

KCA # 4047

REV: BASIC

7/24/98

INTERCONNECTION AGREEMENT

BETWEEN

FLORIDA POWER & LIGHT COMPANY

AND THE

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

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This **INTERCONNECTION AGREEMENT BETWEEN FLORIDA POWER & LIGHT COMPANY AND THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION** ("Agreement"), is made and entered as of the 24th day of July, 1998, by and between Florida Power & Light Company ("FPL"), a corporation organized and existing under the laws of the State of Florida, and the National Aeronautics and Space Administration ("NASA"), an agency of the United States Government, with a principal facility located at Kennedy Space Center, Florida ("NASA's KSC Premises"). FPL and NASA may from time to time be identified individually as a "Party" and are collectively identified herein as the "Parties".

RECITALS

WHEREAS, FPL, an investor-owned utility, owns and operates electrical generation, transmission and distribution facilities in portions of the State of Florida; and

WHEREAS, NASA plans to install and own an electrical generation facility (the "NASA Generation Facility.") at NASA's KSC Premises; and

WHEREAS, FPL currently provides retail electric service to NASA's KSC Premises; and

WHEREAS, FPL may continue to provide retail electric service to NASA's KSC Premises; and

WHEREAS, the NASA Generation Facility is an emergency generation facility and is not a "qualifying facility" under applicable state and federal laws and regulations; and

WHEREAS, FPL and NASA desire to establish terms and conditions in this Agreement for the interconnected parallel operation of FPL's electrical system and the NASA Generation Facility, and for the construction, operation and maintenance responsibilities for the NASA Generation Facility, NASA Facilities, and Interconnection Facilities pursuant to this Agreement;

NOW, THEREFORE, the Parties agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01 - FPL Facilities: All facilities on FPL's side of the Point of Change of Ownership, including, but not limited to, improvements, terminal facilities, interconnection equipment, protective equipment, and other related equipment and materials. In addition, FPL Facilities include two FPL cabinets containing Interconnection Equipment (including but not limited to, protective relays), accessible only to FPL personnel, located on NASA's side of the Point of Change of Ownership. Exhibit A, Interconnection Configuration, shows the Point of Change of Ownership between the FPL Facilities and the NASA Facilities.

Section 1.02 - Interconnection Facilities: All FPL Facilities and NASA Facilities which FPL determines are necessary to interconnect the NASA Generation Facility with FPL's system in a safe and reliable manner pursuant to Section 3.01 of this Agreement, including, but not limited to, FPL Facilities, Protective Equipment, the NASA Facilities and related facilities (including, but not limited to, other substation facilities) as shown on Exhibit A to this Agreement. The major components of the Interconnection Facilities on FPL's side of the Point of Change of Ownership are shown on Exhibit B to this Agreement.

Section 1.03 - Late Payment Interest Rate: The rate of interest established by the Secretary of the Treasury, and published in the Federal Register, for interest payments under the Contract Disputes Act of 1978 (41 U.S.C. §611), which is in effect at the time NASA accrues the obligation to pay a late payment interest penalty.

Section 1.04 - NASA Facilities: All facilities on NASA's side of the Point of Change of Ownership, with the exception of two FPL cabinets containing Interconnection Equipment (including, but not limited to, protective relays), accessible only to FPL personnel, located on NASA's side of the Point of Change of Ownership.

Section 1.05 - NASA Generation Facility: The 11,000 kW of standby generation at NASA's KSC Premises, consisting of five 2,000 kW generators and two 500 kW generators.

Section 1.06 - Operating Representatives: Those individuals appointed by the respective Parties pursuant to Section 8.01.

1 **Section 1.07 - Past Due After Date:** Thirty days from the date NASA receives an invoice. NASA
2 is deemed to receive an invoice on (i) the date NASA actually receives and annotates the date of receipt
3 at the time of actual receipt on the invoice or (ii) on the date of the invoice if NASA has failed to
4 annotate the invoice with the date of receipt at the time of actual receipt. If the Past Due After Date falls
5 on a Saturday, Sunday, or legal holiday when Federal Government offices are closed and government
6 business is not expected to be conducted, payment may be made on the following business day without
7 incurring a late payment interest penalty.

8 **Section 1.08 - Point of Change of Ownership:** The point(s) at which the NASA Facilities connect to
9 the FPL Facilities as shown on Exhibit A to this Agreement.

10 **Section 1.09 - Protective Equipment:** Includes, but shall not be limited to, protective relays, relaying
11 panels, relaying cabinets, circuit breakers, conduits, cabling, current transformers, potential
12 transformers, coupling capacitor voltage transformers, wave traps, transfer trip and fault recorders,
13 which directly or indirectly provide input to relays, fiber optic communication equipment, power line
14 carrier equipment and telephone circuits, and any other equipment necessary to implement the protection-
15 related provisions of this Agreement.

16 17 18 **ARTICLE II**

19 **TERM**

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21 **Section 2.01 - Term:** The term of this Agreement shall commence on the date hereof and shall, except
22 as provided in this Section 2.01 and in Section 12.01, continue in effect for an initial term which shall
23 expire August 1, 2013, and thereafter shall automatically be extended for periods of two years each;
24 however, either Party may terminate this Agreement at the end of the initial term or at the end of any
25 two year extension hereof upon a minimum of two years' advance written notice to the other Party, or
26 at any time upon mutual consent of the Parties. Upon any termination, NASA shall reimburse FPL for
27 all non-reimbursed costs and expenses incurred by FPL pursuant to this Agreement.

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ARTICLE III

CONSTRUCTION OF INTERCONNECTION FACILITIES

Section 3.01 - Interconnection Facilities: The Parties shall, pursuant to this Agreement, design, engineer, modify, upgrade, install and construct the Interconnection Facilities necessary to connect the NASA Generation Facility with FPL's system. A list of the major components of the Interconnection Facilities to be provided by FPL is set forth on Exhibit B to this Agreement.

Section 3.01.01 - Construction Responsibilities of FPL: FPL shall, at NASA's expense, design, engineer, modify, upgrade, install, construct and own the Interconnection Facilities on FPL's side of the Point of Change of Ownership, including the two relay cabinets referenced in Section 1.01 on NASA side of the Point of Change of Ownership, as FPL determines necessary to interconnect the NASA Generation Facility with FPL's system in a safe and reliable manner. Further, the design, engineering, modification, upgrade, installation and construction shall comply with all applicable laws, regulations and codes, including the National Electrical Safety Code, and shall be in accordance with prudent utility practices and FPL standards. FPL's estimate of these costs is shown on Exhibit C - Estimate of Interconnection Costs.

Section 3.01.02 - Construction Responsibilities of NASA: NASA shall, at its own expense, design, engineer, modify, upgrade, install, construct and own the Interconnection Facilities on NASA's side of the Point of Change of Ownership necessary to interconnect the NASA Generation Facility with FPL's system in a safe and reliable manner. It is understood that NASA has, by separate agreement and delivery order, contracted for the design of such Interconnection Facilities on NASA's side of the Point of Change of Ownership with the exception of two FPL cabinets containing Interconnection Equipment. It is further understood and agreed that the design, engineering, modification, upgrade, installation and construction of such Interconnection Facilities shall comply with all applicable laws, regulations and codes, including the National Electrical Safety Code, and shall be in accordance with prudent utility practices.

Section 3.02 - NASA Facilities: NASA shall, at its own expense, design, engineer, modify, upgrade, install, construct and own those NASA Facilities which interconnect the NASA Generation Facility with

FPL's system, and shall make any additions and/or modifications to such NASA Facilities as required to accommodate such interconnection in a safe and reliable manner.

Section 3.03 - Final FPL Design: The Parties recognize and agree that FPL's design, configuration and estimated costs of the Interconnection Facilities on FPL's side of the Point of Change of Ownership, including the two relay cabinets referenced in Section 1.01 on NASA side of the Point of Change of Ownership (as delineated on Exhibits A, B and C to this Agreement) are based on preliminary technical data for the NASA Generation Facility and the Interconnection Facilities provided by NASA on NASA's side of the Point of Change of Ownership, and FPL's design, configuration and estimated costs can only be finalized upon FPL's receipt of final technical data from NASA. The Parties shall use best efforts to coordinate the final design and configuration to ensure proper coordinated operation of the Interconnection Facilities. FPL may revise its design, configuration and estimate of costs for Interconnection Facilities on FPL's side of the Point of Change of Ownership, including the two relay cabinets referenced in Section 1.01 on NASA side of the Point of Change of Ownership, in accordance with prudent utility practices and FPL standards, including, but not limited to, revisions made upon receipt of any additional or revised information from NASA (costs may only be revised pursuant to Sections 6.01 and 6.01.01).

Section 3.04 - Delays: Based on the preliminary design of the Interconnection Facilities, FPL expects to complete the design and construction of the Interconnection Facilities on FPL's side of the Point of Change of Ownership, including the two relay cabinets referenced in Section 1.01 on NASA side of the Point of Change of Ownership, within 365 days of execution of this Agreement contingent upon (i) NASA completing construction of the Interconnection Facilities on NASA's side of the Point of Change of Ownership within 365 days of execution of this Agreement, which construction by NASA shall exclude two FPL cabinets containing Interconnection Equipment located on NASA's side of the Point of Change of Ownership and, (ii) the receipt of all final technical data from NASA. Both Parties agree that such expected completion time is based on preliminary technical data for the NASA Generation Facility and the Interconnection Facilities provided by NASA and can only be reasonably finalized after both Parties coordinate and complete the final design and configuration of the Interconnection Facilities as stated in Section 3.03 of this Agreement. Each Party shall keep the other Party informed of construction schedules for the Interconnection Facilities under this Agreement and of any change(s) to the final design or configuration of the Interconnection Facilities or to estimated completion times, including the reason(s)

1 for such change(s). Both Parties shall confer, coordinate and negotiate a revised construction schedule
2 should material changes to the final design of the Interconnection Facilities occur. Each Party agrees
3 to provide to the other Party periodic progress reports on the status of its (their) respective project(s).

5 **ARTICLE IV**

6 **INTERCONNECTION FACILITIES - SAFETY AND RELIABILITY**

8 **Section 4.01 - NASA Generation Facility:** The NASA Generation Facility is an emergency generation
9 facility and is not a "qualifying facility" under applicable state or federal laws or regulations.

10 **Section 4.02 - General:** FPL and NASA shall operate and maintain their respective Interconnection
11 Facilities in a safe and reliable manner and in accordance with prudent utility practices so as to protect
12 the reliability of FPL's system and the NASA Facilities.

13 **Section 4.02.01 - Hazardous or Unsafe Conditions:** NASA shall immediately notify FPL's
14 System Operator (or such other FPL representative as may be designated in writing by FPL) by
15 telephone at (305) 442-5744 in the event of NASA's discovery of any hazardous or unsafe
16 condition(s) associated with the Parties' operations that affect(s) the Interconnection Facilities
17 or FPL's system. If FPL detects any such condition(s), then FPL shall likewise contact the
18 operator of the NASA Generation Facility by telephone. Each Party agrees to immediately take
19 whatever corrective action is necessary and appropriate to eliminate the hazardous or unsafe
20 condition(s).

21 **Section 4.02.02 - Disconnections:** The NASA Generation Facility shall be promptly
22 disconnected from parallel operation with FPL's electrical system upon oral or written request
23 given by FPL to NASA whenever FPL reasonably determines that such disconnection is
24 necessary (i) to provide safe and reliable service to FPL's customers, (ii) to protect FPL's
25 generation, distribution or transmission facilities, or (iii) when the disconnection is reasonably
26 necessary for the purpose of maintenance, testing, repairs, replacements or installation of
27 equipment, or for investigations and inspections of electrical facilities. In addition, the NASA
28 Generation Facility may be automatically disconnected from parallel operation with FPL's system
29 through the operation of Protective Equipment. Following any disconnection of the NASA

1 Generation Facility, resynchronization of the NASA Generation Facility with FPL's electrical
2 system shall only be accomplished pursuant to Section 4.02.03.

3 **Section 4.02.03 - Synchronization:** Other than as a result of receipt of a Commercial/Industrial
4 Load Control ("CILC") signal from FPL, prior to the synchronization of the NASA Generation
5 Facility with FPL's system, including, but not limited to, resynchronization following
6 disconnection of the NASA Generation Facility pursuant to Section 4.02.02, the Parties'
7 Operating Representatives shall confer regarding such synchronization. The synchronization of
8 the NASA Generation Facility shall be accomplished utilizing NASA's synchronization
9 equipment, and in a safe and reliable manner consistent with FPL's practices for its own
10 equipment. Protective Equipment shall be installed by the Parties, at NASA's expense, to
11 prevent inadvertent synchronization of the NASA Generation Facility with FPL's system.

12 13 **ARTICLE V**

14 **OPERATION, MAINTENANCE AND CAPITAL IMPROVEMENTS**

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16 **Section 5.01 - General:** Each Party shall own and be responsible for the operation and maintenance of
17 the Interconnection Facilities on such Party's side of the Point of Change of Ownership in accordance
18 with prudent utility practices.

19 **Section 5.02 - FPL's Interconnection Facilities:** FPL shall own and have the exclusive right to modify,
20 test, operate and maintain the Interconnection Facilities on FPL's side of the Point of Change of
21 Ownership, including the two FPL cabinets referenced in Section 1.01 located on NASA's side of the
22 Point of Change of Ownership. Additionally, FPL shall have the exclusive right to design, engineer,
23 install, construct, own, modify, test, operate and maintain any capital improvements and replacements
24 which FPL reasonably determines are required for the safe and reliable operation of the Interconnection
25 Facilities on FPL's side of the Point of Change of Ownership, including the two FPL cabinets referenced
26 in Section 1.01 located on NASA's side of the Point of Change of Ownership. FPL shall bill NASA for
27 costs incurred pursuant to this Section 5.02 in accordance with Sections 6.02, 6.02.01, 6.02.02, and 7.02
28 of this Agreement. Notwithstanding the above, to the extent that FPL makes any capital improvements
29 to the Interconnection Facilities on FPL's side of the Point of Change of Ownership for purposes other
30 than accommodating or maintaining the interconnection of the NASA Generation Facility with FPL's

1 system, NASA shall not be responsible for costs and expenses incurred by FPL in constructing, operating
2 and maintaining such capital improvements for such other purposes.

3 **Section 5.03 - NASA Facilities:** NASA shall own, operate and maintain the NASA Facilities.
4 Additionally, NASA shall design, engineer, install, construct, own, operate and maintain any capital
5 improvements which NASA reasonably determines are required for the NASA Facilities. NASA shall
6 coordinate such capital improvements with FPL. NASA shall fulfill its obligations under this Section
7 5.03 at its own expense.

8 **Section 5.04 - Changes by NASA:** NASA shall submit to FPL, for FPL's review and approval or
9 disapproval, any proposed change(s) to the NASA Generation Facility when such proposed change(s)
10 could materially affect the electrical output, capability or reliability of the NASA Generation Facility or
11 FPL's system. Change(s) proposed by NASA shall not be made prior to NASA's receipt of FPL's
12 written approval, which shall not be unreasonably withheld. FPL's approval or disapproval shall be
13 provided to NASA as soon as reasonably practicable. NASA shall provide FPL with sufficient project
14 details and adequate advance written notice to allow FPL to properly evaluate the effect of the change(s)
15 on the interconnected operation of the NASA Generation Facility with FPL's system.

16 **Section 5.05 - Parallel Operations and Limitations:**

17 **Section 5.05.01 - Commercial/Industrial Load Control Program:** The Parties understand and
18 agree that upon installation and testing of all equipment generally shown on Exhibit A, the
19 Interconnection Facilities are configured for parallel operation through FPL's C-5 Substation to
20 enable NASA to conform to the terms of, and to participate in, FPL's CILC program.

21 **Section 5.05.02 - Limitation on Duration and Frequency of Certain Parallel Operations:**

22 NASA shall operate each of its seven generators in parallel with FPL's system for periods not
23 to exceed one hour per occurrence, a maximum of twelve times a year, for the purposes of
24 exercising each generator in parallel with FPL's system during periods of emergency conditions,
25 for testing and/or periodic maintenance to ensure the reliability of the NASA Generation Facility
26 and the NASA Facilities. In addition, NASA shall operate its generators as required by FPL's
27 CILC tariff. NASA shall provide to the FPL Operating Representative a schedule indicating
28 those periods during which each of NASA's seven generators may operate in parallel with FPL's
29 system for testing and/or maintenance purposes. Such schedule shall be provided annually and
30 may be subsequently revised prior to NASA's exercising each generator in parallel with FPL's

1 system for purposes of testing and/or maintenance during a period not indicated in the schedule
2 in effect at that time. In case of any such revision, NASA shall notify FPL at least seventy-two
3 hours prior to exercising each generator in parallel.

4 **Section 5.06 - Harmonics:** NASA shall take whatever measures are necessary to maintain the harmonic
5 distortion levels to those which are recommended by IEEE Standard 519. The harmonics quantity shall
6 be measured at the Point of Change of Ownership.

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8 **ARTICLE VI**
9 **COST RESPONSIBILITIES**
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11 **Section 6.01 - NASA's Cost Responsibilities for Design and Construction:** NASA, pursuant to
12 applicable state laws and regulations regarding, but not limited to, contribution in aid of construction and
13 interconnections, shall be responsible for, and hereby agrees to reimburse FPL for, FPL's reasonably
14 incurred costs and expenses, subject to the not to exceed conditions stated in this Section 6.01, in
15 performing its obligations under this Agreement, including, but not limited to:

- 16 (a) All direct and indirect costs of land, other property rights, labor, material, services and
17 studies incurred by FPL in connection with the ownership, design, and construction of
18 the Interconnection Facilities on FPL's side of the Point of Change of Ownership and all
19 other equipment installed by FPL in the performance of its obligations under this
20 Agreement;
- 21 (b) Payroll and other expenses of FPL's employees incurred in connection with FPL's
22 performance of its design and construction obligations under this Agreement, including
23 allowances to reflect the costs of payroll-related taxes, insurance (including that related
24 to Workers' Compensation, Employers' Liability and Unemployment Compensation
25 Insurance), pensions, benefits and overheads; overhead loading rates shall be calculated
26 in accordance with FPL's then-current jobbing procedures, and may include indirect
27 engineering and supervision expenses, and other overhead expenses;
- 28 (c) Costs of labor, services and studies performed for FPL by contractors, jobbers and
29 consultants in connection with FPL's performance of its obligations under this
30 Agreement, including allowances for overheads as provided in item (b) above;

- (d) Costs of materials, supplies, tools, machines, equipment, apparatuses and spare parts incurred in connection with FPL's performance of its obligations under this Agreement, including rental charges, transportation and stores expenses applicable to such costs; and
- (e) All costs imposed upon FPL in connection with FPL's performance of its obligations under this Agreement, including all federal, state and local taxes, impositions or assessments of any character, property taxes and income taxes.

An estimate of the costs and expenses FPL expects to incur for designing, acquiring land and land rights, engineering, modifying, upgrading, installing and constructing the Interconnection Facilities on FPL's side of the Point of Change of Ownership, including the two relay cabinets referenced in Section 1.01 on NASA side of the Point of Change of Ownership, is shown on Exhibit C to this Agreement. In no event shall NASA's obligation to pay FPL for costs and expenses incurred, pursuant to this Agreement, exceed such estimate without prior mutual agreement of both Parties.

Section 6.01.01 - Prior Notification Required: Except as specified in Section 6.01.02, FPL shall provide written notification to NASA for approval prior to incurring capital costs and expenses associated with designing, engineering, modifying, upgrading, installing or constructing Interconnection Facilities on FPL's side of the Point of Change of Ownership, including the two relay cabinets referenced in Section 1.01 on NASA side of the Point of Change of Ownership, which would cause FPL to exceed the total Estimate of Interconnection Costs set forth on Exhibit C.

Section 6.01.02 - Exceptions to Prior Notification Requirement: Costs and expenses incurred by FPL in responding to any emergency event(s), relating to Interconnection Facilities and where verbal or written notification of NASA is not possible, will be subject to notification after the event. Notification of an emergency-related expense will be provided by FPL to NASA by FAX transmission within four business days following the occurrence of an emergency event.

Section 6.02 - NASA's Cost Responsibilities for Operation, Maintenance, and Capital Improvement: NASA, pursuant to applicable state laws and regulation regarding, but not limited to, the operation, maintenance, and capital improvement of interconnection facilities, shall be responsible for, and hereby agrees to reimburse FPL for FPL's reasonably incurred costs and expenses, subject to the not to exceed conditions stated in this Section 6.02, for the operation, maintenance, modification, improvement, or replacement of the Interconnection Facilities on FPL's side of the Point of Change of

1 Ownership, including the two relay cabinets referenced in Section 1.01 on NASA side of the Point of
2 Change of Ownership, including, but not limited to:

3 (a) All direct and indirect costs of land, other property rights, labor, material, services and
4 studies incurred by FPL in connection with the operation, maintenance, modification,
5 improvement, or replacement of the Interconnection Facilities on FPL's side of the Point
6 of Change of Ownership, including the two relay cabinets referenced in Section 1.01 on
7 NASA side of the Point of Change of Ownership, and all other equipment installed by
8 FPL under this Agreement;

9 (b) Payroll and other expenses of FPL's employees incurred in connection with the
10 operation, maintenance, modification, improvement, or replacement of the
11 Interconnection Facilities on FPL's side of the Point of Change of Ownership, including
12 the two relay cabinets referenced in Section 1.01 on NASA side of the Point of Change
13 of Ownership, and all other equipment installed by FPL under this Agreement, including
14 allowances to reflect the costs of payroll-related taxes, insurance (including that related
15 to Workers' Compensation, Employers' Liability and Unemployment Compensation
16 Insurance), pensions, benefits and overheads; overhead loading rates shall be calculated
17 in accordance with FPL's then-current jobbing procedures, and may include indirect
18 engineering and supervision expenses, and other overhead expenses;

19 (c) Costs of labor, services and studies performed for FPL by contractors, jobbers and
20 consultants in connection with the operation, maintenance, modification, improvement,
21 or replacement of the Interconnection Facilities on FPL's side of the Point of Change of
22 Ownership, including the two relay cabinets referenced in Section 1.01 on NASA side
23 of the Point of Change of Ownership, and all other equipment installed by FPL under
24 this Agreement, including allowances for overheads as provided in item (b) above;

25 (d) Costs of materials, supplies, tools, machines, equipment, apparatuses and spare parts
26 incurred in connection with the operation, maintenance, modification, improvement, or
27 replacement of the Interconnection Facilities on FPL's side of the Point of Change of
28 Ownership, including the two relay cabinets referenced in Section 1.01 on NASA side
29 of the Point of Change of Ownership, and all other equipment installed by FPL under

1 this Agreement, including rental charges, transportation and stores expenses applicable
2 to such costs; and

- 3 (e) All costs imposed upon FPL in connection with the operation, maintenance, modification,
4 improvement, or replacement of the Interconnection Facilities on FPL's side of the Point
5 of Change of Ownership, including the two relay cabinets referenced in Section 1.01 on
6 NASA side of the Point of Change of Ownership, and all other equipment installed by
7 FPL under this Agreement, including all federal, state and local taxes, impositions or
8 assessments of any character, property taxes and income taxes.

9 In no event shall FPL exceed the 12 month budget, referenced in Section 7.02 of this Agreement, for
10 the operation, maintenance, modification, improvement, or replacement of the Interconnection Facilities
11 on FPL's side of the Point of Change of Ownership, including the two relay cabinets referenced in
12 Section 1.01 on NASA side of the Point of Change of Ownership, without the prior mutual agreement
13 of both Parties. Costs and expenses related to emergency event(s), as defined in Section 7.02, are not
14 included in the 12 month budget for the operation, maintenance, modification, improvement, or
15 replacement of the Interconnection Facilities on FPL's side of the Point of Change of Ownership,
16 including the two relay cabinets referenced in Section 1.01 on NASA side of the Point of Change of
17 Ownership, and shall be billed separately pursuant to Section 7.02.

18 **Section 6.02.01 - Prior Notification Required:** Except as specified in Section 6.02.02, FPL
19 shall provide written notification to NASA for approval prior to incurring capital costs and
20 expenses associated designing, engineering, installing, constructing, modifying, and maintaining
21 any capital improvements and replacements which would cause FPL to exceed the 12 month
22 budget for the operation and maintenance of the Interconnection Facilities on FPL's side of the
23 Point of Change of Ownership, including the two relay cabinets referenced in Section 1.01 on
24 NASA side of the Point of Change of Ownership, as referenced in Section 7.02 of this
25 Agreement.

26 **Section 6.02.02 - Exceptions to Prior Notification Requirement:** Costs and expenses incurred
27 by FPL in responding to any emergency event(s), relating to Interconnection Facilities and where
28 verbal or written notification of NASA is not possible, will be subject to notification after the
29 event. Notification of an emergency-related expense will be provided by FPL to NASA by FAX
30 transmission within four business days following the occurrence of an emergency event.

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2 **Section 6.03 - FPL's Cost-Related Responsibilities:** FPL shall be responsible for billing NASA for
3 any costs and expenses owed by NASA to FPL pursuant to this Agreement. Additionally, FPL shall not
4 be responsible for costs and expenses incurred by NASA in fulfilling NASA's obligations pursuant to this
5 Agreement.

6 **ARTICLE VII**

7 **BILLING AND PAYMENT**

8 **Section 7.01 - Billing and Payment for FPL Facilities:**

9 **Section 7.01.01 - Initial Payments:** Within thirty days of execution of this Agreement, NASA
10 shall remit to FPL a check for the total preliminary cost estimate as shown on Exhibit C. FPL
11 shall apply these payments against NASA's final billing.

12 **Section 7.01.02 - Final Billing and Payment:** As soon as practicable after FPL closes out its
13 construction project, FPL shall provide NASA an invoice for all actual costs and expenses
14 incurred by FPL for designing, engineering, modifying, upgrading, installing and constructing
15 the Interconnection Facilities on FPL's side of the Point of Change of Ownership, including the
16 two relay cabinets referenced in Section 1.01 on NASA side of the Point of Change of
17 Ownership, pursuant to this Agreement. If the final bill amount for the interconnection costs
18 exceeds the sum of the initial payments received by FPL from NASA pursuant to Section 7.01.01
19 and Exhibit C, FPL will issue an invoice to NASA for the amount of the difference. In no event
20 shall NASA's obligation to pay FPL for costs and expenses incurred by FPL for designing,
21 engineering, modifying, upgrading, installing and constructing FPL's Facilities pursuant to this
22 Agreement exceed the Estimate of Interconnection Costs shown in Exhibit C without the prior
23 mutual consent of both Parties. Such invoice shall be due when rendered and payable on or
24 before the Past Due After Date in immediately available funds, or by other mutually agreeable
25 method of payment. If the bill is not paid in full on or before the Past Due After Date, it shall
26 be deemed delinquent and shall accrue interest thereafter at the Late Payment Interest Rate,
27 prorated for the past due period, until fully paid. If the final bill amount for the interconnection
28 costs is less than the sum of the initial payments received by FPL from NASA pursuant to
29 Section 7.01.01 and Exhibit C, FPL will refund NASA the amount of the difference by check
30 or by other mutually agreeable method of payment.

1
2 **Section 7.02 - Budgeting, Billing and Payment for Operation and Maintenance Expenses:** FPL shall
3 annually provide to NASA a budget for the operation, maintenance, modification, improvement or
4 replacement of the Interconnection Facilities on FPL's side of the Point of Change of Ownership,
5 including the two relay cabinets referenced in Section 1.01 on NASA side of the Point of Change of
6 Ownership. Each such budget shall be provided to NASA by June 1 of the then-current year and cover
7 the 12-month period from October 1 of the then-current year to September 30 of the following year. FPL
8 shall bill NASA a service charge to recover from NASA all costs and expenses incurred by FPL for
9 operation, maintenance, modification, improvement or replacement of the Interconnection Facilities on
10 FPL's side of the Point of Change of Ownership, including the two relay cabinets referenced in Section
11 1.01 on NASA side of the Point of Change of Ownership, pursuant to this Agreement. Such service
12 charge shall be billed quarterly and appear as a separate line item on NASA's monthly electric bill.
13 Charges and expenses resulting from emergency event(s) are not included in the 12 month budget for the
14 operation, maintenance, modification, improvement or replacement of Interconnection Facilities on FPL's
15 side of the Point of Change of Ownership, including the two relay cabinets referenced in Section 1.01
16 on NASA side of the Point of Change of Ownership, and shall be billed, on a quarterly basis, as a
17 separate line item on NASA's monthly electric bill. An emergency event shall be defined as any
18 malfunction or failure of Interconnection Facilities which requires prompt, unscheduled actions, repairs,
19 or equipment change-outs by FPL to ensure the safe and reliable operation of the Interconnection
20 Facilities. FPL shall provide NASA information to support all such quarterly service and emergency
21 charges. Furthermore, FPL shall provide, upon NASA's request, a statement of purpose and necessity
22 regarding any capital improvement to the Interconnection Facilities on FPL's side of the Point of Change
23 of Ownership, including the two relay cabinets referenced in Section 1.01 on NASA side of the Point
24 of Change of Ownership. All such payments shall be due when rendered and payable on or before the
25 Past Due After Date in immediately available funds, or by other mutually agreeable method of payment.
26 Bills not paid on or before the Past Due After Date shall be deemed delinquent and shall accrue interest
27 thereafter at the Late Payment Interest Rate until fully paid.

28 **Section 7.03 - Disputed Bills:** In the event that any portion of any bill is in bona fide dispute, payment
29 of the entire billed amount shall be made when due, but the disputed portion of the bill may be paid under
30 protest. Payments made and designated "Paid under Protest" shall be accompanied by the reason(s) for

1 such protest and, to the extent possible, the amount paid under protest shall be specified. Upon final
2 determination of the correct amount, any refund due NASA resulting from the settlement of the dispute
3 shall be payable to NASA within fifteen days and shall accrue interest at the Late Payment Interest Rate
4 from one day after FPL received such overpayment from NASA, unless the dispute is resolved by a
5 settlement between the Parties which provides otherwise. Pursuant to Section 25-22.032 of the Florida
6 Administrative Code and other applicable state laws, billing disputes between FPL and NASA are under
7 the jurisdiction of the Florida Public Service Commission. If a billing dispute cannot be resolved by
8 mutual agreement of the Parties, NASA and FPL may resolve the billing dispute according to the
9 regulations contained in Section 25-22.032 of the Florida Administrative Code.

10 **Section 7.04 - Disconnection of Facilities:** In the event that NASA (i) fails to pay to FPL any sum
11 when due, or (ii) does not, under Section 6.01, 6.01.01, 6.02, 6.02.01, 7.01.02 or Section 7.02, concur
12 with and approve FPL's proposed action(s), then FPL shall have the right, in addition to all other rights
13 and remedies available to FPL under this Agreement and under applicable law, to take all necessary
14 actions to disconnect the NASA Generation Facility and the NASA Facilities from parallel operation with
15 the FPL system to the extent permitted by law. Pursuant to this Section 7.04, FPL shall give NASA
16 at least thirty (30) days' advance written notice of its intention to take action to disconnect the NASA
17 Generation Facility and the NASA Facilities, and NASA shall have such thirty-day period in which to
18 pay such sum, including accrued interest thereon. FPL shall disconnect the NASA Generation Facility
19 and the NASA Facilities from parallel operation with the FPL system upon termination of this
20 Agreement.

21 **Section 7.05 - Reimbursement of Costs Imposed on FPL:** NASA agrees to reimburse and indemnify
22 and hold FPL harmless and make it whole for any and all local, Florida or federal income tax
23 consequences resulting from FPL's receipt of any sum(s) of money from NASA, or for the construction
24 work performed and facilities conveyed pursuant to this Agreement, whether or not determined to be
25 gross revenue, contribution in aid of construction or otherwise, including, without limiting the generality
26 of the foregoing, additional tax on any sum(s) or facilities received hereunder.

27 **Section 7.06 - Challenges to Bills:** Either Party may challenge the correctness of any bill or billing
28 adjustment pursuant to this Agreement no later than twelve months after the date payment of such bill
29 or billing adjustment is due. If a Party does not challenge the correctness of a bill or billing adjustment
30 within such twelve-month period, such bill or billing adjustment shall be binding upon that Party and shall

1 not be subject to challenge. Any such challenge must be in writing. Where it is determined as a result
2 of any such challenge that an adjustment to a bill or a previous billing adjustment is appropriate, such
3 adjustment shall include interest accrued at the Late Payment Interest Rate for each applicable month
4 from the time the bill was originally rendered until such month as the billing adjustment is made pursuant
5 to this Section 7.06.

6
7 **ARTICLE VIII**
8 **OPERATING REPRESENTATIVES**
9

10 **Section 8.01 - Operating Representatives:** Each Party shall appoint, or cause its designee to appoint,
11 an Operating Representative who shall be the person responsible for the daily operations of that Party,
12 and shall notify, or cause its designee to notify, the other Party of such appointment. Each Party or its
13 designee will also appoint an alternate Operating Representative to act for it in the absence of the primary
14 Operating Representative, and may change such appointment(s) of primary or alternate Operating
15 Representative(s) at any time by similar written notice. The Operating Representatives shall hold
16 meetings at the request of either Party at a time and place agreed by the Parties to review the duties set
17 forth herein or to discuss any other matters within the scope of their authority. The Operating
18 Representatives shall be responsible for effecting such duties as may be required of them, including, but
19 not limited to, start-up and synchronization of the NASA Generation Facility, and any other duties as
20 may be conferred upon them by mutual agreement of FPL and NASA. Each Party shall cooperate in
21 providing to the Operating Representatives all information required in the performance of their duties.
22 All decisions and agreements made by the Operating Representatives shall be evidenced in writing.

23
24 **ARTICLE IX**
25 **INDEMNITY**
26

27 **Section 9.01 - Indemnification:** FPL and NASA shall each be responsible for its own facilities. FPL
28 and NASA shall each be responsible for ensuring adequate safeguards for other FPL customers, FPL and
29 NASA personnel and equipment, and for the protection of its own generating system. FPL and NASA,
30 to the extent permitted by the Federal Tort Claims Act (28 U.C.S. §§1346, 2671 et seq.), shall each

1 indemnify and save the other harmless from any and all claims, demands, costs or expenses for loss,
2 damage or injury to persons or property caused by, arising out of, or resulting from:

- 3 (i) Any act or omission by a Party or that Party's contractors, agents, servants and
4 employees in connection with the installation, operation or maintenance of that Party's
5 generation, transmission and distribution systems, or the operation thereof in connection
6 with the other Party's system;
- 7 (ii) Any defect in, failure of, or fault related to, a Party's generation, transmission and
8 distribution systems;
- 9 (iii) The negligence of a Party or negligence of that Party's contractors, agents, servants and
10 employees; or
- 11 (iv) Any other event or act that is the result of, or proximately caused by, a Party.
- 12

13 Each Party's indemnity - related obligation(s) hereunder shall be limited to \$1,000,000 per occurrence.
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16 **ARTICLE X**
17 **LIMITATION OF LIABILITY**
18

19 **Section 10.01 - Limitation of Liability:** In no event shall either Party be liable (in contract or in tort,
20 including negligence, or otherwise) to the other Party or its suppliers or its subcontractors for indirect,
21 incidental or consequential damages resulting from a Party's performance, non-performance or delay in
22 performance of its obligations under this Agreement.
23
24

25 **ARTICLE XI**
26 **FORCE MAJEURE**
27

28 **Section 11.01 - Force Majeure:** In the event that either Party should be delayed in, or prevented from,
29 performing or carrying out any of the agreements, covenants and obligations to interconnect the NASA
30 Generation Facility with FPL's system made by, or imposed by this Agreement upon, said Party, by

reason of or through any cause reasonably beyond its control (not attributable to its or its contractors' or suppliers' neglect or lack of due diligence), including, but not limited to, strikes, lockouts or other labor disputes or difficulties, riot, fire, flood, ice, invasion, civil war, hurricanes, insurrection, military or usurped power, action or inaction of any civil or military authority (including courts and governmental or administrative agencies), explosion, act of God or public enemies, then, in each such case or cases, the Party who is unable to perform shall not be liable to the other Party for, or on account of, any loss, damage, injury or expense (including consequential damages and cost of replacement power) resulting from or arising out of any such delay or prevention from performing; provided, however, the Party suffering any such delay or prevention shall use due and, in its judgment, practicable diligence to remove the cause(s) thereof; and provided, further, neither Party shall be required by the foregoing provisions to settle a strike, lockout or other labor dispute affecting it except when, according to its own best judgment, such a settlement seems advisable. Events of Force Majeure affecting NASA shall not excuse NASA from its obligations under Article IX, or to make payment for any charges payable pursuant to this Agreement. A Party experiencing an event of Force Majeure shall notify the other Party thereof as soon as practicable.

ARTICLE XII

MISCELLANEOUS

Section 12.01 - Default: If either Party shall default in any of its material obligations under this Agreement and such Party fails to cure the default within thirty days after receipt of notice thereof is given in writing by the other Party, the Party not in default may terminate this Agreement by written notice thereof to the Party in default, effective thirty days after such notice of termination is given. If such default is remedied during the thirty-day period following notice of termination, this Agreement shall not be terminated due to such default; provided, however, if it is not feasible to correct such default within thirty days after written notice of such default has been delivered to the defaulting Party by the other, but it is and remains feasible to correct such default within one year after such notice, it shall not constitute grounds for termination hereunder until the earliest feasible date within such one-year period when a cure could be effected so long as (i) corrective action by the defaulting Party is instituted within ten days of the date of such notice, (ii) such corrective action is diligently pursued, (iii) the defaulting

1 Party provides to the other Party monthly written reports as to the nature and progress of such corrective
2 action, and (iv) such default is cured by the earliest feasible date within such one-year period.

3 **Section 12.02 - Responsibility for the NASA Generation Facility and the NASA Facilities:** In no
4 event shall any FPL statement, representation or lack thereof, either express or implied, relieve NASA
5 of its exclusive responsibility for the NASA Generation Facility and the NASA Facilities. Without
6 limiting the generality of the foregoing, any FPL inspection of the NASA Generation Facility and/or the
7 NASA Facilities shall not be construed as confirming or endorsing its (their) design or its (their)
8 operating or maintenance procedures, nor as a warranty or guarantee as to the safety, reliability or
9 durability of either the NASA Generation Facility equipment or the NASA Facilities. FPL's inspection,
10 acceptance or its failure to inspect shall not be deemed an endorsement of any equipment or procedure
11 related to the NASA Generation Facility or the NASA Facilities, nor shall such inspection, acceptance
12 or failure to inspect affect NASA's liability to FPL for damages suffered by FPL or otherwise
13 recoverable by FPL.

14 **Section 12.03 - Waivers:** Any waiver at any time by either Party hereto of its rights with respect to the
15 other Party, or with respect to any matter arising in connection with this Agreement, shall not be
16 considered a waiver with respect to any subsequent default or matter.

17 **Section 12.04 - Successors and Assigns:** This Agreement shall inure to the benefit of, and shall be
18 binding upon, the Parties hereto and their respective successors and assigns; provided, however, this
19 Agreement shall not be assignable or transferable in whole or in part by either Party without the written
20 consent of the other Party, which consent(s) shall not be unreasonably withheld, except that such written
21 consent(s) shall not be required (i) in the case of an assignment or transfer to a successor in the operation
22 of the assignor's or transferor's properties by reason of a merger, consolidation, sale or foreclosure,
23 where substantially all such properties are acquired by such successor, or (ii) in the case of an assignment
24 or transfer of all or part of the assignor's or transferor's properties or interests to a wholly-owned
25 subsidiary of the assignor or transferor or to another company in the same holding company as the
26 assignor or transferor.

27 **Section 12.05 - Effect of Section Headings:** Article and Section headings appearing in this Agreement
28 are inserted for convenience of reference only and shall in no way be construed to be interpretations of
29 the text of this Agreement.

Section 12.06 - Exhibits: As used throughout this Agreement, the term "Agreement" shall include any and all Exhibits hereto, as such Exhibits may be amended from time to time.

Section 12.07 - Relationship of the Parties: Nothing contained in this Agreement shall be construed to create an association, joint venture, partnership or any other type of business entity between or among FPL, NASA and/or any other party.

Section 12.08 - No Dedication of the System: Any undertaking by either Party to the other Party under any provision(s) of this Agreement shall not constitute the dedication of the system, or any portion thereof, of either Party to the public or to the other Party, and it is understood and agreed that any such undertaking by either of the Parties shall cease upon termination of this Agreement.

Section 12.09 - Notices: Any notice contemplated by this Agreement shall be made in writing and shall be delivered either in person, by prepaid telegram, by telex or facsimile transmission, by deposit in the United States mail, first class, postage prepaid, or by prepaid overnight courier, as specified below:

In the case of FPL:

Florida Power & Light Company
Attention: Manager, Transmission Services
9250 West Flagler Street
Miami, Florida 33174

In the case of NASA:

National Aeronautics and Space Administration
Attention: Contracting Officer / OP
John F. Kennedy Space Center, FL 32899

Other person(s) may be designated by FPL or NASA. Any Party's designation of the person(s) to be notified or the address(es) of such person(s) may be changed by such Party at any time, or from time to time, by similar notice.

Section 12.10 - Complete Agreement: This Agreement is intended as the exclusive, integrated statement of the agreement between the Parties. This Agreement shall not be amended or modified, and no waiver of any provision hereof shall be effective, unless set forth in a written instrument executed by the Parties.

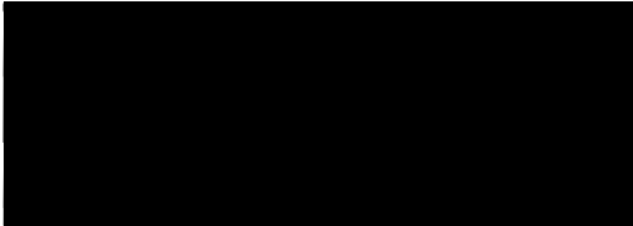
3 (The next page is the signature page)

1 IN WITNESS WHEREOF, FPL and NASA have caused this Agreement to be executed by
2 their respective duly authorized representatives, effective as of the date and year first above stated.
3

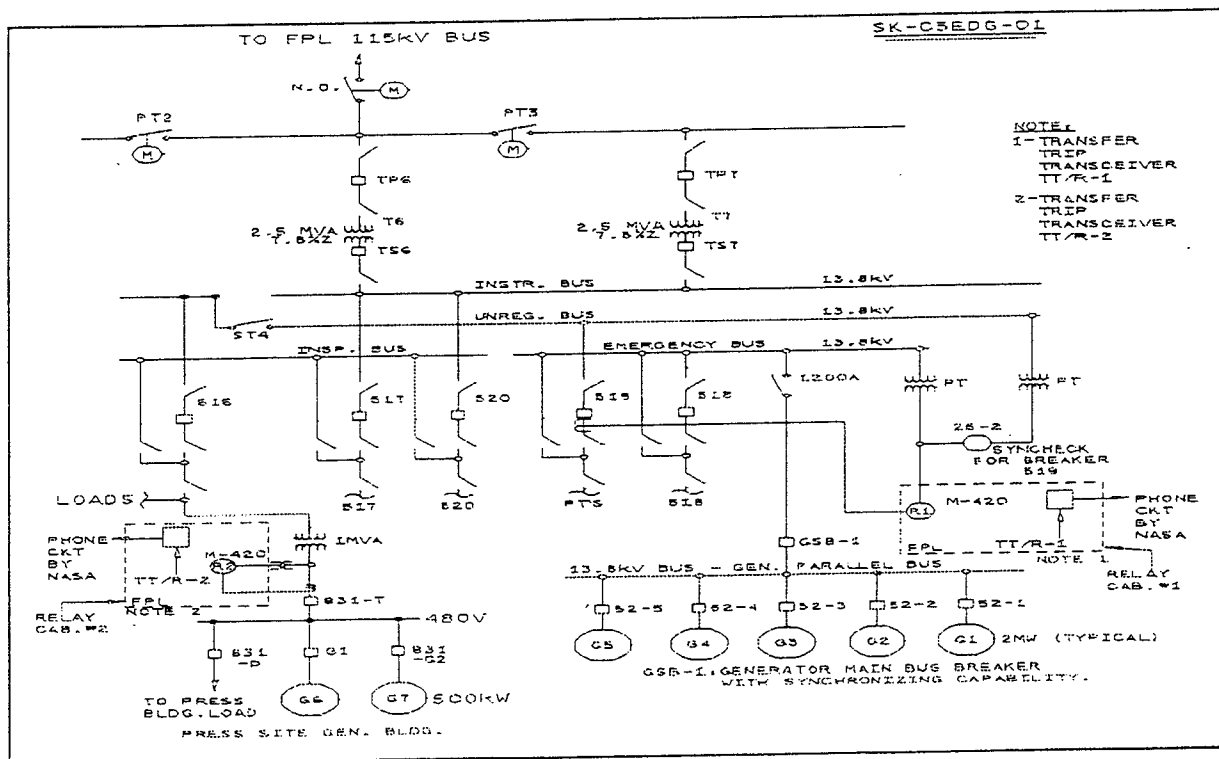
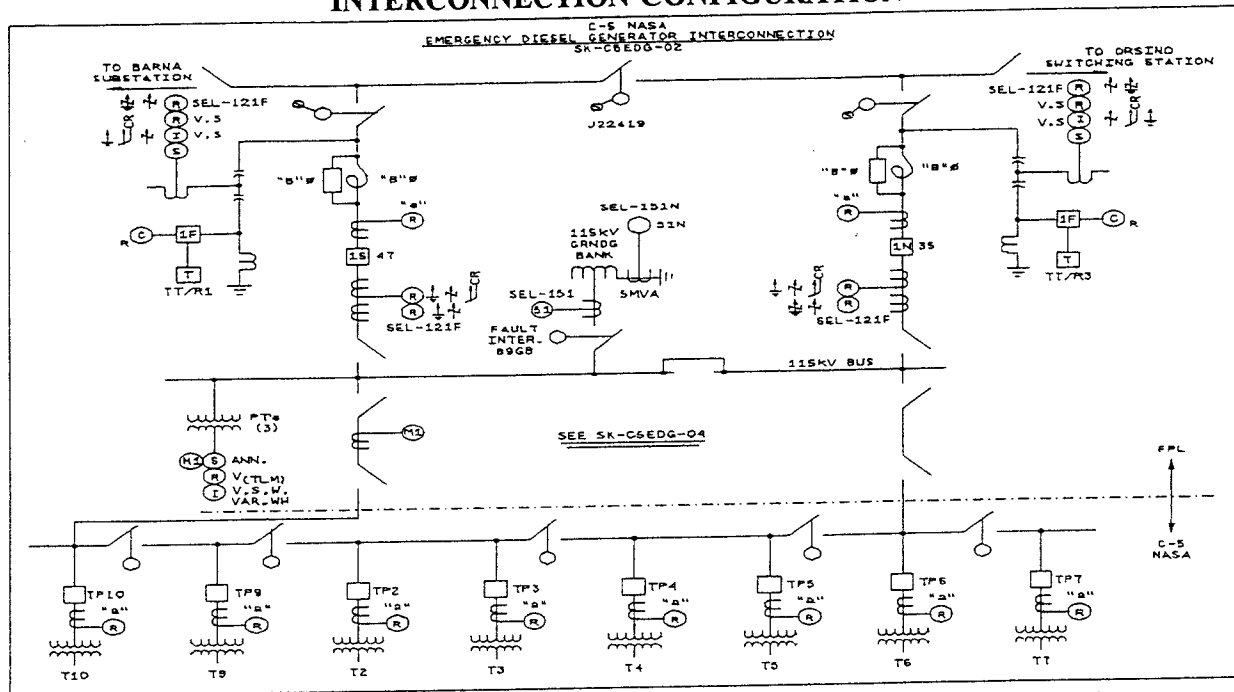
4 **FLORIDA POWER & LIGHT COMPANY**

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17 **NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

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21 By: 
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INTERCONNECTION AGREEMENT BETWEEN FLORIDA POWER & LIGHT COMPANY AND NASA EXHIBIT A INTERCONNECTION CONFIGURATION



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**INTERCONNECTION AGREEMENT
BETWEEN
FLORIDA POWER & LIGHT COMPANY
AND THE
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

**EXHIBIT B
INTERCONNECTION FACILITIES TO BE PROVIDED BY FPL**

Following are the major equipment and components of the Interconnection Facilities:

To be located at C-5:

- One 115 kV grounding bank with a 115 kV fault interrupter switch
- One relay panel containing two power line carrier transfer trip receivers and associated tuning units
- One relay panel containing two zone distance Schweitzer type SEL-121F relays and auxiliary relays
- One phase time over current relay SEL-151 (grounding bank) and one neutral time over current relay SEL-151N (grounding bank)
- One back-up interconnection protection relay containing a Beckwith Relay M-0420 and auxiliary relays

To be located at Barna Substation:

- One relay panel containing one power line carrier transfer trip transmitter and associated tuning unit

To be located at Orsino Substation:

- One relay panel containing one power line carrier transfer trip transmitter and associated tuning unit
- One power line carrier transfer trip receiver and associated tuning units

To be located at Cape Canaveral Substation:

- One relay panel containing one power line carrier transfer trip transmitter and associated tuning unit

To be located at NASA's C-5 Emergency Generation Plant Site:

- One interconnection relay cabinet containing a Beckwith Relay M-0420, a transceiver, and auxiliary relays

To be located at NASA's Press Building Emergency Generation Site:

- One interconnection relay cabinet containing a Beckwith Relay M-0420, a transceiver, and auxiliary relays (Note: NASA to provide a dedicated phone circuit from the C-5 Emergency Generation Plant Site to the Press Building Emergency Generator Site)

1 INTERCONNECTION AGREEMENT
2 BETWEEN
3 FLORIDA POWER & LIGHT COMPANY
4 AND THE
5 NATIONAL AERONAUTICS AND SPACE ADMINISTRATION
6

7
8 EXHIBIT C
9

10 ESTIMATE OF INTERCONNECTION COSTS
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13 The estimate of the costs and expenses FPL expects to incur for designing, engineering, modifying,
14 upgrading, installing and constructing the Interconnection Facilities pursuant to this Agreement is
15 approximately \$ 753,000.
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