

April 16, 2008

Mr. Larry Mattern
Vice President of Power Supply
P.O. Box 423219
Kissimmee, FL 34742-3219

RE: Cane Island Power Park Unit 4

Dear Larry:

This letter is in response to the request from Kissimmee Utility Authority (KUA) and the Florida Municipal Power Agency (FMPA) to Toho Water Authority for a commitment to provide water for the proposed Unit 4 of the Cane Island Power Park. There are two separate agreements which relate to the provision of water for Cane Island Power Park (CIPP). Under the agreement which provides for TWA to construct wells on the Power Park site, the Authority has agreed to provide a quantity of groundwater to KUA for process water for the Power Park. The "Agreement and Easement Concerning the Delivery and Use of Treated Sewage Effluent" provides for TWA to supply reclaimed water primarily for cooling tower use for expansion of the Power Park.

Unit 4 is scheduled to be completed and begin service in the summer of 2011. Based on information provided by KUA, the expected average reclaimed water demand will be in the range of 4.0 mgd to 4.5 mgd during the summer and 2.5 to 3.0 mgd the rest of the year. The maximum peak demand is projected to be approximately 6.1 mgd with the CIPP at maximum operation. This maximum peak demand will occur no more than 5-10 days during a year with the majority of the peak demand incidents occurring during the summer months.

Based on the projected total reclaimed water demand scenarios for the Power Park with the addition of Unit 4 provided by your consultant, TWA can commit to meeting the average and peak reclaimed water demand. The ability to meet the peak demand may require the addition of some increased storage capacity for reclaimed water. KUA and FMPA have provided a commitment to participate in the construction of reclaimed water storage to assist in providing for the projected peak demand. With the commitment of KUA and FMPA to partner with TWA to develop reclaimed water storage to assist in meeting the short term peak demands, the Authority should be able to meet the increased demands from Unit 4.

TWA looks forward to working with KUA on this project and continuing our cooperative relationship for the benefit of our Osceola County customers.

Sincerely,
TOHOPEKALIGA WATER AUTHORITY



Brian L. Wheeler, P.E.
Executive Director

**Toho
Water
Authority**

BLW/ncd

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