Cost Measurement & Allocation Department
Cost Allocation Manual (CAM)
2013

- Human Resources (Specific drivers relating to FTE's)
  - Employee Relations – Safety Policies, Labor Relations Administration, and other employee related issues
  - Shared Services -- Benefits Administration, Help Desk, Payroll, Educational Assistance, Recruiting, Equal Opportunity, Workforce Planning, Drug Testing and Group University
  - Benefit Programs
  - Health Centers

- Engineering, Construction and Corporate Services (Specific drivers relating to FTE's)
  - Cafeteria Operations – Shared Affiliate Cafeteria Operations (JB, GO, LFO, CSE, PTN & PSL)

- Security (Specific drivers relating to square footage)
  - Corporate and Shared Affiliate Facility (JB and GO)

- Business Unit Leadership
  - Power Generation Division drivers relating to megawatts
  - Nuclear Division drivers relating to number of units

Shared Services Allocated via Massachusetts Formula

- Finance
  - Executive and Governance – Salaries, Expenses, and Benefits
  - Corporate Transactions – Cash Management and Banking
  - Corporate Tax
  - Finance and Trust Fund Investments
  - Planning and Analysis
  - Corporate Budgeting
  - Risk Management

- Corporate Communications
  - Internal Communications
  - External Media
  - Annual Report

- General Counsel
  - Shareholder Services
  - Board of Directors Fees

- Engineering, Construction and Corporate Services
  - Integrated Supply Chain – Administration of Corporate Travel and Integrated Supply Chain
  - Mail Services – Courier and Mail Services (GO, JB, LFO)

- Internal Auditing Management and Compliance

- Strategy/Business Processes
  - Quality, Planning, Analysis
  - Environmental Services
  - Security Administration – Facility Security, Data Security
SERVICE FEES – Energy Marketing & Trading (EMT), Nuclear (NUC), IM Nuclear (IMNUC)

Service fees are utilized by many of the fleet support operations. FPL has leveraged its fleet construction, compliance and operating capabilities over the broader enterprise for many years in order to optimize results for its customers. The larger scale of the enterprise fleet has historically allowed for shared expertise and the resulting competitive advantage. Service fee charges are calculated by the Business Unit (Operating Business Unit or Staff Group) Budget Coordinators or Analysts and represent ongoing services provided or shared among affiliates. In general, services provided by EMT include Systems Support, Risk Management, Accounting Services, and Trade Support. The Nuclear Fee reflects support to NextEra Energy, Inc. (FPL and NextEra Energy Resources) nuclear plants, in the area of operations, licensing and training as examples. The IM Nuclear fee relates to specific system support for NextEra Energy Resources nuclear plants.

The Nuclear, IM and EMT Service Fees do not receive the non-productive piece of the loader because full salaries are allocated based on relevant drivers to each entity served. These three fees are the only inter-company charges that do not receive the non-productive loader of the affiliate rates.

EMT Service Fee

The EMT Service Fee uses actual costs allocated based on factors determined in an annual time study, performed at the time of budget development. Costs are also charged to the affiliate based on actual costs incurred each month. The fee may be revised during the year to reflect significant changes such as level of service, and/or merger and acquisition activities. There are two (2) groups within the Back-Office portion of the fee: 1. System Group for computer support, and 2. Risk Management. Both the Systems Group and Risk Management are allocated based on a time-study. The EMT Service Fee includes the following shared services:

- Operations and Administration – Support of EMT systems infrastructure
- Risk Management – Compliance with risk management policies and procedures

Nuclear Service Fee

The Nuclear Service Fee is billed using actual monthly charges accumulated and then allocated using the number of generating units as the driver. The Nuclear Service Fee includes the following shared services:

- Nuclear Operations Support
- Nuclear Fuels Support
- Nuclear Training Support
- Nuclear Business & Regulatory Support
- Nuclear Engineering Support
- Nuclear Assurance Support
- Nuclear Licensing Support

Specific services not included in the Service Fee, which are direct charged NextEra Energy Resources by FPL Nuclear, are:

- Due Diligence
- Construction Projects
- Transition Teams
- Support of NextEra Energy Resources Capital Projects
- Outage Support
Information Management Nuclear Service Fee

The Information Management Nuclear Service Fee is also billed using actual monthly charges that are accumulated and then allocated based on the number of generating units in place. The Information Management Nuclear Service Fee includes the following shared services:

- Nuclear Asset Management System (NAMS) Support
- IM Management
- Data Services
- IMO Nuclear Lead (Infrastructure Support)
- Nuclear Web Applications Support

In addition to the IM Nuclear Service Fee described above, FPL-IM is charged for shared support services performed by IM personnel located at the Seabrook facility. These employees support Nuclear applications shared by all units in the fleet and charge back a portion of the support costs, based on the number of nuclear units.

FACILITY AND EQUIPMENT CHARGES

Cost Measurement and Allocation is responsible for monthly entries to bill the following activities:

Systems Charges:
A small number of affiliates utilize various FPL systems on a limited basis for printing, mailing and payment processing of various items. These systems include the SAP and Payment Processing Center (PPC) systems. The use of these systems is billed on a transactional basis. A cost study is performed by the Customer Service organization in conjunction with the Cost Measurement and Allocation department to determine the cost to FPL per transaction for these systems. The number of transactions is collected monthly and billed to the affiliates at those rates.

The Transmission/Substation unit shares various hardware and software applications with an affiliate. The charges are billed based on actual costs and are calculated using specific drivers that best represent the activity (i.e., number of users, number of network devices, number of servers, etc).

Furniture and Computers:
Affiliates are billed monthly for office furniture based on the higher of cost or market value. A market rate study is performed periodically by Corporate Real Estate and was last prepared in 2012. Affiliates are also billed monthly for personal computers based on cost. All charges are based on the number of FPL owned units utilized by the affiliates.

Long Distance Telephone Charges:
The affiliates are billed monthly for their long distance service. This is tracked by telecommunications based on employee long distance IDs. Rates are based on actual contracted rates with the phone companies.

Office Space:
Space is available to the affiliates in FPL buildings only when vacancies exist. The affiliates are charged for the square feet they occupy based on the higher of cost or a market rate. A market rate study is performed by Corporate Real Estate every five years and was last prepared in 2012. Currently occupying space in FPL buildings are: NextEra Energy Resources; FPL Energy Services; PPL Readi Power, LLC; Fibernet, LLC; NextEra Energy Capital Holdings, Inc.; NextEra Energy Infrastructure, LLC; Lone Star Transmission, LLC; and New Hampshire Transmission, LLC.
DEFINITIONS

Affiliates – Companies that are related to each other due to common ownership or control.

Cost Allocators – The methods or ratios used to apportion costs. A cost allocator can be based on the origin of costs, as in the case of cost drivers; cost-causative linkage of an indirect nature; or one or more overall factors (also known as general allocators).

Common Costs – Cost associated with services or products that are of joint benefit to both regulated and non-regulated business units.

Cost Driver – A measurable event or quantity which influences the level of costs incurred and which can be directly traced to an origin of the costs themselves.

Fully Allocated – Services or products bear the sum of the cost drivers plus an appropriate share of the indirect costs.

Incremental – Pricing services or products on a basis of only the incremental costs added by their operations while one or more pre-existing services, or products, support the fixed costs.

Non-regulated – Refers to services or products not subject to regulation by regulatory authorities.

Prevailing Market Rate – A generally accepted market value that can be substantiated by clearly comparable transactions, auction or appraisal.

Regulated – Refers to services or products subject to regulation by regulatory authorities.

Subsidization – The recovery of costs from one class of customers, business unit or entity, that are attributable to another.
Guidelines for Cost Allocations and Affiliate Transactions:

The following Guidelines for Cost Allocations and Affiliate Transactions (Guidelines) are intended to provide guidance to jurisdictional regulatory authorities and regulated utilities and their affiliates in the development of procedures and recording of transactions for services and products between a regulated entity and affiliates. The prevailing premise of these Guidelines is that allocation methods should not result in subsidization of non-regulated services or products by regulated entities unless authorized by the jurisdictional regulatory authority. These Guidelines are not intended to be rules or regulations prescribing how cost allocations and affiliate transactions are to be handled. They are intended to provide a framework for regulated entities and regulatory authorities in the development of their own policies and procedures for cost allocations and affiliated transactions. Variation in regulatory environment may justify different cost allocation methods than those embodied in the Guidelines.

The Guidelines acknowledge and reference the use of several different practices and methods. It is intended that there be latitude in the application of these guidelines, subject to regulatory oversight. The implementation and compliance with these cost allocations and affiliate transaction guidelines, by regulated utilities under the authority of jurisdictional regulatory commissions, is subject to Federal and state law. Each state or Federal regulatory commission may have unique situations and circumstances that govern affiliate transactions, cost allocations, and/or service or product pricing standards. For example, The Public Utility Holding Company Act of 1935 requires registered holding company systems to price at cost” the sale of goods and services and the undertaking of construction contracts between affiliate companies.

The Guidelines were developed by the NARUC Staff Subcommittee on Accounts in compliance with the Resolution passed on March 3, 1998 entitled “Resolution Regarding Cost Allocation for the Energy Industry” which directed the Staff Subcommittee on Accounts and the Staff Subcommittee on Strategic Issues and Gas to prepare for NARUC’s consideration, “Guidelines for Energy Cost Allocations.” In addition, input was requested from other Industry parties. Various levels of input were obtained in the development of the Guidelines from the Edison Electric Institute, American Gas Association, Securities and Exchange Commission, the Federal Energy Regulatory Commission, Rural Utilities Service and the National Rural Electric Cooperative Association as well as staff of various state public utility commissions.

In some instances, non-structural safeguards as contained in these guidelines may not be sufficient to prevent market power problems in strategic markets such as the generation market. Problems arise when a firm has the ability to raise prices above market for a sustained period and/or impede output of a product or service. Such concerns have led some states to develop codes of conduct to govern relationships between the regulated utility and its non-regulated affiliates. Consideration should be given to any “unique” advantages an incumbent utility would have over competitors in an emerging market such as the retail energy market. A code of conduct should be used in conjunction with guidelines on cost allocations and affiliate transactions.

A. DEFINITIONS

1. Affiliate - companies that are related to each other due to common ownership or control.

2. Attestation Engagement - one in which a certified public accountant who is in the practice of public accounting is contracted to issue a written communication that expresses a conclusion about the reliability of a written assertion that is the responsibility of another party.

4. **Cost Allocations** - the methods or ratios used to apportion costs. A cost allocator can be based on the origin of costs, as in the case of cost drivers; cost-causative linkage of an indirect nature; or one or more overall factors (also known as general allocators).

5. **Common Costs** - costs associated with services or products that are of joint benefit between regulated and non-regulated business units.

6. **Cost Driver** - a measurable event or quantity which influences the level of costs incurred and which can be directly traced to the origin of the costs themselves.

7. **Direct Costs** - costs which can be specifically identified with a particular service or product.

8. **Fully Allocated costs** - the sum of the direct costs plus an appropriate share of indirect costs.

9. **Incremental pricing** - pricing services or products on a basis of only the additional costs added by their operations while one or more pre-existing services or products support the fixed costs.

10. **Indirect Costs** - costs that cannot be identified with a particular service or product. This includes but not limited to overhead costs, administrative and general, and taxes.

11. **Non-regulated** - that which is not subject to regulation by regulatory authorities.

12. **Prevailing Market Pricing** - a generally accepted market value that can be substantiated by clearly comparable transactions, auction or appraisal.

13. **Regulated** - that which is subject to regulation by regulatory authorities.

14. **Subsidization** - the recovery of costs from one class of customers or business unit that are attributable to another.

8. **COST ALLOCATION PRINCIPLES**

   The following allocation principles should be used whenever products or services are provided between a regulated utility and its non-regulated affiliate or division.

   1. To the maximum extent practicable, in consideration of administrative costs, costs should be collected and classified on a direct basis for each asset, service or product provided.

   2. The general method for charging indirect costs should be on a fully allocated cost basis. Under appropriate circumstances, regulatory authorities may consider incremental cost, prevailing market pricing or other methods for allocating costs and pricing transactions among affiliates.

   3. To the extent possible, all direct and allocated costs between regulated and non-regulated services and products should be traceable on the books of the applicable regulated utility to the applicable Uniform System of Accounts. Documentation should be made available to the appropriate regulatory authority upon request regarding transactions between the regulated utility and its affiliates.

   4. The allocation methods should apply to the regulated utility's affiliates in order to prevent
6. All costs should be classified to services or products which, by their very nature, are either regulated, non-regulated, or common to both.

8. The primary cost driver of common costs, or a relevant proxy in the absence of a primary cost driver, should be identified and used to allocate the cost between regulated and non-regulated services or products.

7. The indirect costs of each business unit, including the allocated costs of shared services, should be spread to the services or products to which they relate using relevant cost allocators.

C. COST ALLOCATION MANUAL (NOT TARIFFED)

Each entity that provides both regulated and non-regulated services or products should maintain a cost allocation manual (CAM) or its equivalent and notify the jurisdictional regulatory authorities of the CAM's existence. The determination of what, if any, information should be held confidential should be based on the statutes and rules of the regulatory agency that requires the information. Any entity required to provide notification of a CAM(s) should make arrangements as necessary and appropriate to ensure competitively sensitive information derived therefrom be kept confidential by the regulator. At a minimum, the CAM should contain the following:

1. An organization chart of the holding company, depicting all affiliates, and regulated entities.

2. A description of all assets, services and products provided to and from the regulated entity and each of its affiliates.

3. A description of all assets, services and products provided by the regulated entity to non-affiliates.

4. A description of the cost allocators and methods used by the regulated entity and the cost allocators and methods used by its affiliates related to the regulated services and products provided to the regulated entity.

D. AFFILIATE TRANSACTIONS (NOT TARIFFED)

The affiliate transactions pricing guidelines are based on two assumptions. First, affiliate transactions raise the concern of self-dealing where market forces do not necessarily drive prices. Second, utilities have a natural business incentive to shift costs from non-regulated competitive operations to regulated monopoly operations since recovery is more certain with captive ratepayers. Too much flexibility will lead to subsidization. However, if the affiliate transaction pricing guidelines are too rigid, economic transactions may be discouraged.

The objective of the affiliate transactions' guidelines is to lessen the possibility of subsidization in order to protect monopoly ratepayers and to help establish and preserve competition in the electric generation and the electric and gas supply markets. It provides ample flexibility to accommodate exceptions where the outcome is in the best interest of the utility, its ratepayers and competition. As with any transactions, the burden of proof for any exception from
the general rule rests with the proponent of the exception.

1. Generally, the price for services, products and the use of assets provided by a regulated entity to its non-regulated affiliates should be at the higher of fully allocated costs or prevailing market prices. Under appropriate circumstances, prices could be based on incremental cost, or other pricing mechanisms as determined by the regulator.

2. Generally, the price for services, products and the use of assets provided by a non-regulated affiliate to a regulated affiliate should be at the lower of fully allocated cost or prevailing market prices. Under appropriate circumstances, prices could be based on incremental cost, or other pricing mechanisms as determined by the regulator.

3. Generally, transfer of a capital asset from the utility to its non-regulated affiliate should be at the greater of prevailing market price or net book value, except as otherwise required by law or regulation. Generally, transfer of assets from an affiliate to the utility should be at the lower of prevailing market price or net book value, except as otherwise required by law or regulation. To determine prevailing market value, an appraisal should be required at certain value thresholds as determined by regulators.

4. Entities should maintain all information underlying affiliate transactions with the affiliated utility for at least three years, or as required by law or regulation.

E. AUDIT REQUIREMENTS

1. An audit trail should exist with respect to all transactions between the regulated entity and its affiliates that relate to regulated services and products. The regulator should have complete access to all affiliate records necessary to ensure that cost allocations and affiliate transactions are conducted in accordance with the guidelines. Regulators should have complete access to affiliate records, consistent with state statutes, to ensure that the regulator has access to all relevant information necessary to evaluate whether subsidization exists. The auditors, not the audited entities, should determine what information is relevant for a particular audit objective. Limitations on access would compromise the audit process and impair audit independence.

2. Each regulated entity's cost allocation documentation should be made available to the company's internal auditors for periodic review of the allocation policy and process and to any jurisdictional regulatory authority when appropriate and upon request.

3. Any jurisdictional regulatory authority may request an independent attestation engagement of the CAM. The cost of any independent attestation engagement associated with the CAM should be shared between regulated and non-regulated operations consistent with the allocation of similar common costs.

4. Any audit of the CAM should not otherwise limit or restrict the authority of state regulatory authorities to have access to the books and records of and audit the operations of jurisdictional utilities.

6. Any entity required to provide access to its books and records should make arrangements as necessary and appropriate to ensure that competitively sensitive information derived therefrom be kept confidential by the regulator.

F. REPORTING REQUIREMENTS

1. The regulated entity should report annually the dollar amount of non-tariffed transactions
associated with the provision of each service or product and the use or sale of each asset for the following:

a. Those provided to each non-regulated affiliate.

b. Those received from each non-regulated affiliate.

c. Those provided to non-affiliated entities.

2. Any additional information needed to assure compliance with these Guidelines, such as cost of service data necessary to evaluate subsidization issues, should be provided.
Cost Measurement & Allocation Department  
Cost Allocation Manual (CAM)  
2013

Exhibit B – 2013 Overhead Loading Rates

**Overhead Rates Applied to Direct Charges**

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-productive payroll</td>
<td>18.66</td>
</tr>
<tr>
<td>Performance Incentive</td>
<td>13.47</td>
</tr>
<tr>
<td>Pension and Welfare</td>
<td>12.76</td>
</tr>
<tr>
<td>Administrative and General Payroll</td>
<td>7.01</td>
</tr>
<tr>
<td>Administrative and General Expense</td>
<td>8.18</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>6.79</td>
</tr>
<tr>
<td>Workers Compensation Insurance</td>
<td>Varies by BU</td>
</tr>
</tbody>
</table>

**Overhead Rates Applied to Service Fees**

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Incentive</td>
<td>13.47</td>
</tr>
<tr>
<td>Pension and Welfare</td>
<td>12.76</td>
</tr>
<tr>
<td>Administrative and General Payroll</td>
<td>7.01</td>
</tr>
<tr>
<td>Administrative and General Expense</td>
<td>8.18</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>6.79</td>
</tr>
<tr>
<td>Workers Compensation Insurance</td>
<td>Varies by BU</td>
</tr>
</tbody>
</table>

**Overhead Rates Applied to Shared Services Payroll Dollars Included in the AMF**

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Incentive</td>
<td>13.47</td>
</tr>
<tr>
<td>Pension and Welfare</td>
<td>12.76</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>6.79</td>
</tr>
<tr>
<td>Workers Compensation Insurance</td>
<td>Varies by BU</td>
</tr>
</tbody>
</table>
## Cost Measurement & Allocation Department
### Cost Allocation Manual (CAM)
#### Exhibit C - 2013 Mass Formula Ratios and Specific Drivers

### Mass Formula Ratios

<table>
<thead>
<tr>
<th>Description</th>
<th>FPL</th>
<th>NEER</th>
<th>Florida FiberNet</th>
<th>FPLES / Readipower</th>
<th>Other</th>
<th>NHT</th>
<th>LST</th>
<th>NEET (formerly UST)</th>
<th>Texas FiberNet</th>
<th>Total Affiliate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>MF-Shaped</td>
<td>64.67%</td>
<td>32.93%</td>
<td>1.00%</td>
<td>0.43%</td>
<td>0.19%</td>
<td>0.07%</td>
<td>0.46%</td>
<td>0.10%</td>
<td>0.12%</td>
<td>35.33%</td>
</tr>
<tr>
<td>MF-Excl. ReadiPower, Palms Inc., NHT, NEE Inc.</td>
<td>64.81%</td>
<td>33.00%</td>
<td>1.00%</td>
<td>0.43%</td>
<td>0.05%</td>
<td>0.07%</td>
<td>0.46%</td>
<td>0.10%</td>
<td>0.12%</td>
<td>35.19%</td>
</tr>
<tr>
<td>MF-Excl. ReadiPower, Palms Inc., NEE Inc.</td>
<td>64.77%</td>
<td>32.97%</td>
<td>1.00%</td>
<td>0.43%</td>
<td>0.05%</td>
<td>0.07%</td>
<td>0.46%</td>
<td>0.10%</td>
<td>0.12%</td>
<td>35.23%</td>
</tr>
<tr>
<td>MF-NEER, FiberNet, NHT, LST, &amp; NEET</td>
<td>65.63%</td>
<td>33.12%</td>
<td>1.01%</td>
<td>0.72%</td>
<td>0.08%</td>
<td>0.07%</td>
<td>0.48%</td>
<td>0.10%</td>
<td>0.12%</td>
<td>34.91%</td>
</tr>
<tr>
<td>MF-Excl. ReadiPower, Group Hidage, NHT</td>
<td>64.79%</td>
<td>32.99%</td>
<td>1.00%</td>
<td>0.43%</td>
<td>0.09%</td>
<td>0.07%</td>
<td>0.48%</td>
<td>0.10%</td>
<td>0.12%</td>
<td>36.21%</td>
</tr>
<tr>
<td>MF-Excl. ReadiPower, Group Hidage, NEE Inc</td>
<td>64.80%</td>
<td>32.99%</td>
<td>1.00%</td>
<td>0.43%</td>
<td>0.07%</td>
<td>0.48%</td>
<td>0.10%</td>
<td>0.12%</td>
<td>35.29%</td>
<td></td>
</tr>
<tr>
<td>MF-NEER</td>
<td>66.28%</td>
<td>33.72%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>33.72%</td>
</tr>
</tbody>
</table>

### Specific Drivers

<table>
<thead>
<tr>
<th>Description</th>
<th>FPL</th>
<th>NEER</th>
<th>Florida FiberNet</th>
<th>FPLES / Readipower</th>
<th>Other</th>
<th>NHT</th>
<th>LST</th>
<th>NEET (formerly UST)</th>
<th>Texas FiberNet</th>
<th>Total Affiliate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headcount incl. Affiliates</td>
<td>66.83%</td>
<td>31.82%</td>
<td>1.16%</td>
<td>0.50%</td>
<td>0.28%</td>
<td>0.00%</td>
<td>0.24%</td>
<td>0.17%</td>
<td>0.10%</td>
<td>34.17%</td>
</tr>
<tr>
<td>Headcount incl. NEER</td>
<td>67.56%</td>
<td>32.44%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>32.44%</td>
</tr>
<tr>
<td>Headcount Excl. ReadiPower, Group Hidage, NHT, NEE Inc</td>
<td>66.02%</td>
<td>31.71%</td>
<td>1.16%</td>
<td>0.50%</td>
<td>0.26%</td>
<td>0.17%</td>
<td>0.10%</td>
<td>33.98%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Headcount Excl. ReadiPower, Group Hidage, NHT</td>
<td>65.83%</td>
<td>31.62%</td>
<td>1.16%</td>
<td>0.50%</td>
<td>0.26%</td>
<td>0.17%</td>
<td>0.10%</td>
<td>34.17%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Callcenter Headcount</td>
<td>61.54%</td>
<td>34.46%</td>
<td>1.95%</td>
<td>1.35%</td>
<td>0.21%</td>
<td>0.07%</td>
<td>0.36%</td>
<td>0.16%</td>
<td>18.46%</td>
<td></td>
</tr>
<tr>
<td>Sq Ft Avg. Subs</td>
<td>77.36%</td>
<td>28.72%</td>
<td>0.75%</td>
<td>1.01%</td>
<td>0.02%</td>
<td>0.07%</td>
<td>0.40%</td>
<td>0.00%</td>
<td>21.61%</td>
<td></td>
</tr>
<tr>
<td>Sq Ft - GO</td>
<td>59.48%</td>
<td>23.16%</td>
<td>0.52%</td>
<td></td>
<td>3.80%</td>
<td>0.04%</td>
<td>0.68%</td>
<td></td>
<td>33.72%</td>
<td></td>
</tr>
<tr>
<td>Sq Ft - JB</td>
<td>86.28%</td>
<td>25.16%</td>
<td>0.03%</td>
<td></td>
<td>3.80%</td>
<td>0.04%</td>
<td>0.68%</td>
<td></td>
<td>33.72%</td>
<td></td>
</tr>
<tr>
<td>Sq Ft - JW</td>
<td>73.18%</td>
<td>28.46%</td>
<td>0.11%</td>
<td></td>
<td>0.25%</td>
<td>0.00%</td>
<td>0.68%</td>
<td></td>
<td>33.72%</td>
<td></td>
</tr>
<tr>
<td>Average of Shared Benefit Capitalized Hard &amp; Software</td>
<td>87.28%</td>
<td>10.90%</td>
<td>1.28%</td>
<td>0.87%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>10.90%</td>
<td></td>
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<tr>
<td>Affiliate Megawatts - NJC Executive</td>
<td>50.00%</td>
<td>50.00%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>30.00%</td>
</tr>
<tr>
<td>Affiliate Megawatts - POC Executive</td>
<td>58.61%</td>
<td>41.39%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>41.39%</td>
</tr>
<tr>
<td>Actual number of workstations per Business Unit (including affiliates) across the enterprise</td>
<td>74.18%</td>
<td>23.76%</td>
<td>1.07%</td>
<td>0.74%</td>
<td>0.00%</td>
<td>0.05%</td>
<td>26.82%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actual number of workstations per Business Unit (including affiliates) at FPL facilities</td>
<td>91.20%</td>
<td>6.70%</td>
<td>1.19%</td>
<td>0.91%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>8.80%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IM resources for transmission systems supporting Affiliates</td>
<td>87.50%</td>
<td>7.50%</td>
<td></td>
<td></td>
<td>5.00%</td>
<td>0.00%</td>
<td>12.50%</td>
<td></td>
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</tr>
<tr>
<td>Genes per Business Unit / Affiliate</td>
<td>78.72%</td>
<td>14.20%</td>
<td>2.50%</td>
<td>0.78%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>21.28%</td>
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<tr>
<td>Actual number of mainframe MIPS CPU hours by Business Unit / Affiliate</td>
<td>98.65%</td>
<td>1.35%</td>
<td></td>
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<td></td>
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<td></td>
<td>1.35%</td>
</tr>
<tr>
<td>Database Administrator Resource - Business Intelligence Data Movement</td>
<td>99.14%</td>
<td>4.88%</td>
<td></td>
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<td></td>
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<td>4.88%</td>
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<tr>
<td>Database Administrator Resources - Technical Support</td>
<td>68.96%</td>
<td>1.04%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.04%</td>
</tr>
<tr>
<td>HR Systems Support Activities Based on Headcount</td>
<td>66.31%</td>
<td>31.08%</td>
<td>1.27%</td>
<td>0.03%</td>
<td>0.26%</td>
<td>0.00%</td>
<td>33.68%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAP User count per Business Unit / Affiliate</td>
<td>62.39%</td>
<td>34.54%</td>
<td>2.10%</td>
<td>0.50%</td>
<td>0.00%</td>
<td>0.20%</td>
<td>37.64%</td>
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</tr>
<tr>
<td>Power Generation Dept resources supporting Affiliates</td>
<td>80.00%</td>
<td>20.00%</td>
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<td></td>
<td>20.00%</td>
</tr>
<tr>
<td>Corporate Business Unit resources supporting Affiliates</td>
<td>87.00%</td>
<td>33.00%</td>
<td></td>
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<td>33.00%</td>
</tr>
</tbody>
</table>

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Page 16 of 16
EXHIBIT C

SHARED RESOURCES

Provider will provide the following types of Shared Resources for Company, subject to reasonable limits on the timing and availability of Provider resources and as agreed to by Provider and Company management for the performance of day to day operational tasks. Company will be charged for all such services in accordance with the CAM.

The Provider Energy Management Systems ("EMS") and Company EMS systems are collocated at the Company data centers in Miami and Daytona Beach and are separate implementations of a similar platform.

1. EMS-Related Shared Resources
   a. Hardware and Software licenses and ongoing maintenance for EMS-related infrastructure and applications shared by Company and Provider as well as support applications and systems used to monitor, troubleshoot and update Company and Provider cyber infrastructure.
   b. Software applications and systems utilized for asset tracking and change management of EMS-related infrastructure
   c. Software and systems utilized in the authentication and provisioning of access to users of EMS infrastructure
   d. Holistic management and monitoring of all cyber systems related to NERC Critical Infrastructure Protection compliance

2. Hardware and software and systems utilized by Provider to track and maintain Vegetation Management related assessments, conditions, and work activities for Company

3. Hardware and software applications and systems utilized to provide dashboards and other aids for tracking operational performance of Company

4. Hardware and software applications and systems utilized to provide Asset Management, Event Response and Tracking, Indicator Reporting, and other operationally related functions for Company and Provider.
CORPORATE SUPPORT SERVICES AGREEMENT

This Corporate Support Services Agreement (the "Agreement"), dated as of May 30, 2013 (the "Effective Date"), is entered into by and between Lone Star Transmission, LLC, a Delaware limited liability company ("Provider"), and Florida Power & Light Company, a Florida corporation ("Company"). Provider and Company are sometimes referred to herein as a "Party" and are collectively known as the "Parties".

RECITALS

WHEREAS, Company and Provider are affiliated entities that share a common parent company; and

WHEREAS, Provider wishes to provide the Corporate Support Services (as defined hereinafter) to Company; and

WHEREAS, Substantive Rule 25.84(c) of the Public Utility Commission of Texas (the "PUCT") requires an electric utility to reduce to writing and file with the PUCT copies of contracts or agreements it has with its affiliates;

WHEREAS, in keeping with the requirements of applicable laws, the Provider and the Company enter into this Agreement to memorialize the terms and conditions by which the Provider will perform the Corporate Support Services for the Company as set forth in this Agreement;

NOW THEREFORE, in consideration of the premises and the covenants made herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.1 Definitions. Unless the context otherwise requires, the following terms shall have the following meanings, and such meanings shall include the plural as well as the singular of each such term:

"Affiliate" of a specified Person means any other Person that, directly or indirectly, controls, is controlled by, or is under common control or ownership with the Person. "Control" of a Person (including, with correlative meanings, the terms "controlled by" or "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Applicable Law" means all applicable laws, statutes, treaties, rules, codes, ordinances, regulations, permits, official guidelines, certificates, orders, interpretations, licenses and permits.
of any Governmental Authority, Governmental Approvals, environmental laws, and judgments, decrees, injunctions, writs, orders or like action of any court, arbitrator, or other judicial or quasijudicial tribunal of competent jurisdiction and all requirements of law.

"Business Day" means any day on which commercial banks are authorized to operate and not required to close in Austin, Texas or in Juno Beach, Florida.

"Corporate Support Services" means services shared by a utility, its parent holding company, or a separate affiliate created to perform corporate support services, with its affiliates of joint corporate oversight, governance, support systems, and personnel.

"Financing Agreements" means any credit agreement, reimbursement agreement, note purchase agreement, trust indenture, lease agreement, or other document (and any documents relating to or ancillary to the foregoing documents) under which Company or any Affiliate of Company obtains financing that is secured by all or substantially all of the assets of Company (including any credit enhancement for any bonds) for the acquisition, development, construction, modification, repair, or operation of a Company facility or any refinancing thereof or any equity take-out financing relating thereto.

"Governmental Approvals" means all authorizations, consents, approvals, waivers, exceptions, variances, orders, franchises, permits, licenses, exemptions, publications, filings, and notices to and declarations of or with any Governmental Authority (including siting, occupancy, use, building, construction and operating permits).

"Governmental Authority" means any federal, state, county, municipal, foreign, international, regional, or other governmental or regulatory authority, agency, board, body, commission, any arbiter pursuant to mandatory provisions of law, instrumentality or court, or any political subdivision of any of the foregoing.

"Liability" or "Liabilities" means any claims, actions, damages, expenses (including reasonable attorneys' fees and expenses incurred before trial or at trial or appellate levels), losses, payments, or other liabilities.

"Person" means an individual, association, institution, corporation, partnership, limited liability company, joint venture, trust or unincorporated organization, or a government or any agency or political subdivision thereof.

"Secured Party" means, collectively, each Person providing financing or refinancing under any Financing Agreement and any trustee or agent acting on any such Person's behalf and their successors and assigns.

Section 1.2 References. All references in this Agreement to sections, paragraphs, clauses, schedules, appendices, and exhibits are to sections, paragraphs, clauses, schedules, appendices, and exhibits in and to this Agreement unless otherwise indicated. Any agreement defined or referred to herein shall include each amendment, modification, and supplement thereto and waiver, approval, and consent in respect thereof as may become effective from time
Section 1.3 Rules of Construction. The following rules of construction shall be followed when interpreting this Agreement: (i) titles and headings are inserted for convenience only and shall not be used for the purposes of construing or interpreting this Agreement; (ii) words imparting the singular also include the plural and vice versa; (iii) words imparting one gender include the other gender; and (iv) the word “include” and “including” are not words of limitation and shall be deemed to be followed by the words “without limitation”.

ARTICLE 2
TERM

Section 2.1 Term. The term (“Term”) of this Agreement shall commence on the Effective Date and shall expire on the twentieth (20th) anniversary of the Effective Date (the “Initial Expiration Date”). This Agreement shall be subject to automatic extensions for additional five (5) year periods from the Initial Expiration Date or any subsequent expiration date (the last day of any extension period shall be referred to as the “Extended Expiration Date”), as the case may be, unless Company informs Provider in writing at least three (3) months prior to the Initial Expiration Date or any Extended Expiration Date that it does not intend to extend the Term of this Agreement. Notwithstanding the foregoing, the Agreement is subject to earlier termination pursuant to this Article 2.

Section 2.2 Termination.

(a) This Agreement may be terminated by either Party at any time with “Cause” upon prior written notice to the other Party. “Cause” shall mean (i) the non-terminating Party’s bad faith, fraud, gross negligence, willful misconduct, failure to perform its material obligations under this Agreement, or repeated failure to perform any of its obligations under this Agreement, in each instance after receipt of written notice of such lack of performance and failure to cure within sixty (60) days thereafter (unless such failure is in respect of an obligation to make a payment, in which case, such cure period shall be ten (10) days) or (ii) a change in Applicable Law, adoption of new Applicable Law, or decision regarding, enforcement of or potential enforcement of an Applicable Law that affects a Party’s ability to perform its obligations pursuant to this Agreement.

(b) This Agreement may be terminated without Cause by Company upon 180 days’ prior written notice to Provider. Provider may only terminate without Cause upon prior written notice, if, and only if, (i) Company is no longer an Affiliate of Provider, or (ii) by reason of an exercise of any remedies by the Secured Parties under any Financing Agreements, Company ceases to own all of the assets and properties included in the Facility.
Section 2.3 Transition to New Provider. Subject to any limitations resulting from a termination under Section 2.2(b), upon termination or expiration of this Agreement, Provider shall cooperate with Company to effect an orderly transition of the Corporate Support Services being provided to Company to any new service provider designated by Company. Company shall reimburse Provider for costs incurred in connection with such termination after the effective date of such termination.

ARTICLE 3
CORPORATE SUPPORT SERVICES

Section 3.1 Corporate Support Services. The services to be performed by Provider under this Agreement (the “Corporate Support Services”) shall be as set forth and described in Exhibit A to this Agreement, as such Exhibit may be modified from time to time. From and after the Effective Date, Provider shall provide and perform the Corporate Support Services consistent with the terms hereof.

Provider shall perform the Corporate Support Services in a professional and prudent manner in accordance with standard industry practices for services of the type rendered under this Agreement, provided that Provider’s Liability under this Agreement is limited as provided in Article 7.

Section 3.2 Budget. Company will cooperate reasonably with Provider to develop a budget for the Corporate Support Services and the Shared Resources for each calendar year (the “Budget”). No later than thirty (30) days prior to the beginning of each calendar year, Provider shall prepare and submit to Company a preliminary Budget for the following calendar year with a final Budget provided as soon as practical after completion.

Section 3.3 Consultations. Provider will consult with Company concerning the progress of the Corporate Support Services being provided, any appropriate changes that should be made to such Corporate Support Services, the cost of such Corporate Support Services, where improvements can be made, where efficiencies can be gained, and other matters that either Company or Provider deem appropriate. Notwithstanding the cost estimates described in this Section 3.3, compensation for Corporate Support Services to be paid under this Agreement is set forth in Section 6.1.

ARTICLE 4
CONFIDENTIALITY AND CODE OF CONDUCT

Section 4.1 Confidentiality.

(a) Each Party shall keep any information not intended for public disclosure and considered to be confidential or proprietary by persons privy to such information, including, but not limited to, information relating to the interconnection of customers to a utility's transmission or distribution systems, proprietary customer information, trade secrets, competitive information relating to internal manufacturing processes, and information about a utility's transmission or distribution system, operations, or plans for expansion (“Confidential Information”) in strict

Lone Star FPL Corporate Support Services Agreement
confidence at all times, notwithstanding the completion or termination of this Agreement; and neither shall disclose the other Party’s Confidential Information to others, nor use the other Party’s Confidential Information for its own benefit (except as necessary to perform its obligations pursuant to this Agreement) or the benefit of other parties, unless, in each instance, the receiving Party obtains the prior written consent of the disclosing Party.

(b) Confidential Information shall not include: (i) information which is or becomes publicly available other than as a result of a violation of this Agreement; (ii) information which is or becomes available on a non-confidential basis from a source which is not known to the receiving Party to be prohibited from disclosing such information pursuant to a legal, contractual or fiduciary obligation to the disclosing Party; (iii) information which the receiving Party can demonstrate was legally in its possession prior to disclosure by the disclosing Party; or (iv) information which is developed by or for receiving Party independently of the disclosing Party’s Confidential Information.

(c) Notwithstanding any of the terms of this Section 4.1, Confidential Information may be disclosed by a receiving Party in response to a valid order or request of a Governmental Authority, or if it is otherwise required to be disclosed by Applicable Law, or is necessary to establish the rights of either Party under this Agreement; provided, that, in the event the receiving Party believes it is so required to disclose the Confidential Information, it shall promptly provide notice of such request or requirement so that the disclosing Party may seek an appropriate protective order or take other action as it deems appropriate.

(d) At any time upon the disclosing Party’s written request, the receiving Party shall return or destroy, at the receiving Party’s option, all written Confidential Information of the disclosing Party, and the receiving Party shall not retain any copies of such written Confidential Information; provided, however, that Confidential Information may be retained by the receiving Party to the extent that retention of such Confidential Information is necessary to comply with the receiving Party’s internal document retention policies aimed at legal, corporate governance or regulatory compliance and any such retained Confidential Information shall remain subject to the disclosure and use restrictions set forth herein, for a period of 5 years from the termination of this Agreement. The receiving Party shall, upon written request of the disclosing Party, cause one of its duly authorized officers to certify in writing to the disclosing Party that the requirements of the preceding sentence have been satisfied in full. The receiving Party shall not be deemed to have retained or failed to return or destroy any Confidential Information if Confidential Information received or stored in digital format is deleted from local hard drives so long as no attempt is made to recover such Confidential Information from servers or back-up sources, provided that any such retained Confidential Information shall remain subject to the disclosure and use restrictions set forth herein, for a period of 5 years from the termination of this Agreement.

(e) Each Party acknowledges and agrees that any violation of this Section 4.1 may cause the other Party irreparable injury for which the disclosing Party would not have an adequate remedy at law, and the disclosing Party is entitled to seek immediate equitable relief including injunctive relief prohibiting any violation of this Section 4.1, in addition to any other rights or remedies available to such Party at law or in equity.
Section 4.2 Code of Conduct. Company shall, at the Provider's expense, (a) comply with the Provider's instructions relating to adherence to the Provider's Code of Conduct (a copy of which has been previously delivered to Company) as such code may be modified from time to time (the "Code of Conduct"), (b) work with the Provider to comply with all additional Code of Conduct requirements imposed upon Provider by the PUCT or by Applicable Law (provided Provider informs Company of such additional requirements), and (c) at Provider's request, ensure that each of its employees receiving Corporate Support Services from Provider receive training in the Provider's Code of Conduct requirements, including training with respect to handling of confidential information and avoidance of inappropriate cross subsidization by Company of Provider or its Affiliates.

Section 4.3 Compliance with Law. In the performance of this agreement, Provider and Company shall each comply with all prevailing and applicable laws, ordinances, and regulations of the United States, the State of Texas, the State of Florida, and any subdivision or agency thereof. Subject to this Section 4.3, each Party hereto shall be responsible to determine for itself the laws, ordinances, regulations, or other legal requirements imposed upon its activities hereunder.

ARTICLE 5
INDEPENDENT CONTRACTOR RELATIONSHIP

Section 5.1 Independent Contractor. Provider undertakes performance of the Corporate Support Services as an independent contractor and not an employee of Company, with the sole authority to control and direct the performance of the details of the work, Company being interested only in the results obtained. Provider shall work closely with Company in performing the Corporate Support Services under this Agreement.

ARTICLE 6
COMPENSATION AND BILLING

Section 6.1 Compensation. As consideration for performing the Corporate Support Services hereunder, Provider shall be paid in accordance with the terms of the Cost Allocation Manual attached hereto as Exhibit B, as such Exhibit may be amended by Company from time to time ("CAM").

Section 6.2 Billing.

(a) Provider will maintain accurate records of all direct and indirect costs and expenses incurred in the performance of the Corporate Support Services. Provider will charge a cost object which creates a receivable balance on Provider's books and systematically settles to the Company's books, creating an equal and offsetting payable balance. Amounts payable for the prior month will be paid and posted to the Provider's receivable balance. Any errors or disputed charges will be researched and credited, if necessary, and adjusted in the following month.
(b) In cases in which Provider renders no Corporate Support Services itself but merely pays third parties for products or services rendered to Company (as a matter of convenience to Company), Provider shall be reimbursed for out-of-pocket expenses actually incurred by Provider along with applicable loaders with respect to such products or services and provide supporting documentation of such payments as requested by Company.

ARTICLE 7
EXONERATION; LIMITATION OF LIABILITY; INDEMNIFICATION

Section 7.1 Exoneration. The doing of any act or the failure to do any act by Provider, its Affiliates or any Person employed by Provider or its Affiliates in connection with Provider's obligations under this Agreement, the effect of which may cause or result in loss or damage to Company or any other Person, shall not subject Provider or any other Person to any Liability to Company or any other Person; provided, however, that the foregoing shall not apply in the case of (i) gross negligence, (ii) willful misconduct, or (iii) fraud on the part of Provider.

Section 7.2 Limitation of Liability.

(a) Notwithstanding anything else to the contrary herein, to the extent Provider or its Affiliates has any Liability to Company under this Agreement or otherwise, the aggregate Liability of Provider and its Affiliates with respect to all claims, demands, actions, or losses of Company arising out of the performance or nonperformance by Provider of its obligations under this Agreement, whether based on contract, warranty, indemnity, tort (including negligence), strict liability, or otherwise, shall in no event exceed, during any calendar year the fees payable to Provider during the prior calendar year; provided that such limitation of Liability shall not apply if and to the extent that the Provider commits fraud, willful misconduct, or gross negligence.

(b) Notwithstanding any provision herein to the contrary, neither Party nor any of their respective officers, members, shareholders, partners, principals, Affiliates, agents, subcontractors, vendors, or employees shall be liable hereunder for punitive, indirect, consequential, or exemplary losses or damages of any nature, including damages for lost profits or revenues or the loss or use of such profits or anticipated revenues, cost of capital, loss of goodwill, increased operating expenses of plant or equipment, increased costs of purchasing or providing equipment, materials, labor, services, costs of replacement power or capital, penalties, inventory or use charges, damages to reputation or damages for lost opportunities, or any other special or incidental damages, regardless of whether said claim is based upon contract, warranty, tort (including negligence and strict liability), or other theory of law.

Section 7.3 Indemnification.

(a) Company shall, to the fullest extent permitted by law, defend, indemnify and hold harmless Provider and its Affiliates from and against any and all Liabilities claimed or asserted against Provider or its Affiliates arising as a result of or in any way connected with Provider's
performance under this Agreement, except as a result of fraud, willful misconduct, or gross negligence on the part of Provider.

(b) Subject to the limitations set forth in Section 7.2, Provider shall, to the fullest extent permitted by Applicable Law, defend, indemnify, and hold harmless Company and its Affiliates from and against any and all Liabilities claimed or asserted against Company or its Affiliates arising as a result of Provider’s performance under this Agreement, but only to the extent such Liabilities are caused by fraud, willful misconduct or gross negligence by Provider or its Affiliates.

(c) If any Party hereto (each, an “Indemnified Party”) shall receive notice or have knowledge of any claim that may result in a claim for indemnification by such Indemnified Party against a Party pursuant to this Section 7.3, such Indemnified Party shall, as promptly as possible, give the indemnifying Party notice of such claim, including a reasonably detailed description of the facts and circumstances relating to such claim, and a complete copy of all notices, pleadings, and other papers related thereto, and in reasonable detail the basis for its potential claim for indemnification with respect thereto; provided that failure promptly to give such notice or to provide such information and documents shall relieve the indemnifying Party from the obligation hereunder to respond to or to defend the Indemnified Party failing to give such notice against such claim only to the extent such failure prejudiced the interests of the indemnifying Party with respect to such claim. The Party against whom indemnification is claimed shall, upon its acknowledgement in writing of its obligation to indemnify the Indemnified Party seeking indemnification, be entitled to assume the defense or to represent the interests of the Indemnified Party seeking indemnification in respect of such claim, which shall include the right to select and direct legal counsel and other consultants, appear in proceedings on behalf of such Indemnified Party, and to propose, accept, or reject offers of settlement, all at its sole cost; provided, however, that without the Indemnified Party’s consent, which consent may not be unreasonably withheld, the indemnifying Party may not consent to entry of a judgment or settlement if such judgment or settlement provides for injunctive or other nonmonetary relief affecting the Indemnified Party.

ARTICLE 8
BOOKS AND RECORDS; AUDITS

Section 8.1 Books and Records. Provider shall keep accurate records and books of account in respect of the Corporate Support Services provided pursuant to this Agreement. Provider shall make those records and books of account available for inspection and audit in accordance with the terms of this Agreement.

Section 8.2 Audits.

(a) The Provider shall reasonably cooperate with any Company audit conducted or required by a state or federal regulatory agency in connection with this Agreement.

(b) If any audit or review of Provider’s books and records discloses that the allocated charge billed to Company is not reasonable in accordance with Company’s allocation
and billing practice pursuant to the CAM such that an overpayment or an underpayment has been made, the amount of such overpayment or underpayment shall promptly be paid to the Party to which it is owed by the other Party. Any audit to be conducted shall be performed timely such that the period being reviewed shall be no more than three years prior to the date of the initiation of the audit.

ARTICLE 9
NOTICES

Section 9.1 Notices. All notices required or permitted under this Agreement shall be in writing and shall be hand-delivered or sent by certified or registered mail (return receipt requested), or commercial delivery subject to written record of receipt, to Company or Provider, as the case may be, at their respective addresses set forth below, or to such other addresses as may be designated by notice given as herein required. All notices shall be effective upon first receipt as evidenced by written record of delivery or confirmation of transmission.

Provider: Lone Star Transmission, LLC
301 Congress Avenue, Suite 1850
Austin, Texas 78701
Attention: President
Telephone: 512-236-3140

Company: Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408-0428
Attention: President
Telephone: 561-694-4646

With copy to: Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408-0428
Attention: General Counsel
Telephone: 561-691-7101

ARTICLE 10
MISCELLANEOUS

Section 10.1 Counterparts. This Agreement may be executed 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.
Section 10.2 Assignment. The rights under this Agreement shall not be assignable or transferrable nor the duties delegable by either Party without prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed; and nothing in this Agreement, express or implied, is intended to confer upon any Person or entity, other than the Parties hereto and their permitted successors-in-interest and permitted assignees, any rights or remedies under or by reason of this Agreement unless so stated to the contrary. Notwithstanding the foregoing:

(a) Provider may grant to a Secured Party a security interest in its rights under this Agreement, provided that neither the grant of any such interest, nor the foreclosure of any such interest, shall in any way release, reduce, or diminish the obligations of Provider to Company hereunder. In the event of such security assignment, Company will execute for the benefit of such Secured Party a consent and agreement in a form reasonably satisfactory to Company.

(b) This Agreement may be assigned by Provider, with ninety (90) days’ prior written notice to Company: (i) to the successor of Provider, if such successor is an Affiliate of Provider; or (ii) to an Affiliate of Provider acquiring all or a controlling interest in the business assets of Provider.

Section 10.3 Force Majeure. Neither Party hereto shall be in breach or in violation of this Agreement if such Party is prevented from performing any of its obligations hereunder for any reason beyond its reasonable control, including acts of God, fire, flood, earthquake, explosion, riot, war, sabotage, or governmental acts and decrees that in fact prevent performance hereunder.

Section 10.4 Contracting. Provider may contract on its own behalf with unaffiliated third parties for auditing services, legal advice, and other third party professional services for the performance of duties to be performed by Provider under this Agreement.

Section 10.5 Affiliate Employees. Company acknowledges that Provider may perform all or a portion of the obligations of Provider hereunder with the assistance of employees of Affiliates of Provider.

Section 10.6 Waiver. The waiver of any breach of any terms or conditions hereof shall not be deemed a waiver of any other subsequent breach, whether of like or different nature.

Section 10.7 Severability. If any term or provision of this Agreement or the performance thereof shall to any extent be invalid or unenforceable, such invalidity or unenforceability shall not affect or render invalid or unenforceable any other provision of this Agreement, and this Agreement shall be valid and enforced to the fullest extent permitted by Applicable Law.

Section 10.8 Amendment. No modification or amendment of this Agreement shall be valid unless in writing, executed by both Parties hereto.
Section 10.9 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Florida without regard to its conflict of laws principles.

Section 10.10 Entire Agreement. This Agreement and all exhibits and schedules hereto constitute the entire Agreement between the parties pertaining to the subject matter contained herein and supersedes all prior agreements, arrangements, understandings, representations, warranties, commitments, and communications (oral or written) related to the subject matter hereof. The Parties make no representation or warranties except as set forth in this Agreement, the exhibits and schedules. By execution of this Agreement, each of the Parties represents and warrants that it has relied on no oral or written statements, promises, inducements, representations, or warranties to enter into this Agreement except for those expressly set forth herein, and that inclusion of this provision evidences the intent of the Parties that no parole evidence shall be admissible to alter or vary the terms of this Agreement.

[Signatures follow on separate page(s).]
IN WITNESS WHEREOF, the parties hereto have executed this Corporate Support Services Agreement as of the date set forth below.

LONE STAR TRANSMISSION, LLC

By __________________________
Name: Michael G. Grable
Title: President

FLORIDA POWER & LIGHT COMPANY

By __________________________
Name: Michael Spoor
Title: Vice President Transmission and Substation
IN WITNESS WHEREOF, the parties hereto have executed this Corporate Support Services Agreement as of the date set forth below.

LONE STAR TRANSMISSION, LLC

By ____________________________
Name: Michael G. Grable
Title: President

FLORIDA POWER & LIGHT COMPANY

By ____________________________
Name: Michael Spoor
Title: Vice President Transmission and Substation
EXHIBIT A

SCOPE OF CORPORATE SUPPORT SERVICES

Upon Company’s request, Provider will perform the following types of Corporate Support Services for Company, subject to reasonable limits on the timing and availability of Provider resources to respond to such requests.

Energy Management Services

Provider employees in the Energy Management Systems (“EMS”) group who are collocated with Company’s Transmission/Substation Technology organization will provide support on an as-available, as needed basis for the maintenance, trouble shooting, engineering, design and implementation of hardware and software systems and applications related to the overall Company EMS infrastructure and platform systems. Provider employees may provide callout services for troubleshooting as well as specialized subject matter expertise in maintenance, engineering, design and implementation of Company EMS hardware and software.

Other Operations Services

Employees from Provider’s other operations groups may from time to time provide some support functions to Company. Provider’s System Operations employees may support Company in development of joint training materials, provide expertise in system operations areas, and power system analysis. Provider Field Operations employees may support Company during storm conditions or other emergency conditions in restoration activities as needed.

Legal

The Legal group will provide assistance with regulatory filings, counsel with respect to disputes and damages, review of applicable regulations and laws, contract review, and financial and corporate oversight.
EXHIBIT B
COST ALLOCATION MANUAL

See attached.
INTRODUCTION

This Cost Allocation Manual (CAM) documents cost allocation policies and practices, and provides guidelines to employees regarding the application of those policies for affiliate transactions.

The over-riding principle of this process is that resources shared between Florida Power and Light (FPL) and its affiliates cannot result in subsidization by the regulated entity on behalf of its affiliates. This manual describes the standard services provided between FPL and its affiliates, as well as FPL’s inter-company process for charging direct and indirect costs, the Affiliate Management Fee (AMF), and other apportionment methods. The costing concepts and principles described herein are applied consistently to all subsidiaries billed by FPL.

When affiliates procure goods from common vendors of FPL, they should do so directly under separate affiliate purchase orders. This ensures invoicing and product delivery will be processed directly to the affiliate, and the affiliate will not be billed for FPL’s loading costs. It also ensures that the contract terms (warranties and liabilities) of the purchase order(s) are placed with the affiliate, not with FPL. In some cases, the affiliate has the ability to take advantage of master agreements established between FPL and the vendor. FPL’s strategy is to evaluate fleet wide (multi-site) agreements category by category with a focus on total value for FPL and supplier quality, taking advantage of leverage opportunities to consolidate the spend across the entire fleet, establish long term contracts with a limited number of suppliers of proven experience and quality, and to negotiate terms that provide for shared risks and shared benefits for improved performance.

When affiliates request services from FPL personnel, FPL employees should direct charge for services to the benefiting affiliate. This manual describes processes to direct charge those costs, as well as the allocation processes used when direct charging is not practical.

BACKGROUND

FPL supports enterprise and affiliate operations through direct project activities and shared governance, compliance and other support functions. Direct activities are charged to affiliates through specific Internal Orders. Shared support functions are allocated through the following management fees (which are described in detail in a later section of this manual):

1. Affiliate Management Fee (AMF)
2. Energy Marketing & Trading Service Fee
3. Nuclear Division Service Fee
4. Information Management Service Fee

All services provided to affiliates, either direct or allocated, are billed at actual embedded cost using fully loaded rates. Payroll is charged by using the employee actual payroll rate plus loaders, which cover benefits and administrative costs.

COST ACCOUNTING CONCEPTS

Costs are apportioned among entities based on three cost characteristics:

- **Direct** – Costs of resources used exclusively for the provision of services that are readily identifiable to an activity. An example of inter-company direct costs would be the fully-loaded salary of an engineer working on an affiliate’s power plant.

- **Assigned** – Costs of resources used jointly in the provision of both regulated and non-regulated activities that are apportioned using direct measures of cost causation. The square footage cost of office space used by affiliates would be an example of assignable costs.
• Unattributable (Management Fee) — Cost of resources shared by both regulated and non-regulated activities for which no causal relationship exists. These costs are accumulated and allocated to both regulated and non-regulated activities through the use of the AMF for inter-company transactions. The costs associated with NextEra Energy, Inc.'s board of directors is an example of unattributable costs allocated using the Affiliate Management Fee (See Affiliate Management Fee section for more details on unattributable charges).

REGULATORY REQUIREMENTS AND REPORTING

FERC Accounting Guidelines

The Uniform System of Accounts (USOA), as prescribed by the Federal Energy Regulatory Commission (FERC), and adopted by the Florida Public Service Commission (FPSC), is found in the Code of Federal Regulations, Title 18, Subchapter C. Part 101. Application of these guidelines indicates that:

• Inter-company transactions are to be recorded in account 146.XXX
• Intra-Utility direct charge transactions are to be recorded in the appropriate account(s) within the operational function receiving the goods or services.
• Intra-Utility allocations of corporate center costs for business unit financial reporting are to be recorded in the Administrative and General (A&G) range of accounts. Administrative and general accounts should contain charges not chargeable directly to a particular operating function.

FERC recognizes explicitly in Order 707-A that the “at cost” pricing rules would be extended to single state holding companies that do not have centralized shared services companies. An important condition to this rule, however, is that such services may not be provided to unaffiliated third parties. The reason for this condition is that a market price is determinable in cases where such services are provided to third parties. FPL’s affiliate transactions comply with this Order.

FPSC Rule

The Florida Public Service Commission has adopted rules concerning cost allocation and affiliate transactions (25-6.1351). The purpose of these rules is to establish cost allocation requirements to ensure proper accounting for affiliate transactions and non-regulated utility activities so that these transactions and activities are not subsidized by utility ratepayers. This cost allocation manual addresses processes for compliance under this rule.

NARUC Guidelines

The National Association of Regulatory Utility Commissioners (NARUC) has developed a set of guidelines to assist regulated utilities and their affiliates in the development of procedures for recording transactions for services and products between a regulated entity and its affiliates. The prevailing premise of these guidelines is that allocation methods should not result in subsidization of non-regulated services or products by regulated entities.

Diversification Report

In addition to the FERC Form No. 1, Annual Report of Major Electric Utilities, Licenses and Others, the FPSC requires the Utility to file an Annual Diversification Report. This report contains:

• Summary of changes to the corporate structure
• Updated organizational charts of parent and affiliates
• Summary of new or amended contracts with affiliates
Cost Measurement & Allocation Department
Cost Allocation Manual (CAM)
2013

- All transactions between regulatory and non-regulatory activities
- Detail reports of all individual transactions over $500,000 between affiliates
- Summary of asset transfers between affiliates
- Employee transfers between affiliates
- Analysis of non-tariffed services and products provided by the utility

INTER-COMPANY BILLING PROCESS

Billings by FPL for Services to Affiliates

In accordance with FERC and FPSC requirements, FPL bills affiliates its fully loaded, embedded cost for services provided. See the section titled “Affiliate Direct Charges thru Specific Internal Orders” for process details. It is the responsibility of the employee and the employee’s supervisor to ensure that any work performed for affiliates is properly charged.

Billings to FPL for Services Provided by Affiliates

In accordance with FERC and FPSC requirements, FPL pays its affiliates the lower of (a) the fully loaded, embedded cost for the services provided, or (b) the amount the affiliate would charge to its other affiliates or a non-affiliated entity for the same service. See the section titled “Affiliate Direct Charges thru Specific Internal Orders” for process details. It is the responsibility of the receiving FPL project manager, in conjunction with the Cost Measurements and Allocation group, to ensure that any services received from the affiliate are properly charged, and that documentation regarding market price, if applicable, is properly maintained.

Transfers of Assets from Affiliates to FPL

Billings from affiliates to FPL for assets transferred are based on the lower of cost or market. On certain occasions, FPL may record the asset at either market price or net book value if it maintains documentation to support and justify that such a transaction benefits regulated operations. An independent appraiser must verify the market value of a transferred asset with a net book value greater than $1,000,000. When these billings occur, notification must be given to Cost Measurement and Allocation to ensure proper reporting of these transactions as required by FERC and FPSC.

Transfer of Assets to Affiliate

When an asset used in FPL’s regulated operations is transferred to an affiliate, FPL will charge the affiliate the greater of market price or net book value. On certain occasions, FPL may charge the affiliate either the market price or net book value if documentation is maintained to support and justify that such a transaction benefits regulated operations.

Affiliate Direct Charges thru Specific Internal Orders

1. Affiliate Project Manager requests FPL employee services, or FPL requests Affiliate employee services

   The applicable project manager contacts the necessary employee’s supervisor and requests the services of the employee on a project for a specific amount of time or completion of a job.

2. Affiliate Project Manager, or FPL Project Manager completes request form for an Affiliate Internal Order (IO)
After obtaining approval by the supervisor, the Project Manager requesting the service must contact the FPL Utility Master Data Group. This manager must fill out a request form for an Affiliate Internal Order that includes the following data elements:

a) The Work Breakdown Structure (WBS) Element the order will be assigned to and settled to
b) The settlement rule
c) The functional area if required
d) Requesting company code
e) Overhead Key related to long term assignments, if applicable (See discussion of Long Term Assignment Rates below).

3. Master Data Control Group reviews request form

The Master Data Group will review the form and make sure it has all the required information. The request form will include a box to explain the need for special priority if applicable. For example, an operational issue at a generation plant would be put at a greater priority than someone requesting personnel for routine maintenance. In order to expedite service, emergent work master data can be set up in advance.

4. Create Affiliate IO

The Master Data Group will create the Affiliate IO using the information obtained in the request form.

5. Inform Affiliate Project Manager of IO creation

After IO creation, the Master Data Group will inform the requester by email.

6. Provide IO to Utility company employee

Method of delivery will depend on the type of service requested.

7. Employee charges affiliate IO on the timesheet for specific hours worked

Charges to the Internal Orders are accumulated each month and loaded with the appropriate overheads billed by SAP during the month end closing process. Also included in the billable charges are any appropriate non-payroll charges.

Long Term Assignment Rates

When FPL employees are used exclusively for affiliate activities for extended periods of time, a reduced Long-Term Loading Rate should be used. This is due to two factors. First, non-productive time (sick, vacation, holiday) is already included in the salary being allocated since it is expected that a full year's salary is allocated. If non-productive time were also loaded, the affiliate would be charged twice. Secondly, the affiliate will be providing the necessary A&G support, such as supervision, office equipment, supplies, etc. therefore, FPL A&G expenses should not be included in the loading rate.

To qualify for reduced loading, the employee must reasonably expect to charge their time to Internal Orders for one full year, and be physically located at the affiliate offices. If an employee's charges during the year fall below 75%, they must be removed from the long-term loading rate.

Employees meeting the above requirements must charge a specific Internal Order that has been set up to accommodate long term assignments. When an IO is requested by the Affiliate Project Manager (see step 2
under “Affiliate Direct Charges thru Specific Internal Orders” above), the request must include a special
Overhead Key “Z604: Long-Term No External Overheads on the IO Master Record”. These inter-company
IO’s receive payroll taxes and benefits, but no external overheads. Once the employee’s charges fall below
75%, they must charge an IO that has been set up to include the external overheads.

**MANAGEMENT FEES**

**Affiliate Management Fee**

The Affiliate Management Fee was implemented to bill Corporate Staff shared services and capital benefiting
both FPL and its affiliates. This management fee is based on a cost pool of shared services, which is allocated
based on specific drivers or the Massachusetts formula.

**Cost Pool – Corporate Shared Services**

The Shared Service cost pool is determined annually through an extensive review of shared services and capital
provided by FPL’s Corporate Staff Departments to entities across the enterprise. The review is performed in
conjunction with FPL’s budget cycle and identifies products and services within each Work Breakdown
Structure (WBS), along with certain capital benefiting affiliates. These budgeted costs, along with capitalized
hardware and software, are combined to obtain an estimated shared cost pool for the subsequent year. These
shared costs are allocated to affiliates using specific drivers (where available) or the Massachusetts Formula.

**Allocation – Massachusetts Formula**

FPL reviewed options for allocation of the cost pool(s) where there were no specific driver(s) and elected to use
the average of Payroll, Revenues and average Gross Property Plant and Equipment. This methodology is
commonly referred to as the “Massachusetts Formula” and has been an industry standard for rate regulated
allocations. The forecasted amounts for each of the three components are estimated for all entities and given
equal weight. An average is then computed for each operating entity, which when compared to the total, yields
a ratio used to allocate its share of the cost pool.

The affiliate entities are billed monthly their share of the Affiliate Management Fee based on the ratio described
above and the actual costs incurred that month by the department in FPL providing the service. Specifically, the
fee amount is determined by charging the actual costs incurred by that cost center providing shared activities
(accumulated in SAP each month by WBS) by the appropriate driver percentages and allocated out during the
SAP CO close process as an inter-company charge.

**Corporate Shared Services and Capital**

Below is a list of shared services determined to be beneficial to affiliates and/or provided to serve the enterprise
and included in the Affiliate Management Fee.

**Shared Services Allocated via Specific Drivers**

- **Information Management** (Specific drivers relating to workstations, mainframe time, etc.)
  - Corporate Applications – HR Employee Information System, Procurement, Financial Data Base,
    Email Systems
  - Communications & Technology – Telecommunications (excluding Long Distance) and Network
    Operating Centers (NOC)
  - Distributed Systems – Workstation, LAN and WAN Support
  - Mainframe Operations – GO and JB Computer Centers
  - PC Services – Help Desk and Workstation Support
Amortization and ROI – Shared Capitalized Hardware and Software

**Human Resources** (Specific drivers relating to FTE’s)
- Employee Relations – Safety Policies, Labor Relations Administration, and other employee related issues
- Shared Services – Benefits Administration, Help Desk, Payroll, Educational Assistance, Recruiting, Equal Opportunity, Workforce Planning, Drug Testing and Group University
- Benefit Programs
- Health Centers

**Engineering, Construction and Corporate Services** (Specific drivers relating to FTE’s)
- Cafeteria Operations – Shared Affiliate Cafeteria Operations (JB, GO, LFO, CSE, PTN & PSL)

**Security** (Specific drivers relating to square footage)
- Corporate and Shared Affiliate Facility (JB and GO)

**Business Unit Leadership**
- Power Generation Division drivers relating to megawatts
- Nuclear Division drivers relating to number of units

*Shared Services Allocated via Massachusetts Formula*

**Finance**
- Executive and Governance – Salaries, Expenses, and Benefits
- Corporate Transactions – Cash Management and Banking
- Corporate Tax
- Finance and Trust Fund Investments
- Planning and Analysis
- Corporate Budgeting
- Risk Management

**Corporate Communications**
- Internal Communications
- External Media
- Annual Report

**General Counsel**
- Shareholder Services
- Board of Directors Fees

**Engineering, Construction and Corporate Services**
- Integrated Supply Chain – Administration of Corporate Travel and Integrated Supply Chain
- Mail Services – Courier and Mail Services (GO, JB, LFO)

**Internal Auditing Management and Compliance**

**Strategy/Business Processes**
- Quality, Planning, Analysis
- Environmental Services
- Security Administration – Facility Security, Data Security
SERVICE FEES – Energy Marketing & Trading (EMT), Nuclear (NUC), IM Nuclear (IMNUC)

Service fees are utilized by many of the fleet support operations. FPL has leveraged its fleet construction, compliance and operating capabilities over the broader enterprise for many years in order to optimize results for its customers. The larger scale of the enterprise fleet has historically allowed for shared expertise and the resulting competitive advantage. Service fee charges are calculated by the Business Unit (Operating Business Unit or Staff Group) Budget Coordinators or Analysts and represent ongoing services provided or shared among affiliates. In general, services provided by EMT include Systems Support, Risk Management, Accounting Services, and Trade Support. The Nuclear Fee reflects support to NextEra Energy, Inc. (FPL and NextEra Energy Resources) nuclear plants, in the area of operations, licensing and training as examples. The IM Nuclear fee relates to specific system support for NextEra Energy Resources nuclear plants.

The Nuclear, IM and EMT Service Fees do not receive the non-productive piece of the loader because full salaries are allocated based on relevant drivers to each entity served. These three fees are the only inter-company charges that do not receive the non-productive loader of the affiliate rates.

EMT Service Fee

The EMT Service Fee uses actual costs allocated based on factors determined in an annual time study, performed at the time of budget development. Costs are also charged to the affiliate based on actual costs incurred each month. The fee may be revised during the year to reflect significant changes such as level of service, and/or merger and acquisition activities. There are two (2) groups within the Back-Office portion of the fee: 1. System Group for computer support, and 2. Risk Management. Both the Systems Group and Risk Management are allocated based on a time-study. The EMT Service Fee includes the following shared services:

- Operations and Administration – Support of EMT systems infrastructure
- Risk Management – Compliance with risk management policies and procedures

Nuclear Service Fee

The Nuclear Service Fee is billed using actual monthly charges accumulated and then allocated using the number of generating units as the driver. The Nuclear Service Fee includes the following shared services:

- Nuclear Operations Support
- Nuclear Fuels Support
- Nuclear Training Support
- Nuclear Business & Regulatory Support
- Nuclear Engineering Support
- Nuclear Assurance Support
- Nuclear Licensing Support

Specific services not included in the Service Fee, which are direct charged NextEra Energy Resources by FPL. Nuclear, are:

- Due Diligence
- Construction Projects
- Transition Teams
- Support of NextEra Energy Resources Capital Projects
- Outage Support
Information Management Nuclear Service Fee

The Information Management Nuclear Service Fee is also billed using actual monthly charges that are accumulated and then allocated based on the number of generating units in place. The Information Management Nuclear Service Fee includes the following shared services:

- Nuclear Asset Management System (NAMS) Support
- IM Management
- Data Services
- IMO Nuclear Lead (Infrastructure Support)
- Nuclear Web Applications Support

In addition to the IM Nuclear Service Fee described above, FPL-IM is charged for shared support services performed by IM personnel located at the Seabrook facility. These employees support Nuclear applications shared by all units in the fleet and charge back a portion of the support costs, based on the number of nuclear units.

FACILITY AND EQUIPMENT CHARGES

Cost Measurement and Allocation is responsible for monthly entries to bill the following activities:

Systems Charges:
A small number of affiliates utilize various FPL systems on a limited basis for printing, mailing and payment processing of various items. These systems include the SAP and Payment Processing Center (PPC) systems. The use of these systems is billed on a transactional basis. A cost study is performed by the Customer Service organization in conjunction with the Cost Measurement and Allocation department to determine the cost to FPL per transaction for these systems. The number of transactions is collected monthly and billed to the affiliates at those rates.

The Transmission/Substation unit shares various hardware and software applications with an affiliate. The charges are billed based on actual costs and are calculated using specific drivers that best represent the activity (i.e., number of users, number of network devices, number of servers, etc).

Furniture and Computers:
Affiliates are billed monthly for office furniture based on the higher of cost or market value. A market rate study is performed periodically by Corporate Real Estate and was last prepared in 2012. Affiliates are also billed monthly for personal computers based on cost. All charges are based on the number of FPL owned units utilized by the affiliates.

Long Distance Telephone Charges:
The affiliates are billed monthly for their long distance service. This is tracked by telecommunications based on employee long distance IDs. Rates are based on actual contracted rates with the phone companies.

Office Space:
Space is available to the affiliates in FPL buildings only when vacancies exist. The affiliates are charged for the square feet they occupy based on the higher of cost or a market rate. A market rate study is performed by Corporate Real Estate every five years and was last prepared in 2012. Currently occupying space in FPL buildings are: NextEra Energy Resources; FPL Energy Services; FPL Readi Power, LLC; Fibernet, LLC; NextEra Energy Capital Holdings, Inc.; NextEra Energy Infrastructure, LLC; Lone Star Transmission, LLC; and New Hampshire Transmission, LLC.
DEFINITIONS

Affiliates -- Companies that are related to each other due to common ownership or control.

Cost Allocators -- The methods or ratios used to apportion costs. A cost allocator can be based on the origin of costs, as in the case of cost drivers; cost-causative linkage of an indirect nature; or one or more overall factors (also known as general allocators).

Common Costs -- Cost associated with services or products that are of joint benefit to both regulated and non-regulated business units.

Cost Driver -- A measurable event or quantity which influences the level of costs incurred and which can be directly traced to an origin of the costs themselves.

Fully Allocated -- Services or products bear the sum of the cost drivers plus an appropriate share of the indirect costs.

Incremental -- Pricing services or products on a basis of only the incremental costs added by their operations while one or more pre-existing services, or products, support the fixed costs.

Non-regulated -- Refers to services or products not subject to regulation by regulatory authorities.

Prevailing Market Rate -- A generally accepted market value that can be substantiated by clearly comparable transactions, auction or appraisal.

Regulated -- Refers to services or products subject to regulation by regulatory authorities.

Subsidization -- The recovery of costs from one class of customers, business unit or entity, that are attributable to another.
Guidelines for Cost Allocations and Affiliate Transactions:

The following Guidelines for Cost Allocations and Affiliate Transactions (Guidelines) are intended to provide guidance to jurisdictional regulatory authorities and regulated utilities and their affiliates in the development of procedures and recording of transactions for services and products between a regulated entity and affiliates. The prevailing premise of these Guidelines is that allocation methods should not result in subsidization of non-regulated services or products by regulated entities unless authorized by the jurisdictional regulatory authority. These Guidelines are not intended to be rules or regulations prescribing how cost allocations and affiliate transactions are to be handled. They are intended to provide a framework for regulated entities and regulatory authorities in the development of their own policies and procedures for cost allocations and affiliated transactions. Variation in regulatory environment may justify different cost allocation methods than those embodied in the Guidelines.

The Guidelines acknowledge and reference the use of several different practices and methods. It is intended that there be latitude in the application of those guidelines, subject to regulatory oversight. The implementation and compliance with these cost allocations and affiliate transaction guidelines, by regulated utilities under the authority of jurisdictional regulatory commissions, is subject to Federal and state law. Each state or Federal regulatory commission may have unique situations and circumstances that govern affiliate transactions, cost allocations, and/or service or product pricing standards. For example, The Public Utility Holding Company Act of 1935 requires registered holding company systems to price “at cost” the sale of goods and services and the undertaking of construction contracts between affiliate companies.

The Guidelines were developed by the NARUC Staff Subcommittee on Accounts in compliance with the Resolution passed on March 3, 1998 entitled “Resolution Regarding Cost Allocation for the Energy Industry” which directed the Staff Subcommittee on Accounts together with the Staff Subcommittees on Strategic Issues and Gas to prepare for NARUC’s consideration, “Guidelines for Energy Cost Allocations.” In addition, input was requested from other industry parties. Various levels of input were obtained in the development of the Guidelines from the Edison Electric Institute, American Gas Association, Securities and Exchange Commission, the Federal Energy Regulatory Commission, Rural Utilities Service and the National Rural Electric Cooperatives Association as well as staff of various state public utility commissions.

In some instances, non-structural safeguards as contained in these guidelines may not be sufficient to prevent market power problems in strategic markets such as the generation market. Problems arise when a firm has the ability to raise prices above market for a sustained period and/or impede output of a product or service. Such concerns have led some states to develop codes of conduct to govern relationships between the regulated utility and its non-regulated affiliates. Consideration should be given to any “unique” advantages an incumbent utility would have over competitors in an emerging market such as the retail energy market. A code of conduct should be used in conjunction with guidelines on cost allocations and affiliate transactions.

A. DEFINITIONS

1. Affiliates - companies that are related to each other due to common ownership or control.

2. Attestation Engagement - one in which a certified public accountant who is in the practice of public accounting is contracted to issue a written communication that expresses a conclusion about the reliability of a written assertion that is the responsibility of another party.
3. Cost Allocation Manual (CAM) - an indexed compilation and documentation of a company’s
cost allocation policies and related procedures.

4. Cost Allocations - the methods or ratios used to apportion costs. A cost allocator can be based
on the origin of costs, as in the case of cost drivers; cost-causative linkage of an indirect nature;
or one or more overall factors (also known as general allocators).

5. Common Costs - costs associated with services or products that are of joint benefit between
regulated and non-regulated business units.

6. Cost Driver - a measurable event or quantity which influences the level of costs incurred and
which can be directly traced to the origin of the costs themselves.

7. Direct Costs - costs which can be specifically identified with a particular service or product.

8. Fully Allocated costs - the sum of the direct costs plus an appropriate share of indirect costs.

9. Incremental pricing - pricing services or products on a basis of only the additional costs added
by their operations while one or more pre-existing services or products support the fixed costs.

10. Indirect Costs - costs that cannot be identified with a particular service or product. This
includes but not limited to overhead costs, administrative and general, and taxes.

11. Non-regulated - that which is not subject to regulation by regulatory authorities.

12. Prevailing Market Pricing - a generally accepted market value that can be substantiated by
clearly comparable transactions, auction or appraisal.

13. Regulated - that which is subject to regulation by regulatory authorities.

14. Subsidization - the recovery of costs from one class of customers or business unit that are
attributable to another.

B. COST ALLOCATION PRINCIPLES

The following allocation principles should be used whenever products or services are
provided between a regulated utility and its non-regulated affiliate or division.

1. To the maximum extent practicable, in consideration of administrative costs, costs should be
collected and classified on a direct basis for each asset, service or product provided.

2. The general method for charging indirect costs should be on a fully allocated cost basis. Under
appropriate circumstances, regulatory authorities may consider incremental cost, prevailing
market pricing or other methods for allocating costs and pricing transactions among affiliates.

3. To the extent possible, all direct and allocated costs between regulated and non-regulated
services and products should be traceable on the books of the applicable regulated utility to the
applicable Uniform System of Accounts. Documentation should be made available to the
appropriate regulatory authority upon request regarding transactions between the regulated utility
and its affiliates.

4. The allocation methods should apply to the regulated entity's affiliates in order to prevent
subsidization from, and ensure equitable cost sharing among the regulated entity and its affiliates, and vice versa.

5. All costs should be classified to services or products which, by their very nature, are either regulated, non-regulated, or common to both.

6. The primary cost driver of common costs, or a relevant proxy in the absence of a primary cost driver, should be identified and used to allocate the cost between regulated and non-regulated services or products.

7. The indirect costs of each business unit, including the allocated costs of shared services, should be spread to the services or products to which they relate using relevant cost allocators.

C. COST ALLOCATION MANUAL (NOT TARIFFED)

Each entity that provides both regulated and non-regulated services or products should maintain a cost allocation manual (CAM) or its equivalent and notify the jurisdictional regulatory authorities of the CAM's existence. The determination of what, if any, information should be held confidential should be based on the statutes and rules of the regulatory agency that requires the information. Any entity required to provide notification of a CAM(s) should make arrangements as necessary and appropriate to ensure competitively sensitive information derived therefrom be kept confidential by the regulator. At a minimum, the CAM should contain the following:

1. An organization chart of the holding company, depicting all affiliates, and regulated entities.

2. A description of all assets, services and products provided to and from the regulated entity and each of its affiliates.

3. A description of all assets, services and products provided by the regulated entity to non-affiliates.

4. A description of the cost allocators and methods used by the regulated entity and the cost allocators and methods used by its affiliates related to the regulated services and products provided to the regulated entity.

D. AFFILIATE TRANSACTIONS (NOT TARIFFED)

The objective of the affiliate transactions guidelines is to lessen the possibility of subsidization in order to protect monopoly ratepayers and to help establish and preserve competition in the electric generation and the electric and gas supply markets. It provides ample flexibility to accommodate exceptions where the outcome is in the best interest of the utility, its ratepayers and competition. As with any transactions, the burden of proof for any exception from
the general rule rests with the proponent of the exception.

1. Generally, the price for services, products and the use of assets provided by a regulated entity to its non-regulated affiliates should be at the higher of fully allocated costs or prevailing market prices. Under appropriate circumstances, prices could be based on incremental cost, or other pricing mechanisms as determined by the regulator.

2. Generally, the price for services, products and the use of assets provided by a non-regulated affiliate to a regulated affiliate should be at the lower of fully allocated cost or prevailing market prices. Under appropriate circumstances, prices could be based on incremental cost, or other pricing mechanisms as determined by the regulator.

3. Generally, transfer of a capital asset from the utility to its non-regulated affiliate should be at the greater of prevailing market price or net book value, except as otherwise required by law or regulation. Generally, transfer of assets from an affiliate to the utility should be at the lower of prevailing market price or net book value, except as otherwise required by law or regulation. To determine prevailing market value, an appraisal should be required at certain value thresholds as determined by regulators.

4. Entities should maintain all information underlying affiliate transactions with the affiliated utility for a minimum of three years, or as required by law or regulation.

E. AUDIT REQUIREMENTS

1. An audit trail should exist with respect to all transactions between the regulated entity and its affiliates that relate to regulated services and products. The regulator should have complete access to all affiliate records necessary to ensure that cost allocations and affiliate transactions are conducted in accordance with the guidelines. Regulators should have complete access to affiliate records, consistent with state statutes, to ensure that the regulator has access to all relevant information necessary to evaluate whether subsidization exists. The auditors, not the audited utilities, should determine what information is relevant for a particular audit objective. Limitations on access would compromise the audit process and impair audit independence.

2. Each regulated entity's cost allocation documentation should be made available to the company's internal auditors for periodic review of the allocation policy and process and to any jurisdictional regulatory authority when appropriate and upon request.

3. Any jurisdictional regulatory authority may request an independent attestation engagement of the CAM. The cost of any independent attestation engagement associated with the CAM, should be shared between regulated and non-regulated operations consistent with the allocation of similar common costs.

4. Any audit of the CAM should not otherwise limit or restrict the authority of state regulatory authorities to have access to the books and records of and audit the operations of jurisdictional utilities.

5. Any entity required to provide access to its books and records should make arrangements as necessary and appropriate to ensure that competitively sensitive information derived therefrom be kept confidential by the regulator.

F. REPORTING REQUIREMENTS

1. The regulated entity should report annually the dollar amount of non-tariffed transactions
associated with the provision of each service or product and the use or sale of each asset for the following:

a. Those provided to each non-regulated affiliate.
b. Those received from each non-regulated affiliate.
c. Those provided to non-affiliated entities.

2. Any additional information needed to assure compliance with these Guidelines, such as cost of service data necessary to evaluate subsidization issues, should be provided.
Cost Measurement & Allocation Department  
Cost Allocation Manual (CAM)  
2013

Cost Measurement & Allocation Department  
Cost Allocation Manual (CAM)  
Exhibit B – 2013 Overhead Loading Rates

Overhead Rates Applied to Direct Charges

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<thead>
<tr>
<th>Overhead Item</th>
<th>Rate</th>
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<tr>
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<tr>
<td>Performance Incentive</td>
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<td>Pension and Welfare</td>
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<td>Administrative and General Payroll</td>
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<td>Administrative and General Expense</td>
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<td>Payroll Taxes</td>
<td>6.79</td>
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<tr>
<td>Workers Compensation Insurance</td>
<td>Varies by BU</td>
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</tbody>
</table>

Overhead Rates Applied to Service Fees

<table>
<thead>
<tr>
<th>Overhead Item</th>
<th>Rate</th>
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</thead>
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<tr>
<td>Performance Incentive</td>
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<tr>
<td>Administrative and General Expense</td>
<td>8.18</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>6.79</td>
</tr>
<tr>
<td>Workers Compensation Insurance</td>
<td>Varies by BU</td>
</tr>
</tbody>
</table>

Overhead Rates Applied to Shared Services Payroll Dollars Included in the AMF

<table>
<thead>
<tr>
<th>Overhead Item</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Incentive</td>
<td>13.47</td>
</tr>
<tr>
<td>Pension and Welfare</td>
<td>12.76</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>6.79</td>
</tr>
<tr>
<td>Workers Compensation Insurance</td>
<td>Varies by BU</td>
</tr>
</tbody>
</table>
## Cost Measurement & Allocation Department
### Cost Allocation Manual (CAM)

#### Exhibit C - 2013 MASS FORMULA RATIOS AND SPECIFIC DRIVERS

<table>
<thead>
<tr>
<th>Description</th>
<th>FPL</th>
<th>NEER</th>
<th>FLORIDA FIBERNET</th>
<th>FPLES / Readipower</th>
<th>Other</th>
<th>NHT</th>
<th>LST</th>
<th>NET (formerly UST)</th>
<th>TEXAS FIBERNET</th>
<th>Total Affiliate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>MF-Shared</td>
<td>64.67%</td>
<td>32.52%</td>
<td>1.00%</td>
<td>0.43%</td>
<td>0.19%</td>
<td>0.07%</td>
<td>0.48%</td>
<td>0.10%</td>
<td>0.12%</td>
<td>35.33%</td>
</tr>
<tr>
<td>MF-Excl. Readipower, Palms Inc., NHT, NEE Inc.</td>
<td>64.81%</td>
<td>33.00%</td>
<td>1.00%</td>
<td>0.43%</td>
<td>0.05%</td>
<td>0.07%</td>
<td>0.48%</td>
<td>0.10%</td>
<td>0.12%</td>
<td>35.19%</td>
</tr>
<tr>
<td>MF-Excl. Readipower, Palms Inc., NEE Inc.</td>
<td>64.77%</td>
<td>32.97%</td>
<td>1.00%</td>
<td>0.12%</td>
<td>0.07%</td>
<td>0.07%</td>
<td>0.48%</td>
<td>0.10%</td>
<td>0.12%</td>
<td>35.23%</td>
</tr>
<tr>
<td>MF-NEER, Fibernet, NHT, LST, &amp; NEET</td>
<td>65.09%</td>
<td>33.12%</td>
<td>1.01%</td>
<td>0.07%</td>
<td>0.12%</td>
<td>0.12%</td>
<td>0.48%</td>
<td>0.10%</td>
<td>0.12%</td>
<td>34.91%</td>
</tr>
<tr>
<td>MF-Excl. Readipower, Group Hds, NHT</td>
<td>64.79%</td>
<td>32.99%</td>
<td>1.00%</td>
<td>0.43%</td>
<td>0.10%</td>
<td>0.12%</td>
<td>0.48%</td>
<td>0.10%</td>
<td>0.12%</td>
<td>35.21%</td>
</tr>
<tr>
<td>MF-Excl. Readipower, Group Hds, NEE Inc</td>
<td>64.89%</td>
<td>32.98%</td>
<td>1.00%</td>
<td>0.43%</td>
<td>0.10%</td>
<td>0.12%</td>
<td>0.48%</td>
<td>0.10%</td>
<td>0.12%</td>
<td>35.23%</td>
</tr>
<tr>
<td>MF-NEER</td>
<td>65.25%</td>
<td>33.72%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>35.72%</td>
</tr>
</tbody>
</table>

### SPECIFIC DRIVERS

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headcount incl. Affiliates</td>
<td>65.65%</td>
</tr>
<tr>
<td>Headcount incl. NEER</td>
<td>67.56%</td>
</tr>
<tr>
<td>Headcount Excl. Readipower, Group Hds, NHT, NEE Inc.</td>
<td>66.02%</td>
</tr>
<tr>
<td>Headcount Excl. Readipower, Group Hds, NHT</td>
<td>65.85%</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td></td>
</tr>
<tr>
<td>Sq Ft Avg. Incl. Subs</td>
<td>77.38%</td>
</tr>
<tr>
<td>Sq Ft - GO</td>
<td>98.46%</td>
</tr>
<tr>
<td>Sq Ft - JB</td>
<td>66.26%</td>
</tr>
<tr>
<td>Sq Ft - JW</td>
<td>73.18%</td>
</tr>
<tr>
<td>Average of Shared Benefit Capitalized Hardware &amp; Software</td>
<td>87.28%</td>
</tr>
<tr>
<td>Affiliate Megawatts - NUC Executive</td>
<td>50.00%</td>
</tr>
<tr>
<td>Affiliate Megawatts - PGD Executive</td>
<td>58.61%</td>
</tr>
<tr>
<td>Actual number of workstations per Business Unit (including affiliates) across the enterprise</td>
<td>74.16%</td>
</tr>
<tr>
<td>Actual number of workstations per Business Unit (including affiliates) at FPL facilities</td>
<td>91.20%</td>
</tr>
<tr>
<td>IM resources for transmission systems supporting Affiliates</td>
<td>67.50%</td>
</tr>
<tr>
<td>Servers per Business Unit / Affiliate</td>
<td>78.72%</td>
</tr>
<tr>
<td>Actual number of mainframe MIPS CPU hours by Business Unit / Affiliate</td>
<td>98.65%</td>
</tr>
<tr>
<td>Database Administrator Resource - Business Intelligence</td>
<td>95.14%</td>
</tr>
<tr>
<td>Database Administrator Resource - Technical Support</td>
<td>98.08%</td>
</tr>
<tr>
<td>HR Systems Support Activities Based on Headcount</td>
<td>86.31%</td>
</tr>
<tr>
<td>SAP User count per Business Unit / Affiliate</td>
<td>62.86%</td>
</tr>
<tr>
<td>Power Generation Dept resources supporting Affiliates</td>
<td>50.00%</td>
</tr>
<tr>
<td>Corporate Business Unit resources supporting Affiliates</td>
<td>57.00%</td>
</tr>
<tr>
<td>Total Affiliate %</td>
<td>31.4%</td>
</tr>
</tbody>
</table>
CORPORATE SUPPORT SERVICES AGREEMENT

Corporate Support Services Agreement (the "Agreement"), dated as of December 13, 2012 (the "Effective Date"), between NextEra Energy Resources, LLC, a Delaware limited liability company ("Company"), and Lone Star Transmission, LLC, a Delaware limited liability company ("Provider"). Provider and Company are sometimes referred to herein as a "Party" and, collectively known as the "Parties".

RECITALS

WHEREAS, Substantive Rule 25.84(e) of the Public Utility Commission of Texas (the "PUCT") requires an electric utility to reduce to writing and file with the PUCT copies of contracts or agreements it has with its affiliates; and

WHEREAS, in keeping with the requirement of applicable laws, the Provider and the Company enter into this Agreement to memorialize the terms and conditions by which the Provider will perform Corporate Support Services for the Company as set forth in this Agreement;

NOW THEREFORE, in consideration of the premises and the covenants made herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Company and Provider hereby agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.1 Definitions. Unless the context otherwise requires, the following terms shall have the following meanings, and such meanings shall include the plural as well as the singular of each such term:

"Affiliate" of a specified Person means any other Person that, directly or indirectly, controls, is controlled by, or is under common control or ownership with the Person. "Control" of a Person (including, with correlative meanings, the terms "controlled by" or "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Applicable Law" means all applicable laws, statutes, treaties, rules, codes, ordinances, regulations, permits, official guidelines, certificates, orders, interpretations, licenses and permits of any Governmental Authority, Governmental Approvals, environmental laws, and judgments, decrees, injunctions, writs, orders or like action of any court, arbitrator or other judicial or quasijudicial tribunal of competent jurisdiction and all requirements of law.

"Business Day" means any day on which commercial banks are authorized to operate and not required to close in Austin, Texas or in Juno Beach, Florida.

"Corporate Support Services" means services shared by a utility, its parent holding company, or a separate affiliate created to perform corporate support services, with its affiliates as more particularly described in Section 3.1.
"Financing Agreements" means any credit agreement, reimbursement agreement, note purchase agreement, trust indenture, lease agreement or other document (and any documents relating to or ancillary to the foregoing documents) under which Provider or any Affiliate of Provider obtains financing that is secured by all or substantially all of the assets of Provider (including any credit enhancement for any bonds) for the acquisition, development, construction, modification, repair or operation of a Provider facility or any refinancing thereof or any equity take-out financing relating thereto.

"Governmental Approvals" means all authorizations, consents, approvals, waivers, exceptions, variances, orders, franchises, permits, licenses, exemptions, publications, filings, and notices to and declarations of or with any Governmental Authority (including siting, occupancy, use, building, construction and operating permits).

"Governmental Authority" means any federal, state, county, municipal, foreign, international, regional, or other governmental or regulatory authority, agency, board, body, commission, any arbiter pursuant to mandatory provisions of law, instrumentality or court or any political subdivision of any of the foregoing.

"Liability" or "Liabilities" means any claims, actions, damages, expenses (including reasonable attorneys' fees and expenses incurred before trial or at trial or appellate levels), losses, payments, or other liabilities.

"Person" means an individual, association, institution, corporation, partnership, limited liability company, joint venture, trust or unincorporated organization, or a government or any agency or political subdivision thereof.

"Secured Party" means, collectively, each Person providing financing or refinancing under any Financing Agreement and any trustee or agent acting on any such Person's behalf and their successors and assigns.

Section 1.2 References. All references in this Agreement to sections, paragraphs, clauses, schedules, appendices and exhibits are to sections, paragraphs, clauses, schedules, appendices and exhibits in and to this Agreement unless otherwise indicated. Any agreement defined or referred to herein shall include each amendment, modification, and supplement thereto and waiver, approval, and consent in respect thereof as may become effective from time to time except where otherwise indicated, and includes references to all appendices, exhibits, schedules, and other attachments thereto and instruments, agreements or other documents incorporated therein. Any reference in this Agreement to any Person includes its permitted successors and assigns and, in the case of any Governmental Authority, any Person succeeding to its functions and capacities.

Section 1.3 Rules of Construction. The following rules of construction shall be followed when interpreting this Agreement: (i) titles and headings are inserted for convenience only and shall not be used for the purposes of construing or interpreting this Agreement; (ii) words imparting the singular also include the plural and vice versa; (iii) words imparting one gender include the other gender; and (iv) the word "include" and "including" are not words of limitation and shall be deemed to be followed by the words "without limitation".
ARTICLE 2
TERM

Section 2.1 Term. The term ("Term") of this Agreement shall commence on the Effective Date and shall expire on the twentieth (20th) anniversary of the Effective Date (the "Initial Expiration Date"). This Agreement shall be subject to automatic extensions for additional five (5) year periods from the Initial Expiration Date or any subsequent expiration date (the last day of any extension period shall be referred to as the "Extended Expiration Date"), as the case may be, unless Company informs Provider in writing at least three (3) months prior to the Initial Expiration Date or any Extended Expiration Date that it does not intend to extend the Term of this Agreement. Notwithstanding the foregoing, the Agreement is subject to earlier termination pursuant to this Article 2.

Section 2.2 Termination. This Agreement may be terminated by either Party at any time with or without "Cause", but if without "Cause", only upon one hundred and eighty (180) days’ prior written notice to the other Party; provided that Provider may only terminate without Cause, if and only if (i) Company is no longer an Affiliate of Provider, or (ii) by reason of an exercise of any remedies by the Secured Parties under any Financing Agreements, Provider ceases to own all of the assets and properties included in the Facility. "Cause" shall mean (x) the non-terminating Party’s bad faith, fraud, gross negligence, willful misconduct, failure to perform its material obligations under this Agreement, or repeated failure to perform any of its obligations under this Agreement, in each instance after receipt of written notice of such lack of performance and failure to cure within sixty (60) days thereafter (unless such failure is in respect of an obligation to make a payment, in which case, such cure period shall be ten (10) days) or (y) a change in Applicable Law, adoption of new Applicable Law, or decision regarding, enforcement of or potential enforcement of an Applicable Law that affects a Party’s ability to perform its obligations pursuant to this Agreement.

Section 2.3 Transition to New Provider. Upon termination or expiration of this Agreement, Provider shall cooperate with Company to effect an orderly transition of the Corporate Support Services being provided to Company to any new service provider designated by Company. Company shall reimburse Provider for any reasonable out-of-pocket expenses incurred in connection with such termination or otherwise at the request of Company after the effective date of such termination.

ARTICLE 3
CORPORATE SUPPORT SERVICES

Section 3.1 Corporate Support Services. The Corporate Support Services shall be as set forth and described in Exhibit A to this Agreement, as such Exhibit may be modified from time to time. From and after the Effective Date, Provider shall provide and perform the Corporate Support Services consistent with the terms hereof.

For the avoidance of doubt, Provider shall ensure that Corporate Support Services do not include any services prohibited by Provider’s Code of Conduct or Applicable Law, including engineering, purchasing of electric transmission facilities and service, transmission and distribution system operations, and marketing, except to the extent that any of the foregoing are permitted by exception or waiver granted to Provider by the PUCT.

Provider shall perform the Corporate Support Services in a professional and prudent manner in accordance with standard industry practices for services of the type rendered under
this Agreement; provided that Provider’s Liability under this Agreement is limited as provided in Article 7.

**Section 3.2 Budget.** Company and Provider will cooperate reasonably to develop a budget for the Corporate Support Services for each calendar year (the “Budget”).

**Section 3.3 Consultations.** Provider will consult with Company concerning the progress of the Corporate Support Services being provided, any appropriate changes that should be made to such Corporate Support Services, the cost of such Corporate Support Services, where improvements can be made, where efficiencies can be gained, and other matters that either Company or Provider deem appropriate. Notwithstanding the cost estimates described in this Section 3.3, compensation for Corporate Support Services to be paid under this Agreement is set forth in Section 6.1.

**ARTICLE 4**

**CODE OF CONDUCT REQUIREMENTS; CONFIDENTIALITY; AND COMPLIANCE WITH LAW**

**Section 4.1 Code of Conduct.** Company shall, at Provider’s expense, (a) comply with the Provider’s instructions relating to adherence to the Provider’s Code of Conduct (a copy of which has been previously delivered to Company) as such code may be modified from time to time (the “Code of Conduct”), (b) work with the Provider to comply with all additional Code of Conduct requirements imposed upon Provider by the PUCT or by Applicable Law (provided Provider informs Company of such additional requirements), and (c) at Provider’s request, ensure that each of its employees receiving Corporate Support Services to Company receive training in the Provider’s Code of Conduct requirements, including training with respect to handling of confidential information and avoidance of inappropriate cross subsidization by Company of Provider or its Affiliates.

**Section 4.2 Confidentiality.**

(a) Each Party shall keep any information not intended for public disclosure and considered to be confidential or proprietary by persons privy to such information, including, but not limited to, information relating to the interconnection of customers to a utility’s transmission or distribution systems, proprietary customer information, trade secrets, competitive information relating to internal manufacturing processes, and information about a utility’s transmission or distribution system, operations, or plans for expansion (“Confidential Information”) in strict confidence at all times, notwithstanding the completion or termination of this Agreement; and neither shall disclose the other Party’s Confidential Information to others, nor use the other Party’s Confidential Information for its own benefit (except as necessary to perform its obligations pursuant to this Agreement) or the benefit of other parties, unless, in each instance, the receiving Party obtains the prior written consent of the disclosing Party.

(b) Confidential Information shall not include: (i) information which is or becomes publicly available other than as a result of a violation of this Agreement; (ii) information which is or becomes available on a non-confidential basis from a source which is not known to the receiving Party to be prohibited from disclosing such information pursuant to a legal, contractual or fiduciary obligation to the disclosing Party; (iii) information which the receiving Party can demonstrate was legally in its possession prior to disclosure by the disclosing Party; or (iv) information which is developed by or for receiving Party independently of the disclosing Party’s Confidential Information.
(c) Notwithstanding any of the terms of this Section 4.2, Confidential Information may be disclosed by a receiving Party in response to a valid order or request of a Governmental Authority, or if it is otherwise required to be disclosed by Applicable Law, or is necessary to establish the rights of either Party under this Agreement; provided, that, in the event the receiving Party believes it is so required to disclose the Confidential Information, it shall promptly provide notice of such request or requirement so that the disclosing Party may seek an appropriate protective order or take other action as it deems appropriate. In the event that a protective order or other remedy is not obtained, the receiving Party may furnish only that portion of the Confidential Information that it reasonably determines, in consultation with its counsel, is consistent with the scope of the order or request, and to exercise reasonable efforts to obtain assurance that confidential treatment will be accorded such Confidential Information.

(d) At any time upon the disclosing Party’s written request, the receiving Party shall return or destroy, at the receiving Party’s option, all written Confidential Information of the disclosing Party, and the receiving Party shall not retain any copies of such written Confidential Information; provided, however, that Confidential Information may be retained by the receiving Party to the extent that retention of such Confidential Information is necessary to comply with the receiving Party’s internal document retention policies aimed at legal, corporate governance or regulatory compliance and any such retained Confidential Information shall remain subject to the disclosure and use restrictions set forth herein, for a period of five (5) years from the termination of this Agreement. The receiving Party shall, upon written request of the disclosing Party, cause one of its duly authorized officers to certify in writing to the disclosing Party that the requirements of the preceding sentence have been satisfied in full. The receiving Party shall not be deemed to have retained or failed to return or destroy any Confidential Information if Confidential Information received or stored in digital format is deleted from local hard drives so long as no attempt is made to recover such Confidential Information from servers or back-up sources, provided that any such retained Confidential Information shall remain subject to the disclosure and use restrictions set forth herein, for a period of five (5) years from the termination of this Agreement.

(e) Each Party acknowledges and agrees that any violation of this Section 4.2 may cause the other Party irreparable injury for which the disclosing Party would not have an adequate remedy at law, and the disclosing Party is entitled to seek immediate equitable relief including injunctive relief prohibiting any violation of this Section 4.2, in addition to any other rights or remedies available to such Party at law or in equity.

Section 4.3 Compliance with Law. In the performance of this Agreement, Provider and Company shall each comply with all prevailing and Applicable Laws of the United States, the State of Texas, State of Florida, and any subdivision or agency thereof; provided, that interpretation of Applicable Laws as they pertain to the Code of Conduct or the operation of the Provider as it pertains to this Agreement shall be the exclusive responsibility of the Provider, and, to the extent that Provider requests that Company comply with any such interpretation, the Provider shall bear the expense of or otherwise indemnify Company (pursuant to Section 7.3) for all costs associated with such compliance. Subject to this Section 4.3, each Party hereto shall be responsible to determine for itself the laws, ordinances, regulations, or other legal requirements imposed upon its activities hereunder.
ARTICLE 5
INDEPENDENT CONTRACTOR RELATIONSHIP

Section 5.1 Independent Contractor. Provider undertakes performance of the Corporate Support Services as an independent contractor and not an employee of Company, with the sole authority to control and direct the performance of the details of the work, Company being interested only in the results obtained. Provider shall work closely with Company in performing the Corporate Support Services under this Agreement.

ARTICLE 6
COMPENSATION AND BILLING

Section 6.1 Compensation. For performing the Corporate Support Services hereunder, Provider shall be paid a fee equal to the sum of all of Provider’s actual direct and indirect costs and expenses of providing the Corporate Support Services. Nothing in this Section 6.1 is intended to prohibit Provider and Company from agreeing to per unit charges for certain Corporate Support Services, provided that the per unit prices billed by Provider to Company shall be true-up to actual costs on at least an annual basis, so that, on an annual basis, Company shall pay no more and no less than Provider’s actual direct and indirect costs and expenses of providing such Corporate Support Services. Notwithstanding anything to the contrary herein, the amounts charged by Provider to Company shall be no higher than the amounts charged by Provider to its other Affiliates or to a nonaffiliated Person (within the same market area or having the same market conditions) for the same service or class of services.

Section 6.2 Billing.

(a) Provider will maintain accurate records of all direct and indirect costs and expenses incurred in the performance of the Corporate Support Services. Provider will create a receivable balance on the Provider’s books and a corresponding payable on the Company’s books at the end of each month. On or before the last day of each month, all amounts payable for the prior month will be automatically paid and posted to the Provider’s receivable balance. Any errors or disputed charges will be researched and credited, if necessary, and adjusted in the following month.

(b) In cases in which Provider renders no Corporate Support Services itself but merely pays third parties for products or services rendered to Company (as a matter of convenience to Company), Provider shall be reimbursed for any and all reasonable, ordinary, and necessary out-of-pocket expenses actually incurred by Provider with respect to such products or services and provide supporting documentation of such payments as requested by Company.

ARTICLE 7
LIMITATION OF LIABILITY; INDEMNIFICATION

Section 7.1 Limitation of Liability.

(a) Notwithstanding anything else to the contrary herein, to the extent Provider or its Affiliates has any Liability to Company under this Agreement or otherwise, the aggregate Liability of Provider and its Affiliates with respect to all claims, demands, actions or losses of Company arising out of the performance or nonperformance by Provider of its obligations under this Agreement, whether based on contract, warranty, indemnity, tort (including negligence), strict liability or otherwise, shall in no event exceed, during any calendar year the fees payable to
Provider during the prior calendar year; provided that such limitation of Liability shall not apply if and to the extent that the Provider commits fraud, willful misconduct, or gross negligence.

(b) Notwithstanding any provision herein to the contrary, neither Party nor any of their respective officers, members, shareholders, partners, principals, Affiliates, agents subcontractors, vendors or employees shall be liable hereunder for punitive, indirect, consequential or exemplary losses or damages of any nature, including damages for lost profits or revenues or the loss or use of such profits or anticipated revenues, cost of capital, loss of goodwill, increased operating expenses of plant or equipment, increased costs of purchasing or providing equipment, materials, labor, services, costs of replacement power or capital, penalties, inventory or use charges, damages to reputation or damages for lost opportunities, or any other special or incidental damages, regardless of whether said claim is based upon contract, warranty, tort (including negligence and strict liability), or other theory of law.

Section 7.2 Indemnification.

(a) Company shall, to the fullest extent permitted by law, defend, indemnify, and hold harmless Provider and its Affiliates from and against any and all Liabilities claimed or asserted against Provider or its Affiliates by a third party arising as a result of or in any way connected with the Company's failure to perform under this Agreement, except to the extent such failure was the result of fraud, willful misconduct, violation of Applicable Law, or gross negligence on the part of Provider.

(b) Provider shall, to the fullest extent permitted by Applicable Law, defend, indemnify, and hold harmless Company from and against any and all Liabilities claimed or asserted against Company by a third party arising as a result of Provider's (or any of its Affiliates') failure to perform under this Agreement, except to the extent such Liabilities are caused by fraud, willful misconduct, violation of Applicable Law, or gross negligence by Company.

(c) If any Party hereto (each, an “Indemnified Party”) shall receive notice or have knowledge of any claim that may result in a claim for indemnification by such Indemnified Party against a Party pursuant to Section 7.2, such Indemnified Party shall, as promptly as possible, give the indemnifying Party notice of such claim, including a reasonably detailed description of the facts and circumstances relating to such claim, and a complete copy of all notices, pleadings, and other papers related thereto, and in reasonable detail the basis for its potential claim for indemnification with respect thereto; provided that failure promptly to give such notice or to provide such information and documents shall relieve the indemnifying Party from the obligation hereunder to respond to or to defend the Indemnified Party failing to give such notice against such claim only to the extent such failure prejudiced the interests of the indemnifying Party with respect to such claim. The Party against whom indemnification is claimed shall, upon its acknowledgement in writing of its obligation to indemnify the Indemnified Party seeking indemnification, be entitled to assume the defense or to represent the interests of the Indemnified Party seeking indemnification in respect of such claim, which shall include the right to select and direct legal counsel and other consultants, appear in proceedings on behalf of such Indemnified Party, and to propose, accept, or reject offers of settlement, all at its sole cost; provided, however, that without the Indemnified Party's consent, which consent may not be unreasonably withheld, the indemnifying Party may not consent to entry of a judgment or settlement if such judgment or settlement provides for injunctive or other nonmonetary relief affecting the Indemnified Party.