



## **ARP EXECUTIVE COMMITTEE AGENDA PACKAGE**

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**MAY 19, 2022**

**9:15 a.m. [NOTE TIME] (or immediately  
following the Board of Directors Meeting)**

**Dial-in info: 1-321-299-0575**

**Conference ID Number: 414 433 811#**

### **Committee Members**

Howard McKinnon, Havana - Chairman

Lynne Tejeda, Key West – Vice Chair

Steve Macholz, Bushnell

Lynne Mila, Clewiston

Jan Bagnall, Fort Meade

Javier Cisneros, Fort Pierce

Robert Page, Green Cove Springs

Allen Putnam, Jacksonville Beach

Larry Mattern, Kissimmee

Brad Chase, Leesburg

Mike New, Newberry

Doug Peebles, Ocala

Drew Mullins, Starke

### **Meeting Location**

**Florida Municipal Power Agency**

**8553 Commodity Circle**

**Orlando, FL 32819**

**(407) 355-7767**



# MEMORANDUM

TO: FMPA Executive Committee  
FROM: Jacob A. Williams, General Manager and CEO  
DATE: May 10, 2022  
RE: FMPA Executive Committee Meeting  
**Thursday, May 19, 2022 at 9:15 a.m. [NOTE TIME]**  
(or immediately following the Board of Directors meeting)  
PLACE: Via Telephone at Florida Municipal Power Agency  
8553 Commodity Circle, Orlando, FL 32819  
Fredrick M. Bryant Board Room

**DIAL-IN: (321) 299-0575, Meeting Number 414 433 811#**

**Teams Link:** [Click here to join the meeting](#)

**(If you have trouble connecting via phone or internet, call 407-355-7767)**

Chairman Howard McKinnon, Presiding

## AGENDA

1. Call to Order, Roll Call, Declaration of Quorum .....4
2. Set Agenda (by vote) .....5
3. Recognition of Guest .....6
4. Public Comments (Individual public comments limited to 3 minutes) .....7
5. Comments from the Chairman (Howard McKinnon) .....8
6. Report from the General Manager (Jacob Williams) .....9
7. Consent Agenda
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  - b. Approval of Treasury Reports – As of March 31, 2022 ..... 18
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## 8. Action Items

- a. FGT Contract No. 111700 Rollover (Chris Gowder) .....26

## 9. Information Items

- a. Northern Star Alternative Case Analysis (Navid Nowakhtar) ..... 38
- b. Stock Island Discharge Update (Ken Rutter) ..... 51
- c. ARP Cost Projections for FY 2022 (Jason Wolfe) ..... 57
- d. Summary of Finance Committee Items \* (Linda S. Howard) ..... 62

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## 11. Adjournment ..... 65

**\*Item also on the Board of Directors Agenda.**

**\*\* Item(s) Subject to Super Majority Vote**

NOTE: One or more participants in the above referenced public meeting may participate by telephone. At the above location there will be a speaker telephone so that any interested person can attend this public meeting and be fully informed of the discussions taking place either in person or by telephone communication. If anyone chooses to appeal any decision that may be made at this public meeting, such person will need a record of the proceedings and should accordingly ensure that a verbatim record of the proceedings is made, which includes the oral statements and evidence upon which such appeal is based. This public meeting may be continued to a date and time certain, which will be announced at the meeting. Any person requiring a special accommodation to participate in this public meeting because of a disability, should contact FMPA at (407) 355-7767 or (888) 774-7606, at least two (2) business days in advance to make appropriate arrangements.

**AGENDA ITEM 1 - CALL TO ORDER,  
ROLL CALL, DECLARATION OF  
QUORUM**

**Executive Committee  
May 19, 2022**

**AGENDA ITEM 2 – Set Agenda (by  
Vote)**

**Executive Committee  
May 19, 2022**

**AGENDA ITEM 3 – RECOGNITION OF  
GUESTS**

**Executive Committee  
May 19, 2022**

**AGENDA ITEM 4 – PUBLIC  
COMMENTS (INDIVIDUAL  
COMMENTS TO BE LIMITED TO 3  
MINUTES)**

**Executive Committee  
May 19, 2022**

# **VERBAL REPORT**

## **AGENDA ITEM 5 – COMMENTS FROM THE CHAIRMAN**

**Executive Committee  
May 19, 2022**



# **VERBAL REPORT**

**AGENDA ITEM 6 – REPORT FROM  
THE GENERAL MANAGER**

**Executive Committee  
May 19, 2022**

**AGENDA ITEM 7 – CONSENT  
AGENDA**

- a. Approval of the Minutes –  
Meetings Help April 21, 2022 and  
ARP Telephonic Rate Workshop  
Help April 12, 2022**

**Executive Committee  
May 19, 2022**

**CLERKS DULY NOTIFIED .....April 12, 2022**  
**AGENDA PACKAGES POSTED.....April 12, 2022**

**MINUTES**  
**EXECUTIVE COMMITTEE MEETING**  
**THURSDAY APRIL 21, 2022**  
**FLORIDA MUNICIPAL POWER AGENCY**  
**8553 COMMODITY CIRCLE**  
**ORLANDO, FL 32819**

**PARTICIPANTS**  
**PRESENT :**

Steve Macholz, Bushnell  
Javier Cisneros, Fort Pierce (virtual)  
Bob Page, Green Cove Springs  
Howard McKinnon, Havana  
Allen Putnam, Jacksonville Beach  
Lynne Tejeda, Key West  
Larry Mattern, Kissimmee  
Jim Williams, Leesburg  
Doug Peebles, Ocala  
Drew Mullins, Starke (virtual)

**OTHERS**  
**PRESENT**

Barbara Quiñones, Homestead  
James Terry, Kissimmee (virtual)  
Kevin Crawford, Kissimmee (virtual)  
Chad Lynch, Ocala  
Steven Stein, nFront Consulting

**STAFF**  
**PRESENT**

Jacob Williams, General Manager and CEO  
Jody Finklea, General Counsel and Chief Legal Officer  
Ken Rutter, Chief Operating Officer  
Linda Howard, Chief Financial Officer  
Chris Gowder, Business Development and System Operations Director  
Dan O'Hagan, Assistant General Counsel and Regulatory  
Compliance Counsel  
LaKenya VanNorman, Regulatory Compliance Specialist  
Cairo Vanegas, Manager of Member Services Development  
Mike McCleary, Manager of Member Services Development  
Sharon Adams, Vice President of Human Resources  
and Shared Services  
Sue Utley, Executive Asst. /Asst. Secy. to the Board  
Susan Schumann, Public Relations and External Affairs Manager  
Ryan Dumas, Senior Public Relations Specialist  
Rachel Ilardo, Public Relations Specialist  
Isaac Barbosa, IT Security Analyst  
Wayne Koback, IT Manager

**ITEM 1 - CALL TO ORDER, ROLL CALL, AND DECLARATION OF QUORUM**

Chair Howard McKinnon, Havana, called the FMPA Executive Committee meeting to order at 11:10 a.m., Thursday, April 21, 2022, in the Frederick M. Bryant Board Room at Florida Municipal Power Agency 8553 Commodity Circle, Orlando, Florida. The roll was taken, and a quorum was declared with 9 members present out of a possible 13.

**ITEM 2 – SET AGENDA (BY VOTE)**

**MOTION:** Larry Mattern, Kissimmee, moved approval of the agenda as presented. Bob Page, Green Cove Springs, seconded the motion. Motion carried 10 – 0.

**ITEM 3 – RECOGNITION OF GUESTS**

Craig Dunlap, Dunlap & Associates, Inc. said he was attending via telephone.

**ITEM 4 – PUBLIC COMMENTS**

None

**ITEM 5 – COMMENTS FROM THE CHAIRMAN**

Chair Howard McKinnon wanted to compliment staff on the agency budget presented to the Finance Committee the previous day. He encourages the Executive Committee members to ask questions and give comments when the budget comes to the Executive Committee.

**ITEM 6 – REPORT FROM GENERAL MANAGER**

Nothing further to report than what was reported at the Board of Directors meeting.

**ITEM 7 –CONSENT AGENDA**

**Item 7a – Approval of Meeting Minutes – Meeting Held March 17, 2022 and ARP Telephonic Rate Workshop Held March 15, 2022**

**Item 7b – Approval of the Treasury Reports – As of February 28, 2022**

**Item 7c – Approval of the Preliminary Agency and All-Requirements Project Financials as of February 28, 2022**

**Item 7d – ARP 12-month Capacity Reserve Margin Report**

**MOTION:** Bob Page, Green Cove Springs, moved approval of the Consent Agenda as presented. Larry Mattern, Kissimmee, seconded the motion. Motion carried 10 – 0.

**ITEM 8 – ACTION ITEMS:**

**a. Stock Island Fuel Inventory Strategy**

**MOTION:** Lynne Tejeda, Key West, moved approval of the ARP developing a fuel policy that supports a strategy with the following components:

- Increase minimum inventory requirement during hurricane season that supports at least 17 days of hurricane restoration site operation
- Retire and remove Tank 2 from operation
- Eliminate capability for barge fuel delivery

Larry Mattern, Kissimmee, seconded the motion. Motion carried 10 – 0.

**b. Stock Island Discharge Update & Spending Authorization Request**

**MOTION:** Larry Mattern, Kissimmee, moved approval to authorize General Manager to execute spending, not to exceed \$5 million, to continue containment and remediation of Stock Island oil discharge through August 2022. Steve Macholz, Bushnell, seconded the motion. Motion carried 10 – 0.

**ITEM 9 – INFORMATION ITEMS:**

**a. FGT Contract No. 111700 Rollover**

Chris Gowder reported on the FGT Contract No. 111700 Rollover.

**b. ARP Cost Projections for Fiscal Year 2022**

Jason Wolfe reported on the anticipated cost projections for the ARP for Fiscal Year 2022.

**c. 2022 Load Forecast, Ten-Year Site Plan, and IRP Update**

Navid Nowakhtar reviewed the 2022 Load Forecast, the Ten-Year Site Plan and the IRP update.

**d. Solar Phase III Update**

Susan Schumann gave an update on Solar Phase III and encouraged everyone to contact FMPA for their interest in Phase III.

**ITEM 10 – Member Comments**

Larry Mattern, Kissimmee, said FMPA previously used the line of credit for high fluctuations in prices and wanted to know if we could continue to do that. It was confirmed by FMPA that the Executive Committee could use the line of credit for that purpose.

**ITEM 11 – Adjournment**

There being no further business, the meeting was adjourned at 12:18 p.m.

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Howard McKinnon  
Chairman, Executive Committee

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Sue Utley  
Assistant Secretary

Approved: \_\_\_\_\_

Seal

PUBLIC NOTICE SENT TO CLERKS..... APRIL 8, 2022  
AGENDA PACKAGES SENT TO MEMBERS ..... APRIL 11, 2022

**MINUTES  
EXECUTIVE COMMITTEE  
ALL-REQUIREMENTS POWER SUPPLY PROJECT  
TELEPHONIC RATE WORKSHOP  
TUESDAY, APRIL 12, 2022  
FLORIDA MUNICIPAL POWER AGENCY  
8553 COMMODITY CIRCLE  
ORLANDO, FLORIDA 32819**

**COMMITTEE MEMBERS PRESENT VIA TELEPHONE**

Christina Simmons, Bushnell  
Javier Cisneros, Craig Crawford, Fort Pierce  
Howard McKinnon, Havana \*  
Lynne Tejeda, Jesse Perloff, Key West  
Larry Mattern, Kissimmee  
Marie Carter, Leesburg  
Marie Brooks, Doug Peebles, Charlene Pollette, Ocala

\*arrived after roll call.

**COMMITTEE MEMBERS ABSENT**

Lynne Mila, Clewiston  
Jan Bagnall, Fort Meade  
Bob Page, Green Cove Springs  
Allen Putnam, Jacksonville Beach  
Mike New, Newberry  
Drew Mullins, Starke

**STAFF PRESENT**

Jacob Williams, General Manager and CEO (via telephone)  
Ken Rutter, COO  
Linda S. Howard, CFO (via telephone)  
Jason Wolfe, Financial Planning, Rates and Budget Director  
Denise Fuentes, Financial Planning, Budget and Financial Analyst II  
Sue Utley, Executive Assistant to General Manager and CEO / Asst.  
Secy. to the Board  
Lindsay Jack, Administrative Specialist

**Item 1 – Call to Order and Roll Call**

Howard McKinnon, Havana, Chair, called the Executive Committee All-Requirements Telephonic Rate Workshop to order at 2:00 p.m. on Tuesday, April 12, 2022, via telephone. A speaker telephone for public attendance and participation was located in the 1<sup>st</sup> Floor Conference Room at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida.

**Item 2 – Review of March ARP Rate Calculation**

Denise Fuentes gave an update on the natural gas markets; provided an overview of the March loads and reviewed the March ARP rate calculation.

**Item 3 – Member Comments**

None

**4. – Adjournment**

There being no further business, the meeting was adjourned at 2:07 p.m.

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Approved

HM/su



**AGENDA ITEM 7 – CONSENT  
AGENDA**

**b. Approval of Treasury Reports as  
of March 31, 2022**

**Executive Committee  
May 19, 2022**



## AGENDA PACKAGE MEMORANDUM

TO: FMPA Executive Committee  
FROM: Gloria Reyes  
DATE: May 19, 2022  
ITEM: EC 7(b) – Approval of the All-Requirements Project Treasury Reports as of March 31, 2022

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- Introduction
- This report is a quick summary update on the Treasury Department's functions.
  - The Treasury Department reports for March are posted in the member portal section of FMPA's website.
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Debt Discussion

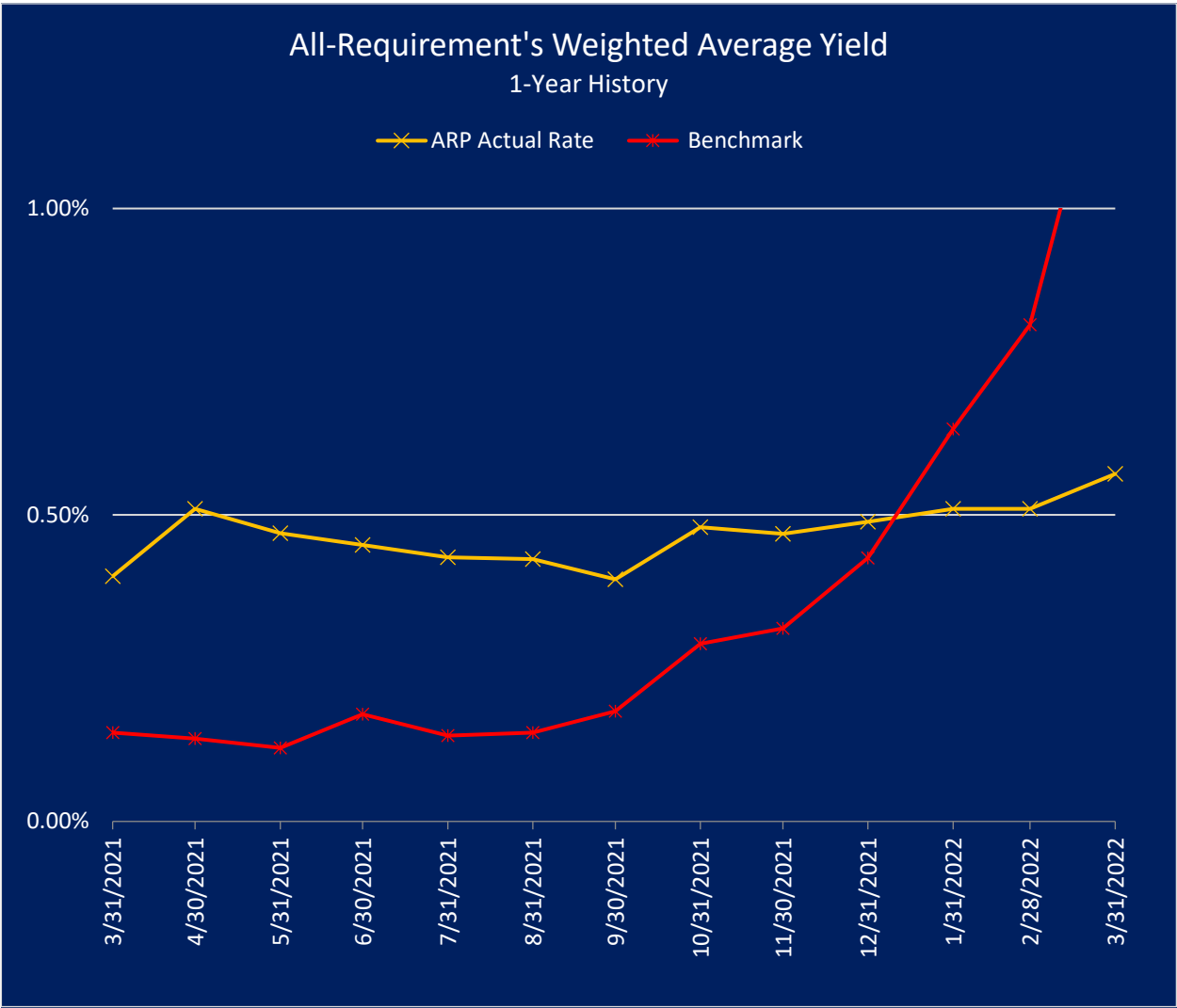
The All-Requirements Project has fixed rate debt. The fixed rate percentage of total debt is 100%. The estimated debt interest funding for fiscal year 2022 as of March 31, 2022, is \$35,399,045. The total amount of debt outstanding is \$818,585,000.

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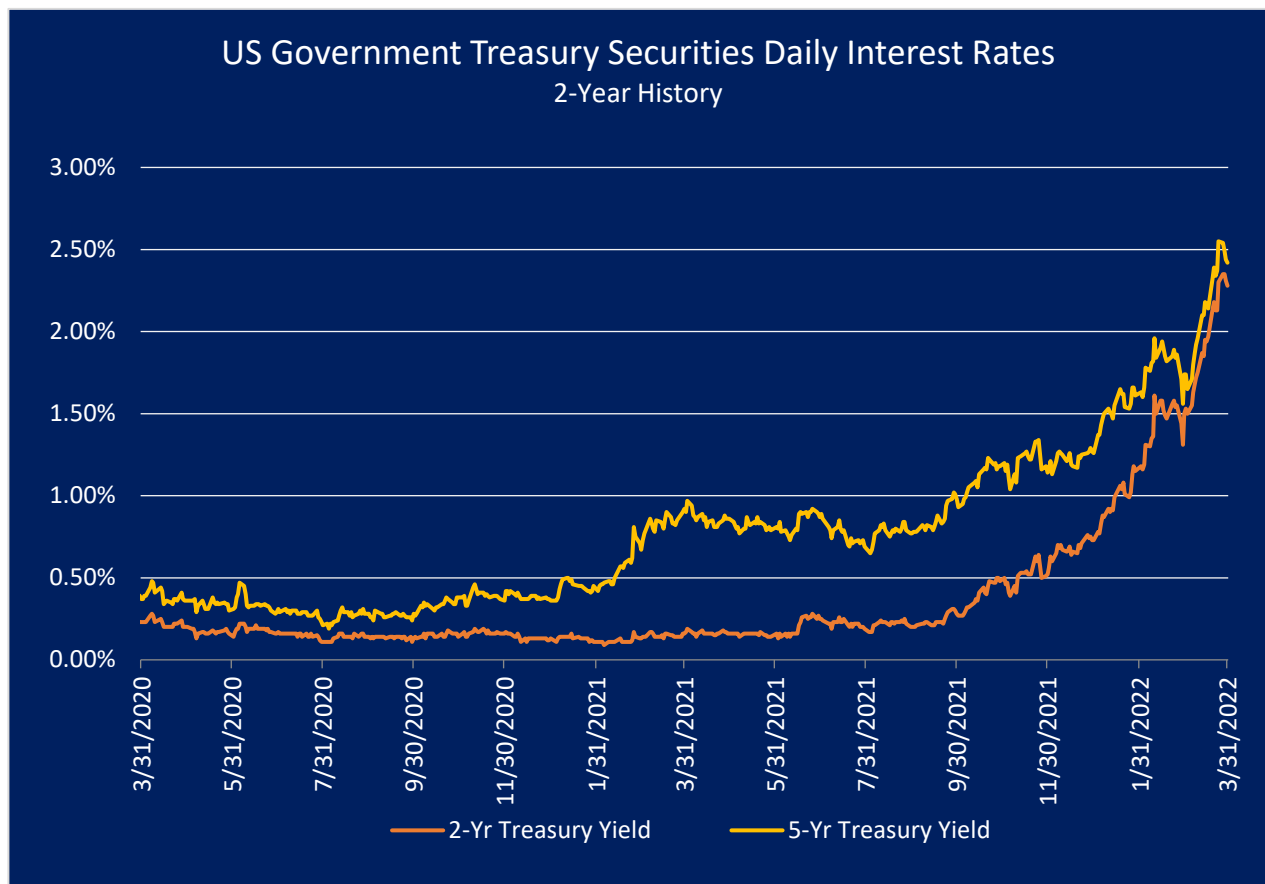
Investment Discussion

The investments in the Project are comprised of debt from the government-sponsored enterprises such as the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae), as well as investments in U.S. Treasuries, Municipal Bonds, Certificates of Deposits, Corporate Notes, Commercial Paper, Local Government Investment Pools and Money Market Mutual Funds.

As of March 31, 2022, the All-Requirements Project investment portfolio earned a weighted average yield of 0.57%, reflecting the All-Requirements Project need for liquidity. The benchmarks (SBA’s Florida Prime Fund and the 2-year US Treasury Note) and the Project’s yields are graphed below:



Below is a graph of daily US Treasury yields for the past 2 years. The orange line is the 2-year Treasury which closed the month of March at 2.28 %. The yellow line is the 5-year Treasury which was 2.42%.



The Investment Report for March is posted in the “Member Portal” section of FMPPA’s website.

Recommended  
Motion

Move for approval of the Treasury Reports for March 31, 2022

**AGENDA ITEM 7 – CONSENT  
AGENDA**

- c. Approval of the Preliminary  
Agency and All-Requirements  
Project Financials as of March 31,  
2022**

**Executive Committee  
May 19, 2022**



Linda S. Howard, CPA, CTP  
Chief Financial Officer

## MEMORANDUM

**TO:** FMPA Executive Committee  
**FROM:** Linda Howard  
**DATE:** May 10, 2022  
**SUBJECT:** EC 7c – Approval of the Agency and All-Requirements Project Financials for the period ended March 31, 2022

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**Discussion:** The summary and detailed financial statements, which include GASB #62 transactions, of the Agency and All- Requirements Project for the period ended March 31, 2022 are posted on the Document Portal section of FMPA’s website.

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**Recommended Motion:** Move approval of the Agency and All-Requirements Project Preliminary Financial reports for the month of March 31, 2022.

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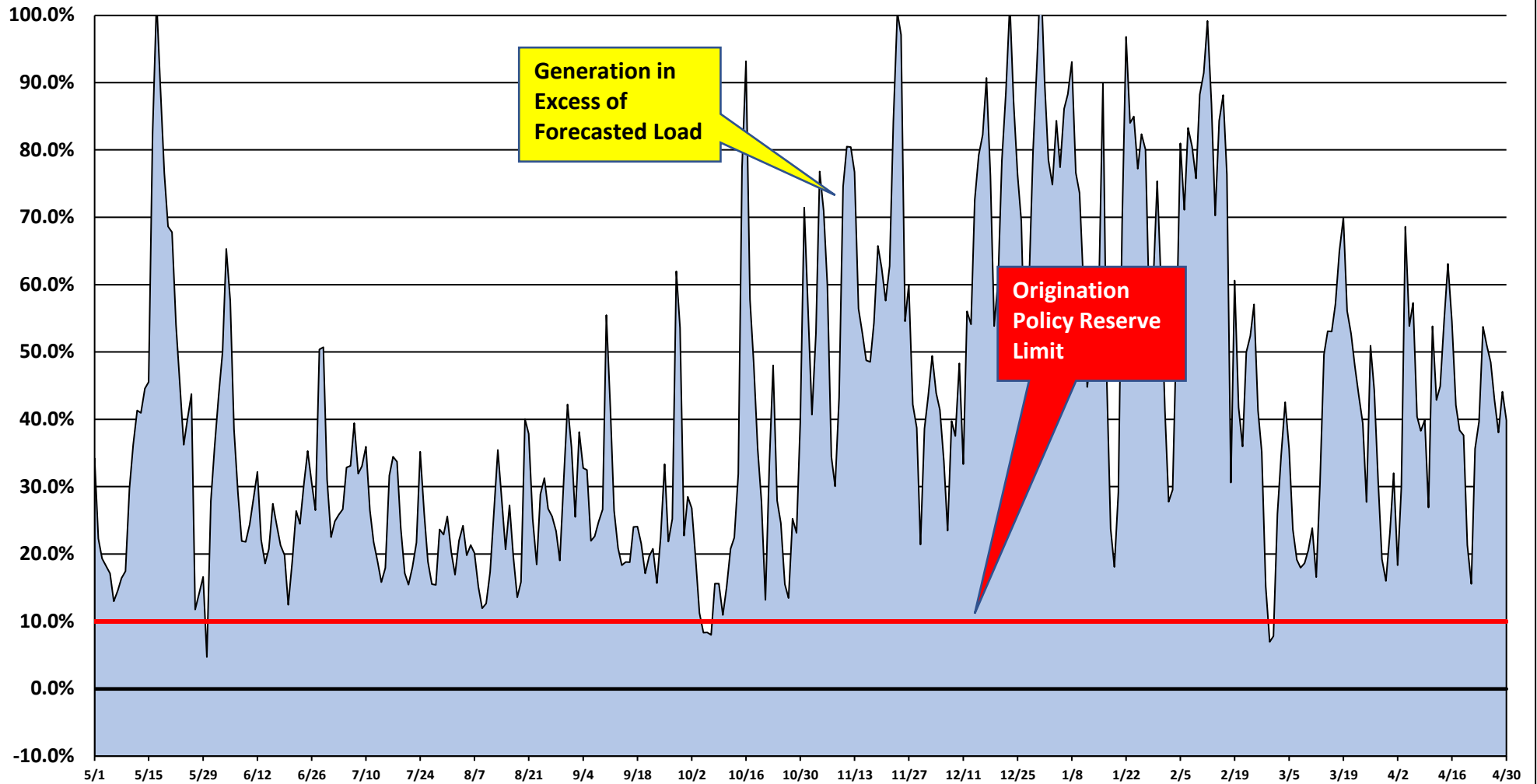
LH/GF

**AGENDA ITEM 7 – CONSENT  
AGENDA**

**d. ARP 12-month Capacity Reserve  
Margin Report**

**Executive Committee  
May 19, 2022**

# ARP Daily Reserve Margins May 2022 through April 2023





## **AGENDA ITEM 8 – ACTION ITEMS**

### **a. FGT Contract No. 111700 Rollover**

**Executive Committee**

**May 19, 2022**



# **EC 8a – FGT Contract No. 111700 Rollover**

Executive Committee

May 19, 2022

# FGT Contract No. 111700 Currently Expires May 2023

## *Staff Recommends Renewing this Valuable Capacity*

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- About 15% of ARP's total FGT Summer Capacity
  - Summer: 15,000 MMBtu/day
  - Winter: 4,200 MMBtu/day
- Valuable East leg capacity under FTS-1 rate schedule
- Recommend executing 10-year contract extension by June 1, 2022
  - Avoids the Right of First Refusal (ROFR) process
- The contract and exhibits have been reviewed by Legal and are in the package

# Recommended Motion

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- Move approval of a 10-year extension of Firm Transportation Service Contract No. 111700 between FMMPA and Florida Gas Transmission Company, LLC and authorize the General Manager & CEO to execute the agreement and applicable exhibits.

**SERVICE AGREEMENT**  
**Firm Transportation Service - Market Area**  
**Rate Schedule FTS-1**  
**(Historic Rate Schedule FTS-2 Service Agreement)**  
**Contract No. 111700**

THIS AGREEMENT entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between Florida Gas Transmission Company, LLC, a limited liability company of the State of Delaware (herein called "Transporter"), and Florida Municipal Power Agency (herein called "Shipper"),

W I T N E S S E T H

NOW THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged, Transporter and Shipper do covenant and agree as follows:

ARTICLE I  
Definitions

In addition to the definitions incorporated herein through Transporter's Rate Schedule FTS-1, the following terms when used herein shall have the meanings set forth below:

1.1 The term "Rate Schedule FTS-1" shall mean Transporter's Rate Schedule FTS-1 as filed with the FERC as changed and adjusted from time to time by Transporter in accordance with Section 5.2 hereof or in compliance with any final FERC order affecting such rate schedule.

1.2 The term "FERC" shall mean the Federal Energy Regulatory Commission or any successor regulatory agency or body, including the Congress, which has authority to regulate the rates and services of Transporter.

ARTICLE II  
Quantity

2.1 The Maximum Daily Transportation Quantity ("MDTQ") shall be set forth on a seasonal basis, and by Division if applicable, on Exhibit B attached hereto as the same may be amended from time to time. The applicable MDTQ shall be the largest daily quantity of gas expressed in MMBtu, that Transporter is obligated to transport and make available for delivery to Shipper under this Service Agreement on any one day.

2.2 During the term of this Agreement, Shipper may tender natural gas for transportation to Transporter on any day, up to the MDTQ plus Transporter's fuel, if applicable. Transporter agrees to receive the aggregate of the quantities of natural gas that Shipper tenders for transportation at the Receipt Points, up to the maximum daily quantity ("MDQ") specified for each receipt point as set out on Exhibit A, plus Transporter's fuel, if applicable, and to transport and make available for delivery to Shipper at each Delivery Point specified on Exhibit B, up to the amount scheduled by Transporter less Transporter's fuel, if applicable (as provided in Rate Schedule FTS-1), provided however, that

Transporter shall not be required to accept for transportation and make available for delivery more than the MDTQ on any day.

### ARTICLE III No Notice Transportation Service

Article III – Not Applicable

### ARTICLE IV Payment and Rights in the Event of Non-Payment

4.1 Upon the commencement of service hereunder, Shipper shall pay Transporter, for all service rendered hereunder, the rates established under Transporter's Rate Schedule FTS-1 as filed with the FERC and as said Rate Schedule may hereafter be legally amended or superseded.

4.2 Termination for Non-Payment. In the event Shipper fails to pay for the service provided under this Agreement, pursuant to the conditions set forth in Section 15 of the General Terms and Conditions of Transporter's FERC Gas Tariff, Transporter shall have the right to suspend or terminate this Agreement pursuant to the conditions set forth in said Section 15.

### ARTICLE V Rights to Amend Rates and Terms and Conditions of Service

5.1 This Agreement in all respects shall be and remain subject to the provisions of said Rate Schedule and of the applicable provisions of the General Terms and Conditions of Transporter on file with the FERC (as the same may hereafter be legally amended or superseded), all of which are made a part hereof by this reference.

5.2 Transporter shall have the unilateral right to file with the appropriate regulatory authority and seek to make changes in (a) the rates and charges applicable to its Rate Schedule FTS-1, (b) Rate Schedule FTS-1 including the Form of Service Agreement and the existing Service Agreement pursuant to which this service is rendered; provided however, that the firm character of service shall not be subject to change hereunder by means of a Section 4 Filing by Transporter, and/or (c) any provisions of the General Terms and Conditions of Transporter's Tariff applicable to Rate Schedule FTS-1. Transporter agrees that Shipper may protest or contest the aforementioned filings, or seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary in order to assure that the provisions in (a), (b) or (c) above are just and reasonable.

### ARTICLE VI Term of Agreement and Commencement of Service

6.1 This Agreement shall become effective 06/01/2023 and shall continue in effect 05/31/2033. In accordance with the provisions of Section 20 of the General Terms and Conditions of the Transporter's Gas Tariff, Shipper has selected Right of First Refusal (ROFR).

6.2 In the event the capacity being contracted for was acquired pursuant to Section 18.C.2. of Transporter's Tariff, then this Agreement shall terminate on the date set forth in Section 6.1 above. Otherwise, upon the expiration of the primary term and any extension or roll-over, termination will be governed by the provisions of Section 20 of the General Terms and Conditions of Transporter's Tariff.

ARTICLE VII  
Point(s) of Receipt and Delivery and Maximum Daily Quantities

7.1 The Primary Point(s) of Receipt and maximum daily quantity for each Primary Point of Receipt, for all gas delivered by Shipper into Transporter's pipeline system under this Agreement shall be at the Point(s) of Receipt on Transporter's pipeline system or any Transporting Pipeline as set forth in Exhibit A attached hereto, as the same may be amended from time to time. In accordance with the provisions of Section 8.A. of Rate Schedule FTS-1 and Section 21.F. of the General Terms and Conditions of Transporter's Tariff, Shipper may request changes in its Primary Point(s) of Receipt. Transporter may make such changes in accordance with the terms of Rate Schedule FTS-1 and the applicable General Terms and Conditions of its Tariff.

7.2 The Primary Point(s) of Delivery and maximum daily quantity for each point for all gas made available for delivery by Transporter to Shipper, or for the account of Shipper, under this Agreement shall be at the Point(s) of Delivery as set forth in Exhibit B hereto, as same may be amended from time to time and shall be in Transporter's Market Area; provided, however, that a Shipper who acquires a segment of FTS-1 capacity in the Western Division may only request new Delivery Points in Transporter's Western Division. In accordance with the provisions of Section 9.A. of Rate Schedule FTS-1 and Section 21.F. of the General Terms and Conditions of Transporter's Tariff, Shipper may request changes in its Primary Point(s) of Delivery provided that such new requested Primary Delivery Points must be located in Transporter's Market Area; provided, however, that a Shipper who acquires a segment of FTS-1 capacity in the Western Division may only request new Delivery Points in Transporter's Western Division. Transporter may make such changes in accordance with the terms of Rate Schedule FTS-1 and the applicable General Terms and Conditions of its Tariff. Transporter is not obligated to accept changes where the new Primary Delivery Point is also a delivery point under a Rate Schedule SFTS Service Agreement and the load to be served is an existing behind-the-gate customer of a Rate Schedule SFTS Shipper as defined in Section 11 of Rate Schedule SFTS.

ARTICLE VIII  
Notices

All notices, payments and communications with respect to this Agreement shall be in writing and sent to Transporter's address posted on Transporter's Internet website or to Shipper's address stated below or at any other such address as may hereafter be designated in writing:

Shipper: Florida Municipal Power Agency  
8553 Commodity Circle  
Orlando FL 32819-9002  
Attention: RICHARD MONTGOMERY  
Telephone No. 4073557767 ext#1067  
Fax No. (321)239-1167

ARTICLE IX  
Construction of Facilities

To the extent that construction of new or requested facilities is necessary to provide service under this Service Agreement, such construction, including payment for the facilities, shall occur in accordance with Section 21 of the General Terms and Conditions of Transporter's Tariff.

ARTICLE X  
Regulatory Authorizations and Approvals

Article X – Not Applicable

Article XI  
Pressure

11.1 The quantities of gas delivered or caused to be delivered by Shipper to Transporter hereunder shall be delivered into Transporter's pipeline system at a pressure sufficient to enter Transporter's system, but in no event shall such gas be delivered at a pressure exceeding the maximum authorized operating pressure or such other pressure as Transporter permits at the Point(s) of Receipt.

11.2 Transporter shall have no obligation to provide compression and/or alter its system operation to effectuate deliveries at the Point(s) of Delivery hereunder.

ARTICLE XII  
Other Provisions under Historic Rate Schedule FTS-2 Service Agreement

12.1 – Not Applicable

12.2 For a Shipper in the business of generating and distributing electricity and who sign a Service Agreement with a term of twenty (20) years or more, in the event of the enactment of any statute or the issuance of any order, rule, or regulation by a state or federal governmental authority that changes the electric market structure in the State of Florida, Shipper shall have the right, upon three (3) years prior written notice to Transporter, to terminate that portion of the firm quantity provided for in Shipper's Service Agreement utilized for electric generation at any time after the tenth anniversary of the commencement of the primary term of the Shipper's Service Agreement.

12.3 Notwithstanding any other provision in this Agreement, after commencement of service under this Agreement, in the event that: (1) Shipper is capable of using gas; and (2) Transporter is unable to deliver Shipper's designated volumes at the specified Delivery Point(s) and at the pressures provided for in this Agreement for a period of two consecutive days ("Service Cessation"), Shipper shall have the right to reduce the MDTQ by the volumes not delivered, without costs or penalty, by providing written notice to Transporter within forty-five (45) days of such occurrence; provided, however, that if a Service Cessation occurs more than five (5) times in any calendar year, Shipper shall have the right to terminate this Agreement by providing written notice to Transporter within forty-five (45) days of such occurrence; provided further, however, that if Transporter's failure to deliver is due to events of Transporter's *force majeure* as defined in Transporter's FERC Gas Tariff, Shipper shall have the right to terminate or to reduce the MDTQ only in the event such *force majeure* continues for more than one hundred eighty-five (185) consecutive days of any three hundred sixty-five (365) day period.

12.4 Unless otherwise agreed to by the parties, Shipper is obligated to reimburse Transporter within fifteen (15) days of receipt of invoice for the costs of the construction of new or requested taps, meters, receipt and delivery point upgrades, and supply and delivery laterals and any other construction necessary to receive gas into, and deliver from, Transporter's existing or proposed facilities. To the extent such reimbursement qualifies as a contribution in aid of construction under the Tax Reform Act of 1986, P.L. 99-514 (1986), Shipper also shall reimburse Transporter for the income taxes incurred by Transporter as a direct result of such contribution in aid of construction by Shipper; as calculated pursuant to FERC's order in Transwestern Pipeline Company, 45 FERC Paragraph 61,116 (1988). Unless otherwise agreed to, Transporter shall have title to and the exclusive right to operate and maintain all such facilities.

12.5 – Not Applicable



ARTICLE XIII  
Miscellaneous

13.1 This Agreement shall bind and benefit the successors and assigns of the respective parties hereto; provided however, that neither party shall assign this Agreement or any of its rights or obligations hereunder without first obtaining the written consent of the other party, which consent shall not be unreasonably withheld.

13.2 No waiver by either party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any future defaults of a like or different character.

13.3 This Agreement contains Exhibits A and B (and NNTS Addendum, if applicable) which are incorporated fully herein.

13.4 THIS AGREEMENT SHALL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REFERENCE TO ANY CONFLICT OF LAWS DOCTRINE WHICH WOULD APPLY THE LAWS OF ANOTHER JURISDICTION.

ARTICLE XIV  
Superseding Prior Service Agreements

This Agreement supersedes and replaces the following Service Agreements between Transporter and Shipper: Contract No. 111700 dated 11/01/2016.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers effective as of the date first written above.

TRANSPORTER

Florida Gas Transmission Company, LLC

By Beth Hickey

Name EVP – US Gas Pipelines

Title \_\_\_\_\_

Date \_\_\_\_\_

SHIPPER

Florida Municipal Power Agency

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**EXHIBIT A**  
**TO**  
**Rate Schedule FTS-1**  
**(Historic Rate Schedule FTS-2 Service Agreement)**  
**BETWEEN**  
**FLORIDA GAS TRANSMISSION COMPANY, LLC**  
**AND**  
**Florida Municipal Power Agency**  
**DATED**  
**07/01/2011**  
**Contract No. 111700**  
**Amendment No. 3**  
**Effective Date of this Exhibit A: 06/01/2023**

Date Range: 6/1/2023 to 5/31/2033

<u>Point(s) of Receipt</u>		<u>Maximum Daily Quantity (MMBtu)</u>											
Point Description	Point	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Zone 3													
Destin P/L	71298	4,200	4,200	4,200	15,000	15,000	15,000	15,000	15,000	15,000	15,000	4,200	4,200
<b>Zone 3 Total:</b>		<b>4,200</b>	<b>4,200</b>	<b>4,200</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>4,200</b>	<b>4,200</b>
<b>Total MDTQ:</b>		<b>4,200</b>	<b>4,200</b>	<b>4,200</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>4,200</b>	<b>4,200</b>

(Quantities are exclusive of Fuel Reimbursement. Shipper shall provide fuel pursuant to Fuel Reimbursement Charge Adjustment provisions of transporter's FERC Gas Tariff, General Terms and Conditions.)

**EXHIBIT B**  
**TO**  
**Rate Schedule FTS-1**  
**(Historic Rate Schedule FTS-2 Service Agreement)**  
**BETWEEN**  
**FLORIDA GAS TRANSMISSION COMPANY, LLC**  
**AND**  
**Florida Municipal Power Agency**  
**DATED**  
**07/01/2011**  
**Contract No. 111700**  
**Amendment No. 3**  
**Effective Date of this Exhibit B: 06/01/2023**

**Date Range: 6/1/2023 to 5/31/2033**

<u>Point(s) of Delivery</u>		<u>Maximum Daily Quantity (MMBtu)</u>											
<b>Point Description</b>	<b>Point</b>	<b><u>Jan</u></b>	<b><u>Feb</u></b>	<b><u>Mar</u></b>	<b><u>Apr</u></b>	<b><u>May</u></b>	<b><u>June</u></b>	<b><u>July</u></b>	<b><u>Aug</u></b>	<b><u>Sep</u></b>	<b><u>Oct</u></b>	<b><u>Nov</u></b>	<b><u>Dec</u></b>
K 111700 Pt Group	100710	4,200	4,200	4,200	15,000	15,000	15,000	15,000	15,000	15,000	15,000	4,200	4,200
Indian River Ctg-Reliant-Assoc Point	78037	4,200	4,200	4,200	15,000	15,000	15,000	15,000	15,000	15,000	15,000	4,200	4,200
Reliant Holopaw-Assoc Point	78155	4,200	4,200	4,200	15,000	15,000	15,000	15,000	15,000	15,000	15,000	4,200	4,200
<b>Total MDTQ:</b>		<b>4,200</b>	<b>4,200</b>	<b>4,200</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>4,200</b>	<b>4,200</b>

(Quantities are exclusive of Fuel Reimbursement.)

EXHIBIT C  
TO  
Rate Schedule FTS-1  
(Historic Rate Schedule FTS-2 Service Agreement)  
BETWEEN  
FLORIDA GAS TRANSMISSION COMPANY, LLC  
AND  
Florida Municipal Power Agency  
DATED  
07/01/2011  
Contract No. 111700  
Amendment No. 3  
Effective Date of this Exhibit C: 06/01/2023

The parties hereby agree that Exhibit A and/or B are revised as described below and revised Exhibit A and/or B are attached hereto.

[Mark the applicable section(s) below for each amendment number.]

\_\_\_\_\_ Realignment of Points

  X   Contract Extensions

The parties hereby agree to a 10 year ROFR contract extension, amending the agreement termination date from 05/31/2023 through 05/31/2033.

\_\_\_\_\_ Contract Quantity

\_\_\_\_\_ Administrative Contract Consolidation

Service Agreement Number

MDTO

Termination Date

Extension Rights

TRANSPORTER

SHIPPER

Florida Gas Transmission Company, LLC

Florida Municipal Power Agency

By \_\_\_\_\_  
Beth Hickey

\_\_\_\_\_

Title EVP – US Gas Pipelines

\_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**a. Northern Star Alternative Case  
Analysis**

**Executive Committee  
May 19, 2022**



# **EC 9a - Northern Star Gen Acquisition vs. New Build Case – NPV Analysis**

Executive Committee

May 19, 2022

# Northern Star ~\$200M to \$275M Lower NPV Cost

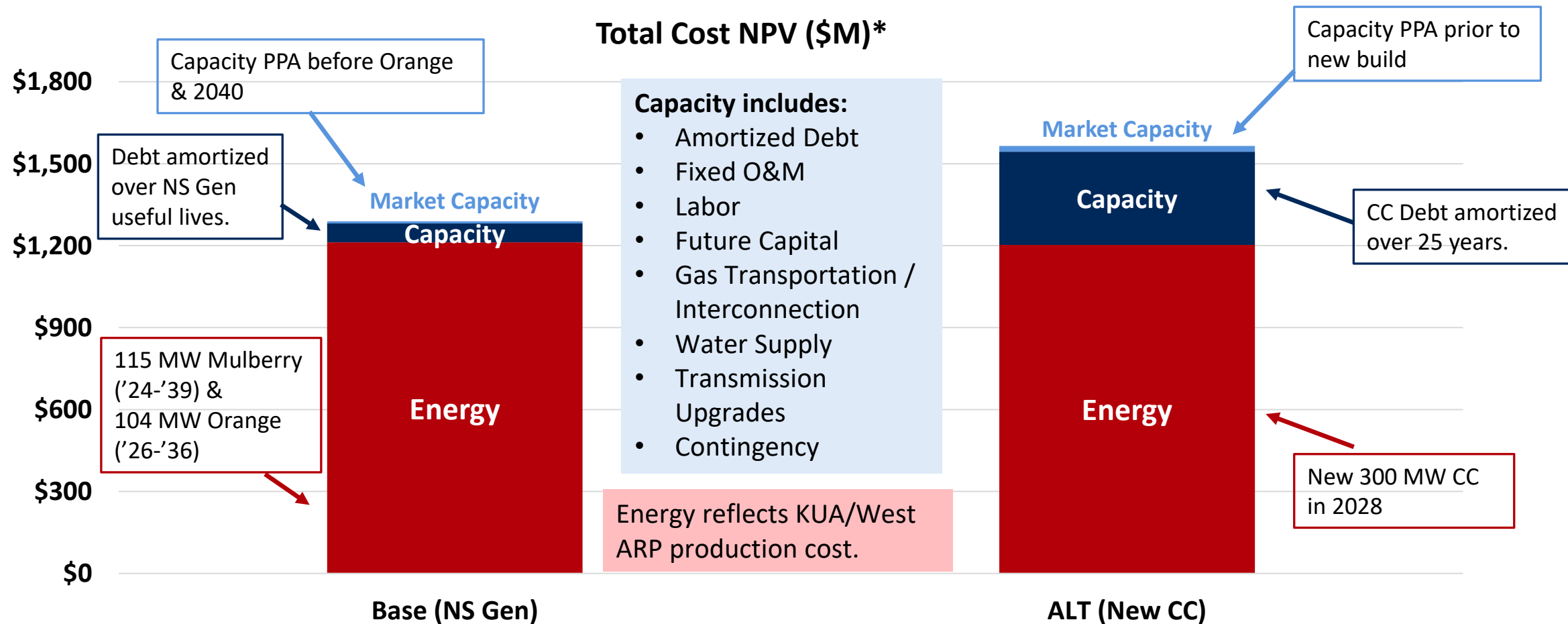
## *Energy Savings from New Build Insufficient to Cover Fixed Cost*

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- Capital cost estimates from Burns & McDonnell/Sargent & Lundy and TEA's dispatch model used to evaluate costs of Northern Star and new combined cycle
  - Base Case (NS Gen) – Acquisition of Mulberry & Orange
  - ALT Case (New CC) – Newbuild a 300 MW CC - at Cane Island - 25-year amortization
- NPV cost difference between NS Gen and New Build ~\$200M to \$275M through 2040, with a +30% risk premium on new build capital cost
- Energy savings of ~\$10M-\$30M NPV for area ARP load, as new CC savings is relatively small compared to slightly higher heat rate units it displaces
- Intrinsic value of site and site attributes may provide for future ARP needs
- Acquisition pricing was derived based on competitive analysis of PPAs and other available merchant assets

# NS Gen Case is ~\$275M NPV Lower Cost v. New Build

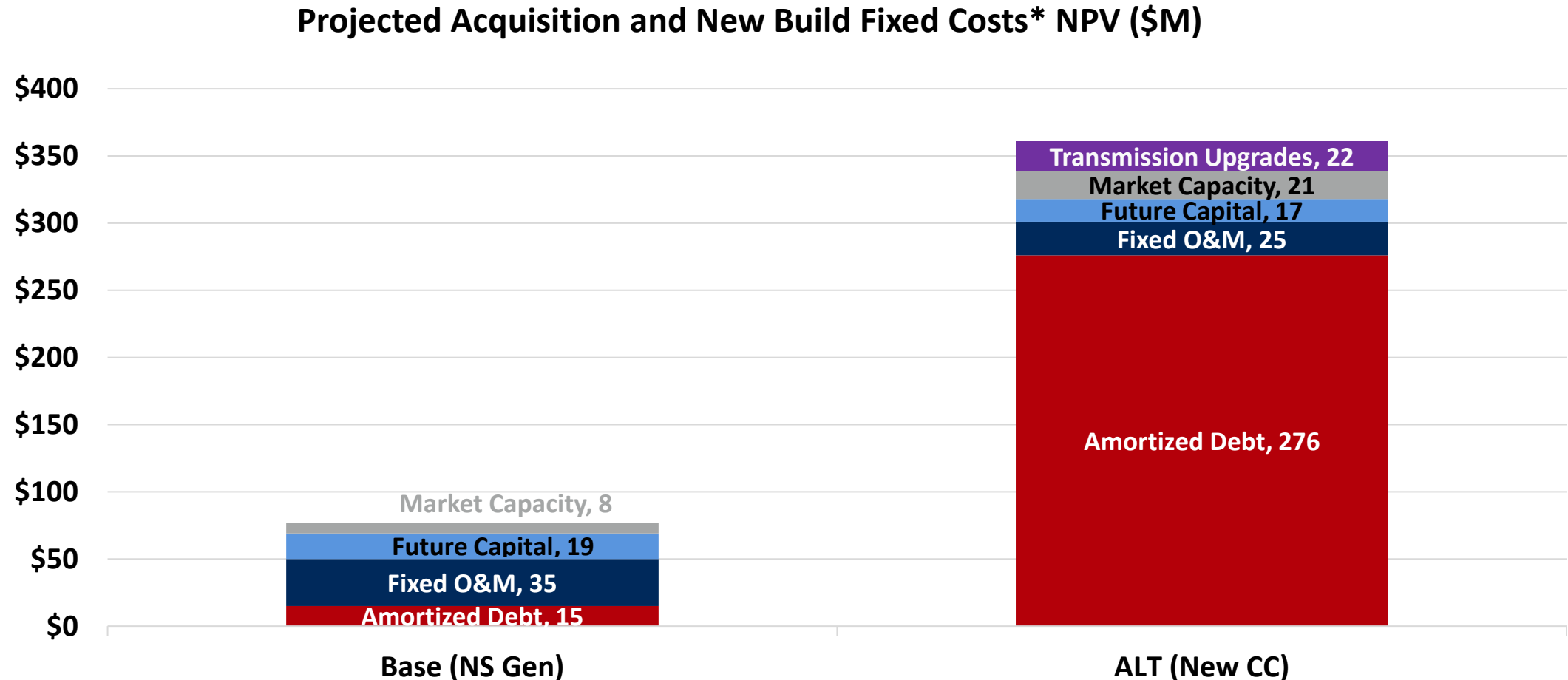
## *Fixed Costs are Significant Cost Driver*





# Northern Star ~\$285M Lower Capex than New Build

## *Today's Market Requires 25 Year or Less Financing*



# Northern Star ~\$425M Lower Capex Than New CC

## *Plant Capex and Resource Duplication Poses Concern of Excess*

Description	Mulberry & Orange	New CC	New CT
Plant Capex (\$M)	20	450	350
Plant Capex (\$/kW)	84	1,479	1,727
Transmission Upgrades (\$M)	0.0	35.0	23.0
Amortization Period	15 (Mulberry) 10 (Orange)	25+	25+

- Mulberry and Orange are operating on a site that is turnkey
  - Additional capex required for operating transition
- A new CC or CT build capex significantly outweighs the acquisitions
  - Will also require additional services brought to the site at additional cost

Note: Approximate values and spread reflect today's dollars.  
Modeled capital cost for new build CC includes risk premium and inflation to build year.

# ALT Case Capital Cost Assumptions – New CC and CTs

## *Independent Estimates and Coordination to Tailor to Cane*

- Two independent capital cost and risk premium estimates were provided
  - Conservatively averaged results into best estimates
  - Cane island adjustments to reflect existing site advantages were also provided and applied
- Risk premium assumes materials and labor risks, not necessary policy or global supply crisis

Description	Unit	New CC*	New CTs**
Est. 1 of Capex	\$/kW	1,263	1,595
Est. 2 of Capex	\$/kW	1,454	1,578
Capex Assumed	\$/kW	1,359	1,586
Risk Premium for Build	%	30%	30%
Risk Adjusted Capex	\$/kW	1,767	2,062

#### Assumptions:

- Includes dual fuel capabilities
- 2028\$ shown (2022\$ adjusted at 3% inflation)
- Reflects capex reductions for siting at Cane Island
- Risk reflects 1898 and S&L estimates

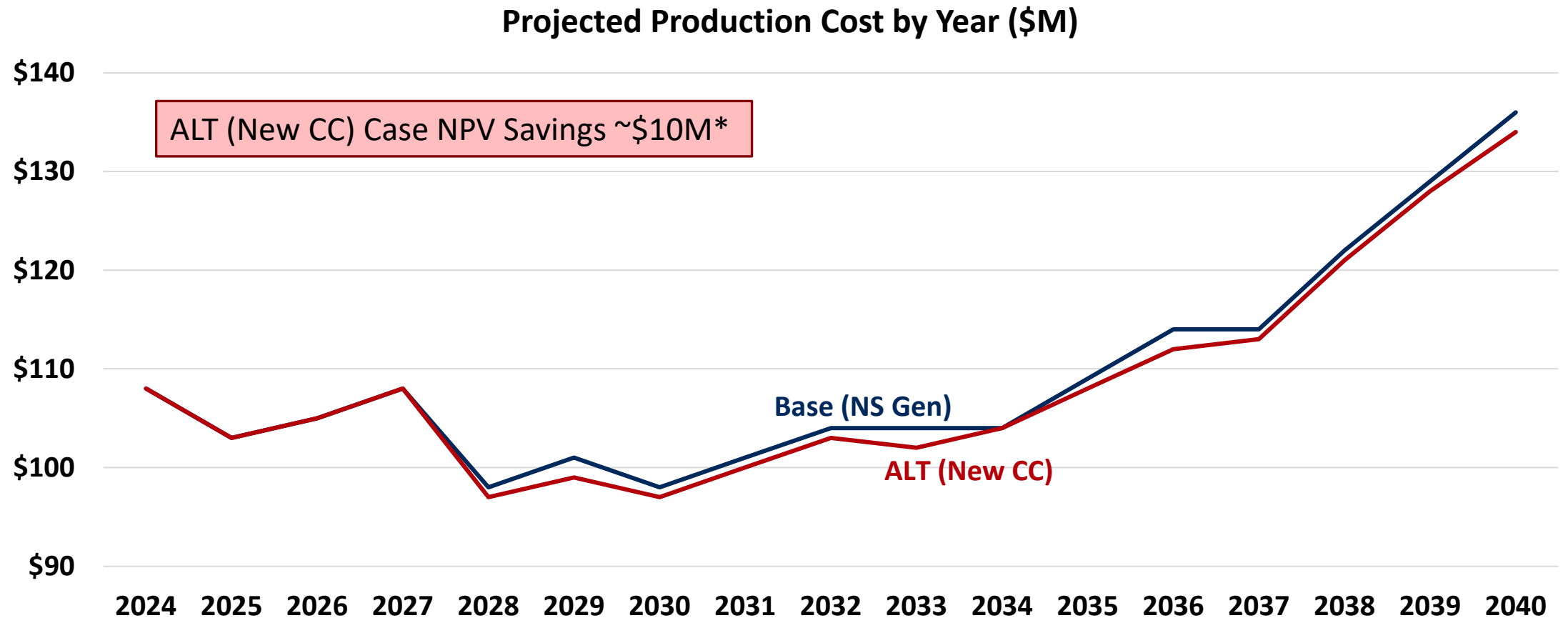
\*1 on 1 combined cycle configuration. \*\*Represents 4 simple cycle CTs @ ~200 MW.



# Production Cost Modeling Findings

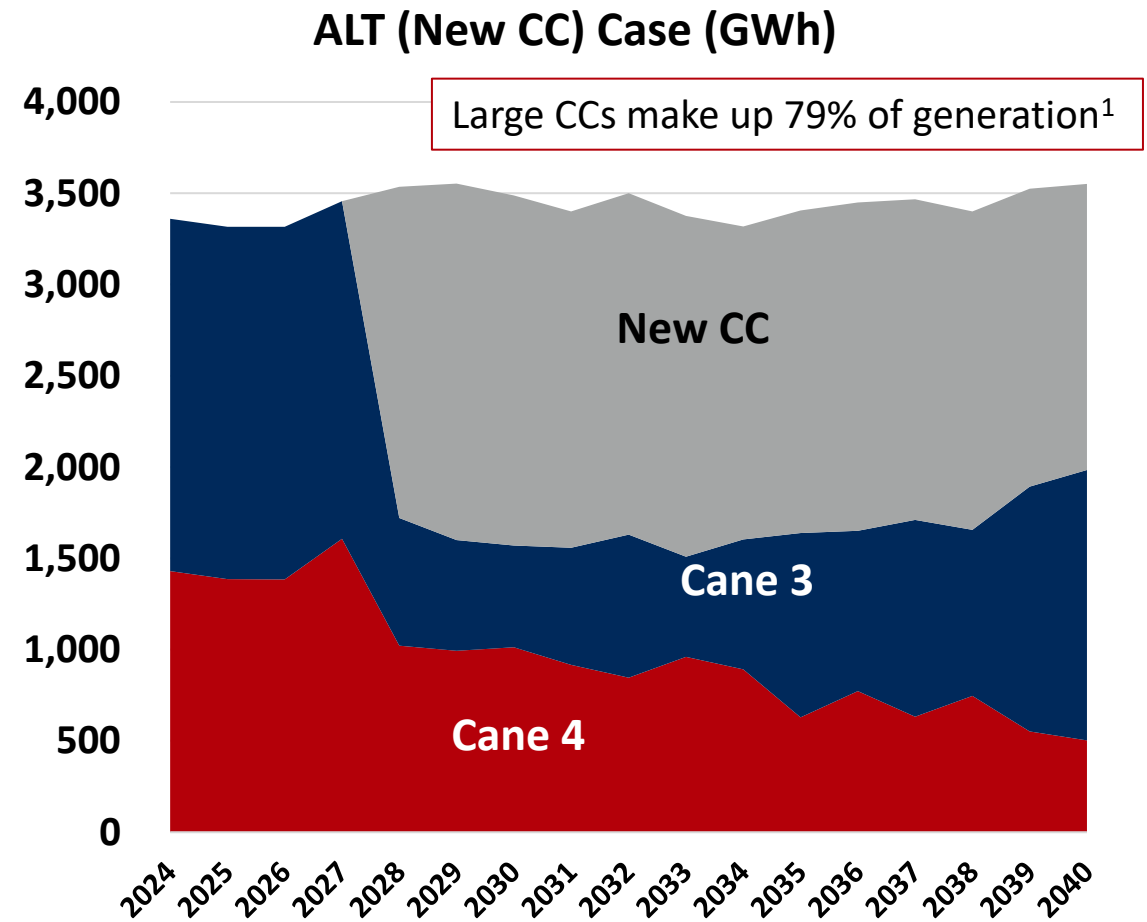
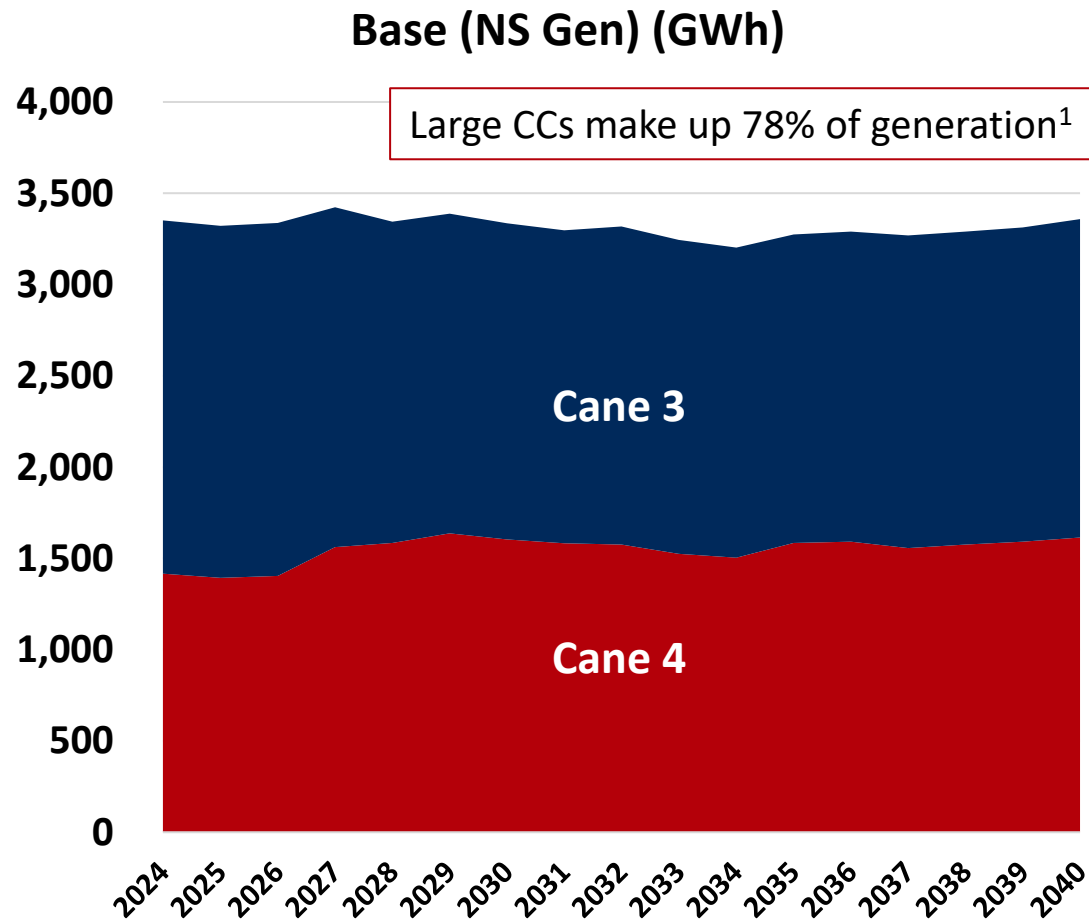
# New CC Case Provides ~\$10M NPV Energy Savings

## *Base Generation is Already Competitive, Limited Improvement*



# Base Load Generation is Near the Same in Both Cases

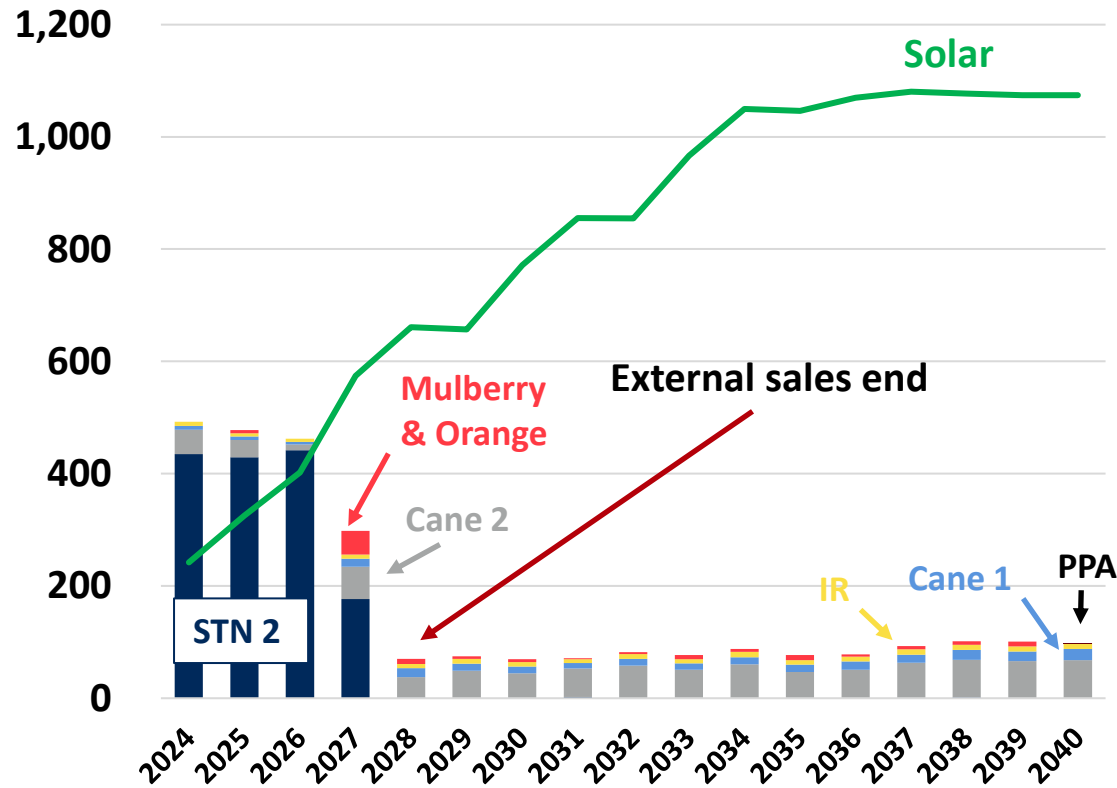
## *New CC Displaces Existing Efficient Generators*



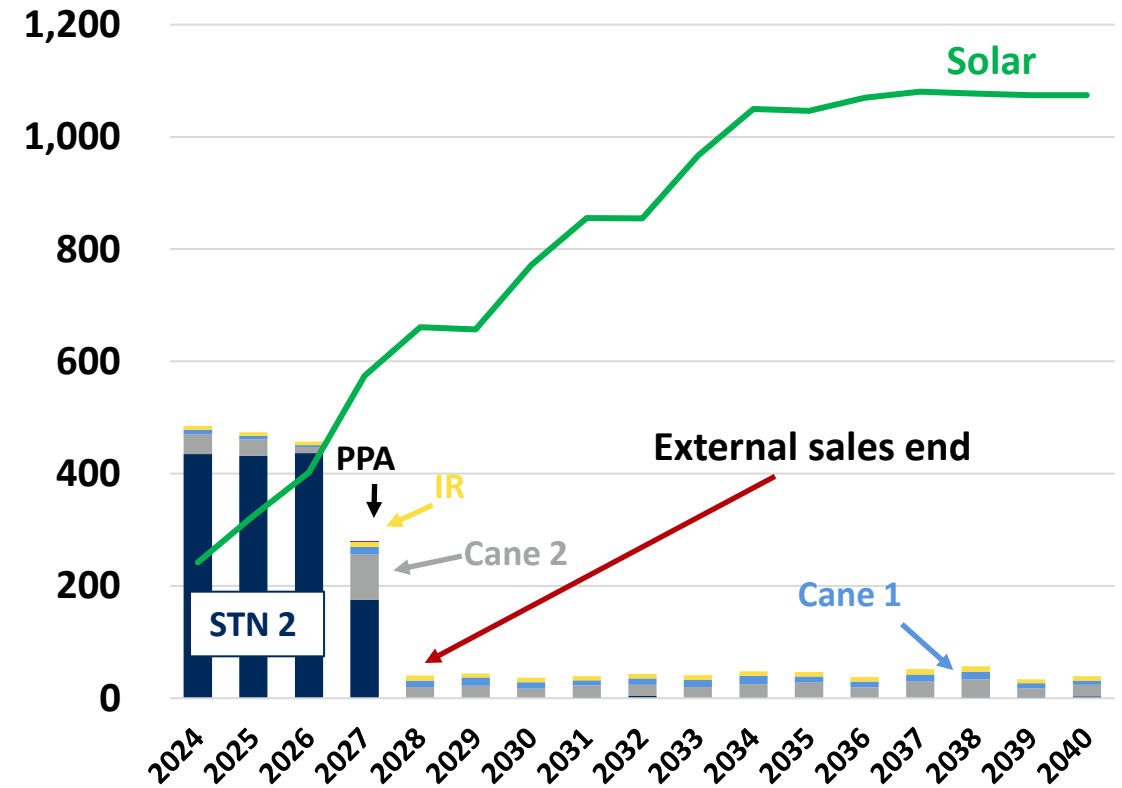
# Peaker Displacement Bounded in New Build Case

## *Cane 2, Other Peaker Output Slightly Curbed by the New CC*

Projected Base (NS Gen) Peaking Output (GWh)



Projected ALT (New CC) Peaking Output (GWh)



# Generator Utilization Evolves with Fuel Prices, Loads

## *Existing West/KUA Generation Displaced with New Build\**

**Projected Base (NS Gen) Case Capacity Factors (%)**

Units	2027	2028	2040
Cane 3	85.0%	80.3%	79.6%
Cane 4	55.8%	56.6%	57.7%
Stanton A	45.3%	52.5%	41.6%
Solar	31.0%	31.0%	31.0%
Cane 2	6.1%	3.8%	7.0%
Cane 1	4.6%	5.1%	6.3%
IR A&B	1.4%	1.4%	1.9%
IR C&D	0.9%	1.1%	1.4%
Stanton 2	18.6%	0.1%	0.1%
Mulberry	4.1%	0.6%	0.0%
Orange	0.1%	0.3%	0.0%
PPA	0.0%	0.0%	6.6%

**Projected ALT (New CC) Case Capacity Factors (%)**

Units	2027	2028	2040
Cane 3	84.3%	31.9%	67.6%
New CC	0.0%	69.0%	59.6%
Solar	31.0%	31.0%	31.0%
Stanton A	42.2%	26.1%	24.5%
Cane 4	57.4%	36.5%	18.0%
Cane 1	4.5%	3.7%	2.4%
Cane 2	8.4%	2.0%	2.1%
IR A&B	1.7%	1.7%	1.6%
IR C&D	1.3%	1.2%	1.0%
Stanton 2	18.8%	0.0%	0.4%
PPAs	3.4%	0.0%	0.0%



# NS Gen Assets Provide Lower Cost Peaking Capacity

## *Increased Reserve Requirements and Length to Cover Risks*

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- NS Gen Assets lower cost peaking capacity alternative to 2040
- As reserve requirements increase, allows for length in West region at low cost, consistent with East region PPA solution
- PPA from East to serve West exposes ARP to significant point to point transmission cost upside risk
- New technology and/or regulation could alter industry in certain directions after 2030 that require flexibility
- ARP will continue to actively manage position to return value to Participants
- As existing baseload resources reach end of life, IRP process will examine lowest cost alternatives for replacement

**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**b. Stock Island Discharge Update**

**Executive Committee  
May 19, 2022**



# **9b–Stock Island Discharge Update**

Executive Committee

May 19, 2022

# Stakeholder Review of Endpoint Definition Ongoing

## *Adjustments to Proposed Endpoints Prudent & Reasonable*

- Progress toward overall objectives continues
  - Team working with stakeholders on endpoint definitions
  - Free product recovery & hydraulic control systems under construction
  - Hydrogen Peroxide injection well system under construction
  - Transitioned to new onsite product recovery contractor
- New USCG Captain installed in Key West
- Additional monitoring wells proposed to observe any migration below containment area
- New recovery trench proposed to expedite product in ground product recovery
- Insurer still submitting data requests
- Tank reconditioning still underway



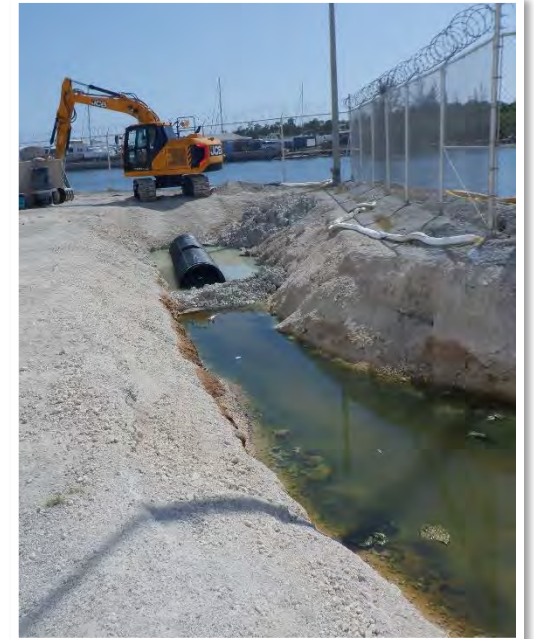
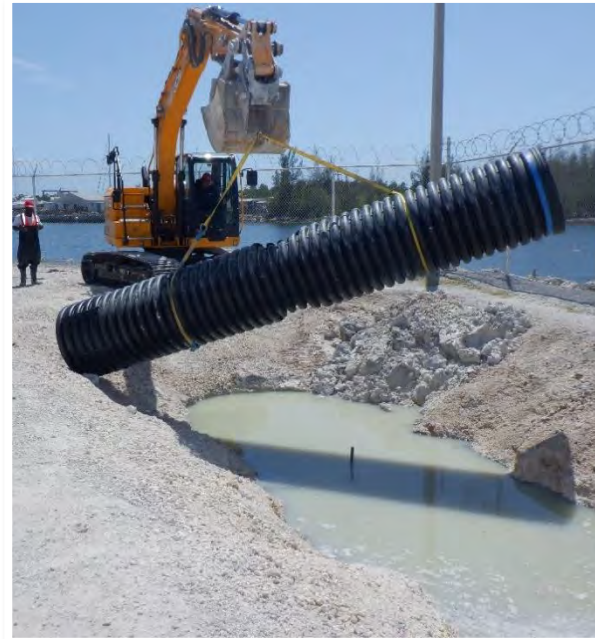
Area  
of discharge



# Construction of Semi-Permanent Recovery Systems Ongoing

## *Supply Delays Pushed Go Live Roughly Three Weeks*

- Continued construction of free product recovery and hydraulic containment system
- Installation of sumps (vertical piping) and horizontal piping ongoing



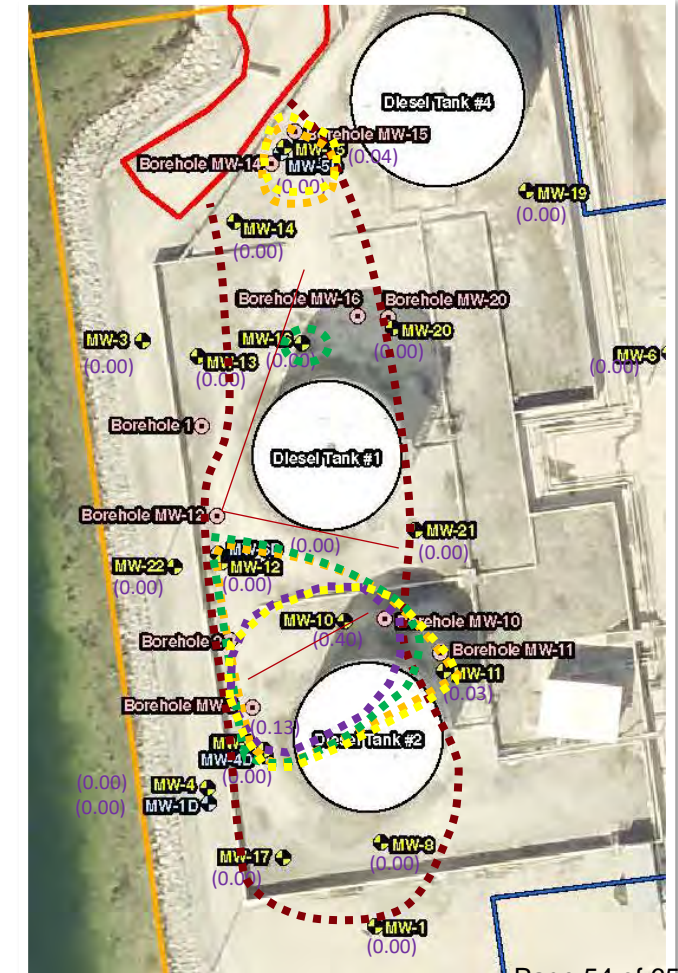


# Product Remains Stable, Continues to Decrease in Wells

## *Increased Frequency of Measurements Providing More Precision*

- May 3 readings reflect increased measures

Date	MWs with FP	Avg. Thickness (ft.)
March 3	8	0.15
April 11	5	0.15
April 18	4	0.12
April 25	2	0.35
May 3	4	0.15



# Increasing Risk Mitigation & Recovery

## *Tanks in Containment Not Available*

- Containment area still has open borehole excavations which prevent utilization of Tanks 1, 2 and 4
- Team planning increasing excavations to further expedite recovery and provide transparency of product status
- 30 monitoring wells will be in place to assess risk and status of any remaining product in ground



**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**c. ARP Cost Projections for FY 2022**

**Executive Committee  
May 19, 2022**





## **9c – ARP Cost Projections for Fiscal Year 2022**

**DRAFT – Due to High Volatility of Prices, Will Be Updated for End-of-Day Prices for 5/13 Prior to EC**

**Executive Committee**

**May 19, 2022**

# ARP Summer 2022 Rates Projected >\$120 Per MWh

## *Higher Fuel Costs Also Increase 60-Day Cash Need*

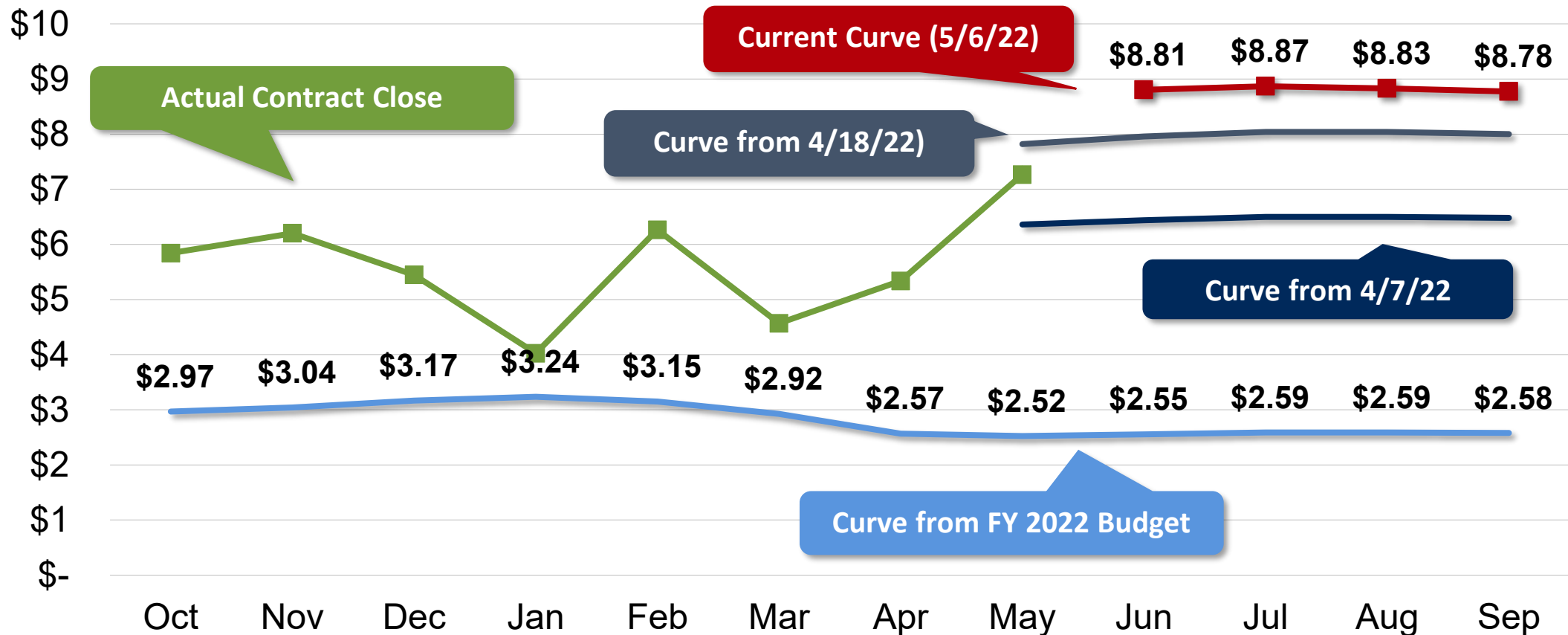
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- Natural gas prices increased around 36% since last month, with prices averaging nearly \$9/MMBtu for remainder of Fiscal 2022
- Current curve ~\$6.20/MMBtu (240%) above budget
- ARP's 60-day cash needs higher and may increase above \$135M in summer months (\$50M > last summer)
- Cash adjustments to the energy rate ~\$14-\$16/MWh in May - July in addition to energy costs \$80-90/MWh
- Summer ARP energy costs \$40-\$50/MWh higher than last year, with average all-in billed costs ~\$125/MWh
- ARP energy costs now projected up ~\$150M (67%) over last year

# Gas Prices ~\$6.20/MMBtu > Budget or ~\$47/MWh

## *Gas Curve Up 36% from Last Month*

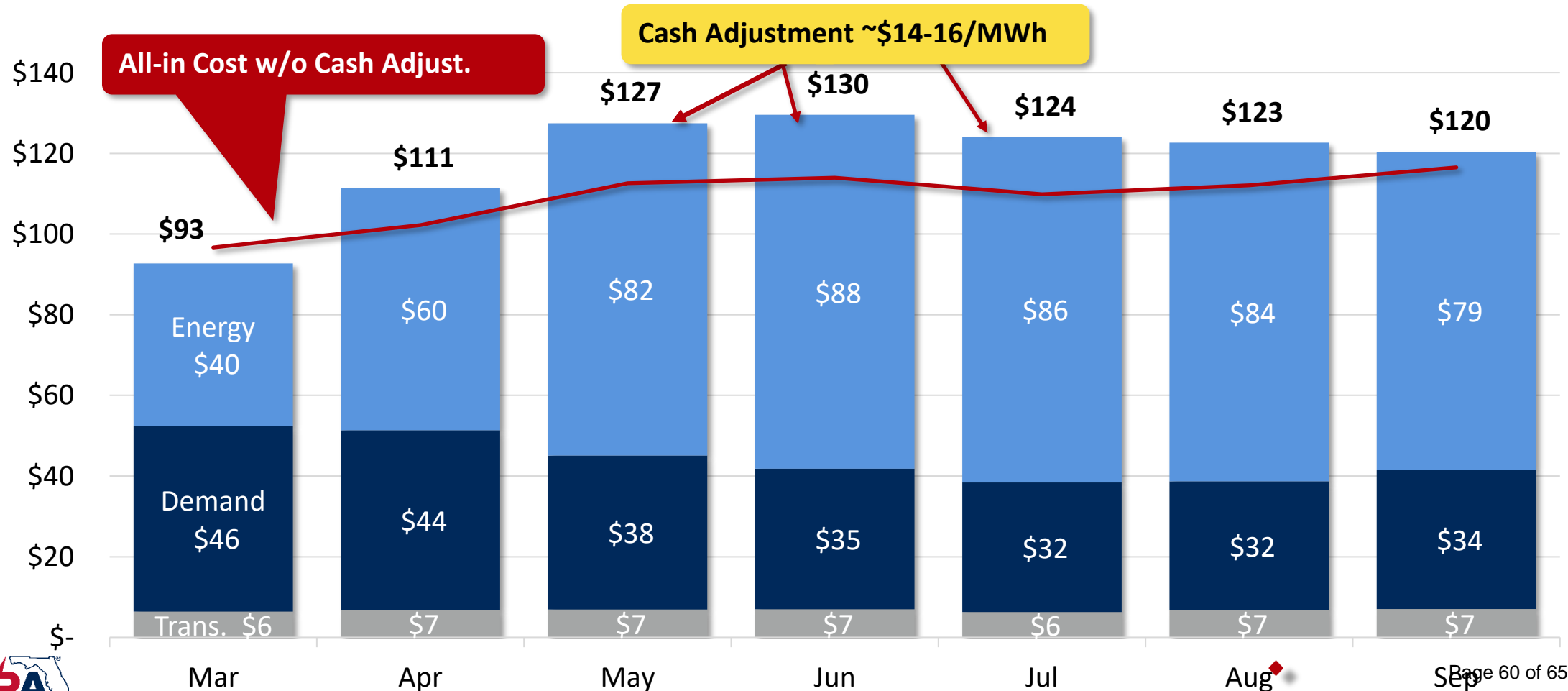
Natural Gas Price Scenarios Compared to FY 2022 Budget and Actual Contract Close (\$/MMBtu)



# Summer Rates \$120-130/MWh Based on Current Curve

*Cash Adjust. \$14-16/MWh in May - July w/ Higher 60-Day Need*

Projected FY 2022 ARP Avg. All-In Billed Costs Based on Current Gas Curve (\$/MWh)



**AGENDA ITEM 9 – INFORMATION  
ITEMS**

**d. Summary of Finance Committee  
Items**

**Executive Committee  
May 19, 2022**



# **Summary of Finance Committee Items**

## **BOD 9a / EC 9d**

Board of Directors & Executive Committee

May 19, 2022

# Other Items

## *Review and/or Approval Required*

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- Approval of the 2023 Operating Budgets and 5 Year Capital Plans
- Approval of Risk Policy Changes
  - Origination Transaction Policy
  - Fuel Portfolio Management Policy (EC)
- Following ESG discussion/ratings indications
- Solar projects – impact on the \$13M investment

**AGENDA ITEM 10 – MEMBER  
COMMENTS**

**Executive Committee  
May 19, 2022**



## **AGENDA ITEM 11 – ADJOURNMENT**

**Executive Committee  
May 19, 2022**