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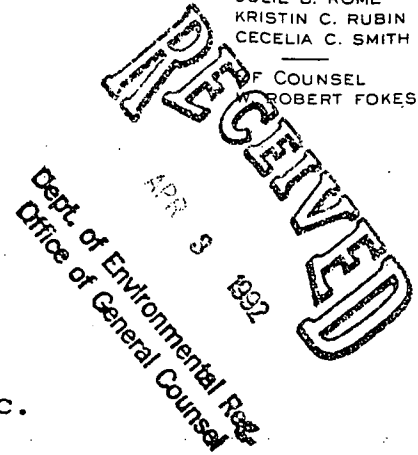
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April 3, 1992



Mr. Richard T. Donelan
Office of General Counsel
Department of Environmental Regulation
Twin Towers Office Building
2600 Blair Stone Road, Room 668
Tallahassee, FL 32399-2400

Re: Seminole Electric Cooperative, Inc.
Hardee Power Station

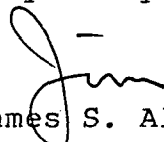
Dear Richard:

Thank you for calling me back yesterday and considering my concerns regarding the construction schedule for the transmission lines associated with the Hardee Power Station. As I mentioned, Seminole is in grave danger of falling too far behind schedule in transmission line construction, which could seriously imperil its obligation to have all of the transmission capabilities "on line" by the end of the year.

In the short run, Seminole would be extremely grateful if, while certain mitigation details are being worked out, it could undertake initial clearing activity in specified wetland areas along certain right of way segments already approved by the Department. I believe that the Stipulation Agreement I fax'd to you yesterday demonstrates that it is possible to allow such initial clearing without compromising fulfillment of SWFWMD's and DER's responsibilities. We have received feedback from SWFWMD, which has indicated that it is prepared to enter into the Stipulation unless DER objects.

If you can, please give me a call on Monday and apprise me of the status of this matter. Again, the Department's assistance would be sincerely appreciated.

Very truly yours,


James S. Alves

HOPPING BOYD GREEN & SAMS

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FAX COVER SHEET

Please Deliver the Following Pages to:

Date: 4/2/92Name: Ricahrd DonelanFax No.: 488-2439Firm: DERVerification No.: 488-9730

Message: Richard -- Here's the stipulation that
SWFWMD is considering - Anything that DER
can do to help on this matter would be
sincerely appreciated. Jim.

Charge (Client/Matter): SEMINE/109FROM: Jim Alves

We are transmitting 7 pages (including this cover sheet). If you do not receive all of the pages, please call Eleanor Wood or Sandy Meguiar.

THE INFORMATION CONTAINED IN THIS FACSIMILE MESSAGE IS ATTORNEY PRIVILEGED AND CONFIDENTIAL INFORMATION INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY NAMED ABOVE. IF THE READER OF THIS MESSAGE IS NOT THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPY OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE IMMEDIATELY NOTIFY US BY TELEPHONE AND RETURN THE ORIGINAL MESSAGE TO US AT THE ABOVE ADDRESS VIA THE U.S. POSTAL SERVICE. THANK YOU.

RECEIVED

APR 2 1992

Dept. of Environmental Reg.
Office of General Counsel

IN RE: Hardee Power Station,)
Power Plant Site Certification)
Application, TECO Power Services,)
Tampa Electric Company, and)
Seminole Electric Cooperative,)
Inc., PA 89-25.)

**JOINT STIPULATION AND AGREEMENT BETWEEN SOUTHWEST
FLORIDA WATER MANAGEMENT DISTRICT AND SEMINOLE ELECTRIC
COOPERATIVE, INC. CONCERNING POST-CERTIFICATION REVIEW**

Southwest Florida Water Management District (SWFWMD) and Seminole Electric Cooperative, Inc. (SECI) stipulate and agree as follows:

1. On June 30, 1989, SECI (as Co-applicant with TECO Power Services and Tampa Electric Company) filed an application pursuant to Sections 403.501-403.518, Fla. Stat. (Florida Electrical Power Plant Siting Act, or "PPSA"), proposing construction and operation of a combined-cycle power plant and associated facilities on a site located on the border of Polk County and Hardee County. Portions of the proposed power plant and associated facilities (including associated linear facilities) are located in Hardee County, Polk County, DeSoto County, Charlotte County, and Lee County.

2. The power plant and associated facilities include a 230 kV transmission line extending from the power plant to the existing Vandolah Substation in Hardee County and a 230 kV transmission line extending from the power plant to an existing substation in Lee County.

3. Subsequent to June 30, 1989, SWFWMD reviewed the Certification Application and became familiar with the above-referenced power plant and associated facilities during the PPSA proceedings that followed.

4. On August 10, 1990, SWFWMD and SECI jointly proposed stipulated Conditions of Certification (Attachment A) addressing water management district issues. These conditions were incorporated and adopted by the Governor and Cabinet without substantive change in the November 27, 1990 Final Order approving and certifying the Hardee Power Station project (Attachment B).

5. The November 27, 1990 Final Order confirmed, with SWFWMD's concurrence, that construction, operation, and maintenance of the Hardee Power Station project in conformance with the information set forth in the Site Certification Application (as explained at the site certification hearing) and the stipulated Conditions of Certification would comply with all applicable, nonprocedural standards of SWFWMD.

6. SECI's post-certification submittals, pursuant to Specific Conditions XXXII and XXXV of the conditions of certification, address the degree and type of mitigation/compensation necessary to compensate for adverse wetland impacts. These post-certification submittals address three distinct phases of transmission line construction: (I) power plant to Vandolah Substation; (II) Vandolah Substation to PI-37 (a point approximately two miles south of the City of Arcadia in DeSoto County); and (III) PI-37 to the Lee

Substation. In order to accomplish mitigation/compensation to compensate for adverse wetland impacts associated with all phases of transmission line construction, SECI is committed to creating 20 acres of wetlands and enhancing approximately 116 acres of wetlands in the Cecil M. Webb Wildlife Management Area (Webb Area).

7. SWFWMD has approved transmission line construction in upland areas in Phases I, II, and III, and in wetland areas in Phase I.

8. SECI filed with SWFWMD, on March 9, 1992, additional information which it believes is sufficient for SWFWMD to approve its mitigation/compensation plan for Phase II. It is SECI's position, as indicated in this submittal, that Phase II transmission line construction will result in filling approximately 1.19 acres of wetlands and clearing approximately 12.28 acres of wetlands. Moreover, it is SECI's position at this time that appropriate mitigation for this filling activity may be accomplished through creation of approximately 0.78 acres of forested wetlands (2.5:1 ratio) and creation of 1.32 acres of herbaceous wetlands (1.5:1 ratio). Also, it is SECI's position that any and all adverse impacts associated with the 12.28 acres of clearing forested, shrub, and disturbed shrub areas would be sufficiently offset by (1) creation of 3.2 acres of wetlands in the Webb Area; (2) enhancement of 11.7 credit acres of Type A and Type B wetlands in the Webb area. SECI understands that SWFWMD has not completed its review of the March 9, 1992 submittal, and

that SWFWMD at this time neither agrees nor disagrees with SECI's submittal.

9. SECI shall file information concerning wetlands impacts and required mitigation/compensation associated with Phase III by no later than April 1, 1992. It is SECI's position that mitigation/compensation for any and all adverse wetlands impacts in Phase III may be accomplished without fully expending the remaining credit attributable to its commitment to create a total of 20 acres of wetlands and enhance a total of 116 acres of wetlands in the Webb Area. SECI agrees that mitigation/compensation associated with any adverse wetlands impacts caused by filling activities in Phase III shall be 2.5 to 1 for forested wetlands and 1.5 to 1 for herbaceous wetlands. SECI understands that SWFWMD has not had an opportunity to review the information that would support these conclusions, and that SWFWMD at this time neither agrees nor disagrees with SECI's assertions on this matter.

10. The sole purpose of this Stipulation and Agreement is to accommodate SECI's need to commence transmission line construction in wetlands in Phase II and Phase III in an expeditious manner and also ensure that SWFWMD may adequately perform its duty to determine that its substantive rules and regulations are satisfied. This Stipulation and Agreement shall not be construed as deciding any substantive issues concerning what degree of mitigation/compensation is required under SWFWMD's rules.

11. SWFWMD and SECI hereby enter into this post-certification Stipulation and Agreement in order to confirm that SECI may commence construction in wetland areas Phase II and Phase III of the directly associated transmission lines, subject to and contingent upon the restrictions described herein, while the parties continue to negotiate concerning the particulars of the mitigation/compensation plan. To that end, SWFWMD and SECI agree and stipulate that:

A. By no later than March 31, 1992, SECI shall deposit the sum of \$250,000 in an interest bearing escrow account as specified in Attachment C, which is incorporated herein. This sum shall be set aside specifically to ensure that SECI has earmarked funds to be available for expenses associated with mitigation/compensation installation (in addition to SECI's commitments in the Webb Area) required in association with adverse wetland impacts caused by construction of SECI's referenced transmission lines. However, this \$250,000 escrow account shall not be construed as in any respect setting a minimum or maximum on mitigation/compensation expenditures. SECI shall expend that sum, plus any additional sums required, to the extent that actual mitigation/compensation installation and purchase costs (over and above expenditures in the Webb Area) as determined in the course of SWFWMD review, so warrant. Any or all of this escrowed sum shall be returned to SECI without restriction to the extent that mitigation/compensation, as ultimately determined, does not require access (or requires only

limited access) to this escrow account. All withdrawals from the escrow account shall be (1) dedicated to payment of mitigation/compensation installation and purchase costs or (2) authorized and approved in writing by SWFWMD as an unencumbered return of funds to SECI. Any disagreements concerning return of escrowed sums to SECI shall be resolved pursuant to Condition of Certification No. XXX. (Attachment B.)

B. As of April 1, 1992, SECI shall be authorized by this Stipulation and Agreement to commence transmission line construction in all wetlands in Phase II.

C. As of May 15, 1992, SECI shall be authorized by this Stipulation and Agreement to commence transmission line construction in all wetlands in Phase III.

D. SWFWMD enters into this Stipulation and Agreement in recognition of the time constraints associated with transmission line construction.

Respectfully submitted this ____ day of March, 1992.

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