\$517	\$1,720,750
33	2048	\$17,594	\$268	\$0	\$705	\$1,388	(\$867)	\$1,494	\$2,372	\$492	\$4,359	\$458	\$1,721,208
34	2049	\$15,222	\$234	\$0	\$616	\$1,332	(\$867)	\$1,316	\$2,372	\$451	\$4,139	\$406	\$1,721,613
35	2050	\$12,850	\$200	\$0	\$527	\$1,276	(\$867)	\$1,137	\$2,372	\$410	\$3,919	\$358	\$1,721,971
36	2051	\$10,478	\$166	\$0	\$438	\$1,220	(\$867)	\$958	\$2,372	\$368	\$3,699	\$315	\$1,722,286
37	2052	\$8,105	\$133	\$0	\$349	\$1,165	(\$867)	\$779	\$2,372	\$327	\$3,479	\$276	\$1,722,562
38	2053	\$5,733	\$99	\$0	\$260	\$1,109	(\$867)	\$601	\$2,372	\$286	\$3,259	\$241	\$1,722,803
39	2054	\$3,361	\$65	\$0	\$171	\$1,053	(\$867)	\$422	\$2,372	\$246	\$3,040	\$209	\$1,723,012
40	2055	\$988	\$31	\$0	\$82	\$997	(\$867)	\$243	\$2,372	\$205	\$2,820	\$181	\$1,723,194
41	2056	\$0	\$3	\$0	\$8	\$399	(\$361)	\$48	\$988	\$68	\$1,105	\$66	\$1,723,260

In-Service Cost	\$1,138,537
Present Worth of Fixed Charges	\$1,723,260
Less Equity Adjustment	\$0
Adjusted Present Worth of Fixed Charges	<u>\$1,723,260</u>
Value of K	<u>1.5136</u>