DUKE ENERGY®

Crystal River Nuclear Plant
15760 W. Power Line Street
Crystal River, FL 34428

Docket 50-302
Operating License No. DPR-72

10 CFR 50.80
10 CFR 50.90

July 28, 2015
3F0715-03

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555-0001

Subject: Crystal River Unit 3 – Application for Order Approving Transfer of License and for Conforming License Amendment Pursuant to 10 CFR 50.80 and 10 CFR 50.90

Dear Sir:

In accordance with 10 CFR 50.80, Duke Energy Florida, Inc. (DEF) hereby submits a request for NRC consent to the transfer to DEF of interest in Facility License DPR-72 held by Seminole Electric Cooperative, Inc. minority co-owner in Crystal River Unit 3 (CR-3). The transfer of ownership will take place pursuant to the Settlement, Release and Acquisition Agreement, dated April, 30, 2015, wherein DEF will purchase the 1.6994% combined ownership share in CR-3 held by this minority co-owner, leaving DEF as the sole remaining licensee for CR-3.

Pursuant to 10 CFR 50.90, DEF also requests NRC approval of an administrative amendment to the CR-3 Facility License to reflect the transfer, to be issued and made effective at the time the transfer occurs. DEF will notify the NRC when the closing of the Acquisition and transfer will occur.

As described in the enclosed application, DEF will continue to be an electric utility as defined by NRC regulations, and regulated by the Federal Energy Regulatory Commission and the Florida Public Service Commission. DEF will remain subject to cost-of-service ratemaking. DEF will also continue to be responsible for the safe decommissioning of the nuclear unit. No physical changes to the unit will be made as a result of the license transfer. Nor will any substantive changes to unit management or operating procedures be made as a result of the license transfer.

The information requirements specified in 10 CFR 50.80, Facility License page changes, and specifics of the transfer are included in the attachments to this letter. This information demonstrates that the purchase of the ownership interest held by Seminole Electric Cooperative, Inc. minority co-owner in CR-3 by DEF, and the related license transfer, will not (1) adversely impact the operation of CR-3; (2) adversely impact the managerial or technical qualifications of the operating licensee; (3) adversely impact the financial qualifications of the licensee or the existing assurance of adequate funding for decommissioning of the plant and irradiated fuel management; or (4) result in foreign ownership, control or domination over the licensee.

The requested conforming license amendment is administrative in nature and falls within the NRC's generic finding of no significant hazards considerations under 10 CFR 2.1315(a). The

ADD1
NRR

approval of the transfer and associated conforming license amendment are also categorically excluded from environmental review under 10 CFR 51.22(c)(21).

CR-3 hereby provides the following insurance information to supplement the request for transfer of license and conforming license amendment pursuant to 10 CFR 50.80 and 10 CFR 50.90:

Offsite Price-Anderson Act Nuclear Liability Coverage

In compliance with 10 CFR 140.11(a)(4) for CR-3 nuclear liability obligations, the following CR-3 American Nuclear Insurers (ANI) Nuclear Energy Liability Insurance policies and certificates will be amended effective upon the ownership transfer to remove the minority co-owner Seminole Electric Cooperative, Inc., as Additional Named Insured:

- Facility Form (NF-0195)
- Worker Form (NW-0579)
- Secondary Financial Protection (N-0035)

Since October 2013, DEF has paid 98.3% of the premiums associated with these policies. Once the license and ownership transfer occurs, DEF will pay 100% of the premiums for these indemnity insurance policies.

Onsite Property Damage and Decontamination Coverage

In compliance with 10 CFR 50.54(w)(1), for nuclear property decontamination obligations for CR-3, the following CR-3 Nuclear Electric Insurance Limited (NEIL) Primary Property and Decontamination Liability policy will be amended effective upon the ownership transfer to remove the minority co-owner Seminole Electric Cooperative, Inc. as an Insured:

- Primary Property and Decontamination Liability policy (P15-081)

In accordance with 10 CFR 50.54(w)(1), DEF carries an onsite property damage and decontamination policy for the amount of $1.06 billion through NEIL.

Since October 2013, DEF has paid 98.3% of the premiums associated with this policy. Once the license and ownership transfer occurs, DEF will pay 100% of the premium for this indemnity insurance policy.

10 CFR 140.92, Appendix B Form of indemnity agreement with licensees furnishing insurance policies as proof of financial protection

DEF has reviewed the indemnity agreement form and determined that it will need to be modified to reflect that DEF is the remaining CR-3 license holder.

There are no new regulatory commitments made within this submittal.

DEF requests that the license transfer order and conforming license amendment be issued by August 1, 2016.

If you have any questions regarding this submittal, please contact Mr. Phil Rose, Lead Engineer, Nuclear Regulatory Affairs, at (352) 563-4883.

I declare under penalty of perjury that the foregoing is true and correct. Executed on July 28, 2015.

Sincerely,

Ronald R. Reising, Senior Vice President
Operations Support

RRR/faw

Attachments:

A. Request for Order Consenting to Transfer of License from Seminole Electric Cooperative, Inc. Minority Co-Owner and Conforming License Amendment; Information Concerning the Proposed Transfer Pursuant to 10 CFR 50.80
B. No Significant Hazards Consideration and Environmental Assessment
C. Facility Operating License Strikeout Pages
D. Facility Operating License Revision Bar Pages
E. Settlement, Release and Acquisition Agreement
F. Decommissioning Trust Agreement

xc: NRR Project Manager
Regional Administrator, Region I
State Contact

DUKE ENERGY FLORIDA, INC.

DOCKET NUMBER 50 - 302 / LICENSE NUMBER DPR - 72

ATTACHMENT A

REQUEST FOR ORDER CONSENTING TO TRANSFER OF LICENSE FROM SEMINOLE ELECTRIC COOPERATIVE, INC. MINORITY CO-OWNER AND CONFORMING LICENSE AMENDMENT; INFORMATION CONCERNING THE PROPOSED TRANSFER PURSUANT TO 10 CFR 50.80

REQUEST FOR ORDER CONSENTING TO TRANSFER OF LICENSE FROM SEMINOLE ELECTRIC COOPERATIVE, INC. MINORITY CO-OWNER AND CONFORMING LICENSE AMENDMENT; INFORMATION CONCERNING THE PROPOSED TRANSFER PURSUANT TO 10 CFR 50.80

Contents

I. Background and Request

Duke Energy Florida, Inc. (DEF) is a Florida public utility that provides electric service to approximately 1.7 million residential, commercial, and industrial consumers throughout the State of Florida. DEF currently holds a 98.3006% ownership interest in the permanently shutdown Crystal River Unit 3 (CR-3). One other co-owner, Seminole Electric Cooperative, Inc., holds the remaining ownership interest at 1.6994%. Reflecting the joint ownership, NRC Facility License DPR-72 licenses DEF and this minority co-owner to possess CR-3, and also licenses DEF to use and operate (in this context, to maintain and decommission) the facility.[1] DEF will hold the sole interest (100%) in CR-3 after the license transfer.

CR-3 has been shutdown since September 26, 2009. On February 5, 2013, DEF announced that CR-3 would be retired. DEF notified the Nuclear Regulatory Commission (NRC) on February 20, 2013 of the permanent cessation of power operations and that CR-3 had removed all fuel from the reactor (Reference 3). By letter dated March 13, 2013, the NRC acknowledged CR-3's certification of permanent cessation of power operation and permanent removal of fuel from the reactor vessel (Reference 4). Accordingly, pursuant to 10 CFR 50.82(a)(2), the 10 CFR Part 50 license for CR-3 no longer authorizes operation of the reactor or emplacement or retention of fuel in the reactor vessel.

In furtherance of the transaction described below, DEF requests pursuant to 10 CFR 50.80 that the NRC issue an order consenting to the transfer to DEF of the license held under DPR-72 by Seminole Electric Cooperative, Inc., leaving DEF as the sole licensee for CR-3. Such order should be made immediately effective upon issuance and should permit the license transfer at any time for one year following NRC approval. DEF also requests approval of a conforming administrative license amendment. This amendment would be issued and made effective when the transfer is consummated, upon closing of the transaction. DEF will notify the NRC when the closing of the Acquisition Agreement and transfer will occur.

II. Statement of Purpose of the Transfer and Nature of the Transaction Making the Transfer Necessary or Desirable

Through negotiations, DEF, and Seminole Electric Cooperative, Inc. have reached an agreement that provides for transfer of the 1.6994% interest in CR-3 to DEF in exchange for DEF assuming responsibility for future liabilities, including decommissioning, and transference of payments ("Settlement, Release, and Acquisition Agreement" or "Acquisition Agreement"). Pursuant to the Acquisition Agreement, the decommissioning fund for this co-owner will be transferred to DEF upon closing. A copy of the Acquisition Agreement is appended hereto as Attachment E. Upon completion of this transaction, DEF will hold a 100% interest in CR-3.

III. Summary of the Impact of the Proposed Transfer on DEF and CR-3

[1] The licenses of former minority co-owners Sebring Utilities and the City of Tallahassee were transferred by License Amendments Nos. 140 and No. 189, respectively (References 1 and 2). The licenses of co-owners City of Alachua, City of Bushnell, City of Gainesville, City of Kissimmee, City of Leesburg, City of Ocala, Orlando Utilities Commission and City of Orlando, and City of New Smyrna Beach and Utilities Commission/City of New Smyrna Beach were approved to be transferred to DEF by NRC letter dated May 29, 2015, "Crystal River Unit 3 Nuclear Generating Plant – Order Approving the Transfer of License and Conforming Amendment (TAC No. MF5210)" ADAMS Accession No. ML15121A570.

The proposed transfer will have no effect on the management, technical, or financial qualifications of DEF or the management or operation of CR-3. Following the transfer:

1) There is no change in the officers or directors of DEF, or in the CR-3 nuclear organization or management, associated with the added acquired interests.

2) DEF's interest in CR-3 will increase by 1.6994% from 98.3006% to 100%.

3) DEF will continue to be the operator of CR-3 in accordance with the terms and conditions of the CR-3 Facility License No. DPR-72.

4) DEF will continue to be an "electric utility" within the meaning of 10 CFR 50.2, subject to regulation by the Florida Public Service Commission (FPSC) and the Federal Energy Regulatory Commission (FERC). There will be no change in DEF's source of funds or ability to obtain additional rate-recovery to support the decommissioning of CR-3 or irradiated fuel management for the existing 98.3006% interest in the permanently shutdown facility, if needed.

5) While DEF would not expect to be able to obtain additional rate recovery relating to the 1.6994% interest in CR-3 that it is acquiring, the acquired decommissioning funds described below are sufficient to meet the comparable percentage of decommissioning costs in the site-specific cost estimate through the prepayment method, and also to fund the comparable percentage of estimated spent fuel management costs (other than certain ISFSI capital costs that are being funded separately). Further, DEF has ample resources to make further contributions if the level of funding requires adjustment in the future, and the 1.6994% portion of any increase is not recoverable through rates.

IV. Required Regulatory Approvals

There are no other regulatory approvals required in connection with the proposed transfer of the minority co-owner interest in CR-3.

V. General Information Concerning Licensees

General information concerning DEF is set forth below:

1) Name of Company

   Duke Energy Florida, Inc.

2) Address of Company

   299 First Avenue North
   St. Petersburg, Florida 33701

3) Description of Business of Company

   DEF is a Florida public utility that provides electric service to approximately 1.7 million residential, commercial, and industrial customers throughout the State of Florida. DEF is engaged in the business of generating, transmitting, distributing and selling electric power and energy. It is a public utility under the laws of Florida and subject to the jurisdiction of the FPSC.

4) Organization and Management of the Company

DEF is a Florida corporation and an indirect wholly owned subsidiary of Duke Energy Corporation, (a Delaware corporation). The names, titles and addresses of the Principal Senior Officers of DEF and Duke Energy and those of the Directors of Duke Energy, all of whom are citizens of the United States, are set forth below:

Principal Officers of Duke Energy Florida, Inc.

NAME / OFFICE	NUMBER AND STREET	CITY, STATE AND ZIP CODE
R. Alexander Glenn President	299 First Avenue North	St. Petersburg, FL 33701
Lynn J. Good Chief Executive Officer	299 First Avenue North	St. Petersburg, FL 33701
Dhiaa M. Jamil Executive Vice President and President, Generation and Transmission	299 First Avenue North	St. Petersburg, FL 33701
Julia S. Janson Executive Vice President, Chief Legal Officer, and Corporate Secretary	299 First Avenue North	St. Petersburg, FL 33701
Gregory C. Wolf Executive Vice President and President, Commercial Portfolio	299 First Avenue North	St. Petersburg, FL 33701
A. R. Mullinax Executive Vice President, Strategic Services	299 First Avenue North	St. Petersburg, FL 33701
Douglas F Esamann Executive Vice President and President, Midwest and Florida Regions	299 First Avenue North	St. Petersburg, FL 33701
Jennifer L. Weber Executive Vice President, External Affairs and Strategic Policy	299 First Avenue North	St. Petersburg, FL 33701
Lloyd M. Yates Executive Vice President, Market Solutions and President, Carolinas Region	299 First Avenue North	St. Petersburg, FL 33701
Steven K. Young Executive Vice President and Chief Financial Officer	299 First Avenue North	St. Petersburg, FL 33701
Melissa H. Anderson Senior Vice President and Chief Human Resources Officer	299 First Avenue North	St. Petersburg, FL 33701

Principal Officers of Duke Energy Corporation

NAME / OFFICE	NUMBER AND STREET	CITY, STATE AND ZIP CODE
Lynn J. Good Vice Chairman, President and Chief Executive Officer	550 South Tryon Street	Charlotte, NC 28202
Dhiaa M. Jamil Executive Vice President and President, Generation and Transmission	550 South Tryon Street	Charlotte, NC 28202
Julie S. Janson Executive Vice President, Chief Legal Officer, and Corporate Secretary	550 South Tryon Street	Charlotte, NC 28202
Gregory C. Wolf Executive Vice President and President, Commercial Portfolio	550 South Tryon Street	Charlotte, NC 28202
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Steven K. Young Executive Vice President and Chief Financial Officer	550 South Tryon Street	Charlotte, NC 28202
Melissa H. Anderson Senior Vice President and Chief Human Resources Officer	550 South Tryon Street	Charlotte, NC 28202

Directors of Duke Energy Corporation

NAME / OFFICE	NUMBER AND STREET	CITY, STATE AND ZIP CODE
Ann Maynard Gray Chairman of the Board	550 South Tryon Street	Charlotte, NC 28202
Michael G. Browning Director	550 South Tryon Street	Charlotte, NC 28202
Harris E. DeLoach, Jr. Director	550 South Tryon Street	Charlotte, NC 28202
Daniel R. DiMicco Director	550 South Tryon Street	Charlotte, NC 28202
John H. Forsgren Director	550 South Tryon Street	Charlotte, NC 28202
Lynn J. Good Vice Chairman	550 South Tryon Street	Charlotte, NC 28202
James H. Hance, Jr. Director	550 South Tryon Street	Charlotte, NC 28202
John T. Herron Director	550 South Tryon Street	Charlotte, NC 28202
James B. Hyler, Jr. Director	550 South Tryon Street	Charlotte, NC 28202
William E. Kennard Director	550 South Tryon Street	Charlotte, NC 28202
E. Marie McKee Director	550 South Tryon Street	Charlotte, NC 28202
Richard A. Meserve Director	550 South Tryon Street	Charlotte, NC 28202
James T. Rhodes Director	550 South Tryon Street	Charlotte, NC 28202
Carlos A. Saladrigas Director	550 South Tryon Street	Charlotte, NC 28202

5) No Foreign Ownership or Control

DEF is not owned, controlled or dominated by an alien, foreign corporation, or foreign government.

6) No Agency

DEF is not acting as the agent or representative of any person or entity, other than the co-owner in seeking NRC consent to the transfer.

VI. Decommissioning and Irradiated Fuel Management Funding for CR-3

As stated earlier, at closing of the acquisition, the decommissioning funds for the selling co-owner Seminole Electric Cooperative, Inc. will be transferred to DEF. DEF will then deposit this fund in its existing non-qualified decommissioning trust for CR-3. The decommissioning trust agreement for DEF's non-qualified trust is provided as Attachment F.

By letter dated December 2, 2013, DEF submitted a Post-Shutdown Decommissioning Activities Report (PSDAR) that contains a site-specific Decommissioning Cost Estimate (DCE), including the projected cost of irradiated fuel management (Reference 5). The PSDAR is based on a SAFSTOR decommissioning alternative that is completed over a 60-year period. In Reference 6, DEF, on behalf of itself and the CR-3 co-owners, submitted an updated Irradiated Fuel Management Program, pursuant to 10 CFR 50.54(bb), reflecting intended reliance on the CR-3 decommissioning trust funds (DTFs) as an element of the financial assurance for spent fuel management, with the exception of certain independent spent fuel storage installation (ISFSI) capital costs that are being funded separately.

As reflected in the March 31, 2015 financial status report (Reference 8), the full-fund balance for each of the co-owners as of December 31, 2014 was:

City of Alachua:	$638,547
City of Bushnell:	$316,559
City of Gainesville:	$11,237,699
City of Kissimmee:	$6,048,608
City of Leesburg:	$6,598,843
City of New Smyrna Beach and Utilities Commission:	$4,280,479
City of Ocala:	$10,632,074
Orlando Utilities Commission and City of Orlando:	$13,546,920
Seminole Electric Cooperative, Inc.	$13,995,048

By letter dated November 7, 2014 (Reference 9), DEF submitted a request to transfer ownership of eight of the minority co-owners to DEF. By letter dated May 29, 2015 (Reference 10), the NRC granted transference of the ownership interests of eight of the minority co-owners to DEF.

By letter dated March 28, 2014 (Reference 7), DEF submitted a request from exemptions from 10 CFR 50.82(a)(8)(i)(A) and 10 CFR 50.75(h)(2) to allow the CR-3 DTFs to be used for irradiated fuel management and site restoration activities, as identified in the CR-3 PSDAR.

Both the Attachment to that submittal, and the March 31, 2015 financial status report (Reference 8), provide a financial analysis demonstrating that the CR-3 DTFs (those of DEF and the minority co-owners, including Seminole Electric Cooperative, Inc. now selling its interest to DEF) are sufficient to cover not only all costs for decommissioning CR-3, but also spent fuel management costs (other than Independent Spent Fuel Storage Installation capital costs that are being funded separately) and site restoration costs. The financial analysis in Reference 8 indicates that a surplus of approximately $455 million will be available in CR-3 DTFs at the end of 2074.

The full fund balances that will be transferred to DEF upon closing will differ from the amounts reported in the March 31, 2015 financial status report (Reference 8). The differences will reflect earnings since December 31, 2014, and withdrawals since that date for payments of ordinary administrative expenses (including taxes and other incidental expenses), as permitted by 10 CFR 50.75(h)(2). These differences are not expected to materially affect the financial analysis supporting DEF's exemption request, as that analysis assumes projected earnings and withdrawals, and projects a surplus. In summary, the transfer of the selling co-owner's interest accompanied by the transfer of its existing decommissioning funds should not affect the assurance of funding for either decommissioning or spent fuel management.

VII. Financial Qualifications

DEF is an electric utility and will remain able to obtain rate recovery for any additional rate recovery that may be needed pertaining to DEF's existing 98.3006% interest in CR-3. With respect to the 1.6994% interest in the permanently shutdown CR-3 that is being transferred, the only remaining expenses of NRC regulatory concern are those related to decommissioning and spent fuel management, which are adequately funded as discussed above.

VIII. Technical Qualifications

The proposed license transfer will not result in any change in the design or operation of CR-3, any change in the technical aspects of the CR-3 Facility License or Technical Specifications. The license transfer will not change the technical qualifications of personnel involved in the maintenance and decommissioning of the facility. The personnel at CR-3 having control over licensed activities will not change as a result of the transfer. There will also be no other changes in the management or operation of CR-3 or DEF as a result of the license transfer.

IX. Access to Restricted Data

The proposed transfer does not contain any Restricted Data or classified National Security Information or any change in access to Restricted Data or classified National Security Information. CR-3s existing restrictions on access to Restricted Data and classified National Security Information will be unaffected by the proposed transfer.

X. References

1. NRC to CR-3 letter, "Crystal River Unit 3 - Issuance of Amendment Re: Deletion of Sebring Utilities Commission," dated March 18, 1992. (ADAMS Accession No. ML020700173)

2. NRC to CR-3 letter, "Crystal River Unit 3 –Conforming Amendment Reflecting Transfer of License to the Extent Held by the City of Tallahassee to Florida Power Corporation." dated October 1, 1999. (ADAMS Accession No. ML020670189)

3. CR-3 to NRC letter, "Crystal River Unit 3 – Certification of Permanent Cessation of Power Operations and that Fuel Has Been Permanently Removed from the Reactor," dated February 20, 2013. (ADAMS Accession No. ML13056A005)

4. NRC to CR-3 letter, "Crystal River Unit 3 Nuclear Generating Plant Certification of Permanent Cessation of Operation and Permanent Removal of Fuel from the Reactor," dated March 13, 2013. (ADAMS Accession No. ML13058A380)

5. CR-3 to NRC letter, "Crystal River Unit 3 – Post-Shutdown Decommissioning Activities Report," dated December 2, 2013. (ADAMS Accession No. ML13340A009)

6. CR-3 to NRC letter, "Crystal River Unit 3 – Update to Irradiated Fuel Management Program Pursuant to 10 CFR 50.54(bb)," dated December 3, 2013. (ADAMS Accession No. ML13340A008)

7. CR-3 to NRC letter, "Crystal River Unit 3 – Request for Exemptions from 10 CFR 50.82(a)(8)(i)(A) and 10 CFR 50.75(h)(2)," dated March 28, 2014. (ADAMS Accession No. ML14098A037)

8. CR-3 to NRC letter, "Crystal River Unit 3 – Annual Decommissioning and Irradiated Fuel Management Financial Status Report for 2014," dated March 31, 2015. (ADAMS Accession No. ML15092A113)

9. CR-3 to NRC letter, Crystal River Unit 3 – Application for Order Approving Transfer of License and for Conforming License Amendment Pursuant to 10 CFR 50.80 and 10 CFR 50.90, dated November 7, 2014. (ADAMS Accession No. ML14321A450)

10. NRC to CR-3 letter, Crystal River Unit 3 Nuclear Generating Plant – Order Approving the Transfer of License and Conforming Amendment (TAC No. MF5210), dated May 29, 2015. (ADAMS Accession No. ML15121A570)

DUKE ENERGY FLORIDA, INC.

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ATTACHMENT B

NO SIGNIFICANT HAZARDS CONSIDERATION AND ENVIRONMENTAL ASSESSMENT

Regulatory Analysis

No Significant Hazards Consideration Determination

Pursuant to 10 CFR 50.90, Duke Energy Florida, Inc. (DEF) requests an amendment to Facility License No. DPR-72 for Crystal River Unit 3 (CR-3). The proposed amendment would revise the CR-3 Facility License to approve transfer of Seminole Electric Cooperative, Inc. minority co-owner license for CR-3 to DEF, making DEF the sole licensee for CR-3.

On February 20, 2013, DEF submitted a certification of permanent cessation of power operations pursuant to 10 CFR 50.82(a)(1)(i) (ADAMS Accession No. ML13056A005). By letter dated March 13, 2013, the NRC acknowledged CR-3's certification of permanent cessation of power operation and permanent removal of fuel from the reactor vessel (ADAMS Accession No. ML13058A380). Accordingly, pursuant to 10 CFR 50.82(a)(2), the 10 CFR Part 50 license for CR-3 no longer authorizes power operation of the reactor or emplacement or retention of fuel in the reactor vessel.

DEF has evaluated the proposed amendment to determine if a significant hazards consideration is involved by focusing on the three standards set forth in 10 CFR 50.92, "Issuance of Amendment," as discussed below. This evaluation also supports the generic determination regarding license amendments to reflect license transfer applications stated in 10 CFR 2.1315.

1. Does the proposed amendment involve a significant increase in the probability or consequences of an accident previously evaluated?

Response: No

The proposed changes do not involve a significant increase in the probability of any accident previously evaluated because no accident initiators or assumptions are affected. The proposed license transfer is administrative in nature and has no direct effect on any plant system, plant personnel qualifications, or the operation and maintenance of CR-3.

2. Does the proposed change create the possibility of a new or different kind of accident from any accident previously evaluated?

Response: No

The proposed changes do not create the possibility of a new or different kind of accident from any previously evaluated because no new accident initiators or assumptions are introduced by the proposed changes. The proposed license transfer is administrative in nature and has no direct effect on any plant system, plant personnel qualifications, or operation and maintenance of CR-3.

3. Does the proposed amendment involve a significant reduction in a margin of safety?

Response: No

The proposed changes do not involve a significant reduction in a margin of safety because the proposed changes do not involve changes to the initial conditions contributing to accident severity or consequences, or reduce response or mitigation capabilities. The proposed license transfer is administrative in nature and has no direct effect on any plant system, plant personnel qualifications, or operation and maintenance of CR-3.

Environmental Considerations

This application, and the accompanying administrative license amendments for CR-3 are exempt from environmental review because they fall within the categorical exclusion of 10 CFR 51.22, "Criterion for categorical exclusion; identification of licensing and regulatory actions eligible for categorical exclusion or otherwise not requiring environmental review," paragraph (c)(21). This application does no more than request approval for a direct license transfer and a conforming license amendment for CR-3. Additionally, the proposed license transfer and conforming license amendment does not involve any amendment that would directly affect the operation of the facility in any substantial way. The proposed license transfer and amendment does not involve an increase in the amounts or change the types of any radiological effluents that may be allowed to be released offsite, and do not involve any increase in the amounts or change in the types of any non-radiological effluents that may be released offsite. Further, no increase in the individual or cumulative occupational radiation exposure is involved.

DUKE ENERGY FLORIDA, INC.

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ATTACHMENT C

FACILITY OPERATING LICENSE STRIKEOUT PAGES

DUKE ENERGY FLORIDA, INC.

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ATTACHMENT D

FACILITY OPERATING LICENSE REVISION BAR PAGES

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ATTACHMENT E

SETTLEMENT, RELEASE AND ACQUISITION AGREEMENT

DUKE ENERGY FLORIDA, INC.

DOCKET NUMBER 50 - 302 / LICENSE NUMBER DPR - 72

ATTACHMENT F

DECOMMISSIONING TRUST AGREEMENT

LICENSE AUTHORITY FILE COPY

DO NOT REMOVE

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

DUKE ENERGY FLORIDA, INC.
CITY OF ALACHUA
CITY OF BUSHNELL
CITY OF GAINESVILLE
CITY OF KISSIMMEE
CITY OF LEESBURG
CITY OF NEW SMYRNA BEACH AND UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH
CITY OF OCALA
ORLANDO UTILITIES COMMISSION AND CITY OF ORLANDO
SEMINOLE ELECTRIC COOPERATIVE, INC.

DOCKET NO. 50-302

CRYSTAL RIVER UNIT 3 NUCLEAR GENERATING PLANT

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 2
License No. DPR-72

1. The Nuclear Regulatory Commission (the Commission) having found that:

   A. The application filed by Florida Power Corporation, *** City of Alachua, City of Bushnell, City of Gainesville, City of Kissimmee, City of Leesburg, City of New Smyrna Beach and Utilities Commission, City of New Smyrna Beach, City of Ocala, Orlando Utilities Commission and City of Orlando, Sebring Utilities Commission*, Seminole Electric Cooperative, Inc., and City of Tallahassee** (the licensees) as supplemented by letter dated December 9, 1976, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act) and the Commission's rules and regulations set forth in 10 CFR Chapter 1;

   B. Construction of the Crystal River Unit 3 Nuclear Generating Plant (facility) has been substantially completed in conformity with Provisional Construction Permit No. CPPR-51 and the application, as amended, the provisions of the Act and the rules and regulations of the Commission;

   C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;

*As of the effective date of Amendment No. 140 , Sebring Utilities Commission is no longer a licensee under this license.

**As of the effective date of Amendment No. 189, the City of Tallahassee is no longer a licensee under this license.

***On April 29, 2013, the name "Florida Power Corporation" was changed to "Duke Energy Florida, Inc."

LICENSE AUTHORITY FILE COPY

DO NOT REMOVE

UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

DUKE ENERGY FLORIDA, INC.
CITY OF ALACHUA
CITY OF BUSHNELL
CITY OF GAINESVILLE
CITY OF KISSIMMEE
CITY OF LEESBURG
CITY OF NEW SMYRNA BEACH AND UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH
CITY OF OCALA
ORLANDO UTILITIES COMMISSION AND CITY OF ORLANDO
SEMINOLE ELECTRIC COOPERATIVE, INC.

DOCKET NO. 50-302

CRYSTAL RIVER UNIT 3 NUCLEAR GENERATING PLANT

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 2
License No. DPR-72

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   B. Construction of the Crystal River Unit 3 Nuclear Generating Plant (facility) has been substantially completed in conformity with Provisional Construction Permit No. CPPR-51 and the application, as amended, the provisions of the Act and the rules and regulations of the Commission;

   C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission;

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***On April 29, 2013, the name "Florida Power Corporation" was changed to "Duke Energy Florida, Inc."

CR-3 SETTLEMENT, RELEASE, AND ACQUISITION AGREEMENT

THIS CR-3 SETTLEMENT, RELEASE, AND ACQUISITION AGREEMENT (the "Agreement"), entered into as of the 30 day of April, 2015, by and between DUKE ENERGY FLORIDA, INC., a Florida corporation, f/k/a Florida Power Corporation, f/k/a Florida Power Corporation d/b/a Progress Energy Florida, Inc. (the "Company"), and SEMINOLE ELECTRIC COOPERATIVE, INC., a Florida corporation ("Seller").

RECITALS

WHEREAS, the Company is a corporation duly incorporated under the laws of the State of Florida with the power to purchase and own the Purchased Interests (as hereinafter defined); and

WHEREAS, the Seller is a Florida corporation organized under the laws of the State of Florida and is authorized to sell, convey, transfer and lease its assets; and

WHEREAS, Seller is the sole legal and beneficial owner of the Purchased Interests which Seller desires to transfer and convey to Company, and Company desires to acquire the Purchased Interests, subject to the terms and provisions of this Agreement; and

WHEREAS, certain disputes have arisen by and between the Company and the Seller concerning the management of CR-3 by the Company, including but not limited to:

(i) the Company's retirement and decommissioning of CR-3;

(ii) the Company's administration of Article 20 of the Participation Agreement following the Company's decision to retire CR-3; and,

(iii) the Company's construction and funding of the independent spent fuel storage installation at CR-3; and

WHEREAS, the parties hereto have agreed to enter into and execute this Agreement as a way of: (i) finally settling, resolving, and forever releasing all of their claims with respect to the Participant Disputes (as defined below); (ii) permitting the Company to reacquire the Purchased Interests (as defined below) from the Seller; (iii) effectuating the Seller's assignment and the Company's assumption of the Seller's rights, obligations, and liabilities related to the Purchased Interests, including those arising out of or under the Participation Agreement on the terms more specifically set forth herein; (iv) transferring from Seller to Company, all of Seller's right, title and interest in its CR-3 Decommissioning Trust (as defined below), and all proceeds and rights therein and related thereto; and (v) effectuating the Seller's assignment and the Company's assumption of the Seller's CR3 decommissioning obligations and liabilities, subject to the "Seller's NDT Indemnification Obligations," as defined in subsection 2.2(b) below, including funding the transferred Decommissioning Trust in accordance with NRC requirements, but only upon the Closing (as defined below); and

WHEREAS, this Agreement sets forth the respective rights and obligations of the parties hereto with respect to the settlement and release of the Participant Disputes, the acquisition by Company of the Purchased Interests, and the transfer to Company of Seller's CR-3 Decommissioning Trust, and all proceeds, rights, and obligations set forth therein, all as more specifically described below.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by all parties hereto, it is agreed by and between the parties hereto as follows:

OPERATIVE TERMS

SECTION 1. DEFINITIONS.

"Agreement" shall mean this CR-3 Settlement, Release, and Acquisition Agreement between the Company and Seller, and which also includes the Consent and Joinder attached hereto.

"Assignment and Assumption Agreement" shall have the meaning set forth in Section 6.4 hereof.

"Closing" shall have the meaning set forth in Section 2.9 hereof.

"Closing Date" shall have the meaning set forth in Section 2.9 hereof.

"Company" shall mean Duke Energy Florida, Inc., a Florida corporation.

"Company's Closing Certificate" shall have the meaning set forth in Section 7.1 hereof.

"Company Parent" shall mean the parent company of the Company, Duke Energy Corporation.

"Commitment" shall have the meaning set forth in Section 2.13 hereof.

"Crystal River Unit 3" or "CR-3" shall mean the nuclear steam electric generating unit located in Citrus County, Florida, together with the land and all improvements, facilities, structures and nuclear fuel used or to be used therewith or related thereto, known as the Crystal River Unit No. 3, which is currently non-operational, and has been retired, as set forth in Section 20 of the Participation Agreement, as defined below including, without limitation, the following:

(a) Realty. The Site (as defined below), together with all licenses, profits, easements, rights of way, development rights and entitlements, and all other tangible and intangible rights that are appurtenant or associated therewith or thereto, and all buildings, power plants, structures, improvements and fixtures located thereon (collectively the "Realty");

(b) Personalty. The machinery and equipment, materials, spare parts and fuel inventories, tools, supplies and all other personal property used in, purchased for, delivered to, stored at or in any way was connected to CR-3 (collectively, the "Personalty");

(c) Permits. All of the pending and issued permits, franchises and licenses (including, without limitation, NRC licenses, air, water, and operating permits) held by Company or Seller with respect to CR-3 (collectively, the "Permits");

(d) Contracts and Legal Rights. All contracts, including insurance policies, and legal rights, including but not limited to U.S. Department of Energy or other federal or state obligations related to CR-3 in which the Seller has any rights, interests, obligations, or claims to amounts due, damages, or recoveries of any kind;

(e) Records. All right, title and interest of Seller in all of the records and documentation concerning Seller's interest in and management of its CR-3 Decommissioning Trust; and

(f) Other Rights. All other rights or interests of Seller pertaining, directly or indirectly, to CR-3 as a party to the Participation Agreement.

"CR-3 Decommissioning Trust" shall mean the trust fund and/or external bank accounts established by Seller in compliance with 10 CFR 50.75, specifically the following:

- The trust fund established by the Master Nuclear Decommissioning Trust Agreement between Seminole Electric Cooperative, Inc. and Citizens and Southern Trust Company (Florida), N.A., for Crystal River Unit No. Three, dated May 10, 1990.

"CR-3 Operating and Maintenance and Capital Expenses" shall mean all expenses incurred by the Company attributable to CR-3 properly recorded in accordance with and as defined by the Participation Agreement (as defined below) and billed to the Seller by the Company on a monthly basis pursuant to the terms of the Participation Agreement.

"CR-3 Operating Costs" shall have the meaning set forth in Section 2.6 hereof.

"Default Letter" shall have the meaning set forth in Section 2.18 hereof.

"Effective Date" shall mean the date this Agreement is executed last by Company and Seller, and the Consent and Joinder is executed by the Company Parent.

"Encumbrances" shall have the meaning set forth in Section 3.4.

"Mutual General Release" shall have the meaning set forth in Section 2.1 hereof.

"Nuclear Regulatory Commission" or "NRC" shall mean the Nuclear Regulatory Commission, an agency of the United States government, as defined in 42 U.S.C. §5841, including all successor agencies.

"Participant Disputes" shall mean the disputes that have arisen or may arise between the Company and the Seller concerning the management of CR-3 by the Company, including but not limited to:

(a) the Company's retirement and decommissioning of CR-3;

(b) the Company's administration of Section 20 of the Participation Agreement following the Company's decision to retire CR-3; and,

(c) the Company's construction and funding of the independent spent fuel storage installation at CR-3.

"Participant" shall mean Seller as a party to the Participation Agreement.

"Participation Agreement" shall mean the Crystal River Unit 3 Participation Agreement, dated as of July 31, 1975, between (among others) Company and the Seller, relating to the ownership and operation of CR-3.

"Participation Waiver" shall have the meaning set forth in Section 5.5 hereof.

"Post-Closing Obligations" shall mean all obligations and liabilities with respect to the Purchased Interests including, but not limited to, those arising by nature of being an owner, operator, or licensee of CR-3, whether arising under the Participation Agreement, NRC requirements, Florida Public Service Commission Requirements, or other applicable laws, rules or regulations, that are being sold, transferred, assigned, or otherwise conveyed by the Seller and purchased, accepted and assumed by Company pursuant to this Agreement, that arise or are incurred upon or after, or continue after, the Closing Date, including, without limitation, the obligations to decommission, and fund, invest, and manage a nuclear decommissioning trust fund, but specifically excluding the Seller's NDT Indemnification Obligations, as defined in subsection 2.2(b) below.

"Purchased Interests" shall mean: (i) Seller's undivided 1.6994 percentage interest in CR-3; (ii) all right, title and interest of Seller in the Participation Agreement; (iii) Seller's legal and beneficial interest in all payments made to the U.S. Department of Energy or reserves established by or on behalf of Seller with respect to irradiated nuclear fuel; (iv) Seller's rights or legal and beneficial interest in all damages, payments, or claims to damages or payments from the U.S. Department of Energy or any other federal or state agency related to CR-3; (v) Seller's interest in its CR-3 Decommissioning Trust, and all proceeds and rights therein and obligations related thereto arising after the Closing (subject to the Seller's NDT Indemnification Obligations); and (vi) all other rights, obligations, claims, demands, causes of action, choses in action or interests of Seller in, or in any way pertaining to, CR-3 (subject to the Seller's NDT Indemnification Obligations).

"Seller" shall mean Seminole Electric Cooperative, Inc.

"Seller's Closing Certificate" shall have the meaning set forth in Section 6.1 hereof.

"Seller's NDT Indemnification Obligations" shall have the meaning set forth in Section 2.2 hereof.

"Settlement-Related Documents" shall have the meaning set forth in Section 2.1 hereof.

"Settlement Payment" shall have the meaning set forth in Section 2.3 hereof.

"Site" shall mean the real property in Citrus County, Florida, legally described in **Exhibit "B"** attached hereto.

"Title Objection Letter" shall have the meaning set forth in Section 2.13 hereof.

"Trust Conveyance Documents" shall have the meaning set forth in Section 2.4 hereof.

"Warranty Deed and Bill of Sale" shall have the meaning set forth in Section 6.3 hereof.

SECTION 2. SETTLEMENT AND RELEASE OF CLAIMS; CLOSING

THE PARTIES HERETO ACKNOWLEDGE AND AGREE THAT THIS AGREEMENT IS INTENDED TO SERVE AS A GLOBAL SETTLEMENT DOCUMENT, SETTING FORTH THE TERMS FOR THE SETTLEMENT OF: (1) THE PARTICIPANT DISPUTES; (2) THE TERMS FOR THE ACQUISITION OF THE PURCHASED INTERESTS; AND (3) THE TRANSFER OF THE CR-3 DECOMMISSIONING TRUST, AND ALL PROCEEDS AND RIGHTS, AND ALL POST-CLOSING OBLIGATIONS AND LIABILITIES THEREIN (SUBJECT TO THE SELLER'S NDT INDEMNIFICATION OBLIGATIONS), AT THE CLOSING. AS SUCH, THOSE THREE MATTERS ARE INTER-DEPENDENT, SUCH THAT THE COMPANY WOULD NOT BE WILLING TO PURCHASE THE PURCHASED INTERESTS AND RECEIVE THE CR-3 DECOMMISSIONING TRUST, AND ALL PROCEEDS AND RIGHTS, AND ALL POST-CLOSING OBLIGATIONS AND LIABILITIES THEREIN (SUBJECT TO THE SELLER'S NDT INDEMNIFICATION OBLIGATIONS), AT THE CLOSING, BUT FOR THE SIMULTANEOUS SETTLEMENT AND RELEASE OF THE PARTICIPANT DISPUTES AT THE CLOSING, ALL AS SET FORTH HEREIN.

2.1 Settlement and Release of Seller Claims. Subject to the terms and conditions of this Agreement, and in consideration of the payment to Company by the Seller of the Settlement Payment as set forth in Section 2.3 below, and for the performance of the Closing hereunder, the Seller and the Company hereby acknowledge and agree that all of the Participant Disputes will be completely and finally resolved as follows:

(a) Mutual General Release. The Seller and the Company agree to execute and deliver at the Closing, the mutual general release in the form attached hereto as **Exhibit "C"** (the "Mutual General Release").

(b) Additional Actions. At and after the Closing, the Seller and the Company agree to take such further actions as are necessary or appropriate to effectuate the intention of the foregoing.

The execution of the Mutual General Release, and any other documents related thereto, the execution of the Trust Conveyance Documents (as defined in Section 2.4 below), and the execution of all of the documents described in Sections 6 and 7 below, will be collectively referred to below as the "Settlement-Related Documents".

2.2 Terms of Acquisition.

(a) Contemporaneously with the execution and delivery of the Settlement-Related Documents, and subject to and in consideration of the terms and conditions of this Agreement, and in consideration of the payment to the Company by Seller of the Settlement Payment set forth in Section 2.3 below, Seller will sell, convey and transfer to Company, and Company will purchase and accept from Seller, on the Closing Date, all right, title, and interest in and to the Purchased Interests, and Company will assume all obligations and liabilities of Seller in the Purchased Interests, from and after the Closing Date (subject to the Seller's NDT Indemnification Obligations).

(b) For the avoidance of doubt, the parties hereto acknowledge and agree it is their intention, as more specifically set forth in this Agreement, that Seller is selling or otherwise conveying to Company all of its respective ownership of, and all of its respective right, title, interest and Post-Closing Obligations in and to: (i) the Crystal River Unit 3 Plant; (ii) the CR-3 Decommissioning Trust, and all proceeds and rights, and Post-Closing Obligations therein (subject to the Seller's NDT Indemnification Obligations); (iii) the Participation Agreement; and (iv) all NEIL insurance policies on which the Seller is an additional insured, and to which Seller may be entitled as a customer of Company to replacement fuel payments. That is to say, following the Closing contemplated herein, and the payment to the Company as described herein, the Seller will have no ownership in, rights or obligations associated with, any of the foregoing, other than the Seller's indemnification obligations relating to its CR-3 Decommissioning Trust for two (2) years after the Closing, as set forth in the Indemnification and Hold Harmless Agreement attached hereto as part of **Exhibit "D"** (the "Seller's NDT Indemnification Obligations").

2.3 CR3 Joint Owner Settlement Payment.

(a) On the Closing Date, the Seller shall pay the Company a lump sum of ONE MILLION THREE HUNDRED EIGHTY-TWO THOUSAND NINE HUNDRED THIRTY AND NO/100 DOLLARS ($1,382,930.00) (the "Settlement Payment") by wire transfer to a financial institution designated by Company. The Settlement Payment shall be deemed to be net of a TWO THOUSAND AND NO/100 DOLLARS ($2,000.00) payment by Company to Seller as consideration for the transfer of (i) the Purchased Interests and (ii) the Seller's reversionary interest as contemplated by Paragraph 20.4 of the Participation Agreement.

(b) On or before the Closing Date, the Company Parent shall execute and deliver to Seller the Consent and Joinder attached hereto to guarantee the obligations, including, but not limited to, the indemnifications provided to Seller, of the Company as set forth therein.

2.4 Transfer of CR-3 Decommissioning Trust. On a day prior to the Closing as mutually agreed by Seller and Company, the Seller will execute documentation in order to fully convert all holdings in the CR-3 Decommissioning Trust to cash or cash-equivalent holdings. After such conversion but prior to Closing, Seller will communicate with and consider short-term holding objectives of Company; provided nothing herein shall obligate Seller to take any actions inconsistent with its internal investment objectives, guidelines or practices or require Seller to select investments not offered in the account of the Trustee. At the Closing, Seller will transfer to the Company the Trust, subject to the Seller's NDT Indemnification Obligations (collectively the

"Trust Conveyance Documents"). The form of the Trust Conveyance Documents is set forth as part of **Exhibit "D"**. In no event shall Seller withdraw funds from the CR-3 Decommissioning Trust prior to the transfer to Company. Until such transfer, Seller shall keep the CR-3 Decommissioning Trust invested in accordance with the applicable rules and regulations (including regulatory guides) of the U.S. Nuclear Regulatory Commission ("NRC") and Florida Public Service Commission ("FPSC"), as amended from time to time. Seller shall also continue to manage the investments in the CR-3 Decommissioning Trust in the same prudent manner in which it has been managing it through the Closing Date. Also, at all times from the Effective Date through and including the Closing Date, Seller will provide to Company quarterly investment statements showing the amounts of and investments in Seller's CR-3 Decommissioning Trust, which statements must be provided on or before the fifteenth (15^{th}) day following each fiscal quarter end. After the transfer of the Seller's CR-3 Decommissioning Trust to the Company, the Seller shall have no CR-3 decommissioning obligations, responsibilities, or liabilities to Company, whether arising out of the Participation Agreement, Nuclear Regulatory Commission regulations or otherwise, except for the Seller's NDT Indemnification Obligations.

Additionally, the Company and Seller will execute and deliver to the other party at Closing, an Indemnification and Hold Harmless Agreement, substantially in the form set forth as part of **Exhibit "D"**, by which the Seller will indemnify and hold the Company harmless from all liabilities or claims arising out of or related to Seller's possession, management, operation, or use of Seller's CR-3 Decommissioning Trust, and all of the funds, proceeds, and rights associated therewith or contained therein, and the Company will indemnify and hold the Seller harmless from all liabilities or claims arising out of or related to the Company's possession, management, operation, or use of the Company's CR-3 Decommissioning Trust, and all of the funds, proceeds, and rights associated therewith or contained therein, except for the Seller's NDT Indemnification Obligations. Upon the Closing and the execution of the Settlement-Related Documents, the Seller will no longer be a party to the Participation Agreement.

2.5 Removal from Participation Agreement. At the Closing, the parties will execute the Assignment and Assumption Agreement substantially in the form attached hereto as **Exhibit "F"**.

2.6 CR-3 Operating, Maintenance, Capital and Decommissioning Expenses. As of December 31, 2014, the Seller shall have no further financial or other obligation for any past or future CR-3 costs, including operation and maintenance ("O&M") and administrative and general ("A&G") costs, capital costs, shut down costs, nuclear fuel costs, inventory, common and external facilities charges, or any other CR-3 related costs or liabilities which would otherwise be due and owing under the Participation Agreement (collectively "CR-3 Operating Costs"). Seller shall be obligated for "true ups" in the ordinary course of business to CR-3 Operating Costs incurred during the fourth quarter of 2014. As of November 30, 2014, the Seller shall have no further decommissioning responsibility or liability nor obligation to provide additional contributions to the Seller's CR-3 Decommissioning Trust, and Company assumes responsibility for and indemnifies Seller against any funding obligation for Seller's CR-3 Decommissioning Trust whether arising out of the Participation Agreement, Nuclear Regulatory Commission regulations, market devaluation or otherwise, subject to the Seller's NDT Indemnification Obligations.

2.7 Waiver by Company of ISFSI Construction Costs. The Company waives its claim to a right to seek recovery of any and all independent spent fuel storage installation construction

costs that the Company alleges is owed by the Seller, but not heretofore paid by the Seller, which the Company estimates to be $1.7 million.

2.8 Reserved

2.9 Closing Date. The purchase and sale and conveyance of the Purchased Interests, and the execution and delivery of the Settlement-Related Documents (collectively the "Closing") will take place at 10:00 a.m., at the general offices of Company in St. Petersburg, Florida, on a date to be mutually agreed upon by the parties, which date shall be the earlier of: (a) within 30 days after all conditions precedent to the Closing set forth in Sections 6 and 7 below have been satisfied or waived in writing by the applicable parties; or (b) two (2) years after the Effective Date (the "Closing Date"). The Closing Date can be extended by the mutual written agreement of the Company, Seller, and Company Parent. To avoid doubt, the Seller hereby agrees that its representatives may give such mutual written agreement to extend the Closing Date without further action or approval of its Board of Trustees.

2.10 Failure to Close. The parties hereto expressly acknowledge and agree that, if the Closing does not occur on or before the Closing Date as referenced in Section 2.9 above because any of the conditions precedent to the Closing set forth in Sections 6 and 7 below have not been satisfied or waived in writing by the applicable parties, subject to the parties' respective rights under Section 2.19 below, this Agreement will automatically terminate without further action by any party and this Agreement will have no effect, and Company, Seller, and Company Parent shall each retain any and all rights, obligations, claims or defenses that they may otherwise have. In addition, upon termination of this Agreement as aforesaid, the Company will have the right to invoice Seller for its share of all CR-3 Operating Costs then due and owing.

2.11 Transaction Expenses. Seller shall pay all of its own expenses in connection with the acquisition, assignments, transfer, conveyances and deliveries to be made hereunder, and Company shall have no liability therefor. Company shall pay all of its own expenses in connection with the acquisition, assignments, transfer, conveyances and deliveries to be made hereunder, and Seller shall have no liability therefor. State documentary stamp tax which is required to be affixed to the deed and the cost of recording the deed and any corrective instruments shall be paid by Company. The cost of recording the deed will be paid by Seller.

2.12 Delivery of Purchased Interests and Closing Instruments. At the Closing, Seller shall deliver to Company each of the items described in Section 6 hereof, together with all contracts, agreements, leases, permits, commitments, and rights pertaining to the Purchased Interests and Settlement-Related Documents as may be requested by Company. Notwithstanding anything in this Agreement to the contrary, Seller may retain a record copy of any such contracts, leases, permits, or other records pertaining to the Purchased Interests and Settlement-Related Documents to the extent necessary to comply with applicable law and Seller's internal record-keeping practices and policies.

2.13 Title Commitment and Policy. Within six (6) months after the Effective Date of this Agreement, the Seller shall deliver to Company, at the Seller's expense, a single Title Commitment from a nationally recognized title company selected by the Seller and reasonably acceptable to Company, agreeing to insure Company's fee simple title to the Realty after Closing in the amount

of $413,940.00, in form and substance satisfactory to Company (the "Commitment") together with legible copies of all title exception documents. The Seller will cooperate fully with Company in order for all requirements set forth in Schedule B-1 of the Commitment to be satisfied at or prior to Closing. Following Closing, Seller will cause the title company that issued the Commitment to issue to Company a title insurance policy based on the commitment. Seller shall pay the premium due for such policy.

The Seller agrees that all mortgages, liens, security interests, encumbrances, or judgments against its Realty imposed by, through or against Seller (other than taxes and assessments for the year of Closing) will be satisfied or released as to the realty being transferred by the Seller at or prior to Closing.

If the Commitment shows exceptions against Seller's interest imposed by or through Seller whether voluntary or involuntary, and which renders title to Seller's interest in the Realty unmarketable or uninsurable, Company shall notify the Seller in writing within thirty (30) days following its receipt of the Commitment, specifying the matters revealed by the Commitment which render title unmarketable or uninsurable and to which Company objects (the "Title Objection Letter"). The matters described in the Title Objection Letter shall be treated as title defects.

The Seller shall have thirty (30) days following its receipt of Company's Title Objection Letter within which to remove any title defects cited by Company other than mortgages, liens, security interests, encumbrances, and judgments to be satisfied at or prior to Closing. If Seller fails, within such time, to remove or cure such defects, Company, in coordination with Seller, shall be entitled to take such actions, at Seller's cost, as the Company shall deem necessary or appropriate in order to remove/eliminate each and every matter set forth on the Title Objection Letter, but using reasonable efforts to minimize the costs of doing so. The Company is free to waive any title defect in writing. Company may not object to any title exception: (a) as to which Company consented to in writing at the time of its imposition; or (b) that is also an exception against Company's interest in the Realty and was imposed by, through or against Company.

2.14 Cure of Title-Related Matters. At any time before the Closing, Company shall have the right to conduct, at its own expense, an independent review of Seller's title to the Purchased Interests, including obtaining applicable UCC searches. If title to any of the Purchased Interests is found defective as determined by Company, Company shall within sixty (60) days thereafter, give notice to the Seller specifying the defect(s), and any such defect which is not cured to Company's satisfaction prior to the Closing shall be treated as a title defect under Section 2.13, including the rights and obligations of the parties as set forth therein.

2.15 Risk of Loss by Casualty. If the Purchased Interests are damaged by fire or other casualty before Closing, the Seller shall take such actions as may be required by the Participation Agreement (excluding CR-3 Operating Cost payment obligations). In such event, Company shall take the Purchased Interests "as is" together with all insurance proceeds that may be payable to Seller as a result of such damage to the Purchased Interests. Company and Seller will attend and perform at Closing in the manner described in this Agreement. At Closing, Seller shall pay or assign to Company the insurance proceeds paid or payable to Seller as a result of the damage to the Purchased Interests. Until Closing, Company shall maintain, for the benefit of Company and the

Participant, insurance of the type and amount required by Section 11 of the Participation Agreement.

2.16 Permit Transfer. As soon as reasonably practicable following the Effective Date of this Agreement, Company shall file and pursue an application for approval of transfer of rights pursuant to the permits with the appropriate federal regulatory authorities. Any necessary filing fee for the application, the cost of advertisement of the filing of the application, together with all costs associated with the review and disposition by the appropriate administrative agency and all other costs incurred incidental thereto shall be the responsibility of Company. The Seller shall cooperate with Company in all respects, at Company's request from time to time, with respect to such applications, including but not limited to, providing written notice to the appropriate federal administrative or governmental agency, including but not limited to, the NRC, of the Seller's agreement to sell, convey and transfer the Purchased Interests.

2.17 Further Assurances. From time to time, each party to this Agreement shall execute and deliver to the other such other instruments of conveyance and transfer and take such other action as may reasonably be required so as to more effectively sell, convey, transfer to, and vest in Company, and to put Company in possession of, all of the properties or assets to be conveyed, transferred, and delivered to Company hereunder including the Purchased Interests.

2.18 Default. If Seller or Company is in material breach of this Agreement prior to the Closing, then the non-defaulting party shall provide written notice to the defaulting party specifying with particularity such default (a "Default Letter"), and the defaulting party shall have sixty (60) days following its receipt of the Default Letter, in which to cure such default. If the defaulting party fails to cure such default within such sixty (60) day period, then the non-defaulting party may elect to cancel and terminate this Agreement, or may elect to seek specific performance of all of the defaulting party's obligations hereunder. In addition, and without limiting or waiving any of its other remedies under this Agreement, the non-defaulting party shall be entitled to pursue all other remedies available at law or in equity.

2.19. Default at Closing

(a) The obligations of the Seller and Company under this Agreement are conditioned upon all parties Closing under this Agreement. By way of illustration, and not limitation, in the event that a condition precedent as to either party set forth in Sections 6 and 7 does not occur, no party is obligated to close hereunder and this Agreement may be terminated pursuant to Section 2.10.

(b) If a party fails to perform at Closing in accordance with this Agreement:

(i) the other party may, by written notice delivered to the defaulting party no less than three (3) days after the Closing Date, extend the Closing Date for a period of fifteen (15) days to permit the non-defaulting party to elect one of the following remedies; and

(ii) Prior to the expiration of such fifteen (15) day period, the non-defaulting party shall provide notice to the defaulting party that it elects to: (a) seek specific performance, or (b) terminate this Agreement.

(1) the non-defaulting party's failure to provide notice within the foregoing time period shall be deemed an election to terminate this Agreement.

(2) The provisions of Section 2.10 of this Agreement shall apply to a termination under this paragraph 2.18(b)(ii) except the non-defaulting party shall remain free to pursue damages against the defaulting party.

(c) The provisions of this Section 2.19 shall prevail over any conflicting provision of this Agreement.

SECTION 3. REPRESENTATIONS AND WARRANTIES OF SELLER

As a material inducement to Company to execute and perform its obligations under this Agreement and to Close, Seller hereby represents and warrants to Company that each of the following statements in this Section is true, correct, and complete, as of the Effective Date hereof, and will be true, correct and complete as of the Closing Date:

3.1 Organization. Seller is a Florida corporation and holds title and/or legal and beneficial interests to the Purchased Interests. Seller has the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder. Copies of all applicable documents establishing Seller's due incorporation, valid existence and active status will be provided to Company on request.

3.2 Due Authorization. The execution, delivery and performance by Seller of this Agreement and all Closing documents referenced herein have been duly authorized by all necessary action on the part of Seller, does not contravene the Florida Constitution, any law, or any government rule, regulation or order applicable to Seller, or its properties, and does not and will not contravene the provisions of, cause the acceleration of any rights under, cause the creation of any lien under, or constitute a default under, any contract, resolution or other instrument to which the Seller is a party or by which the Seller is bound, which could adversely affect the ability of the Seller to carry out its obligations under this Agreement. All requisite government and regulatory approvals and consents for Seller, including but not limited to the NRC, Federal Energy Regulatory Commission, Rural Utilities Service ("RUS"), and approvals necessary for the execution, delivery and performance by the Seller of this Agreement, have been obtained or will be obtained prior to Closing. Except as provided in Section 5.5 and Section 7.6 hereof, the execution, delivery and performance of this Agreement does not require the Seller to (i) obtain any consent of any creditor, lessor, mortgagee, bondholder, or other party to any agreement or instrument to which Seller is a party or by which Seller or any of its properties are bound, or (ii) notify or obtain any permit, authorization or approval of any federal, state or local authority, except for the transfer of permits as set forth herein. This Agreement has been duly and validly executed and delivered by Seller, and constitutes the legal, valid and binding obligations of Seller, enforceable in accordance with its respective terms, subject to bankruptcy, insolvency, reorganization, arrangement, moratorium and other laws affecting creditors' rights generally, to the application of equitable principles, and to the exercise of judicial discretion in appropriate cases.

3.3 Litigation. There are no actions, suits or proceedings pending against Seller, or, to Seller's knowledge, threatened against Seller, or any of the assets to be conveyed hereunder before

any court or administrative body or agency having jurisdiction over Seller, or any of the assets to be conveyed hereunder (including any arbitrations, worker's compensation or other administrative proceedings, condemnation proceedings, criminal prosecutions, governmental investigations or audits) nor are there any other circumstances known to Seller to be pending or threatened, which might materially adversely affect the execution, delivery and performance by Seller of this Agreement.

3.4 Title to Property. With respect to the Realty and each item of Personalty and the Purchased Interests, Seller holds legal and beneficial rights in its 1.6994 undivided percentage interest, and good and marketable title in the case of the Realty, and good and assignable title in the case of the Personalty on Seller's percentage interest, and in each case, free and clear of any liens, claims, charges, mortgages, leases, subleases, security interests, exceptions, encroachments, encumbrances and rights of any parties of any kind or type whatsoever imposed by, through or against Seller or its ownership in such Realty or Personalty (collectively "Encumbrances"). Seller holds legal and beneficial title to all of the rights of Seller contained in the Settlement-Related Documents, and none of those rights has been assigned, transferred, conveyed, or encumbered in any way by Seller, other than as disclosed in the recitals set forth above.

3.5 Condition. The Seller makes no representations or warranties whatsoever, expressed, implied or statutory as to the value, quality, conditions, salability, obsolescence, merchantability, design, engineering, construction, fitness or suitability for use or working order for all or any part of the Realty or Personalty, wherever situate, and in whatever state of development, design, engineering, manufacturing, repair or construction.

3.6 Assigned Contracts. Seller represents that it has not entered into, nor is bound by any contract, other than Section 9.2 of the Participation Agreement, that would prohibit the Seller from performing any of its obligations under this Agreement.

3.7 Disclosure. No representations or warranties by the Seller contained in this Agreement, and no writing, certificate, list or other instrument furnished, or to be furnished by the Seller to Company pursuant hereto, or in connection with the transactions contemplated hereby, contains, or shall contain, any untrue statement of a material fact, or omits, or shall omit, or fails or shall fail to state a material fact necessary in order to make the statements and information contained herein or therein, as the case may be, not misleading or necessary in order to provide Company with full and proper information as to the Purchased Interests and the Seller's business and affairs. All financial documents provided by the Seller to Company, including, without limitation, those concerning the CR-3 Decommissioning Trust, are true and correct in all material respects.

3.8 Representations and Warranties at Closing. All representations and warranties of the Seller set forth in this Agreement shall be true and correct at and as of the Closing Date as if such representations and warranties were made at and as of such date.

3.9 CR-3 Decommissioning Trust Fund. Seller has funded its respective CR-3 Decommissioning Trust in accordance with the amounts included in each nuclear decommissioning cost study provided by Company at various points in time. Specifically, Seller represents and warrants that its CR-3 Decommissioning Trust contains funds intended to be used for radiological decommissioning, site restoration, and spent fuel management, as those categories of costs were set

forth in the nuclear decommissioning cost studies provided by the Company. Seller further represents and warrants that its account listed above in the definition of "CR-3 Decommissioning Trust" is the only account(s) created by Seller to pay for the decommissioning of CR-3, and that no other Seller-owned accounts intended for decommissioning of CR-3 exist.

SECTION 4. REPRESENTATIONS AND WARRANTIES OF COMPANY

Company hereby represents and warrants to the Seller as follows:

4.1 Organization. Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida and has the requisite power and authority to acquire and own the Purchased Interests, to execute and deliver this Agreement and to perform its obligations hereunder and to carry on its business as it is now being conducted and as contemplated to be conducted in the future.

4.2 Due Authorization. The execution, delivery and performance by Company of this Agreement have been duly authorized by all requisite action by Company, and, subject to the receipt of the items described in Section 6.5, do not (a) contravene any law, or any governmental rule, regulation or order applicable to Company or its properties, or the Articles of Incorporation or By-Laws of Company, or (b) contravene the provisions of, cause the acceleration of any rights under, cause the creation of any lien under, or constitute a default under, any contract, resolution or other instrument to which Company is a party or by which Company is bound, which could materially affect the ability of Company to carry out its obligations hereunder or thereunder. All requisite government and regulatory approvals and consents, including but not limited to NRC, Federal Energy Regulatory Commission, and Florida Public Service Commission approvals necessary for the execution, delivery and performance by the Company have been obtained or will be obtained prior to Closing. The execution, delivery and performance of this Agreement do not require the Company to (i) obtain any consent of any creditor, lessor, mortgagee, bondholder, or other party to any agreement or instrument to which Company is a party or by which any Company or any of its properties are bound except as provided in Section 5.5 hereof, or (ii) notify or obtain any permit, authorization or approval of any federal, state or local authority, except for the transfer of permits as set forth herein. This Agreement has been duly and validly executed and delivered by Company and will constitute the legal, valid and binding obligations of Company enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, arrangement, moratorium and other laws affecting creditors' rights generally, to the application of equitable principles, and to the exercise of judicial discretion in appropriate cases.

4.3 Litigation. There are no actions, suits, or proceedings pending against Company or, to Company's knowledge, threatened against or affecting Company before any court or administrative body or agency having jurisdiction over Company, which might materially adversely affect the execution, delivery and performance by Company of this Agreement.

4.4 Disclosure. No representations or warranties by Company contained in this Agreement and no writing, certificate, list or other instrument furnished, or to be furnished by Company to Seller pursuant hereto, or in connection with the transactions contemplated hereby, contains, or shall contain, any untrue statement of a material fact, or omits, or shall omit, or fails,

or shall fail, to state a material fact necessary in order to make the statements and information contained herein or therein, as the case may be, not misleading.

4.5 Representations and Warranties at Closing. All representations and warranties of Company set forth in this Agreement shall be true and correct at and as of the Closing Date as if such representations and warranties were made at and as of such date.

SECTION 5. OBLIGATIONS OF PARTIES

5.1 Duty to Disclose. In the event that prior to the Closing, either Company or Seller becomes aware of any facts or circumstances that would make any of its representations and warranties herein untrue or misleading, such party shall promptly give written notice of such facts or circumstances to the other party.

5.2 Satisfaction of Conditions Precedent. Each party agrees to use reasonable efforts to cause the conditions precedent to its obligations to close the transactions under this Agreement, that are within its reasonable control, to be satisfied at or prior to the Closing (provided, however, that the foregoing shall not require either party to perform a covenant or duty of the other party, or to remedy a breach of representation or warranty of the other party, under this Agreement).

5.3 Conduct of Operations Prior to Closing. From and after the Effective Date of this Agreement until the Closing Date, except as otherwise consented to by the other party in writing:

(a) Seller shall not sell or otherwise assign or transfer all or any portion of the Purchased Interests or the rights of Seller contained in the Settlement-Related Documents, and shall not consider or solicit any proposals, for the purchase and sale of all or any portion of the foregoing without the prior written consent of Company;

(b) No party shall take any action in such a manner as would adversely affect that party's ability to consummate this Agreement and perform its obligations under this Agreement.

5.4 Consents. The parties shall use their best efforts to obtain, in writing, any third party consents or approvals necessary in order that the transactions contemplated hereby shall not result in any default or termination of any agreement to which that Seller is a party. Any failure to obtain such consents or approvals shall be treated as a title defect under Section 2.13 with respect to the properties affected thereby.

5.5 Required Waivers Under Participation Agreement.

(a) Prior to the Closing, Company shall attempt to obtain a written waiver from each party to the Participation Agreement that is not the Company or Seller, pursuant to which such party shall waive its right to receive an offer to purchase Seller's CR-3 ownership interest pursuant to Section 9.2 of the Participation Agreement (the "Participation Waiver"). Provided however, should Company be unable to obtain the Participation Waiver prior to Closing, the Company shall notify the Seller in writing that it has not obtained the Participation Waiver, and proceed to Closing as set forth in this Agreement, subject to the Company's indemnification of

Seller related to the inability to obtain the Participation Waiver, as set forth in Section 8.4(b)(iv) of this Agreement.

(b) With respect to the Company's and Seller's own rights of first refusal pursuant to Section 9.2 of the Participation Agreement, each party hereby forever waives and relinquishes its respective right of first refusal to purchase the pro rata share of the other in CR-3. Nothing in this Section shall be interpreted as authorizing Company to purchase less than the entire Purchased Interests pursuant to Section 9.2 of the Participation Agreement.

5.6 No Individual Sales. The parties hereto acknowledge and agree that it is their collective intention that the Company purchase all, and not less than all, of the Purchased Interests from the Seller, and the Company shall have no obligation to purchase, and the Seller shall have no obligation to sell, less than all of the Purchased Interests. Stated another way, unless waived by the Company and the Seller in writing, there shall be no obligation on the Company to close and purchase, and no obligation on Seller to close and sell, less than all of the Purchased Interests collectively owned by the Seller.

SECTION 6. CONDITIONS PRECEDENT TO COMPANY'S OBLIGATION TO CLOSE

The obligation of Company to close is subject to the full satisfaction (or the waiver in writing by Company), prior to or at the Closing, of each of the following conditions in a manner, substance and form satisfactory to Company and its counsel:

6.1 Certificate. Seller shall have executed and delivered to Company a Closing Certificate, substantially in the form attached hereto as **Exhibit "I"**, signed by a duly authorized officer of Seller, dated the Closing Date, which states that the representations and warranties of Seller, contained in this Agreement and the information in all lists, certificates, documents, exhibits, and other writings delivered by Seller to Company pursuant hereto, are true and correct as of the Effective Date hereof, and are deemed to have been made and delivered again as of and at the Closing, and that all shall then be true and complete in all material respects as if made as of and at the Closing (the "Seller's Closing Certificate").

6.2 Opinion of Counsel for Seller. Counsel to Seller shall have delivered an opinion dated the Closing Date and addressed to Company, substantially in the form attached hereto as **Exhibit "J."**

6.3 Warranty Deed and Bill of Sale. Seller shall have executed and delivered a Special Warranty Deed and a Bill of Sale substantially in the form of **Exhibit "K"** attached hereto (the "Warranty Deed and Bill of Sale"), together with a Lien Affidavit, a FIRPTA affidavit and any other instrument that may be reasonably required or reasonably requested by Company in order for Seller to convey to Company good and assignable title to Seller's interest in the Personalty, and good and marketable title to Seller's interest in the Realty (and all buildings, power plants, structures, improvements and fixtures located thereon), and to transfer to Company the rest of the Purchased Interests, under the terms of this Agreement, in each case free and clear of all Encumbrances.

6.4 Assignment and Assumption Agreement. Seller shall have executed and delivered the Assignment and Assumption Agreement in substantially the form of **Exhibit "F"** attached hereto (the "Assignment and Assumption Agreement") for the Participation Agreement interest being transferred at Closing.

6.5 Execution and Delivery of Settlement-Related Documents. The Company and Seller, as applicable, shall each have executed and delivered, all of the Settlement-Related Documents, including, but not limited to, the Indemnification and Hold Harmless Agreement substantially in the form attached hereto as part of Exhibit D.

6.6 Reserved

6.7 Consents, Approvals and Permits. All third party consents, regulatory approvals and governmental permits necessary for the consummation of the transactions under this Agreement, the issuance or assignment of all licenses, permits, and agreements required to have been obtained, on or prior to the Closing Date, with respect to the transactions under this Agreement, shall have been received (without the imposition of any additional conditions, qualifications, or reservations). Without limiting the generality of the preceding sentence, (a) the NRC shall have issued a final ruling as to the license transfer request to be filed by the Company and Seller upon the Effective Date of this Agreement, which, if such ruling has an adverse impact to Company or Seller, must be acceptable to the adversely affected Party, in its sole discretion, and fulfill the intent of Section 6.8 below, and (b) no proceeding before the Federal Energy Regulatory Commission or any other governmental body or agency or court shall be pending or threatened which challenges, or would challenge, any of the transactions under this Agreement.

6.8 Application for Amendment/Transfer of NRC Operating License. Company, as operator under NRC Operating License No. DPR-72 for CR-3, and as agent under the Participation Agreement, shall have made application to, and obtained written approval from the NRC for amendment/transfer of such license to delete the Seller as an entity authorized to possess (though not to operate) CR-3. Seller, to the extent requested by Company, shall have cooperated in all respects with such application.

6.9 Settlement Payment. Seller shall, on or before the Closing Date, have paid to the Company the Settlement Payment as required by this Agreement.

SECTION 7. CONDITIONS PRECEDENT TO SELLER'S OBLIGATION TO CLOSE

The obligation of the Seller to close is subject to the full satisfaction (or the waiver in writing by the Seller), prior to or at the Closing, of each of the following conditions, in a manner, substance and form satisfactory to the Seller and its counsel:

7.1 Certificate. Company shall have executed and delivered to the Seller a Closing Certificate, substantially in the form attached hereto as **Exhibit "I"**, signed by a duly authorized officer, dated the date of Closing, which states that all of the Company's representations and warranties contained in this Agreement and the information in all lists, certificates, documents, exhibits, and other writings delivered by the Company to the Seller pursuant hereto, are true and correct as of the Effective Date hereof, and are deemed to have been made and delivered again as

of and at the Closing, and that all shall then be true and complete in all material respects as if made as of and at the Closing (the "Company's Closing Certificate").

7.2 Opinion of Counsel for Company. Counsel to Company shall have delivered an opinion dated the Closing Date and addressed to Seller, substantially in the form attached hereto as **Exhibit "L"**.

7.3 Assignment and Assumption Agreement. Company shall have executed and delivered to the Seller the Assignment and Assumption Agreement in substantially the form of **Exhibit "F"**.

7.4 Execution and Delivery of Settlement-Related Documents. The Company, the Company's Parent and Seller, as applicable, shall each have executed and delivered, all of the Settlement-Related Documents including, but not limited to, the attached Consent and Joinder and the Indemnification and Hold Harmless Agreement substantially in the form attached hereto as part of Exhibit D.

7.5 Reserved.

7.6 Consents, Approvals and Permits. All third party consents, regulatory approvals and governmental permits necessary for the consummation of the transactions under this Agreement, the issuance or assignment of all licenses, permits, and agreements required to have been obtained, on or prior to the Closing Date, with respect to the transactions under this Agreement, shall have been received (without the imposition of any additional conditions, qualifications, or reservations). Without limiting the generality of the preceding sentence, (a) the NRC shall have issued a final ruling as to the license transfer request to be filed by the Company and Seller upon the Effective Date of this Agreement, which ruling must be acceptable to Company and fulfill the intent of Section 7.7 below, (b) the RUS shall have issued an approval of the transaction contemplated by this Agreement or otherwise acquiesced to its completion by expiration of time following compliant notice by Seller to RUS, and (c) no proceeding before the Federal Energy Regulatory Commission or any other governmental body or agency or court shall be pending or threatened which challenges, or would challenge, any of the transactions under this Agreement.

7.7 Application for Amendment/Transfer of NRC Operating License. Company, as operator under NRC Operating License No. DPR-72 for CR-3, and as agent under the Participation Agreement, shall have made application to, and obtained written approval from the NRC for amendment/transfer of such license to delete the Seller as an entity authorized to possess (though not to operate) CR-3. Seller, to the extent requested by Company, shall have cooperated in all respects with such application.

SECTION 8. GENERAL PROVISIONS.

8.1 Survival. All representations, warranties, covenants and agreements made by the Seller or Company under this Agreement, in connection with the transactions contemplated hereby, or in any certificate, exhibit, schedule, list or other instrument delivered pursuant hereto, shall survive the Closing and any investigations made at any time with respect thereto.

8.2 Governing Law. The validity, interpretation, and performance of this Agreement and each of its provisions shall be governed by the laws of the State of Florida.

8.3 Section Headings Not to Affect Meaning. The descriptive headings of the various Sections of this Agreement have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms and provisions hereof.

8.4 Indemnifications. Effective as of the Closing, should it occur, but not otherwise:

(a) Seller hereby agrees to defend, indemnify and hold harmless Company, its affiliates, officers, agents, directors, employees, predecessors in interest, successors and assigns against, and in respect of, any and all manner of loss, costs, claims, damages, penalties, fines, liabilities and expenses, including, without limitation, reasonable attorneys' fees and litigation expenses, arising out of or relating in any way to:

(i) Any liability of the Seller arising out of the Seller encumbering, voluntarily or involuntarily, the Purchased Interests prior to the Closing Date, and which were not expressly assumed by Company pursuant to this Agreement; or

(ii) Any breach by Seller of any of the representations, warranties, releases, covenants or agreements provided for in this Agreement, or in any of the documents executed by Seller at Closing, or in any certificate or document delivered to Company by Seller hereunder.

(b) Company hereby agrees to defend, indemnify and hold harmless Seller, its affiliates, officers, agents, trustees, directors, employees, successors and assigns against, and in respect of, any and all manner of loss, costs, claims, damages, penalties, fines, liabilities and expenses, including, without limitation, reasonable attorneys' fees and litigation expenses, arising out of or relating in any way to, but excluding, at all times, the Seller's NDT Indemnification Obligations:

(i) The construction, ownership, operation, maintenance, licensing, and repair of CR-3, including, without limitation, the retirement of CR-3;

(ii) Any breach by Company of any of the representations, warranties, releases, covenants or agreements provided for in this Agreement, or in any of the documents executed by Company at Closing, or in any certificate or document delivered to Seller by Company hereunder; or

(iii) All obligations, responsibilities or liabilities assigned to and assumed by the Company pursuant to this Agreement or any of the Settlement-Related Documents, including, without limitation, those arising out of the Participation Agreement; or

(iv) Any claims by any party to the Participation Agreement that is not the Company or Seller arising out of or related to the inability or failure to obtain the Participation Waiver prior to the Closing Date; or

(v) The decommissioning of CR-3, including without limitation, SAFSTOR activities, radiological decommissioning, site restoration, spent fuel management, or any other activities undertaken to permanently remove CR-3 from service and reduce and remove radioactive material to levels that would permit termination of the Nuclear Regulatory Commission license, the disposal, management, and storage of spent fuel and radioactive materials and waste, and the dismantlement of site structures and other activities necessary to restore the CR-3 site to NRC, or other federal, state, or local governmental or regulatory authority, required conditions.

(c) If any action, suit or proceeding shall be commenced against, or any such claim, demand or assessment be asserted against, an indemnified party in respect of which such indemnified party proposes to demand indemnification, the indemnified party shall notify the indemnifying party to that effect with reasonable promptness and the indemnified party shall have the right at its own expense to participate in (but not to direct) the defense, compromise or settlement thereof. In connection therewith, the indemnified party shall cooperate fully to make available to the indemnifying party all pertinent information under its control. The indemnified party shall not admit liability or agree to a settlement without the prior written consent of the indemnifying party, which consent shall not be unreasonably withheld.

(d) The provisions of this Section 8.4 are in addition to, and not in limitation of, any of the provisions of the closing documents referenced herein, including, without limitation, the Mutual General Release attached hereto as **Exhibit "C".**

8.5 Integration. The terms and provisions contained in this Agreement shall constitute the entire agreement between the Seller and Company with respect to the matters provided for herein and supersede all previous agreements with respect thereto, whether verbal or written, between the Seller and Company.

8.6 Successors and Assigns. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors of the parties hereto (Company, Seller, and Company Parent) and their assignees permitted hereunder; provided, however, that except for any partial or full assignment or delegation by Company to a corporation or other entity affiliated with Company, to which Company may sell or assign all or substantially all of its assets, or with which Company may enter into a merger, consolidation, reorganization, or other business combination, any or all of which shall be permitted without Seller's consent, neither this Agreement nor any portion thereof may be assigned or delegated by either party without the prior written consent of the other party. If this Agreement is assigned or delegated with such consent, the terms and conditions hereof shall be binding upon and shall inure to the benefit of such assignee and its successors and assignees permitted hereunder; provided, however, that no assignment or delegation of this Agreement or any of the rights or obligations hereof shall relieve the assignor of its obligations under this Agreement. No assignment or delegation pursuant to this Section 8.6 shall relieve Parent Company from its obligations undertaken pursuant to the Consent and Joinder delivered at Closing to Seller. Nothing expressed or referred to in this Agreement will be construed to give any person other than the parties to this Agreement any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement, except such rights as shall inure to a successor or permitted assignee pursuant to this Section.

8.7 Amendments and Waivers. This Agreement may only be amended by a written instrument duly executed by each of the parties hereto. Any of the terms or provisions of this Agreement may be waived in writing at any time by the party which is entitled to the benefits of such waived terms or provisions. No waiver of any of the provisions of this Agreement shall be deemed to or shall constitute a waiver of any other provisions hereof (whether or not similar). No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

8.8 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

8.9 Jurisdiction; Service of Process. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement may be brought against any of the parties solely in the courts of the State of Florida, County of Pinellas, or, if it has or can acquire jurisdiction, in the United States District Court for the Middle District of Florida, Tampa Division, and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue therein.

8.10 Notices. All notices and other communications hereunder shall be in writing and shall be delivered by hand, by prepaid first class registered or certified mail, return receipt requested, by courier by a nationally recognized overnight courier service, or by facsimile (provided the sending party has received electronic confirmation of receipt by the receiving party and the sending party sends by mail a copy of such notice), addressed as set forth on **Exhibit "M"** attached hereto, or at such other address for a party as shall be specified by like notice. Except as otherwise provided in this Agreement, all notices and other communications shall be deemed effective upon receipt.

8.11 Costs. Except as otherwise provided in this Agreement, each party shall pay its own expenses with respect to the transactions under this Agreement.

8.12 Attorneys' Fees. In the event of any litigation between the parties with respect to this Agreement, the prevailing party shall be entitled to recover its attorneys' fees and costs (including paralegal costs) whether incurred prior to trial, during trial, on appeal or in bankruptcy proceedings, from the non-prevailing party or parties.

8.13 Recitals. The Recitals in this Agreement form an integral part of this Agreement and set forth the basis upon which the parties have entered into this Agreement.

8.14 Interpretation. In the interpreting of this Agreement, the singular shall include the plural and vice versa, and, unless the context otherwise requires, the word "including" shall mean "including, without limitation".

8.15 Radon Gas Notification. In accordance with the requirements of Florida law, the following notice is hereby given by the Seller:

> RADON GAS: Radon is a naturally occurring radioactive gas that, when it is accumulated in a building in sufficient quantities, may present health risks to

persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from the Citrus County Public Health Center.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf as of the date first above written.

Witnesses:

Helen M. Kyriakou
Print Name: HELEN M. KYRIAKOU

Joanna Wilkinson
Print Name: Joanna Wilkinson

As to Company

DUKE ENERGY FLORIDA, INC.,
as the Company

By: _____
Name: ALEX GLENN
As its: STATE PRESIDENT

(CORPORATE SEAL)

DUKE ENERGY, INC.
LEGAL DEPARTMENT
APPROVED BY: _____
DATE: 4/9/15

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf as of the date first above written.

Witnesses:

Print Name: Mark S. Alexander

Print Name: Phoebe L. Boughton

As to Seller

SEMINOLE ELECTRIC COOPERATIVE, INC., as the Seller

By:

Name: Lisa D. Johnson

As its: CEO & General Manager

(CORPORATE SEAL)

Legal Review

Seminole Electric Cooperative, Inc. CORPORATE SEAL FLORIDA 1948

CONSENT AND JOINDER

The Undersigned is the parent company of the Company, as defined in the CR-3 Settlement Release, and Acquisition Agreement entered into between Seminole Electric Cooperative, Inc. and Duke Energy Florida, Inc. on April 30, 2015 (the "**Agreement**") to which this Consent and Joinder is attached. By execution of this Consent and Joinder, the Undersigned hereby agrees to and does guarantee the Company's obligations as set forth in the Agreement including the Settlement-Related Documents and other documents delivered at the Closing. The execution, delivery and performance by the Undersigned of this Consent and Joinder have been duly authorized by all requisite action by Undersigned and constitute the legal, valid and binding obligations of the Undersigned.

Witnesses:

Amy E Livezey
Print Name: Amy E Livezey

Robyn W Cauble
Print Name: Robyn W Cauble

As to Duke Energy Corporation

DUKE ENERGY CORPORATION,
as the Company Parent

By: Lynn Good
Name: Lynn J Good
As its: President & CEO

(CORPORATE SEAL)

EXHIBITS

Exhibit "A"	Reserved
Exhibit "B"	Legal Description of Realty/Site
Exhibit "C"	Form of Mutual General Release (Company and Seller)
Exhibit "D"	Forms of Trust Conveyance Documents
Exhibit "E"	Reserved
Exhibit "F"	Assignment and Assumption Agreement
Exhibit "G"	Reserved
Exhibit "H"	Reserved
Exhibit "I"	Form of Closing Certificates
Exhibit "J"	Form of Opinion of Counsel for Seller
Exhibit "K"	Form of Special Warranty Deed and Bill of Sale
Exhibit "L"	Form of Opinion of Counsel of Company
Exhibit "M"	Notice Provisions

EXHIBIT "A"

Reserved

EXHIBIT "B"

Legal Description of Realty/Site

Real property situated in Citrus County, Florida described as follows:

Commence at the Northwest corner of Section 33, Township 17 South, Range 16 East, Citrus County, Florida, said corner having plant coordinates of N 0+34.61 & E 0+36.85, and run S 00° 58' 04" E, along the West boundary of said Section 33, a distance of 1,254.79 feet; thence East a distance of 1,456.95 feet to the Point of Beginning, said point having plant coordinates, S 12+20 & E 15+15; thence South, a distance of 63.98 feet; thence S 45° 41' 57" W, a distance of 201.91 feet; thence West, a distance of 436.50 feet to the Point of Curvature of a curve concave Southeasterly and having a radius of 134.0 feet; thence run 210.49 feet along the arc of said curve, a chord bearing and distance of S 45° 00' 00" W, 189.50 feet to the Point of Tangency; thence South, 757.33 feet; thence East, 484.00 feet; thence North, 137.83 feet; thence East, 66.00 feet to the Point of Curvature of a curve concave Northwesterly and having a radius of 147.43 feet; thence run 149.75 feet along the arc of said curve, a chord bearing and distance of N 60° 54' 14" E, 143.40 feet to the Point of Tangency; thence N 31° 47' 52" E, 87.01 feet to a curve concave Northerly and having a radius of 1183.72 feet; thence run 319.45 feet along the arc of said curve, a chord bearing and distance of N 73° 50' 37" E, 318.48 feet to the Point of Tangency; thence N 67° 31' 02" E 481.14 feet to the Point of Curvature of a curve concave Southerly and having a radius of 676.78 feet; thence run 265.05 feet along the arc of said curve, a chord bearing and distance of N 78° 43' 36" E, 263.36 feet to the Point of Tangency; thence N 89° 53' 49" E, 200 feet; thence N 00° 06' 11" W, 80.00 feet; thence S 89° 53' 49" W, 200 feet to the Point of Curvature of a curve concave Southerly and having a radius of 756.78 feet; thence run 296.31 feet along the arc of said curve, a chord bearing and distance of S 78° 43' 36" W, 294.42 feet to the Point of Tangency; thence S 67° 31' 02" W, 481.14 feet to the Point of Curvature of a curve concave Northerly and having a radius of 1103.72 feet; thence 241.24 feet along the arc of said curve, a chord bearing and distance of S 73° 59' 18" W, 240.76 feet; thence West, 150.57 feet; thence North, 204.70 feet; thence East, 60.00 feet; thence North, 161.00 feet; thence East, 437.55 feet; thence North, 353 feet; thence West, 397 feet to the Point of Beginning. Containing 18.86 acres, more or less.

EXHIBIT "C"

Form of Mutual General Release
(Company and Seller)

MUTUAL GENERAL RELEASE
(Company and Seller)

This Mutual General Release is effective on the Closing Date by and between Duke Energy Florida, Inc. (the "Company") and Seminole Electric Cooperative, Inc., who is a minority owner of the Crystal River Unit 3 nuclear power plant ("CR-3") (the "Seller").

WHEREAS, certain disputes have arisen or may arise by and between the Company and the Seller concerning the operation and maintenance of, and management of CR-3 by the Company, including but not limited to:

(i) the Company's retirement and decommissioning of CR-3;

(ii) the Company's administration of Article 20 of the Participation Agreement following the Company's decision to retire CR-3; and,

(iii) the Company's construction and funding of the independent spent fuel storage installation at CR-3, (collectively the "Participant Disputes").

WHEREAS, all defined terms contained in the CR-3 Settlement, Release, and Acquisition Agreement that are not defined herein are incorporated herein by this reference;

WHEREAS, the Company and the Seller now desire to and do hereby resolve all issues between them in any way related to or connected with the CR-3 as set forth below.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and agreements set forth below, and for other good and valuable consideration provided and received as acknowledged below by the execution of this Mutual General Release by the Company and the Seller, the Company and the Seller agree as follows:

1. The Seller, for itself and its parents, subsidiaries, affiliates, trustees, directors, officers, agents, representatives, attorneys, successors, predecessors in interest, and assigns, do hereby fully and forever release, acquit, waive, and discharge, the Company, its parent, subsidiaries, affiliates, directors, officers, agents, employees, representatives, attorneys, insurers, successors, predecessors in interest, and assigns from any and all actions, causes of action, losses, claims, damages, and demands, of whatever kind or nature, in contract, in tort, or in law or equity, whether now known or unknown and that have arisen or that may arise in the future, from, in connection with, or relating in any way to the Participation Agreement or the Seller's ownership interest in CR3, including, without limitation, the Participant Disputes, any and all claims for attorneys' fees, costs and expenses relating to the Participation Agreement or the Seller's ownership interest in CR3, including, without limitation, the Participant Disputes, and any and all claims for fraud in the inducement or any similar claim relating to the CR3 Settlement, Release, and Acquisition Agreement and/or this Mutual General Release.

2. The Company, for itself and its parent, subsidiaries, affiliates, directors, officers, agents, employees, representatives, attorneys, successors, predecessors in interest, and assigns, hereby fully and forever releases, acquits, waives, and discharges, the Seller and its parents, subsidiaries, affiliates, trustees, directors, officers, agents, representatives, attorneys, insurers,

successors, predecessors in interest, heirs, and assigns, from any and all actions, causes of action, losses, claims, damages, and demands, of whatever kind or nature, in contract, in tort, or in law or equity, whether now known or unknown and that have arisen or that may arise in the future, from, in connection with, or relating in any way to the Participation Agreement or the Seller's ownership interest in CR3, including, without limitation, the Participant Disputes, any and all claims for attorneys' fees, costs and expenses relating to the Participation Agreement or the Seller's ownership interest in CR3, including, without limitation, the Participant Disputes, and any and all claims for fraud in the inducement or any similar claim relating to the CR3 Settlement, Release, and Acquisition Agreement and/or this Mutual General Release.

3. The Company also for itself and its parents, subsidiaries, affiliates, directors, officers, agents, representatives, attorneys, insurers, successors, predecessors in interest, and assigns, do hereby fully and forever release, acquit, waive, and discharge, the Seller, its parent, subsidiaries, affiliates, trustees, directors, officers, agents, employees, representatives, attorneys, insurers, successors, predecessors in interest, and assigns from any and all actions, causes of action, losses, claims, damages, and demands, of whatever kind or nature, in contract, in tort, or in law or equity, whether now known or unknown and that have arisen or that may arise in the future, from, in connection with, or relating in any way to the amount of any and all payments made by the Seller to the Company in accordance with the CR-3 Settlement, Release, and Acquisition Agreement, provided that such payments are made by the Seller to the Company in accordance with the terms of the CR-3 Settlement, Release, and Acquisition Agreement.

4. The Company and the Seller have entered into the CR-3 Settlement, Release, and Acquisition Agreement and/or this Mutual General Release solely in order to end the controversies between them, to avoid the risks and costs of arbitration or litigation, to conserve the time that arbitration or litigation would involve, and to obtain a compromise and final settlement of all the controversies between and among them related in any way to the Participation Agreement or the Seller's ownership interest in CR3, including, without limitation, the Participant Disputes. The Company and the Seller agree and acknowledge that the terms of the CR-3 Settlement, Release and Acquisition Agreement and this Mutual General Release are a full and complete, final, and binding compromise of the Participant Disputes, including but not limited to, attorneys' fees, costs, and expenses.

5. It is understood that the execution and performance of this Mutual General Release is not to be considered an admission by either the Company or the Seller of liability or damages, but is a full settlement and compromise of the Participant Disputes.

6. The Company and the Seller further represent and warrant that they have not made or suffered to be made any assignment, subrogation, sale, conveyance, or transfer of any right, claim, action, or cause of action released in this Mutual General Release. These representations and warranties and any other representations and warranties contained in this Mutual General Release are conditions of the performance of this Mutual General Release by the Company and the Seller, and the Company and the Seller have relied on them in entering into this Mutual General Release.

7. The Seller further represents and warrants that it will not assist any third party in the third party's prosecution of claims against the Company related to the decommissioning and

retirement of CR-3 occurring before the Closing referenced in the CR-3 Settlement, Release, and Acquisition Agreement. Notwithstanding the preceding sentence, Seller shall not be in violation of this Section 8 of this Mutual General Release, or the CR-3 Settlement, Release and Acquisition Agreement, when disclosing information to a third party where such disclosure is necessary to comply with any laws, rules or orders of any court with competent jurisdiction, or when required to respond to any lawful subpoena or public records request.

8. The terms of this Mutual General Release are contractual and not a mere recital, and all agreements and understandings of the Company and the Seller with respect to the Participant Disputes are expressed and embodied in the CR-3 Settlement, Release, and Acquisition Agreement and/or this Mutual General Release. Nothing set forth in this Mutual General Release shall constitute a release or discharge of any rights, claims, interest or obligations (including, without limitation, any indemnification obligations) arising under the CR-3 Settlement, Release, and Acquisition Agreement or under any other documents executed by the parties thereto at the Closing thereunder. This Mutual General Release is in addition to, and not in limitation of, any of the provisions of the CR-3 Settlement, Release, and Acquisition Agreement, or the other closing documents referenced therein.

9. The Company and the Seller shall bear their own costs, expenses, and attorneys' fees incurred in connection with the Participant Disputes and the preparation, review, and execution of the CR-3 Settlement, Release, and Acquisition Agreement and/or this Mutual General Release.

10. If either the Company or the Seller commences an action to enforce or interpret any portion of this Mutual General Release, the prevailing party in such action (including any appeals) shall be paid by the other party the prevailing party's costs, expense, and reasonable attorneys' and paralegal fees and costs, to be awarded by the court.

11. This Mutual General Release shall be binding upon and shall inure to the benefit of the Company and the Seller and their respective predecessors in interest, successors, representatives, and assigns.

12. The Company and the Seller, through the persons executing this Mutual General Release on their behalf, represent and warrant that this Mutual General Release has been duly approved and authorized in accordance with applicable laws, regulations, resolutions, and by-laws so as to bind them and their parents, subsidiaries, affiliates, trustees, directors, officers, agents, representatives, attorneys, successors, predecessors in interest, and assigns, and that neither the Company nor the Seller shall later attempt to claim that the Mutual General Release was not duly approved and authorized.

13. In entering into this Mutual General Release, the Company and the Seller represent that they have been adequately represented in this matter by counsel of their choice, they have consulted legal counsel before executing this Mutual General Release, they have read and understood the terms of the Mutual General Release, and they are executing the Mutual General Release freely and voluntarily and without coercion or threats of any kind.

14. This Mutual General Release shall be construed and governed in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf as of the date first above written.

Witnesses:

DUKE ENERGY FLORIDA, INC.

_____
Print Name:_____

By:_____
Name:_____
As its:_____

_____
Print Name:_____

(CORPORATE SEAL)

As to Company

Witnesses:

SEMINOLE ELECTRIC COOPERATIVE, INC.

_____
Print Name:_____

By:_____
Name:_____
As its:_____

_____
Print Name:_____

(CORPORATE SEAL)

As to Seller

EXHIBIT "D"

Forms of Trust Conveyance Documents

INDEMNIFICATION AND HOLD HARMLESS AGREEMENT

THIS INDEMNIFICATION AND HOLD HARMLESS AGREEMENT (the "Agreement") is made and entered into this _____ day of _____, 201____, by and between SEMINOLE ELECTRIC COOPERATIVE, INC. ("SECI") and DUKE ENERGY FLORIDA, INC. (the "Company"), and is made in reference to the following facts:

RECITALS

WHEREAS, SECI owns an undivided tenant in common interest in the nuclear generating unit known as Crystal River Unit 3 ("CR-3"), which SECI desires to transfer and convey to Company, and Company desires to acquire such undivided interest; and

WHEREAS, certain disputes have arisen or may arise by and between the Company and SECI, concerning the operation and maintenance of, and management of CR-3 by the Company, including but not limited to:

(a) the Company's retirement and decommissioning of CR-3;

(b) the Company's administration of Article 20 of the Participation Agreement following the Company's decision to retire CR-3; and,

(c) the Company's construction and funding of the independent spent fuel storage installation at CR-3; and

WHEREAS, as a way of settling the Participant Disputes, SECI and Company have entered into a CR-3 Settlement, Release, and Acquisition Agreement dated _____, 2015, all terms and provisions (including defined terms) of which are incorporated herein by this reference (the "Settlement Agreement"); and

WHEREAS, Section 2.4 of the Settlement Agreement requires SECI to transfer to Company at Closing all of SECI's right, title and interest in and to its CR-3 Decommissioning Trust, and all funds, proceeds and rights contained therein (collectively the "SECI's Decommissioning Trust"); and

WHEREAS, as a condition to accepting the transfer of SECI's Decommissioning Trust, the Company and SECI have agreed to indemnify and hold the other harmless from certain items and matters, all as more specifically set forth herein.

NOW, THEREFORE, for and in consideration of the premises, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by both parties hereto, the parties agree as follows:

1. Recitals. The recitals of fact set forth above are true and correct and are by this reference made a part hereof.

2. Indemnification and Hold Harmless.

(a) At and after the Closing SECI hereby indemnifies and holds Company, its parent, affiliates, directors, members, officers, employees, and agents, harmless from and against any and all actual, pending, or potential losses, costs, claims, damages, liabilities, fines, penalties, and expenses, including all attorneys' fees and all costs including paralegal costs, that SECI is notified of within two (2) years of the Closing in any way whatsoever by the Company, its parent, affiliates, directors, members, officers, employees, or agents, any federal or state agency, or any trustee or agent of SECI's Decommissioning Trust, related to, arising out of, or relating in any way to : (i) the failure prior to the Closing of SECI or any third party under the express or implied direction of SECI to have invested the funds in SECI's Decommissioning Trust in accordance with all applicable rules and regulations (including regulatory guides) of the U. S. Nuclear Regulatory Commission ("NRC"), the Florida Public Service Commission ("PSC"), or any other federal or state agency, or successor agency, that now has, has in the past had, or hereafter may have for two (2) years from the Closing, authority regarding SECI's Decommissioning Trust, or the funds therein, as amended from time to time; (ii) the failure prior to the Closing of SECI, or any third party under the express or implied direction of SECI, to protect against the illicit conversion of funds in SECI's Decommissioning Trust for the Company's benefit; and/or (iii) SECI's possession, management, operation, or use of SECI's Decommissioning Trust, including all funds contained therein, prior to the Closing, except to the extent that such losses, costs, claims, damages, liabilities, fines, penalties, or expenses are caused by or arise out of SECI's actions taken in good faith at the direction of the Company pursuant to section 2.4 of the Settlement Agreement ("Seller's NDT Indemnification Obligations").

(b) At and after the Closing, and subject to Seller's NDT Indemnification Obligations, Company, its parent, successors, and assigns, hereby indemnifies and holds SECI, its parent, affiliates, trustees, directors, members, officers, employees, and agents, harmless from and against any and all actual, pending, or potential losses, costs, claims, damages, liabilities, fines, penalties, and expenses, including all attorneys' fees and all costs including paralegal costs, that the Company is notified of in any way whatsoever by SECI, its parent, affiliates, trustees, directors, members, officers, employees, or agents, any federal or state agency, or any trustee or agent of SECI's Decommissioning Trust, related to, arising out of, or relating in any way to : (i) the failure of Company, to have invested the funds in the Company's Decommissioning Trust, in accordance with all applicable rules and regulations (including regulatory guides) of the U. S. Nuclear Regulatory Commission ("NRC"), the Florida Public Service Commission ("PSC"), or any other federal or state agency, or successor agency, that now has or has in the past had authority regarding the Company's Decommissioning Trust, or the funds therein, as amended from time to time; and/or (ii) the Company's possession, management, operation, or use of Company's Decommissioning Trust, including all funds contained therein, prior to and after the Closing.

(c) SECI will fully cooperate with any regulatory inquiry from the NRC, the PSC, or any other federal or state agency, including any successor agency, that now has, has in the past had, or hereafter may have for two (2) years from the Closing, authority regarding SECI's Decommissioning Trust, or the funds therein, with respect to the management of, and activities associated with, the SECI's Decommissioning Trust that occur prior to Closing, including, but not limited to, providing the Company with assistance in responding to any Public Records requests, Requests For Information, discovery requests, or any other requests or demands for information

of any kind in any NRC, PSC, or other federal or state agency investigation, proceeding, or regulatory review, whether formal or informal, and whether civil, criminal, or administrative in nature. SECI shall further notify the Company in writing immediately of any regulatory inquiry it receives from the NRC, the PSC, or any other federal or state agency regarding the SECI's Decommissioning Trust, or the funds therein, or any actual or potential claim for indemnity under this Agreement. The obligations of SECI set forth in this Section 2(c) shall expire two (2) years after the date of Closing, unless the Company separately agrees to pay all costs of SECI's cooperation after such expiration.

(d) Should SECI seek indemnification pursuant to the terms of this Agreement, it shall notify the Company in writing of any claims for which indemnity is sought, after receiving any information concerning any actual or potential claims that could result in a claim for indemnity by SECI under this Agreement. The Company shall fully cooperate in the defense of any such claim, and shall make available to SECI all pertinent information under its control relating thereto.

(e) Should the Company seek indemnification pursuant to the terms of this Agreement, it shall notify SECI in writing of any claims for which indemnity is sought, after receiving any information concerning any actual or potential claims that could result in a claim for indemnity by the Company under this Agreement. SECI shall fully cooperate in the defense of any such claim, and shall make available to the Company all pertinent information under its control relating thereto.

(f) The parties shall mutually agree on the counsel to defend any claims for which a party may be indemnified under this Agreement, whether or not an indemnitee is a party to any arbitration, action, cause of action, proceeding, or regulatory investigation or review related to such claims, and the parties shall fully cooperate with the attorneys and agents retained for such defense, at the sole cost and expense of the indemnitor. In the event that the defendants in any action shall include both parties, the parties shall select their own counsel at their own expense. Indemnitee shall have the right, at its sole election, to pay, compromise, settle, or defend any such action, and indemnitee may enter into any settlement or compromise of such action without the prior written consent of the indemnitor.

(g) The provisions of this Agreement are in addition to, and not in limitation of, any of the provisions of the CR-3 Settlement, Release, and Acquisition Agreement, or the other closing documents referenced therein.

3. Payment of Claims. The indemnifying party does hereby covenant and agree to promptly pay all items set forth in Section 2 above, upon the indemnified party's demand, and to satisfy all final, non-appealable judgments recovered in relation thereto.

4. Applicable Law. This Agreement has been negotiated and signed in the State of Florida. As such, this Agreement, and all matters relating thereto, shall be governed by the laws of the State of Florida without regard to its principles of conflicts of law. The sole and exclusive venue for any action, suit, or proceeding brought under this Agreement shall be Pinellas County, Florida.

5. Modification. This Agreement contains the entire agreement of the parties relating to the subject matter hereof. This Agreement may be modified only by an instrument in writing signed by both parties hereto.

6. Attorney's Fees. The non-prevailing party shall pay the reasonable costs, expenses and attorney's fees incurred by the prevailing party in any formal or informal proceedings to resolve any disputes arising out of or related to the representations, warranties, terms, conditions, promises or covenants contained in this Agreement, whether incurred during the original proceeding or activities, or in any bankruptcy, appellate or other review proceedings.

7. Authorization. The Company and SECI respectively represent and warrant to each other that this Agreement has been duly authorized, executed, and delivered by each of them, and is valid and enforceable in accordance with its terms, and that compliance by each of them, respectively, with the terms and conditions hereof will not conflict with, result in a breach of, or be adversely affected by any terms and conditions of any agreement or instrument to which either is a party, or by which either may be bound, or any judgment, order, law, statute or regulation to which either is subject.

8. Notices. All notices, consents, waivers, approvals and other communications under this Agreement shall be in writing and shall be sent by nationally recognized overnight courier service, or via U. S. certified mail, postage prepaid, return receipt requested, and addressed as follows:

To the Company: _____

_____

_____

_____

To SECI: Seminole Electric Cooperative, Inc.
Attn: CEO & General Manager
16313 North Dale Mabry Highway
Tampa, Florida 33618

The person to be notified and the address may be changed by either party by giving written notice as herein provided. All notices shall be deemed given on the date of receipt.

9. Amendment. Neither this Agreement nor any provisions hereof may be waived, modified, or amended except by an instrument in writing signed by the party against which the enforcement of such waiver, modification, or amendment is sought and then only to the extent set forth in such instrument.

10. No Third Party Beneficiaries. This Agreement is for the benefit of the parties hereto and not for the benefit of any other person or entity.

11. Successors and Assigns. Each and all covenants and conditions of this Agreement shall inure to the benefit of, and shall be binding upon, the successors in interest, assigns, and legal representatives of the parties hereto.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, and shall be deemed to have executed such, on the day and year first above written.

Signed, sealed and delivered
in the presence of:

DUKE ENERGY FLORIDA, INC.

_____
Print Name:_____

By:_____
Name:_____
Title:_____

_____
Print Name:_____

(CORPORATE SEAL)

As to Company

STATE OF FLORIDA)
COUNTY OF PINELLAS)

The foregoing instrument was acknowledged before me this _____ day of _____, 201____, by _____, the _____ President of DUKE ENERGY FLORIDA, INC., on behalf of the corporation.

Personally Known _____ OR Produced Identification _____
Type of Identification Provided _____

_____
SIGNATURE

_____
NAME LEGIBLY PRINTED,
TYPEWRITTEN OR STAMPED

(SEAL)

NOTARY PUBLIC

My Commission Expires:

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, and shall be deemed to have executed such, on the day and year first above written.

Signed, sealed and delivered
in the presence of:

_____
Print Name:_____

_____
Print Name:_____

As to SECI

SEMINOLE ELECTRIC COOPERATIVE, INC.

By:_____
Name:_____
Title:_____

(CORPORATE SEAL)

STATE OF FLORIDA)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 201____, by _____, the _____ of Seminole Electric Cooperative, Inc., on behalf of the corporation.

Personally Known _____ OR Produced Identification _____
Type of Identification Provided _____

_____
SIGNATURE

_____
NAME LEGIBLY PRINTED,
TYPEWRITTEN OR STAMPED

(SEAL)

NOTARY PUBLIC

My Commission Expires:

CR-3 Settlement

Assignment and Assumption Agreement

This Assignment and Assumption Agreement is made this _____ day of _____, 2015, by and between Seminole Electric Cooperative, Inc. ("Assignor"), a beneficiary under that certain Trust Agreement (hereinafter "the Trust") dated May 10, 1990, between Assignor and Citizens and Southern Trust Company (Florida), National Association, n/k/a The Bank of New York Mellon Trust Company, National Association, and Duke Energy Florida, Inc. ("Assignee").

1. For value received, Assignor hereby assigns to Assignee all of Assignor's right, title and interest in the Trust.

2. Accepting the aforesaid Assignment, Assignee hereby assumes all of Assignor's right, title and interest in the Trust and all of Assignor's duties and obligations in regard to the Crystal River Unit 3 Nuclear Plant and the decommissioning thereof, less and except the Seller's NDT Indemnification Obligations, as defined in the CR-3 Settlement, Release and Acquisition Agreement between Assignor and Assignee, among others, executed effective _____, 2015.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed on its behalf as of the date first above written.

Witnesses:

_____
Print Name: _____

_____
Print Name: _____

Seminole Electric Cooperative, Inc.

By: _____

Its: _____
Assignor

Witnesses:

_____
Print Name: _____

_____
Print Name: _____

Duke Energy Florida, Inc.

By: _____

Its: _____
Assignee

Certification of Trust for the
TRUST FUND FOR THE CRYSTAL RIVER UNIT 3 PARTICIPANTS
UNDER TRUST FUND AGREEMENT DATED May 10, 1990

This Certification of Trust is signed by the current Trustee of the Trust Fund under Trust Fund Agreement between Seminole Electric Cooperative, Inc., as Grantor (hereinafter "Settlor"), and Citizens and Southern Trust Company , National Association, n/k/a The Bank of New York Mellon Trust Company, National Association, as Trustee (hereinafter "Trustee"), dated May 10, 1990, who declares as follows:

1. The Trust exists, and the trust instrument establishing it was executed on May 10, 1990.

2. The Settlor of the Trust is Seminole Electric Cooperative, Inc.

3. The Trustee of the Trust is The Bank of New York Mellon Trust Company, National Association, f/k/a Citizens and Southern Trust Company, National Association.

4. Excerpts from the trust agreement that establish the Trust, designate the Trustee and set forth the powers of the Trustee will be provided upon request. The powers of the Trustee include the powers to sell, exchange, convey, transfer, or otherwise dispose of any property held by it, by public or private sale, as necessary for prudent management of the Fund and to make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out its powers.

5. The Trust is irrevocable.

6. The Trustee has been advised by the Settlor that Settlor has assigned all of its right, title and interest in the Trust to Duke Energy Florida, Inc. and the Trustee has received a certificate duly executed by the Secretary of the Settlor attesting to the occurrence of the events giving rise to the necessity for such assignments and attesting that decommissioning is proceeding pursuant to a Nuclear Regulatory Commission approved Plan (the "Plan"), and the funds thus assigned and withdrawn will be expended for activities undertaken pursuant to the Plan.

7. The Trustee has also received from the Settlor written instructions signed on behalf of the Settlor in a manner sufficient to bind the Settlor, to transfer all the Trust funds in which Settlor has a right, title or interest to Duke Energy Florida, Inc. in Trust, under its existing decommissioning Trust fund.

8. Title to assets held in the Trust shall be titled as:

> The Bank of New York Mellon Trust Company, National Association, as Trustee of the Trust Fund under Trust Fund Agreement between Seminole Electric Cooperative, Inc., as Grantor, and Citizens and Southern Trust Company, National Association, as Trustee, under Agreement dated May 10, 1990.

9. Any alternative description shall be effective to title assets in the name of the Trust or to designate the Trust as a beneficiary if the description includes the name of at least one initial or successor trustee, any reference indicating that property is being held in a fiduciary capacity, and the date of the Trust.

10. The Trust has not been revoked, modified or amended in any way that would cause the representations in this Certification of Trust to be incorrect.

Witnesses:

The Bank of New York Mellon Trust Company, National Association

_____
Print Name: _____

By: _____

_____
Print Name: _____

Its: _____

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2014, by _____ (who is personally known to me or who provided _____ as identification) as _____ of The Bank of New York Mellon Trust Company, National Association, a banking corporation organized under the laws of the United States, on behalf of said Bank.

_____
Notary Public
My commission expires:

EXHIBIT "E"

Reserved

EXHIBIT "F"

Form of Assignment and Assumption Agreement

ASSIGNMENT AND ASSUMPTION AGREEMENT
(Participation Agreement)

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT, dated this _____ day of _____ 20_____, by and between _____ ("Assignor") and Duke Energy Florida, Inc., a Florida corporation ("Assignee");

WHEREAS, Assignee, certain participants and Assignor have entered into a Participation Agreement dated as of July 31, 1975, as amended (the "Participation Agreement"); and

WHEREAS, pursuant to that certain CR-3 Settlement, Release, and Acquisition Agreement, dated _____, 20_____ ("Acquisition Agreement"), Assignor has undertaken to assign its interest, rights and obligations in and to the Participation Agreement to the Assignee, effective as of the date above first written (the "Closing Date"); and it hereby terminates its status as a Participant under the Participation Agreement.

NOW THEREFORE, in consideration of their mutual covenants and intending to be legally bound, the parties hereto agree as follows:

1. Assignment of Participation Agreement. Assignor does hereby assign and transfer to Assignee, and its successors and assigns, Assignor's entire right, title and interest, and, except as provided below, all obligations and liabilities in and to the Participation Agreement. Provided however, Assignor shall remain fully liable for its obligations and liabilities as set forth in the Indemnification and Hold Harmless Agreement being executed by Assignor and Assignee on or about the date hereof (the "Indemnification Agreement"). Capitalized terms not defined in this Agreement shall have the respective meanings set forth in the Acquisition Agreement.

2. Representation and Warranties of Assignor. Assignor, for itself, its successors and assigns, hereby represents and warrants as follows: that it has fulfilled, or taken all action reasonably necessary to enable it to fulfill when due, all of its obligations under the Participation Agreement; it is not in default or breach thereunder; that there is no event or condition existing which, with notice or lapse of time or both, would constitute a breach or default thereunder; that Assignor has received no notice of any dispute, cancellation, termination or any breach or default thereunder; that the Participation Agreement is valid, binding and enforceable in accordance with its terms; that the Participation Agreement is assignable by Assignor to Assignee without the further consent of any third party; and that no rents, royalties, or other income sources to Assignor derived under the Participation Agreement have been prepaid.

3. Acceptance. In consideration of Assignor's assignment and transfer as described in Section 1 above, Assignee does hereby accept assignment of the Assignor's interest in the Participation Agreement, and hereby assumes and agrees to discharge the Assignor's obligations arising out of the Participation Agreement, except for: (a) the Assignors' obligations and liabilities under the Indemnification Agreement; and (b) Assignor's breach or default under the Indemnification Agreement.

4. Savings Clause. The Participation Agreement shall continue in full force and effect as to the Company and any remaining party to the Participation Agreement.

5. No Third Party Beneficiaries. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and shall not run to the benefit of any other persons or entities.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives.

Attest:

By:_____
Name:_____
Title:_____

ASSIGNOR:
Seminole Electric Cooperative, Inc., a Florida corporation

By:_____
Name:_____
Title:_____
Date of Signature:_____

ASSIGNEE:

Duke Energy Florida, Inc., a Florida corporation

By:_____
Name:_____
Title:_____
Date of Signature:_____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20_____, by _____, as _____ of Seminole Electric Cooperative, Inc., a Florida corporation, on behalf of the corporation. He/she is personally known to me or has produced _____ as identification.

_____
NOTARY PUBLIC

_____
Print Name

[AFFIX NOTARIAL SEAL]

Commission No.:_____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20_____, by _____, as _____ of Duke Energy Florida, a _____ corporation, on behalf of the corporation. He/she is personally known to me or has produced _____ as identification.

_____
NOTARY PUBLIC

_____
Print Name

[AFFIX NOTARIAL SEAL]

Commission No.:_____

EXHIBIT "G"

Reserved

EXHIBIT "H"

Reserved

EXHIBIT "I"

Form of Closing Certificate

CLOSING CERTIFICATE
of
Seminole Electric Cooperative, Inc.

Seminole Electric Cooperative, Inc., a Florida electric cooperative ("SECI"), hereby certifies to **DUKE ENERGY FLORIDA, INC.**, a Florida corporation ("Duke"), with respect to that certain CR-3 Settlement, Release and Acquisition Agreement entered into as of _____, 2015 by and between SECI and Duke, among others (the "Agreement"), that:

1. All defined terms contained in the Agreement are incorporated herein by this reference.

2. All representations and warranties of SECI set forth in Section 3 of the Agreement, and the information in all lists, certificates, documents, exhibits and other writings delivered by SECI to Duke pursuant to the Agreement, are true and correct on and as of the Effective Date of the Agreement, and are true and correct in all material respects on and as of the date of this Closing Certificate.

This Closing Certificate of City is dated _____, 201___.

SEMINOLE ELECTRIC COOPERATIVE, INC.

By: _____
Name:
Title:

CLOSING CERTIFICATE
of
DUKE ENERGY FLORIDA, INC.

DUKE ENERGY FLORIDA, INC., a Florida corporation ("Duke"), hereby certifies to **Seminole Electric Cooperative, Inc.**, a Florida electric cooperative ("SECI"), with respect to that certain CR-3 Settlement, Release and Acquisition Agreement entered into as of _____, 2015 by and between Duke and SECI (the "Agreement"), that:

1. All defined terms contained in the Agreement are incorporated herein by this reference.

2. All representations and warranties of Duke set forth in Section 4 of the Agreement, and the information in all lists, certificates, documents, exhibits and other writings delivered by Duke to SECI pursuant to the Agreement, are true and correct on and as of the Effective Date of the Agreement, and are true and correct in all material respects on and as of the date of this Closing Certificate.

This Closing Certificate of City is dated _____, 201___.

DUKE ENERGY FLORIDA, INC.

By: _____
Name:
Title:

EXHIBIT "J"

Form of Opinion of Counsel for Seller

Date

Gentlemen:

I am General Counsel to Seminole Electric Cooperative, Inc. ("Seller") and have acted as counsel to Seller in connection with the execution and delivery of that certain CR-3 Settlement, Release and Acquisition Agreement dated as of _____, 2015 (the "Acquisition Agreement") between Duke Energy Florida ("Company") and the Seller.

In so acting, I have examined originals or copies of the Acquisition Agreement and have relied as to factual matters upon the representations and warranties contained in each such document (such reliance does not include the representations contained in Section 3.1, Section 3.2 and Section 3.3 of the Acquisition Agreement). I have also examined originals or copies, certified or otherwise identified to my satisfaction, of Seller's records, documents, agreements and other instruments, certificates, opinions and correspondence with public officials, certificates of officers and representatives of Seller, and made such other investigations as I have deemed necessary or advisable for the purposes of rendering the opinions set forth herein. I have assumed the genuineness of all signatures and the authenticity of all documents submitted to me as originals and the conformity with the originals of all documents submitted to me as copies. This opinion is issued to you pursuant to Section 6.2 of the Acquisition Agreement.

This opinion letter is limited to the matters expressly stated herein. No opinions are to be inferred or implied beyond the opinions expressly so stated.

This opinion letter has been prepared and is to be construed in accordance with the "Report on Third-Party Legal Opinion Customary Practice in Florida, dated December 3, 2011" (the "Report"). The Report is incorporated by reference into this opinion letter.

In rendering the opinions set forth herein, we have relied, without investigation, on each of the assumptions implicitly included in all opinions of Florida counsel that are set forth in the Report in "Common Elements of Opinions – Assumptions."

When used in this opinion letter, the phrases "to our knowledge," "known to us" or the like means the conscious awareness of the lawyers in the "primary lawyer group" of factual matters such lawyers recognize as being relevant to the opinion or confirmation so qualified. Such phrases do not imply that we have undertaken any independent investigation within our firm, with the Seller or with any third party to determine the existence or absence of any facts or circumstances, and no inference should be drawn merely from our past or current representation of the Seller. Where any opinion or confirmation is qualified by the phrase "to our knowledge," "known to us" or the like, it means that the lawyers in the "primary lawyer group" are without any actual knowledge or conscious awareness that the opinion or confirmation is untrue in any respect material to the opinion or confirmation. For purposes of this opinion letter, "primary lawyer group" means: (i) the lawyer who signs his or her name or the name of the firm to this opinion letter, and (ii) the lawyers currently in the firm who are actively involved in preparing or negotiating this opinion letter.

Based upon the foregoing and subject to the further qualifications and limitations set forth below, I am of the opinion-that:

(a) Seller is a Florida electric cooperative which has the requisite power and authority to execute and deliver the Acquisition Agreement and to perform its obligations thereunder.

(b) The execution, delivery and performance by Seller of the Acquisition Agreement has been duly authorized by all necessary actions on the part of Seller, does not contravene any law, or any government rule, regulation or any order applicable to Seller or its properties, and does not and will not contravene the provisions of, cause the acceleration of any rights under, cause the creation of any lien under, or constitute a default under, any material agreement, resolution or other instrument known to me after due inquiry to which Seller is a party or by which Seller is bound.

(c) All requisite governmental and regulatory approvals and consents required to be obtained by Seller for the execution, delivery and performance by Seller of the Acquisition Agreement have been obtained. The execution, delivery and performance of the Acquisition Agreement does not require Seller to (i) obtain any consent of any creditor, lessor, mortgagee, co-participant, co-owner of the Purchased Interest or other party to any agreement or instrument to which Seller is a party or by which Seller or any of its properties are bound, except as provided in Section 9.2 of the CR-3 Participation Agreement dated July 31, 1975, and in Section 7.6 of the Acquisition Agreement, or (ii) notify or obtain any permit, authorization or approval of any federal, state or local authority, except as provided in Section 7.6 of the Acquisition Agreement.

(d) The Acquisition Agreement has been duly and validly executed and delivered by Seller and constitutes a legal, valid and binding obligation of Seller, enforceable in accordance with its respective terms.

(e) There are no actions, suits or proceedings pending or, to my knowledge, threatened against Seller with respect to the Acquisition Agreement, or any of the transactions thereunder, before any court or administrative body or agency having jurisdiction over Seller with respect to the Acquisition Agreement (including, without limitation, any arbitrations, Worker's Compensation or other administrative proceedings, condemnation proceedings, criminal prosecutions or governmental investigations) or which would have a material adverse effect on the Seller's ability to perform its obligations under the Acquisition Agreement.

(f) The Special Warranty Deed and Bill of Sale and the Assignment and Assumption Agreement dated the date hereof, between Seller, as "Grantor" or "Assignor", and Company, as "Grantee" or "Assignee", as the case may be, are in sufficient form to transfer the title or to assign, the rights, title, and interest each purports to transfer or assign, and, upon execution and delivery of the Special Warranty Deed and Bill of Sale and the Assignment and Assumption Agreement, such title to the portion of the Purchased Interest that constitutes real property, and such title to the portion of Purchased Interest that constitutes personal property, and Seller's entire right, title, and interest in the Participation Agreement shall be effectively transferred to Company as set forth in those documents. All terms used in this letter shall be deemed to have the definitions set forth in the Conveyance Documents except as otherwise specifically set forth herein. The "Conveyance Documents" is meant collectively, the Acquisition Agreement, the Assignment and Assumption Agreement, and the Special Warranty Deed and Bill of Sale.

(g) The Settlement-Related Documents are valid, binding, and enforceable against the Seller.

My opinion that any document is valid, binding, or enforceable in accordance with its terms is qualified as to:

(i) limitations imposed by bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance or transfer, or other laws relating to or affecting the rights of creditors generally;

(ii) general principles of equity, including, without limitation, the possible unavailability of specific performance or injunctive relief, regardless of whether such enforceability is considered in a proceeding in equity or at law;

(iii) rulings, orders or decrees of the Nuclear Regulatory Commission, the Federal Energy Regulatory Commission, and the Florida Public Service Commission; and

(iv) judicial discretion, and the valid exercise of sovereign police powers of the State of Florida and the constitutional powers of the United States of America.

No opinion is expressed herein with respect to any provision of the Acquisition Agreement or Conveyance Documents that: (a) purports to excuse a party from liability for the party's own acts; (b) purports to authorize a party to act in the party's sole discretion or purports to provide that determination by a party is conclusive; (c) requires waivers or amendments to be made only in writing; (d) purports to effect waivers of: (i) constitutional, statutory or equitable rights, (ii) the effect of applicable laws, (iii) any statute of limitations, (iv) broadly or vaguely stated rights, (v) unknown future defenses, or (vi) rights to damages; (e) concerns choice of forum, consent or submission to the personal or subject matter jurisdiction of courts, venue of actions, means of service of process, waivers of rights to jury trials, and agreements regarding arbitration; (f) purports to require a party thereto to pay or reimburse attorneys' fees incurred by another party, or to indemnify another party therefor, which provisions may be limited by applicable statutes and decisions relating to the collection and award of attorneys' fees; (g) enumerates that remedies are not exclusive or that a party has the right to pursue multiple remedies without regard to other remedies elected or that all remedies are cumulative; (h) constitutes severability provisions; (i) permits the exercise, under certain circumstances, of rights without notice or without providing opportunity to cure failures to perform; or (j) purports to entitle any party to specific performance of any provision thereof.

No opinions are expressed with respect to the status of title to the Real Estate. We have assumed as to matters of title and priority that the Seller has good title to the Real Estate.

I do not purport to express any opinion herein concerning any laws other than the laws of the State of Florida and the federal laws of the United States of America, all as in effect on the date hereof.

This opinion is furnished by me at your request for your sole benefit and no other person or entity shall be entitled to rely on this opinion without our express written consent. This opinion

is limited to the matters stated herein, and no opinion is implied or may be implied or may be inferred beyond matters expressly stated herein.

This opinion letter speaks only as of the date hereof. We assume no obligation to update or supplement this opinion letter if any applicable laws change after the date of this opinion letter or if we become aware after the date of this opinion letter of any facts or other developments, whether existing before or first arising after the date hereof, that might change the opinions expressed above.

Yours truly,

Allen Dell, P.A.

By:_____
David D. Ferrentino

EXHIBIT "K"

Form of Special Warranty Deed and Bill of Sale

Property Appraiser's
Parcel ID No.

SPECIAL WARRANTY DEED AND BILL OF SALE

THIS Indenture, made this _____ day of _____, 20_____, between Seminole Electric Cooperative, Inc., a Florida electric cooperative ("Grantor") and Duke Energy Florida, Inc., a Florida corporation ("Grantee").

WITNESSETH

WHEREAS, Grantor is the legal or beneficial owner, or both, of an undivided 1.6994% tenant in common interest in a nuclear generating plant known as Crystal River Unit No. 3 situated on certain lands in Citrus County, Florida, as more fully described herein (hereinafter referred to as "CR-3"); and

WHEREAS, Grantee desires to purchase and acquire, and Grantor desires to sell, convey and transfer Grantor's entire undivided 1.6994% tenant in common interest in CR-3 to the Grantee;

NOW, THEREFORE, Grantor, in consideration of the sum of Ten Dollars ($10.00); and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby bargains, sells, conveys and transfers to Grantee, and Grantee's successors and assigns forever, Grantor's entire 1.6994% undivided interest as tenant in common, in and to the following described real and personal property:

(a) Real property situated in Citrus County, Florida:

Commence at the Northwest corner of Section 33, Township 17 South, Range 16 East, Citrus County, Florida, said corner having plant coordinates of N 0+34.61 & E 0+36.85, and run S 00° 58' 04" E, along the West boundary of said Section 33, a distance of 1,254.79 feet; thence East a distance of 1,456.95 feet to the Point of Beginning, said point having plant coordinates, S 12+20 & E 15+15; thence South, a distance of 63.98 feet; thence S 45° 41' 57" W, a distance of 201.91 feet; thence West, a distance of 436.50 feet to the Point of Curvature of a curve concave Southeasterly and having a radius of 134.0 feet; thence run 210.49 feet along the arc of said curve, a chord bearing and distance of S 45° 00' 00" W, 189.50 feet to the Point of Tangency; thence South, 757.33 feet; thence East, 484.00 feet; thence North, 137.83 feet; thence East, 66.00 feet to the Point of Curvature of a curve concave Northwesterly and having a radius of 147.43 feet; thence run 149.75 feet along the arc of said curve, a chord bearing and distance of N 60° 54' 14" E, 143.40 feet to the Point of Tangency; thence N 31° 47' 52" E, 87.01 feet to a curve concave Northerly and having a radius of 1183.72 feet; thence run 319.45 feet along the arc of said curve, a chord bearing and distance of N 73° 50' 37" E, 318.48 feet to the Point of Tangency; thence N 67° 31' 02" E 481.14 feet to the Point of Curvature of a curve concave Southerly and having a radius of 676.78 feet; thence run 265.05 feet along the arc of said curve, a chord bearing and distance of N 78° 43' 36" E, 263.36 feet to the Point of Tangency; thence N 89° 53' 49" E, 200 feet; thence N 00° 06' 11" W, 80.00 feet; thence S 89° 53' 49" W, 200 feet to the Point of Curvature of a curve concave Southerly and having a radius of 756.78 feet; thence run 296.31

feet along the arc of said curve, a chord bearing and distance of S 78° 43' 36" W, 294.42 feet to the Point of Tangency; thence S 67° 31' 02" W, 481.14 feet to the Point of Curvature of a curve concave Northerly and having a radius of 1103.72 feet; thence 241.24 feet along the arc of said curve, a chord bearing and distance of S 73° 59' 18" W, 240.76 feet; thence West, 150.57 feet; thence North, 204.70 feet; thence East, 60.00 feet; thence North, 161.00 feet; thence East, 437.55 feet; thence North, 353 feet; thence West, 397 feet to the Point of Beginning. Containing 18.86 acres, more or less.

Together, with all licenses, profits, easements, rights of way, development rights and entitlements, and all other tangible and intangible rights that are appurtenant or associated therewith or thereto, and all buildings, power plants, structures, improvements and all fixtures located thereon.

(b) Structures, equipment and facilities now or hereafter constructed and installed in or on the above described real property, including, but not limited to, the following:

A nuclear steam supply system of the pressurized water type.

A steam turbine-generator with a design nameplate turbine capability of 858.9 MW, and designed to take steam from the nuclear steam supply system.

Containment for the nuclear steam supply system.

All auxiliary equipment and other engineered safeguards associated with the foregoing.

An administration building, machine shop, warehouse, public information facility and other support buildings located adjacent to said units. (This does not include support buildings that are Common or External Facilities.)

A radioactive waste treatment and control system or systems and all associated equipment.

Cooling water system(s).

Generator step-up bank consisting of four transformers rated at 316 MVA each. Standby auxiliary power transformation equipment and related facilities.

CR-3 control and communication facilities and associated buildings or equipment not included in Common or External Facilities.

All other right, title and interest of Grantor in and to CR-3.

(collectively the "Property").

TO HAVE AND TO HOLD THE PROPERTY IN FEE SIMPLE FOREVER.

Grantor covenants that the foregoing real and personal property is free of all encumbrances imposed by or through Grantor; that lawful seisin of and good right to sell, convey and transfer such Property is vested in Grantor; and that Grantor does fully warrant such title to such Property and will defend forever the same against the lawful claims of all persons claiming by or through Grantor, but none other.

WHEREFORE, Grantor has caused this instrument to be executed by its duly authorized officers on the day and year first above written.

Signed, sealed and delivered
in the presence of:

_____

_____
Print Name

_____

_____
Print Name

Seminole Electric Cooperative, Inc.

By:_____
Name:_____
Title:_____

Attest:_____
Name:_____
Title:_____

(AFFIX CORPORATE SEAL)

STATE OF FLORIDA

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____ 20_____, by _____, as the _____ of the Seller of _____, on behalf of Seller. He/she is personally known to me or has produced _____ as identification.

[AFFIX NOTARIAL SEAL]

_____
NOTARY PUBLIC

_____
Print Name

Commission No.:

EXHIBIT "L"

Form of Opinion of Counsel of Company

Date

Gentlemen:

I am Deputy General Counsel to Duke Energy Florida, Inc. ("Duke") and in such capacity and together with attorneys in Duke's Legal Department acting under my supervision, have acted as counsel to Duke in connection with the execution and delivery of that certain CR-3 Settlement, Release and Acquisition Agreement dated as of _____, 2014 (the "Acquisition Agreement") between Duke and Seminole Electric Cooperative, Inc. (the "Seller").

In so acting, I have examined originals or copies of the Acquisition Agreement and have relied as to factual matters upon the representations and warranties contained in that document (such reliance does not include the representations contained in Section 4.1, Section 4.2 and Section 4.3 of the Acquisition Agreement). I or attorneys in Duke's Legal Department acting under my supervision have also examined originals or copies, certified or otherwise identified to our satisfaction, of all Duke's corporate records, documents, agreements and other instruments, certificates, opinions and correspondence with public officials, and certificates of officers and representatives of Duke and made such other investigations as I have deemed necessary or advisable for the purposes of rendering the opinions set forth herein. As to all matters of fact covered thereby, I have relied, without independent investigation or verification, thereon. I have assumed the genuineness of all signatures and the authenticity of all documents submitted to me as originals and the conformity with the originals of all documents submitted to me as copies. This opinion is issued to you pursuant to Section 7.2 of the Acquisition Agreement. All defined terms contained in the Acquisition Agreement are incorporated herein by this reference.

Based upon the foregoing and subject to the further qualifications and limitations set forth below, I am of the opinion that:

(a) Duke is a corporation, incorporated under the laws of the State of Florida, and it has the requisite power and authority to execute and deliver the Acquisition Agreement and to perform its obligations thereunder.

(b) The execution, delivery and performance by Duke of the Acquisition Agreement has been duly authorized by all necessary actions on the part of Duke, does not contravene any law, or any government rule, regulation or any order applicable to Duke or its properties, and does not and will not contravene the provisions of, cause the acceleration of any rights under, cause the creation of any lien under, or constitute a default under, any material agreement, resolution or other instrument known to me after due inquiry to which Duke is a party or by which Duke is bound.

(c) All requisite governmental and regulatory approvals and consents required to be obtained by Duke for the execution, delivery and performance by Duke of the Acquisition Agreement have been obtained. The execution, delivery and performance of the Acquisition Agreement does not require Duke to: (i) obtain any consent of any creditor, lessor, mortgagee, co-participant, co-owner of the Purchased Interests or other party to any agreement or instrument to which Duke is a party or by which Duke or any of its properties are bound, except as provided in Section 9.2 of the CR-3 Participation Agreement dated July 31, 1975, or (ii) notify or obtain any permit, authorization or approval of any federal, state or local authority, other than Duke's governing body.

(d) The Acquisition Agreement has been duly and validly authorized, executed and delivered by Duke and constitutes a legal, valid and binding obligation of Duke, enforceable in accordance with its terms.

(e) There are no actions, suits or proceedings pending or, to my knowledge, threatened against Duke with respect to the Acquisition Agreement, or any of the transactions thereunder, before any court or administrative body or agency having jurisdiction over Duke with respect to the Acquisition Agreement (including, without limitation, any arbitrations, Worker's Compensation or other administrative proceedings, condemnation proceedings, criminal prosecutions or governmental investigations) or which would have a material adverse effect on Duke's ability to perform its obligations under the Acquisition Agreement.

(f) The Settlement-Related Documents that are executed by Duke are valid, binding, and enforceable against Duke.

My opinion that any document is valid, binding, or enforceable in accordance with its terms is qualified as to:

(i) limitations imposed by bankruptcy, insolvency, reorganization, arrangement, moratorium, or other laws relating to or affecting the rights of creditors generally;

(ii) general principles of equity, including, without limitation, the possible unavailability of specific performance or injunctive relief, regardless of whether such enforceability is considered in a proceeding in equity or at law;

(iii) rulings, orders or decrees of the Nuclear Regulatory Commission, the Federal Energy Regulatory Commission, and the Florida Public Service Commission; and

(iv) judicial discretion, and the valid exercise of sovereign police powers of the State of Florida and the constitutional powers of the United States of America.

I do not purport to express any opinion herein concerning any laws other than the laws of the State of Florida and the federal laws of the United States of America, all as in effect on the date hereof.

This opinion speaks as of the date hereof, and I assume no obligation to update or supplement such opinion to reflect any fact or circumstance that may hereafter come to my attention or any changes in law that may hereafter occur or become effective. This opinion is furnished by me at your request for your sole benefit and no other person or entity shall be entitled to rely on this opinion without my express written consent. This opinion is limited to the matters stated herein, and no opinion is implied or may be implied or may be inferred beyond matters expressly stated herein.

Yours truly,

By: _____
Deputy General Counsel

EXHIBIT "M"

Notice Provisions

If to Duke Energy Florida at:
Dianne Triplett
Associate General Counsel
Duke Energy Florida, Inc.
299 1st Avenue North, FL 151
St. Petersburg, FL 33701
(727) 820-4692 (phone)
(727) 820-5041 (fax)
dianne.triplett@duke-energy.com

With a copy to:
Alex Glenn, State President - Florida
Duke Energy Florida, Inc.
299 1st Avenue North, FL 151
St. Petersburg, FL 33701
(727) 820-5587 (phone)
alex.glenn@duke-energy.com

If to Seminole Electric Cooperative at:
Mark Sherman
Vice President of Commercial and Portfolio Management
Seminole Electric Cooperative, Inc.
16313 N. Dale Mabry Highway
Tampa, FL 33618
Phone 813-739-1536
Fax 813-264-7907
Email msherman@seminole-electric.com

With a copy to:

David Ferrentino
General Counsel, Seminole Electric Cooperative, Inc.
Allen Dell, P.A.
202 South Rome Avenue, Suite 100
Tampa, FL 33606
Phone 813-223-5351
Fax 813-229-6682
Email dferrentino@allendell.com

AMENDED AND RESTATED NUCLEAR DECOMMISSIONING TRUST AGREEMENT

THIS NUCLEAR DECOMMISSIONING TRUST AGREEMENT (the "Agreement"), dated as of the 1st day of May, 2008 between Florida Power Corporation, d/b/a Progress Energy Florida, Inc., a corporation duly organized and existing under the laws of the State of Florida, having its principal office at 410 S. Wilmington Street - PEB19A3, Raleigh, NC 27601 (the "Company"), and State Street Bank and Trust Company, as Trustee, having its principal office at 2 Avenue de Lafayette, Boston, MA 02111 (the "Trustee");

WHEREAS, the Company owns an undivided 91.7806% interest in and operates the Crystal River Unit 3 Nuclear Generating Plant (the "Unit"); and

WHEREAS, the Internal Revenue Code of 1986 (as from time to time amended, the "Code") incorporated several Sections relating to the costs incurred for the decommissioning of a nuclear reactor, including Section 468A (as from time to time amended, "Section 468A") which, among other things, permits the owner of a nuclear reactor to elect the application of Section 468A and thereby be allowed as a deduction, subject to certain limitations and qualifications, the amount of payments made to a Nuclear Decommissioning Reserve Fund (as defined in Section 468A); and

WHEREAS, the Company and the Trustee were parties to an Amended and Restated Nuclear Decommissioning Trust Agreement dated December 17, 2003, which agreement was an amendment to and restatement of the terms and provisions of an Amended and Restated Nuclear Decommissioning Trust Agreement dated September 1, 1994 (as amended by Amendment I to such Amended and Restated Nuclear Decommissioning Trust Agreement, effective June 1, 1995), which agreement was an amendment to and a restatement of the terms and provisions of a trust agreement dated March 10, 1988, which created the "Florida Power Corporation Nuclear Decommissioning Trust" (the "Trust"), and which established a Nuclear Decommissioning Reserve Fund under Section 468A (the "Qualified Trust Fund") and a nuclear decommissioning trust fund which does not qualify under Section 468A (the "Nonqualified Trust Fund"; collectively, the "Funds"), under the laws of the Commonwealth of Massachusetts; and

WHEREAS, the Company wishes to amend and restate the terms of the Trust so as to reflect certain changes to Section 468A made by the Energy Policy Act of 2005, and to generally update the terms of the Trust governing the Funds; and

WHEREAS, the Company wishes that the Trustee continue to serve and Trustee agrees to serve as Trustee of the Unit's Qualified Trust Fund and the Nonqualified Trust Fund under the laws of the Commonwealth of Massachusetts; and

WHEREAS, the Company desires to maintain the Qualified Trust Fund and the Nonqualified Trust Fund herein described as a means of financing the decommissioning of the Company's nuclear unit in accordance with the Rules and Regulations of the NRC and to assure the Company's financial ability to meet the obligations to the NRC, other applicable regulatory

bodies, the general public and the Company's ultimate customers in connection with said decommissioning; and

WHEREAS, the execution and delivery of this Agreement have been duly authorized by the Company and the Trustee and all things necessary to make this Agreement a valid and binding agreement by the Company and the Trustee have been done.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH, that to provide for the maintenance of the Funds and the making of payments therefrom and the performance of the covenants of the Company and the Trustee set forth herein, the Company has previously sold, assigned, set over and pledged unto the Trustee, and to the Trustee's successors and its assigns, and the Trustee has acknowledged receipt of the Funds representing the initial funding and any additional contributions to the Funds.

TO HAVE AND TO HOLD THE SAME IN TRUST for the exclusive purpose of providing funds for the decommissioning of the Unit in order to satisfy the liability in connection therewith, to pay the administrative costs and other incidental expenses of the Funds, and to make certain investments, all as hereinafter provided.

ARTICLE 1
Purposes of the Funds: Contributions

Section 1.01. Establishment of the Funds. The Trustee shall hold a separate Qualified Trust Fund and a separate Nonqualified Trust Fund.

The Funds shall be maintained separately at all times in the United States as the Nonqualified Trust Fund and the Qualified Trust Fund pursuant to this Agreement and in accordance with the laws of the Commonwealth of Massachusetts. The Company intends that the Qualified Trust Fund shall qualify as a Nuclear Decommissioning Reserve Fund under Section 468A of the Code. The assets of the Qualified Trust Fund may be used only in a manner authorized by Section 468A of the Code and the Treasury Regulations thereunder and this Agreement cannot be amended to violate Section 468A of the Code or the Treasury Regulations thereunder. The Trustee shall maintain such records as are necessary to reflect each Fund separately on its books from each other Fund and shall create and maintain such subaccounts within each Fund as the Company shall direct.

Section 1.02. Purposes of the Funds. The Funds are established for the exclusive purpose of providing funds for the decommissioning of the Unit. The Nonqualified Trust Fund shall accumulate all contributions (whether from the Company or others) which do not satisfy the requirements for contributions to the Qualified Trust Fund, pursuant to Section 2 of the Special Terms contained in Exhibit A. The Qualified Trust Fund shall accumulate all contributions (whether from the Company or others) which satisfy the requirements of Section 2 of the Special Terms. The Qualified Trust Fund shall also be governed by the provisions of the Special Terms, which provisions shall take precedence over any provisions of this Agreement construed to be in conflict therewith. The assets in the Qualified Trust Fund shall be used as authorized by Section 468A of the Code and regulations thereunder, and as provided in this Agreement. None of the

assets of the Funds shall be subject to attachment, garnishment, execution or levy in any manner for the benefit of creditors of the Company or any other party.

Section 1.03. Contributions to the Funds. The Company (or others approved in writing by the Company) shall contribute cash or securities to the Funds from time to time. Contributions for the Unit shall be allocated to the Qualified Trust Fund unless the Company designates in writing at the time of payment to which of the Unit's two Funds the payment is allocated. The Company shall have sole discretion as to whether contributions are allocated to the Qualified Trust Fund or the Nonqualified Trust Fund.

ARTICLE 2
Payments by the Trustee

Section 2.01. Use of Assets. The assets of each Fund shall be used exclusively (a) to satisfy, in whole or in part, any expenses or liabilities incurred with respect to the decommissioning of the Unit or any portion, component or structure thereof, including expenses incurred in connection with the preparation for decommissioning of the Unit or any portion, component or structure thereof, such as engineering and other planning expenses, and all expenses incurred after the actual decommissioning occurs, such as physical security and radiation monitoring expenses (the "Decommissioning Costs"), (b) to pay the administrative costs and other incidental expenses of each Fund, (c) to make investments (including common trust funds) as directed by the investment manager(s) pursuant to Section 3.03(a) or the Trustee pursuant to Section 3.03(b), and (d) to be distributed upon termination of this Agreement pursuant to Article 6 hereof.

Section 2.02. Certification for Decommissioning Costs.

(a) If assets of a Fund are required to satisfy Decommissioning Costs of the Unit, the Company shall present a certificate substantially in the form attached hereto as Exhibit B to the Trustee signed by its Chairman of the Board, its President, one of its Vice Presidents, its Treasurer, or an Assistant Treasurer, requesting payment from the Fund. Any certificate requesting payment by the Trustee to a third party or to the Company from a Fund for Decommissioning Costs shall include the following:

(1) a statement of the amount of the payment to be made from the Fund and whether the payment is to be made from the Nonqualified Trust Fund, the Qualified Trust Fund or in part from both Funds;

(2) a statement that the payment is requested to pay Decommissioning Costs which have been incurred, and if payment is to be made from the Qualified Trust Fund, a statement that the Decommissioning Costs to be paid constitute Qualified Decommissioning Costs, as defined in the Special Terms;

(3) the nature of the Decommissioning Costs to be paid;

(4) the payee, which may be the Company in the case of reimbursement for payments previously made or expenses previously incurred by the Company for Decommissioning Costs;

(5) a statement that the Decommissioning Costs for which payment is requested have not theretofore been paid out of the Funds; and

(6) a statement that any necessary authorizations of the Florida Public Utility Commission (the "PUC"), NRC and/or any other governmental agencies having jurisdiction with respect to the decommissioning have been obtained.

(b) No disbursements of payments for Decommissioning Costs from the Funds shall be made by the Trustee:

(1) unless the Company has first provided thirty (30) working days' prior written notice of such disbursement or payment to the Director, Office of Nuclear Reactor Regulation, or the Director, Office of Nuclear Safety and Safeguards, as applicable, and provides proof of such notice to the Trustee, and

(2) if the Trustee receives written notice of an objection from the Director, Office of Nuclear Reactor Regulation, or the Director, Office of Nuclear Safety and Safeguards, as applicable during such thirty (30) working day notice period, or if the Trustee receives such notice at any later time that is nevertheless prior to disbursement.

(c) The Trustee shall retain at least one copy of any certificates (including attachments) and related documents received by it pursuant to this Article 2.

(d) The Company shall have the right to enforce payments from the Funds upon compliance with the procedures set forth in this Section 2.02, provided, however, that the Company shall not have the right to enforce payments from the Funds in the event that notice as described in Section 2.02(b)(2) of this Agreement is received by the Trustee.

Section 2.03. Administrative Costs. The Trustee shall pay or as directed by the Company reimburse the Company for the administrative costs and other incidental expenses of the Nonqualified Trust Fund, including all federal, state, and local taxes, if any, imposed directly on the Nonqualified Trust Fund or the income therefrom, expenses incurred in preparing and filing any federal, state, and local tax returns, legal expenses, accounting expenses, actuarial expenses and trustee expenses, from the assets of the Nonqualified Trust Fund and shall pay, as directed by the Company, the administrative costs and other incidental expenses of the Qualified Trust Fund, as defined in the Special Terms, from the assets of the Qualified Trust Fund.

Section 2.04. Subsequent Adjustments.

(a) The Trustee shall make transfers of Excess Contributions as defined in Section 4 of the Special Terms (1) from the Qualified Trust Fund to the Nonqualified Trust Fund, or (2) from the Qualified Trust Fund to the Company, provided such payments are in accordance with Section 4 of the Special Terms, upon presentation by the Company of a certificate substantially in the form of Exhibit C hereto executed by the Company instructing the Trustee to make any such payments from the Qualified Trust Fund to the Nonqualified Trust Fund, and substantially in the form of Exhibit D hereto executed by the Company instructing the Trustee to make any

such payments from the Qualified Trust Fund to the Company. The Trustee shall be fully protected in relying upon such certificates.

(b) The Trustee shall make transfers from the Nonqualified Trust Fund to the Qualified Trust Fund provided such payments are in accordance with the contribution limitations set forth in Section 2 of the Special Terms, as the case may be, upon presentation by the Company of a certificate substantially in the form of Exhibit C hereto executed by the Company instructing the Trustee to make any such payments.

ARTICLE 3
Concerning the Trust

Section 3.01. Authority of Trustee. The Trustee hereby accepts the Trusts created under this Agreement. The Trustee shall have the authority and discretion to manage and control the Funds to the extent provided in this Agreement but does not guarantee the Funds in any manner against investment loss or depreciation in asset value or guarantee the adequacy of the Funds to satisfy the Decommissioning Costs. The Trustee shall discharge its duties as fiduciary solely in the interest of the Company, with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like objectives, and in accordance with the Trust.

Except with respect to any investment account of which it is acting as Investment Manager pursuant to Section 3.03 hereof; the Trustee shall be released and relieved of all investment duties, responsibilities and liabilities customarily or statutorily incident to a trustee with respect to the trust funds hereunder, and as to such trust funds the Trustee shall act as a directed Trustee. Provided, however, that the Trustee shall, to the extent any assets of the trust funds have not been invested by an Investment Manager or the Company as of the end of any business day, invest such uninvested assets of the trust funds overnight as the Company or such Investment Manager may direct in writing.

Section 3.02. Investment Committee. Promptly after the delivery of this Agreement, the Investment Committee of the Trust, appointed by the Board of Directors or Chief Executive Officer of the Company, will designate certain individuals to act on its behalf in any transactions authorized or required to be performed by the Company hereunder, except any such transactions with respect to which this Agreement specifies who shall act on behalf of the Company. The Company shall provide the Trustee with a written statement setting forth the names and specimen signatures of such individuals. The Investment Committee shall consist of three or more individuals appointed by the Company. The Committee will be empowered to direct the management of all assets of the Trust and perform all duties attendant thereto, including the appointment of trustees and investment managers and the execution of contracts, agreements, or other documents, as it deems necessary to manage and invest such assets. Each member of the Committee shall serve at the Company's will and the Company shall notify the Trustee in writing of all appointments and replacements of Committee members.

Section 3.03. Investment of Funds.

(a) Pursuant to a written investment management agreement describing the powers and duties of the Investment Manager, the Company shall have the authority to appoint one or more independent Investment Managers, which may include the Trustee, to direct the Trustee in investing the assets of the Funds; provided, however, that the Trustee shall not follow any direction which would result in a Prohibited Transaction as defined in the Special Terms. Any such investment manager(s) or other person directing investments made in the Trusts shall adhere to the "prudent investor" standard as specified in 18 C.F.R. 35.32(a)(3) of the Federal Energy Regulatory Commission ("FERC") regulations (the "Prudent Investor Standard"). To the extent that the Company chooses to exercise this authority, it shall so notify the Trustee and instruct the Trustee in writing to separate into a separate account those assets the investment of which will be directed by each investment manager. The Company shall designate in writing the person or persons who are to represent any such investment manager in dealings with the Trustee. Upon the separation of the assets in accordance with the Company instructions, the Trustee, as to those assets while so separated, shall be released and relieved of all investment duties, investment responsibilities and investment liabilities normally or statutorily incident to a trustee; provided, however, that the Trustee shall not be relieved of the responsibility of ensuring that no Prohibited Transaction as defined in the Special Terms are entered into. The Trustee shall retain all other fiduciary duties it has accepted hereunder with respect to assets the investment of which is directed by investment managers.

(b) To the extent that the investment of assets of the Funds are not being directed by one or more investment managers under Section 103(a), the Company will assume management unless the Trustee has been appointed to act as investment manager. If so directed, the Trustee shall hold, invest, and reinvest the funds delivered to it hereunder as it in its sole discretion deems advisable, subject to the restrictions set forth herein for investment of the assets of the Qualified Trust Funds and adherence to the Prudent Investor Standard.

Section 3.04. Compensation. The Trustee shall be paid such reasonable compensation for services rendered by it, as well as expenses necessarily incurred by it in the execution of the Trust, as shall from time to time be agreed upon by the Company and the Trustee either through payments from the Funds or directly from the Company. Provided however that with respect to any payment of compensation and expenses from the Qualified Trust Fund, any compensation and expenses qualify as administrative costs and other incidental expenses of the Qualified Trust Fund, as defined in the Special Terms.

Section 3.05. Books of Account and Taxes. The Trustee shall keep separate true and correct books of account with respect to each Fund, which books of account shall at all reasonable times be open to inspection by the Company or its duly appointed representatives. The Trustee shall, upon written request of the Company, permit the Company or any governmental agencies, such as the PUC, FERC, NRC or the Internal Revenue Service, to inspect the books of account of each Fund. The Trustee shall furnish to the Company on or about the tenth business day of each month a statement for each Fund showing, with respect to the preceding calendar month, the balance of assets on hand at the beginning of such month, all receipts, investment transactions, and disbursements which took place during such month and the balance of assets on hand at the end of such month.

The Trustee is responsible for account valuations for all purposes under this Agreement. Such account valuations shall report the fair market value of assets of each trust fund based upon information and financial publications of general circulation, statistical and valuation services, records of security exchanges, appraisals by qualified persons, transactions and bona fide offers in assets of the type in question, or other information customarily used in the valuation of property. When a value is not readily obtainable from these sources, the Trustee may rely on valuations provided by the Investment Manager.

The Company shall cause appropriate Federal and State tax returns, with respect to income earned by the Qualified Trust Fund to be prepared and filed and, except as provided in Section 5 of the Special Terms, the Trustee shall pay out of the Qualified Trust Fund any taxes shown to be due. The Company shall also cause to be prepared and filed such other tax returns as may be required with respect to income earned by, or the assets of, either trust fund hereunder and the Trustee shall pay any taxes due, or at the direction of the Company, reimburse the Company out of the respective trust funds. The Trustee agrees to provide each month, on a timely basis, any information deemed necessary by the Company to file the Company's federal, state and local tax returns, to record Trust activity on the Company's financial statements, and to report Trust activity to the NRC or any other regulatory authority.

Section 3.06. Reliance on Documents. The Trustee, upon receipt of documents furnished to it by the Company pursuant to the provisions of this Agreement, shall examine the same to determine whether they conform to the requirements thereof. The Trustee acting in good faith may conclusively rely, as to the truth of statements and the correctness of opinions expressed, on any certificate or other documents conforming to the requirements of this Agreement. If the Trustee in the administration of the Funds, shall deem it necessary or desirable that a matter be provided or established prior to taking or suffering any action hereunder, such matter (unless evidence in respect thereof is otherwise specifically prescribed hereunder) may be deemed by the Trustee to be conclusively provided or established by a certificate signed by the Chairman of the Board, the President or any Vice President of the Company and delivered to the Trustee. The Trustee shall have no duty to inquire into the validity, accuracy or relevancy of any statement contained in any certificate or document nor the authorization of any party making such certificate or delivering such document, and the Trustee may rely and shall be protected in acting upon any such written certificate or document furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee shall not, however, be relieved of any obligation (a) to refrain from entering into Prohibited Transactions as defined in the Special Terms; and (b) to adhere to the Prudent Investor Standard if acting as investment manager.

Section 3.07. Liability and Indemnification. The Trustee shall not be liable for any action taken by it in good faith and without negligence, willful misconduct or recklessness and reasonably believed by it to be authorized or within the rights or powers conferred upon it by this Agreement and may consult with counsel of its own choice (including counsel for the Company) and shall have full and complete authorization and protection for any action taken or suffered by it hereunder in good faith and without negligence and in accordance with the opinion of such counsel, provided, however, that the Trustee shall be liable for taxes and any associated penalties and interest resulting from engaging in Prohibited Transactions as defined in the Special Terms. The Company hereby agrees to indemnify the Trustee for, and to hold it harmless against, any

loss, liability or expense incurred without negligence, willful misconduct, recklessness or bad faith on the part of the Trustee, arising out of or in connection with its entering into this Agreement and carrying out its duties hereunder, including the costs and expenses of defending itself against any claim of liability, provided such loss, liability or expense does not result from a Prohibited Transaction as defined in the Special Terms, and provided further that no such costs or expenses shall be paid if the payment of such costs or expenses is prohibited by Section 468A of the Code or the Treasury Regulations thereunder.

The Trustee shall not be responsible or liable for any losses or damages suffered by a Fund arising as a result of the insolvency of any custodian, subtrustee, or sub custodian, except to the extent the Trustee was negligent in its selection or continued retention of such entity.

Section 3.08. Resignation, Removal, and Successor Trustees. The Trustee may resign at any time upon sixty (60) days' written notification to the Company. The Company may remove the Trustee for any reason at any time upon thirty (30) days' written notification to the Trustee. If a successor Trustee shall not have been appointed within these specified time periods after the giving of written notice of such resignation or removal, the Trustee or Company may apply to any court of competent jurisdiction to appoint a successor Trustee to act until such time, if any, as a successor shall have been appointed and shall have accepted its appointment as provided below. If the Trustee shall be adjudged bankrupt or insolvent, a vacancy shall thereupon be deemed to exist in the office of Trustee and a successor shall thereupon be appointed by the Company. Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Company an appropriate written instrument accepting such appointment hereunder, subject to all the terms and conditions hereof, and thereupon such successor Trustee shall become fully vested with all the rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named as Trustee hereunder. The predecessor Trustee shall, upon written request of the Company and payment of all fees and expenses, deliver to the successor Trustee the corpus of the Funds and perform such other acts as may be required or be desirable to vest and confirm in said successor Trustee all right, title and interest in the corpus of the Funds to which it succeeds.

Section 3.09. Merger of Trustee. Any corporation or other legal entity into which the Trustee may be merged or with which it may be consolidated, or any corporation or other legal entity resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation or other legal entity to which the corporate trust functions of the Trustee may be transferred, shall be the successor Trustee under this Agreement without the necessity of executing or filing any additional acceptance of this Agreement or the performance of any further act on the part of any other parties hereto; provided however, that upon any such consolidation, merger, conveyance or transfer, the successor entity or entities shall assume the due and punctual performance and observance of all the conditions of this Agreement, with the same effect and to the same extent as if such successor entity or entities had been the party of the first part hereto.

ARTICLE 4
Amendments

Section 4.01. It is intended that this Agreement is irrevocable and that the Company has no power or authority to alter, amend, revoke, or annul any provisions hereof except as provided in this Article 4.

Section 4.02. Notwithstanding the provisions of Section 4.01, the Company may amend this Agreement from time to time, provided such amendment does not cause the Qualified Trust Fund to fail to qualify as a Nuclear Decommissioning Reserve Fund under Section 468A of the Code and the Treasury Regulations thereunder. The Agreement may not be amended so as to violate 468A of the Code or the regulations thereunder. The Qualified Trust Fund is established and shall be maintained for the sole purpose of qualifying as a Nuclear Decommissioning Reserve Fund under Section 468A of the Code and the Treasury Regulations thereunder. If the Qualified Trust Fund would fail to so qualify because of any provision contained in this Agreement, this Agreement shall be deemed to be amended as necessary to conform with the requirements of Section 468A and the regulations thereunder. If a proposed amendment shall affect the responsibility of the Trustee, such amendment shall not be considered valid and binding until such time as the amendment is executed by the Trustee.

ARTICLE 5
Powers of the Trustee and Investment Manager

Section 5.01. General Powers. The Trustee shall have and exercise the following powers and authority in the administration of the Funds only on the direction of an Investment Manager where such powers and authority relate to a separate account established for an Investment Manager, and in its sole discretion where such powers and authority relate to investments made by the Trustee in accordance with Section 3.03(b):

(a) to purchase, receive or subscribe for any securities or other property and to retain in trust such securities or other property;

(b) to sell, exchange, convey, transfer, lend, or otherwise dispose of any property held in the Funds and to make any sale by private contract or public auction; and no person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency or propriety of any such sale or other disposition;

(c) to vote in person or by proxy any stocks, bonds or other securities held in the Funds;

(d) to exercise any rights appurtenant to any such stocks, bonds or other securities for the conversion thereof into other stocks, bonds or securities, or to exercise rights or options to subscribe for or purchase additional stocks, bonds or other securities, and to make any and all necessary payments with respect to any such conversion or exercise, as well as to write options with respect to such stocks and to enter into any transactions in other forms of options with respect to any options which the Funds have outstanding at any time;

(e) to join in, dissent from or oppose the reorganization, recapitalization, consolidation, sale or merger of corporations or properties of which the Funds may hold stocks, bonds or other securities or in which it may be interested, upon such terms and conditions as deemed wise, to pay any expenses, assessments or subscriptions in connection therewith, and to accept any securities or property, whether or not trustees would be authorized to invest in such securities or property, which may be issued upon any such reorganization, recapitalization, consolidation, sale or merger and thereafter to hold the same, without any duty to sell;

(f) to enter into any type of contract with any insurance company or companies, either for the purposes of investment or otherwise; provided that no insurance company dealing with the Trustee shall be considered to be a party to this Agreement and shall only be bound by and held accountable to the extent of its contract with the Trustee. Except as otherwise provided by any contract, the insurance company need only look to the Trustee with regard to any instructions issued and shall make disbursements or payments to any person, including the Trustee, as shall be directed by the Trustee. Where applicable, the Trustee shall be the sole owner of any and all insurance policies or contracts issued. Such contracts or policies, unless otherwise determined, shall be held as an asset of the Funds for safekeeping or custodian purposes only;

(g) upon authorization of the Company to lend the assets of the Funds and, specifically, to loan any securities to brokers, dealers or banks upon such terms, and secured in such manner, as may be determined by the Trustee, to permit the loaned securities to be transferred into the name of the borrower or others and to permit the borrower to exercise such rights of ownership over the loaned securities as may be required under the terms of any such loan;

(h) to purchase, enter, sell, hold, and generally deal in any manner in and with contracts for the immediate or future delivery of financial instruments of any issuer or of any other property and in foreign exchange or foreign exchange contracts; to grant, purchase, sell, exercise, permit to expire, permit to be held in escrow, and otherwise to acquire, dispose of, hold and generally deal in any manner with and in all forms of options in any combination.

Settlements of transactions may be effected in trading and processing practices customary in the jurisdiction or market where the transaction occurs. The Company acknowledges that this may, in certain circumstances, require the delivery of cash or securities (or other property) without the concurrent receipt of securities (or other property) or cash and, in such circumstances, the Company shall have sole responsibility for nonreceipt of payment (or late payment) by the counterparty.

Section 5.02. Specific Powers of the Trustee. The Trustee shall have the following powers and authority, to be exercised in its sole discretion with respect to the Funds:

(a) to appoint agents, custodians, subtrustees, depositories or counsel, domestic or foreign, as to part or all of the Funds and functions incident thereto where, in the sole discretion of the Trustee, such delegation is necessary in order to facilitate the operations of the Funds and such delegation is not inconsistent with the purposes of the Funds or in contravention of any applicable law. To the extent that the appointment of any such person or entity may be deemed

to be the appointment of a fiduciary, the Trustee may exercise the powers granted hereby to appoint as such a fiduciary any person or entity. Upon such delegation, the Trustee may require such reports, bonds or written agreements as it deems necessary to properly monitor the actions of its delegate;

(b) to cause any investment, either in whole or in part, in the Funds to be registered in, or transferred into, the Trustee's name or the names of a nominee or nominees, including but not limited to that of the Trustee or an affiliate of the Trustee, a clearing corporation, or a depository, or in book-entry form, or to retain any such investment unregistered or in a form permitting transfer by delivery, provided that the books and records of the Trustee shall at all times show that such investments are a part of the Funds; and to cause any such investment, or the evidence thereof, to be held by the Trustee, in a depository, in a clearing corporation, in book-entry form, or by any other entity or in any other manner permitted by law;

(c) to make, execute and deliver, as Trustee, any and all deeds, leases, mortgages, conveyances, waivers, releases or other instruments in writing necessary or desirable for the accomplishment of any of the foregoing powers;

(d) to defend against or participate in any legal actions involving the Funds or the Trustee in its capacity stated herein, in the manner and to the extent it deems advisable;

(e) to form corporations and to create trusts, to hold title to any security or other property, to enter into agreements creating partnerships or joint ventures for any purpose or purposes determined by the Trustee to be in the best interests of the Funds;

(f) to establish and maintain such separate accounts in accordance with the instructions of the Company as the Company deems necessary for the proper administration of the Funds, or as determined to be necessary by the Trustee;

(g) to hold uninvested cash in its commercial bank or that of an affiliate, as it shall deem reasonable or necessary;

(h) to invest in any collective, common or pooled trust fund operated or maintained exclusively for the commingling and collective investment of monies or other assets including any such fund operated or maintained by the Trustee or an affiliate. The Company expressly understands and agrees that any such collective fund may provide for the lending of its securities by the collective fund trustee and that such collective fund's trustee will receive compensation for the lending of securities that is separate from any compensation of the Trustee hereunder, or any compensation of the collective fund trustee for the management of such collective fund;

(i) to generally take all action, whether or not expressly authorized, which the Trustee may deem necessary or desirable for the protection of the Funds.

Section 5.03. The powers described in Section 5.02 may be exercised by the Trustee with or without instructions from the Company or a party authorized by the Company to act on its behalf, but where the Trustee acts on Authorized Instructions, the Trustee shall be fully protected as described in Section 3.07. All directions and instructions to the Trustee from an Authorized Party shall be in writing, by facsimile transmission, electronic transmission subject to

the Trustee's practices, or any other method specifically agreed to in writing by the Company and the Trustee, provided the Trustee may, in its discretion, accept oral directions and instructions and may require confirmation in writing.

Section 5.04. The assets of the Funds shall not be directly invested in the securities or other obligations of the Company or affiliates thereof, or their successors or assigns as identified by the Company. However, nothing in the preceding sentence shall prohibit investment in mutual funds or common investment funds that own securities or other obligations of the Company.

ARTICLE 6
Termination

The Qualified Trust Fund shall terminate upon the earlier of either (i) substantial completion of decommissioning of the Unit, as defined in the Special Terms, or (ii) disqualification of the Qualified Trust Fund by the Internal Revenue Service as provided in Treasury Regulations § 1.468A-5T(c) or any corresponding future Treasury Regulation. The Nonqualified Trust Fund shall terminate upon the later of (i) termination by the NRC of the Unit's license, or (ii) completion of all decommissioning activities including activities relating to non-radiological costs. In the event the Qualified Trust Fund is terminated prior to the termination of the Nonqualified Trust Fund, the assets of the terminated Qualified Trust Fund will be distributed to the Nonqualified Trust Fund.

Any assets remaining in either Fund hereunder upon termination in accordance with this Article 6, upon receipt of an Officers' Certificate, shall be distributed by the Trustee to the Company to be returned first to shareholders of the Company to the extent that shareholder contributions were made to the Trust and, thereafter, in accordance with the terms and conditions prescribed by the governmental regulatory body having jurisdiction. The Trustee shall not be responsible for ensuring the Company's compliance with the provisions of this paragraph.

ARTICLE 7
Miscellaneous

Section 7.01. Binding Agreement. All covenants and agreements in this Agreement shall be binding upon and inure to the benefit of the respective parties hereto, their successors and assigns.

Section 7.02. Notices. All notices and communications hereunder shall be in writing or in such other form (including "e-mail") as agreed to in writing by the Company and the Trustee from time to time, and shall be deemed to be duly given on the date mailed if sent by registered mail, return receipt requested, as follows:

Progress Energy Florida, Inc.
410 S. Wilmington Street - PEB19A3
Raleigh, NC 27601
Attention: Thomas R. Sullivan

State Street Bank
2 Avenue de Lafayette
North Quincy, MA 02111
Attention: Shawn Murphy, Vice President

or at such other address as the Trustee or Company may have furnished to the other party in writing by registered mail, return receipt requested.

Section 7.03. Governing Law. The Funds have been established pursuant to this Agreement in accordance with the requirements for trusts under the laws of the Commonwealth of Massachusetts and this Agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Massachusetts.

Section 7.04. Counterparts. This Agreement may be executed in several counterparts, and all such counterparts executed and delivered, each an original, shall constitute but one and the same instrument.

Section 7.05. The Company and the Trustee hereby each represent and warrant to the other that it has full authority to enter into this Agreement upon the terms and conditions hereof and that the individual executing this Agreement on its behalf has the requisite authority to bind the Company and the Trustee to this Agreement.

IN WITNESS WHEREOF, the parties hereto, each intending to be legally bound hereby, have hereunto set their hands and seals as of the day and year first above written.

FLORIDA POWER CORPORATION, D/B/A PROGRESS ENERGY FLORIDA, INC.

By: _____
Name: Thomas R. Sullivan
Title: V.P. - Treasurer & CAO

STATE STREET BANK AND TRUST COMPANY

By: _____
Name: Shawn Murphy
Title: VP

EXHIBIT "A"

SPECIAL TERMS OF THE QUALIFIED NUCLEAR DECOMMISSIONING RESERVE FUND

The following Special Terms of the Qualified Nuclear Decommissioning Reserve Fund (hereinafter referred to as the "Special Terms") will apply for purposes of the Amended and Restated Nuclear Decommissioning Trust Agreement (the "Agreement"), dated May __, 2008, between Florida Power Corporation, d/b/a Progress Energy Florida, Inc. (the "Company") and State Street Bank and Trust Company (the "Trustee").

Section 1 Definitions. The following terms as used in the Special Terms and as used in the Agreement shall, unless the context clearly indicates otherwise, have the following respective meanings:

(a) "Administrative costs and other incidental expenses of the Qualified Trust Fund" shall mean all ordinary and necessary expenses incurred in connection with the operation of the Qualified Trust Fund, as provided in Treasury Regulations § 1.468A-5T(a)(3)(ii) or any corresponding future Treasury Regulation, including without limitation, federal, state and local income tax, expenses incurred in preparing and filing any federal, state, and local tax returns, legal expenses, accounting expenses, actuarial expenses and trustee expenses.

(b) "PUC" shall mean the Florida Public Service Commission.

(c) "Qualified Decommissioning Costs" shall mean all expenses otherwise deductible for federal income tax purposes without regard to Section 280B of the Internal Revenue Code of 1986, as amended, or any corresponding Section or Sections of any future United States internal revenue statute (the "Code"), incurred (or to be incurred) in connection with the entombment, decontamination, dismantlement, removal and disposal of the structures, systems and components of a Unit that has permanently ceased the production, of electric energy, excluding any costs incurred for the disposal of spent nuclear fuel, as provided in Treasury Regulations § 1.468A-1T(b)(6) or any corresponding future Treasury Regulation or as provided in any pronouncement, generic or otherwise, of the Internal Revenue Service. Such term includes all otherwise deductible expenses to be incurred in connection with the preparation for decommissioning, such as engineering and other planning expenses, and all otherwise deductible expenses to be incurred with respect to a Unit after the actual decommissioning occurs, such as physical security and radiation monitoring expenses.

(d) "Substantial completion of decommissioning" shall mean the date that the maximum acceptable radioactivity levels mandated by the NRC with respect to a decommissioned nuclear power plant are satisfied by the Unit; provided, however, that if the Company requests a ruling from the Internal Revenue Service, the date designated by the Internal Revenue Service as the date on which substantial completion of decommissioning occurs shall govern; provided, further, that the date on which substantial completion of decommissioning occurs shall be in accordance with Treasury Regulations § 1.468A-5T(d)(3) or any corresponding future Treasury Regulation.

Section 2 Contributions to a Qualified Trust Fund. The Company (or others approved in writing by the Company) shall contribute cash or securities to the Qualified Trust Fund from time to time. The Trustee shall not accept any contributions for the Qualified Trust Fund other than (1) amounts with respect to which the Company is allowed a deduction under Section 468A(a) of the Code and Treasury Regulations § 1.468A-2T(a) or any corresponding future Treasury Regulations, or (2) amounts contributed pursuant to Section 468A(f) of the Code and Treasury Regulations section 1.468A-8T or any corresponding future Treasury Regulation. The Company hereby represents that all contributions (or deemed contributions) by the Company to the Qualified Trust Fund in accordance with the provisions of Section 1.03 of the Agreement shall be deductible under Section 468A of the Code and Treasury Regulations §§ 1.468A-2T(a) or 1.468A-8T,or any corresponding future Treasury Regulation or shall be withdrawn pursuant to Section 4 hereof.

Section 3 Limitation on Use of Assets. The assets of the Qualified Trust Fund shall be used exclusively as follows:

(a) To satisfy, in whole or in part, the liability of the Company for Qualified Decommissioning Costs through payments by the Trustee pursuant to Section 2.02 of the Agreement; and

(b) To pay the administrative costs and other incidental expenses of the Qualified Trust Fund; and

(c) To the extent the assets of the Qualified Trust Fund are not currently required for (a) and (b) above, to invest the assets of the Qualified Trust Fund.

Section 4 Excess Contribution.

(a) If the Company's contribution (or deemed contribution) to the Qualified Trust Fund in any one year exceeds the amount deductible under Section 468A of the Code and the Treasury Regulations thereunder (an "Excess Contribution"), the Company may instruct the Trustee to transfer such Excess Contribution (i) from the Qualified Trust Fund to the Nonqualified Trust Fund pursuant to Section 2.04(a)(1) of the Agreement, and/or (ii) from the Qualified Trust Fund to the Company pursuant to Section 2.04(a)(2) of the Agreement, provided any such transfer occurs on or before the date prescribed by law (including extensions) for filing the federal income tax return of the Qualified Trust Fund for the taxable year to which the Excess Contribution relates for withdrawals pursuant to Treasury Regulations §§ 1.468A-5T(c)(2) and 1.468A-2T(d)(2) and occurs on or before the later of the date prescribed by law (including extensions) for filing the federal income tax return of the Qualified Trust Fund for the taxable year to which the Excess Contribution relates or the date that is thirty (30) days after the date that the Company receives the ruling amount for such taxable year for withdrawals pursuant to Treasury Regulations § 1.468A-3T(g)(3). Provided further that no transfer from the Qualified Trust Fund to the Company shall be made by the Trustee:

(i) unless the Trustee has first provided thirty (30) working days' prior written notice of such disbursement or payment to the Director, Office of Nuclear Reactor Regulation, or the Director, Office of Nuclear Safety and Safeguards, as applicable; and

(ii) if the Trustee receives written notice of an objection from the Director, Office of Nuclear Reactor Regulation, or the Director, Office of Nuclear Safety and Safeguards, as applicable during such thirty (30) working day notice period, or if the Trustee receives such notice at any later time that is nevertheless prior to disbursement.

(b) If the Company determines that transfer pursuant to this Section 4 is appropriate, the Company shall present a certificate so stating to the Trustee signed by its Chairman of the Board, its President, one of its Vice Presidents, its Treasurer, or an Assistant Treasurer requesting such transfer. The certificate shall be substantially in the form attached as Exhibit C to the Agreement for transfers to Nonqualified Trust Funds as provided in Section 2.04(a)(1) of the Agreement and substantially in the form of Exhibit D to the Agreement for transfers to the Company as provided in Section 2.04(a)(2) of the Agreement.

Section 5 Prohibited Transactions. Notwithstanding anything contained in the Agreement or in these Special Terms to the contrary, the Trustee may not authorize or carry out any sale, exchange or other transaction with respect to the Qualified Trust Fund which would constitute an act of "self-dealing" within the meaning of Section 4951 of the Code, as such Section is made applicable to the Qualified Trust Fund by Section 468A(e)(5) of the Code, any regulations thereunder, and any applicable successor provision. If the Trustee engages in an act of "self-dealing" in violation of the Agreement, the Trustee (and not the Qualified Trust Fund) shall be liable for any tax imposed pursuant to Section 4951 of the Code as such Section is made applicable to the Qualified Trust Fund or the Trustee.

The Trustee reserves the right not to comply with any written instructions of the Company or an Investment Manager which in the judgment of the Trustee reasonably exercised will involve an act of "self-dealing" under Section 4951 of the Code, until the Company provides the Trustee with an opinion of legal counsel that the actions directed in such instructions do not constitute an act of "self-dealing" within the meaning of Section 4951 of the Code. The opinion of such counsel shall be full and complete authorization and protection in respect of any action taken in accordance with the written instructions of the Company or an Investment Manager and, notwithstanding anything contained in the Agreement to the contrary, the Trustee shall not be liable in thereafter following such instructions, and the Company shall indemnify Trustee for any resulting liability under Section 4951 of the Code for acting on such written instructions.

Section 6 Taxable Year/Tax Returns. The accounting and taxable year for the Qualified Trust Fund shall be the taxable year of the Company for federal income tax purposes. If the taxable year of the Company shall change, the Company shall notify the Trustee of such change and the accounting and taxable year of the Qualified Trust Fund must change to the taxable year of the Company as provided in Treasury Regulations § 1.468A-4T(c)(1) or any corresponding future Treasury Regulation. The Company shall assist the Trustee in complying with any requirements under Section 442 of the Code and Treasury Regulations § 1.442-1. The Company shall prepare, or cause to be prepared, any tax returns required to be filed by the Qualified Trust Fund, and the Trustee shall sign and file such returns on behalf of the Qualified Trust Fund. The Trustee shall cooperate with the Company in the preparation of such returns.

EXHIBIT "B"

CERTIFICATE FOR PAYMENT OF DECOMMISSIONING COSTS

State Street Bank and Trust Company,
as Trustee

[Address]

This Certificate is submitted pursuant to Section 2.02 of the Amended and Restated Nuclear Decommissioning Trust Agreement (the "Agreement"), dated _____ between State Street Bank and Trust Company (the "Trustee") and Florida Power Corporation, d/b/a/ Progress Energy Florida, Inc., (the "Company"). All capitalized terms used in this Certificate and not otherwise defined herein shall have the meanings assigned to such terms in the Agreement. In your capacity as Trustee, you are hereby authorized and requested to disburse out of the Funds to [payee] the amount of $_____ from the Qualified Trust Fund and the amount of $_____ from the Nonqualified Trust Fund for the payment of the Decommissioning Costs which have been incurred with respect to the Crystal River Unit No. Three. Prior to making such disbursements, however, the Trustee shall provide thirty days prior notice of such disbursement to the NRC and shall not make such disbursement if the Trustee receives written notice of any objections from the NRC Director, Office of Nuclear Reactor Regulations during such thirty day period, or if the Trustee receives such notice at any later time that is nevertheless prior to disbursement. With respect to such Decommissioning Costs, the Company hereby certifies as follows:

1. The amount to be disbursed pursuant to this Certificate shall be solely used for the purpose of paying the Decommissioning Costs described in a schedule attached hereto ("Schedule of Decommissioning Costs").

2. None of the Decommissioning Costs described in the Schedule of Decommissioning Costs have previously been made the basis of any certificate pursuant to Section 2.02 of the Agreement.

3. The amount to be disbursed from the Qualified Trust Fund pursuant to this Certificate shall be used solely for the purpose of paying Qualified Decommissioning Costs as defined in the Special Terms.

4. Any necessary authorizations of the PUC, NRC, or any corresponding governmental authority having jurisdiction over the decommissioning of the Unit have been obtained.

IN WITNESS WHEREOF, the undersigned have executed this Certificate in the capacity shown below as of _____, ____.

FLORIDA POWER CORPORATION, D/B/A PROGRESS ENERGY FLORIDA, INC.

By: _____
Name:
Title:

Acknowledged by: **STATE STREET BANK AND TRUST COMPANY**

By: _____
Name:
Title:

EXHIBIT "C"
CERTIFICATE FOR TRANSFER BETWEEN THE QUALIFIED FUND AND THE NONQUALIFIED FUND

State Street Bank and Trust Company,
as Trustee

[Address]

This Certificate is submitted pursuant to Section 2.04 of the Amended and Restated Nuclear Decommissioning Trust Agreement (the "Agreement"), dated _____, between State Street Bank and Trust Company (the "Trustee") and Florida Power Corporation, d/b/a Progress Energy Florida, Inc., (the "Company"). All capitalized terms used in this Certificate and not otherwise defined herein shall have the meanings assigned to such terms in the Agreement. In your capacity as Trustee, you are hereby authorized and instructed as follows (complete one):

To pay $_____ in cash and the assets identified on Schedule C-1 hereto from the Crystal River Unit No. Three Nonqualified Trust Fund to the Crystal River Unit No. Three Qualified Trust Fund; or

To pay $_____ in cash and the assets identified on Schedule C-1 hereto from the Crystal River Unit No. Three Qualified Trust Fund to the Crystal River Unit No. Three Nonqualified Trust Fund.

With respect to such payment, the Company hereby certifies as follows:

1. Any amount stated herein to be paid from the Nonqualified Trust Fund to the Qualified Trust Fund is in accordance with the contribution limitations applicable to the Qualified Trust Fund set forth in Section 2 of the Special Terms and the limitations of Section 2.04 of the Agreement.

2. Any amount stated herein to be paid from the Qualified Trust Fund to the Nonqualified Trust Fund is in accordance with Section 4 of the Special Terms. The Company has determined that such payment is appropriate under the standards of Section 4 of the Special Terms.

IN WITNESS WHEREOF, the undersigned have executed this Certificate in the capacity as shown below as of _____, ____.

FLORIDA POWER CORPORATION, D/B/A PROGRESS ENERGY FLORIDA, INC.

By: _____
Name:
Title:

Acknowledged by: **STATE STREET BANK AND TRUST COMPANY**

By: _____
Name:
Title:

EXHIBIT "D"

CERTIFICATE FOR WITHDRAWAL OF EXCESS CONTRIBUTIONS FROM QUALIFIED FUND

State Street Bank and Trust Company,
as Trustee

[Address]

This Certificate is submitted pursuant to Section 4 of the Special Terms attached as Exhibit A to the Nuclear Decommissioning Master Trust Agreement (the "Agreement"), dated _____, between State Street Bank and Trust Company (the "Trustee") and Florida Power Corporation, d/b/a Progress Energy Florida, Inc., (the "Company"). All capitalized terms used in this Certificate and not otherwise defined herein shall have the meanings assigned to such terms in the Agreement. In your capacity as Trustee, you are hereby authorized and instructed to pay $_____ in cash and the assets identified on Schedule D-1 hereto to the Company from the Crystal River Unit No. Three Qualified Trust Fund. With respect to such payment, the Company hereby certifies that transfer pursuant to Section 4 of the Special Terms is appropriate and that $_____ constitutes an Excess Contribution pursuant to such Section.

IN WITNESS WHEREOF, the undersigned have executed this Certificate in the capacity as shown below as of _____, ____.

FLORIDA POWER CORPORATION, D/B/A PROGRESS ENERGY FLORIDA, INC.

By: _____
Name:
Title:

Acknowledged by: **STATE STREET BANK AND TRUST COMPANY**

By: _____
Name:
Title:

**FIRST AMENDMENT TO THE
AMENDED AND RESTATED
NUCLEAR DECOMMISSIONING TRUST AGREEMENT
BETWEEN
DUKE ENERGY FLORIDA, INC.
AND
STATE STREET BANK AND TRUST COMPANY**

This FIRST AMENDMENT TO THE AMENDED AND RESTATED NUCLEAR DECOMMISSIONING TRUST AGREEMENT (this "Amendment") is entered into and effective as of November 13, 2013, by and between State Street Bank and Trust Company, a Massachusetts trust company (the "Trustee"), and Duke Energy Florida, Inc., formerly known as Florida Power Corporation d/b/a Progress Energy Florida, Inc., a corporation organized under the laws of the State of Florida (the "Company").

WHEREAS, the Trustee and the Company are parties to that certain Amended and Restated Nuclear Decommissioning Trust Agreement dated May 1, 2008 (the "Agreement");

WHEREAS, effective as of April 29, 2013, the legal entity name of Florida Power Corporation changed to Duke Energy Florida, Inc.; and

WHEREAS, the Trustee and the Company desire to amend the Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby act and agree that the Agreement is hereby amended as follows:

1. "Duke Energy Florida, Inc." shall be, and hereby is, substituted in each instance in the Agreement where "Florida Power Corporation d/b/a Progress Energy Florida, Inc." is used.

2. Section 2.02(b) is deleted in its entirety.

3. Section 2.02(c) is renumbered as Section 2.02(b).

4. Section 2.02(d) is renumbered as Section 2.02(c) and is restated, in its entirety, as follows:

   (c) The Company shall have the right to enforce payments from the Funds upon compliance with the procedures set forth in this Section 2.02.

5. Exhibit "A", Special Terms of the Qualified Nuclear Decommissioning Reserve Fund, is amended by deleting the following language from Section 4(a):

   "Provided further that no transfer from the Qualified Trust Fund to the Company shall be made by the Trustee:"

6. Exhibit "A", Special Terms of the Qualified Nuclear Decommissioning Reserve Fund, is amended by deleting Sections 4(a)(i) and 4(a)(ii), in their entireties.

7. Exhibit "B", Certificate For Payment of Decommissioning Costs, is restated in its entirety, as attached hereto.

8. Except as expressly amended by this Amendment, all provisions, terms and conditions contained in the Agreement shall remain in full force and effect.

9. This Amendment shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Massachusetts.

10. This Amendment and the Agreement, as amended by this Amendment, constitute the entire agreement between the parties relating to the subject matter hereof. Any other prior agreements or negotiations between the parties with respect to the subject hereof are superseded.

11. This Amendment may be executed in several counterparts, and all such counterparts executed and delivered, each an original, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the 13th day of November, 2013.

DUKE ENERGY FLORIDA, INC.
(f/k/a Florida Power Corporation d/b/a
Progress Energy Florida, Inc.)

By: _____

Name: STEPHEN G. DE MAY

Title: VICE PRESIDENT & TREASURER

STATE STREET BANK AND
TRUST COMPANY

By: _____

Name: John S. Connolly

Title: Senior Vice President

JCH 11/8/2013

EXHIBIT "B"

CERTIFICATE FOR PAYMENT OF DECOMMISSIONING COSTS

State Street Bank and Trust Company,
as Trustee

[Address]

This Certificate is submitted pursuant to Section 2.02 of the Amended and Restated Nuclear Decommissioning Trust Agreement (the "Agreement"), dated May 1, 2008 between State Street Bank and Trust Company (the "Trustee") and Florida Power Corporation, d/b/a/ Duke Energy Florida, Inc., (the "Company"). All capitalized terms used in this Certificate and not otherwise defined herein shall have the meanings assigned to such terms in the Agreement. In your capacity as Trustee, you are hereby authorized and requested to disburse out of the Funds to [payee] the amount of $_____ from the Qualified Trust Fund and the amount of $_____ from the Nonqualified Trust Fund for the payment of the Decommissioning Costs which have been incurred with respect to the Crystal River Unit No. Three. With respect to such Decommissioning Costs, the Company hereby certifies as follows:

1. The amount to be disbursed pursuant to this Certificate shall be solely used for the purpose of paying the Decommissioning Costs described in a schedule attached hereto ("Schedule of Decommissioning Costs").

2. None of the Decommissioning Costs described in the Schedule of Decommissioning Costs have previously been made the basis of any certificate pursuant to Section 2.02 of the Agreement.

3. The amount to be disbursed from the Qualified Trust Fund pursuant to this Certificate shall be used solely for the purpose of paying Qualified Decommissioning Costs as defined in the Special Terms.

4. Any necessary authorizations of the PUC, NRC, or any corresponding governmental authority having jurisdiction over the decommissioning of the Unit have been obtained.

IN WITNESS WHEREOF, the undersigned have executed this Certificate in the capacity shown below as of _____, ____.

DUKE ENERGY FLORIDA, INC.

By: _____
Name:
Title:

Acknowledged by: **STATE STREET BANK AND TRUST COMPANY**

By: _____
Name: John S. Comley
Title: Senior Vice President