	TRANSACTIONS WITH SUBSIDIARIES AND AFFILIATES POLICY AND PROCEDURE	Procedure #: 5.5
		Rev Date: 12/14/2011 Rev 3
		Responsibility: General Accounting

The RFPS form requires information such as SAP account coding (WBS element, cost center, functional area, company code, etc.), FPL employee name, beginning and end date of the work to be performed, and estimated hours with approvals by the NEER or Infrastructure requestor, FPL employee and the owner of the WBS/cost center to be charged.

B. NEER Requesting Services from Infrastructure

When NEER requests services from Infrastructure, the requesting party at NEER provides the cost center or WBS element where the cost should settle to the Infrastructure Affiliate Transactions Analyst. The Analyst then provides the Infrastructure employee with the correct WBS element on Infrastructure's books which settles to the NEER cost center or WBS element. If the appropriate WBS element does not exist, a new one is created.

C. FPL Requesting Services from NEER or Infrastructure

NEER or Infrastructure may provide services to FPL and these services are posted systematically within SAP to the FPL customer on NEER/Infrastructure and NEER/Infrastructure vendor on FPL on a monthly basis for prior month's activity. In order to charge costs to FPL the FPL employee requesting the services must complete the RFPS form. (See Exhibit A) The result of using this form is the creation of an "X" WBS element which maps to an internal order at FPL.


D. Infrastructure requesting services from NEER.

When Infrastructure requests services from NEER, the requesting party at Infrastructure either provides a WBS element or instructs the NEER employee to contact the Infrastructure Affiliate Transactions Analyst to obtain the correct WBS element to charge. If the appropriate WBS element does not exist, a new one is created.

E. Invoicing from FPL to NEER or Infrastructure

On a monthly basis, the Intercompany charges from FPL to NEER or Infrastructure are systematically posted in SAP to the FPL vendor on NEER or Infrastructure and to the NEER or Infrastructure Customer on FPL. The Intercompany charges are due the 20th of the following month. There are no manual invoices created and the payments are generated automatically in batch to pay on the due date. The RFPS process serves as the approval of these charges. All charges received should be reviewed by respective budget managers to ensure appropriateness. Any necessary corrections should be communicated to originating party and will be processed in arrears.

F. Invoicing from NEER to its subsidiaries, FPL, and Infrastructure for Services rendered by NEER.

	TRANSACTIONS WITH SUBSIDIARIES AND AFFILIATES POLICY AND PROCEDURE	Procedure #: 5.5
		Rev Date: 12/14/2011 Rev 3
		Responsibility: General Accounting

On a monthly basis, for companies with a cash settling relationship, the Intercompany charges from NEER to FPL, Infrastructure and other NEER subsidiaries are systematically posted in SAP to the NEER vendor on FPL, Infrastructure, and other NEER subsidiaries and to the FPL, Infrastructure and other NEER subsidiaries' customer on NEER. The Intercompany charges are due the 20th of the following month.

For FPL and the majority of the NEER subsidiaries there are no manual invoices created and the payments are generated automatically in batch to pay on the due date. The RFPS process serves as the approval of these charges. All charges received should be reviewed by respective budget managers to ensure appropriateness. Any necessary corrections should be communicated to originating party and will be processed in arrears.

For Infrastructure and as required by NEER subsidiaries a manual invoice is generated monthly detailing the charges for the month. In addition a report is printed which details costs by WBS number as well as hours worked by employee for payroll related costs. These invoices are provided to the appropriate Infrastructure and NEER subsidiary managers by the 10th of the following month. Invoices are reviewed and upon approval by respective managers they are paid.

**G. Invoicing from Infrastructure to its subsidiaries, FPL, and NEER
for Services rendered by Infrastructure.**

On a monthly basis, for companies with a cash settling relationship, the Intercompany charges from Infrastructure to FPL, NEER, and other Infrastructure subsidiaries are systematically posted in SAP to the Infrastructure vendor on FPL, NEER, and other Infrastructure subsidiaries and to the FPL, NEER and other Infrastructure subsidiaries' customer on Infrastructure. The Intercompany charges are due the 20th of the following month.

For FPL and NEER, there are no manual invoices created and the payments are generated automatically in batch to pay on the due date. The RFPS process serves as the approval of FPL charges. All charges received should be reviewed by respective budget managers to ensure appropriateness. Any necessary corrections should be communicated to originating party and will be processed in arrears.

For Infrastructure subsidiaries which cash settle, a manual invoice is generated monthly detailing the charges for the month. In addition a report is printed which details costs by WBS number as well as hours worked by employee for payroll related costs. These invoices are provided to the appropriate Infrastructure subsidiary managers by the 10th of the following month. Invoices are reviewed and upon approval by respective managers they are paid.


	TRANSACTIONS WITH SUBSIDIARIES AND AFFILIATES POLICY AND PROCEDURE	Procedure #: 5.5
		Rev Date: 12/14/2011 Rev 3
		Responsibility: General Accounting

EXHIBIT A

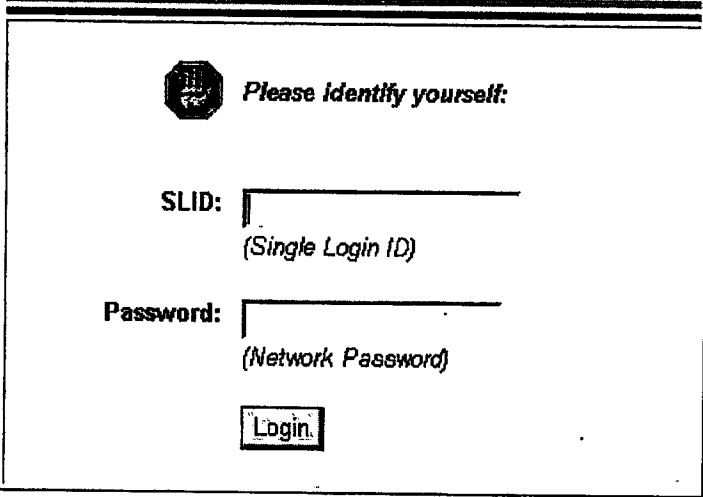
RFPS DATABASE - REQUEST FOR PERSONNEL SERVICES NEER TO FPL


REQUEST FOR PERSONNEL SERVICES (RFPS)

All services performed by NEER on behalf of FPL utility must be approved by the FPL Business Unit Management prior to commencement of such services through completion of the RFPS form.

Accessing Form

The FPL Utility employee requesting the service (Requester) should go to the "RFPS Database" application located on the applications page of the Corporate Portal. If the application is not accessible, contact the HELP desk to request a link. Before the application is launched you will be asked for your slid and network password. This is so the RFPS Database will recognize the person who is creating the RFPS.




 **Please identify yourself:**

SLID:
(Single Login ID)

Password:
(Network Password)

- The Requester will initiate the RFPS form by clicking on the "Create RFPS" button.

	TRANSACTIONS WITH SUBSIDIARIES AND AFFILIATES POLICY AND PROCEDURE	Procedure #: 5.5
		Rev Date: 12/14/2011 Rev 3
		Responsibility: General Accounting

Workspace | FPLE RPS Lookups - (WBSLook... | FPLE RFPs - RFPs Extract X

NextEra Energy, Inc.

FORMS
Request For Personnel Services (RFPs)

Create RFPs

View By IO

By Cost Center/WBS

View for Rejected

Co. Code	CC	FA	WBS	IO	Employee Name
1208		010		6170000142	Derek Palanchian
1208		010		6170000157	Andrew F Dunstan
1208		010		6170000142	Andrew F Dunstan
1208		010		6170000127	Andrew F Dunstan
1208		010		6170000120	Blanca A Torres
1208		010		6170000119	Holly A Govekar
1208		010		6150009221	Holly A Govekar
1208		010		6150009221	Holly A Govekar
1208		010		6150009222	Holly A Govekar
1208		010		6440000002	Holly A Govekar
1208		010		6150009001	Holly A Govekar
1208		010		6170000157	Andrew F Dunstan
1208		010		6170000321	
1250	227001	899			

REQUEST FOR PERSONNEL SERVICES

STATUS: New RFPs

Notes: Click on symbol to open sections

REQUEST FOR SERVICES:

Provide information for ALL fields.

Creation Date: 10/05/2011
Requester Name: Catherine Gibson

Select either Project or Cost Center to be charged.

To be charged:
☐ Project ☐ Cost Center ☐ Internal Order

Company Code:

Authorizer:

Functional Area:

Capitalized or Expensed?

Expensed

Description of Service Request:

Submit to Employee to complete work:

☒ Yes ☐ No

After selecting the SUBMIT button, this form will be sent via email to the person you entered in the submit to field.

Do you need to send a copy of form to another employee?

☐ Yes ☒ No

Submit

- The Requestor will provide information for all fields in the "Request for Services" section of the RFPs form. If the Requestor is unsure of how to answer any of the fields, contact the appropriate Business Manager, Project Controller or Resource Manager for further information.
- The Requestor will need the appropriate Internal Order Number to charge and the name of the NEER employee completing the work before initiating the RFPs form.

Charging an Internal Order


Instructions on charging an Internal Order are shown below.

The Requestor will provide the following information:

- Requester Phone number
- Select "Internal Order" button
- Enter Company Number of the Company requesting services (ex: FPL - 1500)
- Enter the Internal Order number

- Click on Validate Internal Order # button

Validate Internal Order #

	TRANSACTIONS WITH SUBSIDIARIES AND AFFILIATES POLICY AND PROCEDURE	Procedure #: 5.5
		Rev Date: 12/14/2011 Rev 3
		Responsibility: General Accounting

REQUEST FOR SERVICES:

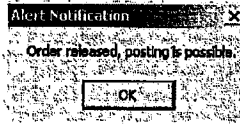
Provide information for ALL fields.

Creation Date:

Requester Name:

Requester Phone:

To be charged:

Cost Center ☐ Internal Order

Company Code:

(ex. 1500 for FPL)

Internal Order:

(you must click on the Validate Internal Order Button in order to continue with this request)

Authorizer:

1500

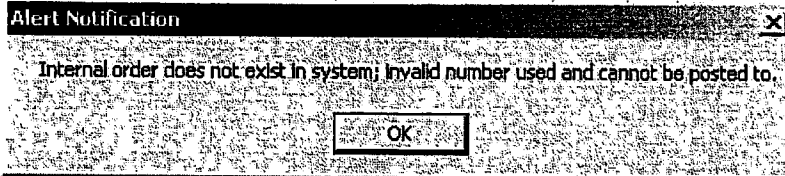
P00000554519

Validate Internal Order #


N/A

Please select an Authorizer

- If the Internal Order Number is valid it will return an Alert Notification: "Order released, posting is possible. Click on OK." If the Internal Order is not a valid number you will receive this notification:



- Choose the Authorizer for the Internal Order from the drop down list
- Description of Service Required field should contain as much detail as possible so the Authorizer understands the type of service being requested
- Use drop-down listing to select employee who will complete the work.
- A copy of the RFPS form can also be sent to another employee for informational purposes
- Click the "Submit" button to route RFPS form electronically to selected employee who will complete the next section of the RFPS form

	TRANSACTIONS WITH SUBSIDIARIES AND AFFILIATES POLICY AND PROCEDURE	Procedure #: 5.5
		Rev Date: 12/14/2011 Rev 3
		Responsibility: General Accounting

EMPLOYEE SECTION OF RFPS

EMPLOYEE:

Provide information for ALL fields.

Start Date:

08/24/2011 16

End Date:

08/31/2011 16

Estimated Hours

Will M&S be required for this service? ☐ Yes ☒ No (Materials i.e. Hard hats, parts, etc.)

Does this form need to be authorized by a supervisor? ☐ Yes ☒ No

SLID of employee to charge this account

SLID

XXXXXX

Employee Name:

Catherine Rose Gibson

Department:

General Accounting - Corporate

Phone Number:

681-891-7467

EMPLOYEE AUTHORIZATION:

Click on small button to Sign ———>
Then select the Approve button. This form
will then be forwarded to the requester for
final approval.

If this form is not approved then select the
REJECT button. An explanation for rejection
will be required when selecting this button.

Unsign

Title:

Signed by: Catherine Gibson/FPL Energy/FPL 08/24/2011

Senior Accounting Technician

- The employee will complete the Start and End Dates of the service to be performed
- Include estimated hours
- Determine if Material and Supplies will be required for the service
- Check if the form needs to be authorized by their supervisor
- The employee will then enter their SLID. The Employee Name, Department and Phone Number will automatically populate based on the SLID entered.
- The employee then signs the form and enters their job title.


After the RFPS form is approved by the employee, the RFPS will electronically route to the Authorizer listed in the "Request for Services" section.

- The Authorizer will complete the Authorization section as follows:
- Click on the "Edit Document" button located in the upper left hand corner of the



screen

- Review the RFPS form to verify that the appropriate Internal Order was selected

	TRANSACTIONS WITH SUBSIDIARIES AND AFFILIATES POLICY AND PROCEDURE	Procedure #: 5.5
		Rev Date: 12/14/2011 Rev 3
		Responsibility: General Accounting

- Select "Yes" if the employee will require travel or expense reimbursement privileges (selecting yes will also notify systems support to initiate set up of travel privileges for this employee in the SAP travel module)

- Sign the RFPS form by clicking on the gray button located next to "Sign" (this appears after the "Edit Document" button is selected)

Title:


Reason for Rejection:

Comments:

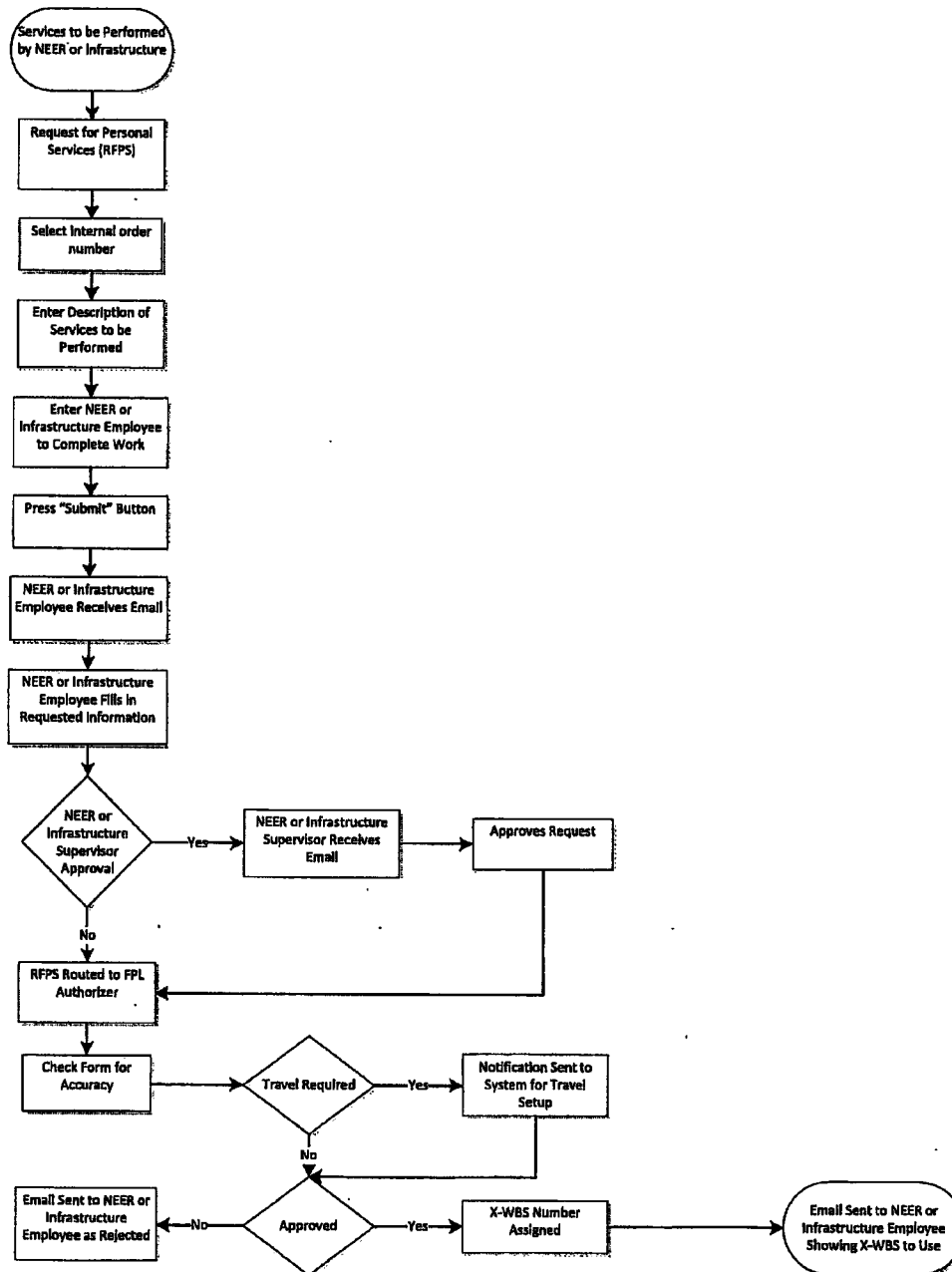
- Enter title
- Complete the RFPS form by clicking on the "Approve" or "Reject" button
- If approved, the NEER Master Data Group will be notified and instructed to assign a X-WBS number. An X-WBS number is set up with the employee's Company Code and the Internal Order number entered in the Request for Services section (Example: X-2000-6030000048).
- If rejected, an email is routed back to the employee with notification that the request was rejected.

Notification

An email is routed back to the employee with notification that the RFPS form was completed. If the RFPS form was approved, the notification will include the appropriate X-WBS number for the employee to charge their labor to.

	TRANSACTIONS WITH SUBSIDIARIES AND AFFILIATES POLICY AND PROCEDURE	Procedure #: 5.5
		Rev Date: 12/14/2011 Rev 3
		Responsibility: General Accounting

FPL REQUESTING SERVICES FROM NEER OR INFRASTRUCTURE WORKFLOW CHART



2011 Outbound Loader Rate Calculation

Summary -- with comparison against prior year

Last Revised 6/29/2011

		2011 Loader Rate (Effective 2/1/11)	2010 Loader Rate	Change
A	DIRECT CHARGE PAYROLL BASE	\$ 100.00	\$ 100.00	
B	NON PRODUCTIVE RATE (See page 2)	46.38%	0.00	46.38%
C	NON PRODUCTIVE COMPONENT	46.38	0.00	46.38
D	PAYROLL FRINGE BENEFIT RATE (See page 3)	15.55%	0.00%	15.55%
E	PAYROLL FRINGE BENEFIT COMPONENT	22.77	0.00	22.77
F	SPACE ALLOCATION RATE (See page 4)	7.13%	0.00%	7.13%
G	SPACE ALLOCATION COMPONENT	7.13	-	7.13
		\$	\$	\$
		100.00	100.00	-
		46.38	-	46.38
		22.77	0.00	22.77
		7.13	0.00	7.13
	TOTAL	\$ 176.28	\$ 100.00	\$ 76.28
H	COMPOSITE PAYROLL OVERHEAD RATE		0.00%	76.28%

[1] The FPLGR outbound Loader rate is for use when FPLGR employees lend their services outside of FPLGR and is incorporated in the external charging system process.

[2] This loader rate was first calculated and utilized beginning in 2011.

FPL Group Resources

2011 Outbound Loader Rate Calculation

Non Productive Rate Component

Pay Code	Description	2010	
		Total Amount	Non Productive
3258	Incentive	47,096	47,096
3351	Final Vacation Payout	580	580
3351	Final Vacation Payout	580	580
3355	Final Floating Holiday	386	386
3355	Final Floating Holiday	386	386
3668	Bonus Exec	112,000	112,000
9132	Holiday	2,115	2,115
9132	Holiday	5,929	5,929
9133	Vacation	15,865	15,865
9133	Vacation	12,038	12,038
9134	EE illness	1,465	1,465
9136	Floating Holiday	2,006	2,006
9137	Death in Family	546	546
1054	Time&Half OT Base	460	460
1055	Time&Half OT Premium	230	230
9000	Work Hours	178,750	178,750
9000	Work Hours	251,800	251,800
9001	40 Hour Min Check		
		631,267	431,240
		200,027	200,027
		Non Productive is a percentage of Productive	
		45.3%	

NOTES:

- [1] Information obtained from payroll for year ended 12/31/2010.
[a] Executive incentives are not included in pay code #3258 but in pay code #3668.
[b] Per discussion with compensation consultant Mercedes Demick, there was no recorded executive bonus compensation in 2010, but estimates it at \$175K for 2011. The 2010 base payroll information equates to an approximate 64% full-year equivalent (see below) due to the incurrence of the program and persons on boarded/departed midstream. Thus the equivalent executive bonus compensation is 54% of the full year amount or \$112K.

Employees	2010 Months	% of Year
Director Business Mgmt	9	75%
Business Mgmt Analyst	3	25%
Administrative Assistant	12	100%
President USITH	9.5	79%
Admin Tech	5	42%
Average	7.7	64%

2011 Outbound Loader Rate Calculation

Payroll Fringe Benefit Component

DESCRIPTION	SALARIES	FRINGE BENEFIT	%
(1) Salaries	\$ 631,267	\$ -	
(2) Benefits		96,093	15.22%
(3) Education Assistance		0	0.00%
(4) Workers Comp		2,083	0.33%
	\$ -	\$ 98,176	15.63%

- (1) Salary dollars include incentives and are based on prior year (2010) actuals.
- (2) Benefit dollars are based on prior year (2010) actuals and include the following:
- a) Thrift (401K);
 - b) Dental/Life/Medical Insurance;
 - c) Long Term Disability and Welfare
 - d) Payroll Taxes: Fica and FUTA/SUTA
- (3) Education assistance dollars (account #5340000) based on prior year (2010) actuals.
- (4) There was no workers compensation expense recorded for FPLGR in 2010. Per discussion with Norma Casaus in Risk Management, no payroll was listed/submitted for FPLGR at the time the payroll was reported to the underwriter for the renewal of the workers' comp insurance in September of 2010. The current average workers' compensation rate is \$0.33 per \$100 of payroll and the figure above was estimated using that rate.

FERC # Further Breakout

408.1	Fed Unemploy Tx (FUTA)	0.57%
408.1	State Unemploy Tx (SUTA)	0.12%
925	Worker's Comp Tx	0.33%
926	Pension & Welfare Load	8.04%
408.1	Social Security & Medicare Tax (FICA)	6.49%
		15.55%

2011 Outbound Loader Rate Calculation

Space Allocation Component

DESCRIPTION	Salaries	Overhead Costs	%
(1) Salaries	\$431,240	\$	
(2) Rent Expense Facility		25,285	5.86%
(2) Non Facility Rental		0	0.00%
(3) Office Supplies		5,135	1.19%
(3) Forms & Duplicating		331	0.08%
	<u>\$ 431,240</u>	<u>\$ 30,751</u>	<u>7.13%</u>

NOTES:

- (1) Productive compensation component — see page 2.
 (2) Facility and non facility rental dollars based on prior year (2010 Nov/Dec) actuals for USTH (which is the subsidiary where the costs were held for FPLGR) adjusted to an equivalent partial year basis. Accounts #5440000 and #5440100.
 (3) Office Supplies and Forms & Duplicating based on prior year (2010) actuals for FPLGR specific costs in FPLGR and actuals in USTH (which is the subsidiary where a portion of the costs were held for FPLGR) Accounts #5760000, 5760100, 5760300, 5760350, 5760500.

NextEra Energy Resources 2011
Loader Rate

THE FOLLOWING CALCULATION DETERMINES THE OVERHEAD RATE USED BY NEXTERA ENERGY RESOURCES TO CHARGE THE UTILITY. THIS IS FOR WORK PERFORMED BY NEXTERA ENERGY RESOURCES FOR FPL AND IS APPLIED TO DIRECT LABOR CHARGES.

		2011 Loader Rate (effective 3/1/11)
A	DIRECT CHARGE PAYROLL	\$ 100.00
B	NON PRODUCTIVE (see note B below)	
C	NON PRODUCTIVE RATE	32.36%
		<u>32.36</u>
		<u>132.36</u>
D	PAYROLL FRINGE BENEFIT (see note D below)	
E	PAYROLL FRINGE BENEFIT RATE	16.42%
		<u>21.74</u>
F	SPACE ALLOCATION (see note F below)	
G	SPACE ALLOCATION RATE	12.29%
		<u>\$ 16.26</u>
		<u>16.26</u>
		<u>170.35</u>
		<u>70.36%</u>
		<u>70.36%</u>

SUMMARY

NON PRODUCTIVE RATE	C
PAYROLL FRINGE BENEFIT RATE	E
SPACE ALLOCATION RATE	G
TOTAL	C+ E+ G

H COMPOSITE PAYROLL OVERHEAD RATE

NextEra Energy Resources 2011
Loader Rate

THE FOLLOWING CALCULATION DETERMINES THE OVERHEAD RATE USED BY NEXTERA ENERGY RESOURCES TO CHARGE THE UTILITY. THIS IS FOR WORK PERFORMED BY NEXTERA ENERGY RESOURCES FOR FPL AND IS APPLIED TO DIRECT LABOR CHARGES.

	2011 Loader Rate (effective 3/1/11)	2010 Loader Rate	Change
A DIRECT CHARGE PAYROLL	\$ 100.00	\$ 100.00	
B NON PRODUCTIVE (see note B below)			
C NON PRODUCTIVE RATE	32.36%	33.14	\$ (0.78)
		133.14	(0.78)
D PAYROLL FRINGE BENEFIT (see note D below)			
E PAYROLL FRINGE BENEFIT RATE	16.42%	17.90%	-1.48%
	21.74	23.84	(2.10)
F SPACE ALLOCATION (see note F below)			
G SPACE ALLOCATION RATE	12.29%	12.10%	0.19%
	\$ 16.26	\$ 16.11	0.15
<u>SUMMARY</u>			
NON PRODUCTIVE RATE	\$ 132.36	\$ 133.14	\$ (0.78)
PAYROLL FRINGE BENEFIT RATE	21.74	23.84	(2.10)
SPACE ALLOCATION RATE	16.26	16.11	0.15
TOTAL C+E+G	\$ 170.35	\$ 173.09	\$ (2.74)
H COMPOSITE PAYROLL OVERHEAD RATE	70.36%	73.09%	-2.73%

NOTES

B NON PRODUCTIVE CALCULATION
D PAYROLL FRINGE BENEFIT CALCULATION
F SPACE ALLOCATION CALCULATION

including non productive	on direct labor	
32.36%	32.36%	(see pages 2 for calculation)
21.74%	16.42%	(see page 3 for calculation)
16.26%	12.29%	(see page 4 for calculation)
70.36%	61.07%	

Non Productive Rate Calculation

	<u>Pay Code</u>	<u>Description</u>	<u>Total Amount</u>	<u>Productive</u>	<u>Non Productive</u>	<u>%</u>
	1000	Regular Hours	479,807.56	479,807.56		Productive
	1001	Temp Relieving/Upgrade	1,680.45	1,680.45		Productive
	1005	Straight OT	1,306,515.08	1,306,515.08		Productive
	1020	Lt Duty OTJ Injury Str	127.50	127.50		Productive
	1031	Regular OT Premium	11.07	11.07		Productive
	1032	Temp Rel/Upgrade OT Base	202.93	202.93		Productive
	1033	Temp Rel/Upgrade OT Prem	101.78	101.78		Productive
	1054	Time&Half OT Base	193,228.08	193,228.08		Productive
	1055	Time&Half OT Premium	96,768.05	96,768.05		Productive
	1080	Double OT Base	198.28	198.28		Productive
	1081	Double OT Premium	198.28	198.28		Productive
	1082	Temp Rel/Upgrade DT Base	75.65	75.65		Productive
	1083	Temp Rel/Upgrade DT Prem	75.65	75.65		Productive
	3228	LTA Diff	387,870.00	387,870.00		Productive
	9000	Work Hours	3,050,082.00	3,050,082.00		Productive
	9000	Work Hours	70,347,117.18	70,347,117.18		Productive
	9001	40 Hour Min Check	0.00	0.00		Productive
	1131	Sickness in Family	3,893.39		3,893.39	0.01% Non Productive
	1132	Holiday	11,579.43		11,579.43	0.02% Non Productive
	1133	Vacation	29,184.79		29,184.79	0.04% Non Productive
	1134	Employee Illness	3,816.04		3,816.04	0.01% Non Productive
	1135	Jury Duty	156.69		156.69	0.00% Non Productive
	1136	Floating Holiday	3,829.49		3,829.49	0.01% Non Productive
	1139	Absence -Other Paid	936.19		936.19	0.00% Non Productive
	1143	Rest Time	50.20		50.20	0.00% Non Productive
	1144	STD 100% Salary	82,717.21		82,717.21	0.11% Non Productive
	1145	STD 80% Salary	(6,372.66)		(6,372.66)	-0.01% Non Productive
	1146	STD 60% Salary	(15,087.56)		(15,087.56)	-0.02% Non Productive
(3)	3214	Perf Incent 401k/Pen	0.00		0.00	0.00% Non Productive
(3)	3217	Perf Incentive	0.00		0.00	0.00% Non Productive
	3254	Ex Incentv Supp	0.00		0.00	0.00% Non Productive
(2)	3258	Incentive	12,902,659.00		12,902,659.00	17.01% Non Productive
	3309	Misc Eam Supp	25,000.00		25,000.00	0.03% Non Productive
	3310	Retention Payment	1,219,000.00		1,219,000.00	1.61% Non Productive
	3313	Lump Sum Pay	29,945.10		29,945.10	0.04% Non Productive
	3314	Lump Sum-No 401(k)	44,820.22		44,820.22	0.06% Non Productive
	3351	Final Vacation Payout	252,698.77		252,698.77	0.33% Non Productive
	3355	Final Floating Holiday	27,447.70		27,447.70	0.04% Non Productive
(1)	3358	Unused Vacation Pay	18,435.71		18,435.71	0.02% Non Productive
	3668	Bonus Exec	598,803.63		598,803.63	0.79% Non Productive
	9131	Sickness in Family	170,489.81		170,489.81	0.22% Non Productive
	9132	Holiday	121,715.71		121,715.71	0.16% Non Productive
	9132	Holiday	2,706,894.88		2,706,894.88	3.57% Non Productive
	9133	Vacation	288,019.98		288,019.98	0.38% Non Productive
	9133	Vacation	4,589,645.30		4,589,645.30	6.05% Non Productive
	9134	EE Illness	131,461.68		131,461.68	0.17% Non Productive
	9134	EE Illness	429,333.52		429,333.52	0.57% Non Productive
	9135	Jury Duty	18,194.52		18,194.52	0.02% Non Productive
	9136	Floating Holiday	24,667.87		24,667.87	0.03% Non Productive
	9136	Floating Holiday	569,742.06		569,742.06	0.75% Non Productive
	9137	Death in Family	72,374.22		72,374.22	0.10% Non Productive
	9139	Other Absences	142,145.40		142,145.40	0.19% Non Productive
	9143	Rest Time	675.92		675.92	0.00% Non Productive
	9145	S/T Disb 80%	25,490.69		25,490.69	0.03% Non Productive
	9146	S/T Disb 60%	22,631.35		22,631.35	0.03% Non Productive
			<u>100,410,763.79</u>	<u>75,863,857.54</u>	<u>24,546,896.25</u>	<u>32.36% B</u>

Unless otherwise indicated, all above data for NextEra Energy Resources and NextEra Energy Project Management were obtained from payroll for year ended 12/31/2010.

- (1) Dollars obtained from executive bonus calculation (see page 5 review)
(2) Dollars do not include any executive incentives
(3) Excluded dollars based on NextEra Energy Human Resources recommendations

NextEra Energy Resources 2011
Loader Calculation

Payroll Fringe Benefit Calculation

DESCRIPTION	NEXTERA ENERGY RESOURCES Company 10			NEXTERA ENERGY PROJECT MANAGEMENT Company 12			Company 10 and 12 Combined		
	SALARIES	FRINGE BENEFIT	%	SALARIES	FRINGE BENEFIT	%	SALARIES	FRINGE BENEFIT	%
(1) Salaries	\$ 93,769,369	\$ -		\$ 11,601,138	\$ -		\$ 105,370,507	\$ -	
(2) Benefits		15,871,128	16.93%		1,048,312	9.04%		16,919,439	16.06%
(3) Education Assistance		173,900	0.19%		0	0.00%		173,900	0.17%
(4) Workers Comp		212,180	0.23%		0	0.00%		212,180	0.20%
	<u>\$ 93,769,369</u>	<u>\$ 16,257,208</u>	<u>17.34%</u>	<u>\$ 11,601,138</u>	<u>\$ 1,048,312</u>	<u>9.04%</u>	<u>\$ 105,370,507</u>	<u>\$ 17,305,519</u>	<u>16.42% D</u>

- (1) Salary dollars include incentives and are based on 2011 plan
 (2) Benefit dollars include payroll taxes, insurance, long term disability & employer thrift and are based on 2011 plan (see page 6)
 (3) Education assistance dollars were obtained from HR education and training departmental budget and are based on 2011 plan
 (4) Workers compensation dollars provided by Kelley Fernandez

All Data obtained from SAP BW 2011 Gross Plan Report (except where noted).

NextEra Energy Resources 2011
Loader Calculation

Space Allocation Calculation

DESCRIPTION	Salaries	Overhead Costs	%
(1) Salaries	\$75,863,858	\$ -	
(2) Facility I/C Rental		5,459,893	7.20%
(2) Non Facility Rental		540,790	0.71%
(3) Office Supplies		428,611	0.56%
(3) Forms & Duplicating		121,967	0.16%
(4) Computer Hardware Annual Cost		2,769,117	3.65%
	<u>\$ 75,863,858</u>	<u>\$ 9,320,377</u>	<u>12.29% F</u>

- (1) Salary dollars are for NextEra Energy Resources and NextEra Energy Project Management and were obtained from 2010 actuals productive totals.
 (2) I/C Facility and I/C non facility rental dollars were obtained from SAP NextEra Energy Resources Corporate 2010 actuals
 (3) Office supplies and forms & duplicating dollars were obtained from SAP NextEra Energy Resources Corporate 2010 actuals
 (4) See computer hardware spreadsheet for calculation (page 7)

NextEra Energy Resources 2011
Loader Calculation

	Total Productive \$ 349,709,104 (1)	Executive Bonus \$ 2,760,301 (2)	Amount to use in Non Productive Calculation
NextEra Energy Resources	54,769,173	432,300.45	432,300.45
NextEra Energy Project Mgmt	21,094,884	166,503.18	166,503.18
NextEra Energy Maine Operating Services	10,115,182	79,940.49	
NextEra Energy Operating Services	71,803,551	566,755.09	
NextEra Energy Power Marketing	27,176,538	214,523.86	
NextEra Energy Seabrook	58,166,910	459,040.31	
NextEra Energy New Mexico Operating Services	615,112	4,855.16	
NextEra Energy Duane Arnold	40,688,405	321,159.06	
Windlogics	3,960,750	31,262.74	
GEXA Energy LP	12,043,691	95,062.48	
NextEra Energy Point Beach	49,283,106	388,998.18	
	<u>\$ 349,709,104</u>	<u>\$ 2,760,301.00</u>	<u>\$ 598,803.63</u>

- (1) Total "productive" dollars for all NextEra Energy Resources companies based on wage type. Data obtained from HR payroll.
(2) Senior executive incentive dollars for NextEra Energy Resources (excludes PMI).

Purpose of this calculation is to allocate executive bonus to all companies. This was accomplished by dividing executive incentive dollars by total productive dollars for each company. The dollar value of \$598,803.63 obtained from the above calculation was used as the basis for the "non productive rate" analysis in lieu of the total executive bonus dollar value. The determining factor for not using the total executive bonus dollar value of \$2,760,301 is because executive's benefit all companies. The dollar percentage for NextEra Energy Resources and NextEra Energy Project Mgmt. are used in the non productive calculation. It seems reasonable to only use the executive bonus dollars relative to these two companies.

NextEra Energy Resources 2011
Loader Calculation

NextEra Energy Resources
Employee Benefits Components
For the Payroll Fringe Benefit Rate

Category	Description
<u>Thrift (401k)</u>	
Employer	Thrift Plan
<u>Insurance</u>	
Dental	Dental Insurance
Life	Life Insurance
Medical	Medical Insurance
<u>Other</u>	
Long Term Disability	Employee Ben - LT Disability
<u>Payroll Taxes</u>	
FICA	Social Security & Medicare (FICA)
Unemployment	Federal Unemployment Insurance

NextEra Energy Resources
Computer Hardware Equipment - Annual Cost
For the Year Ended December 2010

GROSS COMPUTER HARDWARE	\$ 9,786,664.54
LESS: ACCUMULATED DEPRECIATION	(5,674,707.09)
NET COMPUTER HARDWARE (NBV)	<u>\$ 4,111,957.45</u>

COST COMPONENT	BASE	X	RATE	=	AMOUNT
DEPRECIATION					\$ 1,786,692.71
PROPERTY TAX	\$ 9,786,664.54		2.189%		214,230.09
PROPERTY INSURANCE	\$ 9,786,664.54		0.0940%		9,199.46
COST OF CAPITAL	\$ 4,111,957.45		18.41%		756,995.06
ANNUAL COST					\$ 2,769,117.32

Rate Component Variables Listed Below:
Asset Values for PC Hardware Owned by NextEra Energy Resources and physically located in Juno.

Basis for Values and Rates:

(1) COMPUTER HARDWARE, TOTAL COST	\$ 9,786,664.54	NextEra Energy Resources 12/31/2010 Year End Value (Kelley Fernandez)
(1) NET COMPUTER HARDWARE (NBV)	\$ 4,111,957.45	NextEra Energy Resources 12/31/2010 Year End Value (Kelley Fernandez)
(1) DEPRECIATION	\$ 1,786,692.71	NextEra Energy Resources 2010 Actual Expense (Kelley Fernandez)
REAL PROPERTY TAX	2.189%	NextEra Energy Resources Overall Rate (Mona Coates/Corp Tax)
PROPERTY INSURANCE	0.0940%	NextEra Energy Resources Overall Rate (Norma Casasus/Risk Mgmt)
COST OF CAPITAL	18.41%	NextEra Energy Resources 2010 Pretax Return on Invested Capital
		= 0.158 + (0.010 * 3832), Estimated rates -
	15.8%	Actual NextEra Energy Resources Return on Equity (MJ Veary)
	38.32%	Actual NextEra Energy Resources Effective Tax Rate (Nicole Browne)
ANNUAL COST	\$ 2,769,117.32	Sum of Deprec., Tax, Ins. And Cost of Capital.

(1) Dollars obtained from SAP fixed asset reports.

Last Updated: 01/24/11
Completed: 01/24/11
Approved: CHR 1/24/11

Florida Power & Light Company
Pension, Welfare, Taxes & Insurance Rate
For Year Ended December 2011
For Payroll Loading

Code	Description	Internal or Total TPL	External or Current CPL	2011 Rates		Used in WO
				TPL	CPL	
408.115	Fed Unemploy Tx (FUTA)			0.3%	0.2%	0.3
408.120	State Unemploy Tx (SUTA)			1.0%	0.7%	1
925.103	Worker's Comp Tx			4.0%	2.8%	4
926.122	Pension & Welfare Load			59.0%	71.3%	59
408.125	Social Security & Medicare Tax (FICA)			35.7%	25.0%	35.7
				100.0%	100.0%	100

For Payroll Loading		Internal or Total	External or Current
Code	Description	TPL	CPL
Pension & Welfare			
FPW	Funded Pension & Welfare	13.49%	13.49%
UPW	Unfunded Pension & Welfare	-2.54%	5.41%
Total P & W		10.95%	18.90%
Taxes & Insurance			
FICA	Social Security & Medicare (FICA)	6.63%	6.63%
FUTA	Federal Unemployment	0.06%	0.08%
SUTA	State Unemployment	0.18%	0.18%
WCIP	Workers' Compensation	0.74%	0.74%
Total T & I		7.61%	7.61%
Total PWTI Rate		18.56%	26.51%

Florida Power & Light Company
 Affiliate Billing Rate
 Forecasted for the Year Ended December 2011

Last Updated: 3/18/2011
 Complete: Yes
 Approved: JQ 3/18/2011

Docket No. 40020
 Exhibit CLD-3C
 Page 2 of 2

Line	Description of Rate Component	Loading Rate	Calc	Amount	% of Loader
COMPONENTS OF RATE					
A	PRODUCTIVE PAYROLL			\$100.00	
B	NON-PRODUCTIVE	23.35%	OF A	\$23.35	33.81%
C	TOTAL PAYROLL PROD + NON PROD		A + B	\$123.35	
D	A & G PAYROLL	9.79%	OF C	\$12.07	17.48%
E	TOTAL PAYROLL		C + D	\$135.42	
F	TAXES & INSURANCE	7.61%	OF E	\$10.31	14.92%
G	PENSION & WELFARE	10.95%	OF E	\$14.83	21.47%
H	A & G EXPENSES	6.89%	OF C	\$8.50	12.31%
I	BILLING RATE / AMOUNT			\$169.06	100.00%

RECAP

I	BILLING AMOUNT	I	\$169.06
A	PRODUCTIVE PAYROLL	A	(\$100.00)
J	LOADING AMOUNT	(I - A)	\$69.06
J	LOADING AMOUNT	J	\$69.06
A	DIVIDED BY: PRODUCTIVE PAYROLL	A	\$100.00
K	EQUALS: BILLING RATE	(J / A)	69.06%

Direct Charges Affiliate Credit Loadings Distribution Percentage Breakdown		%
408.115 Fed Unemploy Tx (FUTA)		0.12%
408.120 State Unemploy Tx (SUTA)		0.35%
925.103 Worker's Comp Tx		1.45%
922.130 A&G Expenses & Non-produc		63.60%
926.122 Pension & Welfare Load		21.47%
408.125 Social Security & Medicare Tax (FICA)		13.00%
Allocation Total		100.00%

Loaded in WO

0.1
 0.4
 1.4
 63.6
 21.5
 13.0

13.47% ET Q
 86.53% ET 1

Lone Star Transmission

2011 Outbound Loader Rate Calculation

Summary – with comparison against prior year

Last Revised 5/6/2011

2011
Loader Rate
(Effective 2/1/11)

A	DIRECT CHARGE PAYROLL BASE		\$	100.00
B	NON PRODUCTIVE RATE (See page 2)			25.36%
C	NON PRODUCTIVE COMPONENT	B * A		25.36
D	PAYROLL FRINGE BENEFIT RATE (See page 3)			13.71%
E	PAYROLL FRINGE BENEFIT COMPONENT	D * (A+C)		17.18
F	SPACE ALLOCATION RATE (See page 4)			33.48%
G	SPACE ALLOCATION COMPONENT	F * A	\$	33.48
SUMMARY				
	DIRECT CHARGE BASE		\$	100.00
	NON PRODUCTIVE RATE			25.36
	PAYROLL FRINGE BENEFIT RATE			17.18
	SPACE ALLOCATION RATE			33.48
	TOTAL		\$	176.03
H	COMPOSITE PAYROLL OVERHEAD RATE			76.03%

NOTES:

- [1] The LoneStar outbound Loader rate is for use when Lone Star employees lend their services outside of Lonestar and is incorporated in the external charging system process.
[2] This loader rate was first calculated and utilized beginning in 2011.

Lone Star Transmission

2011 Outbound Loader Rate Calculation

Non Productive Rate Component

Non Productive
Non Productive
Non Productive
Non Productive
Non Productive
Non Productive
Non Productive
Non Productive
Non Productive
Productive
Productive
Productive
Productive

NOTES:

[1] Information obtained from payroll for year ended 12/31/2010.

[a] Executive incentives are not included in pay code #3258 but in pay code #3668.

[b] Per discussion with HR compensation consultant, there are no "executives" in LoneStar and thus no executive incentive breakout.

Lone Star Transmission
2011 Outbound Loader Rate Calculation
Payroll Fringe Benefit Component

DESCRIPTION	SALARIES	FRINGE BENEFIT	%
(1) Salaries	\$ 850,687	\$ -	
(2) Benefits		113,803	13.38%
(3) Education Assistance		0	0.00%
(4) Workers Comp		2,807	0.33%
	<u>\$ -</u>	<u>\$ 116,610</u>	<u>13.71%</u>

- (1) Salary dollars include incentives and are based on prior year (2010) actuals.
- (2) Benefit dollars are based on prior year (2010) actuals and include the following:
- a) Thrift (401K);
 - b) Dental/Life/Medical Insurance;
 - c) Long Term Disability and Welfare
 - d) Payroll Taxes: Fica and FUTA/SUTA
- (3) Education assistance dollars (account #5340000) based on prior year (2010) actuals.
- (4) There was no workers compensation expense recorded for LoneStar in 2010. Per discussion with Risk Management, no payroll was listed/submitted for LoneStar at the time the payroll was reported to the underwriter for the renewal of the workers' comp insurance in September of 2010. The current average workers' compensation rate is \$0.33 per \$100 of payroll and the figure above was estimated using that rate.

FERC #	Further Breakout	
408.1	Fed Unemploy Tx (FUTA)	0.11%
408.1	State Unemploy Tx (SUTA)	0.32%
925	Worker's Comp Tx	0.33%
926	Pension & Welfare Load	5.45%
408.1	Social Security & Medicare Tax (FICA)	7.50%
		13.71%

Lone Star Transmission
2011 Outbound Loader Rate Calculation
Space Allocation Component

DESCRIPTION	Salaries	Overhead Costs	%
(1) Salaries	\$678,573	\$	
(2) Facility I/C Rental		27,137	4.00%
(2) Non Facility Rental		66,622	9.82%
(3) Office Supplies		70,543	10.40%
(3) Forms & Duplicating		1,390	0.20%
(4) Texas Office Non-Lease Annual Cost		61,494	9.08%
	<u>\$ 678,573</u>	<u>\$ 227,186</u>	<u>33.48%</u>

NOTES:

- (1) Productive compensation component -- see page 2.
(2) I/C Facility and I/C non facility rental dollars based on prior year (2010) actuals. Accounts #5440000 and #5440100.
(3) Office Supplies and Forms & Duplicating based on prior year (2010) actuals. Accounts #5760000, 5760100, 5760300, 5760350, 5760500.
(4) Annual Cost computed as follows:

Gross Texas Office Furniture & Equipment	206,731
Accumulated Depreciation	- [a]
Net Texas Office Furniture & Equipment	<u>206,731</u>

COST COMPONENT	BASE	X	RATE	=	AMOUNT
Depreciation					\$ 41,346 [a]
Property Tax	\$ 206,731		2.317%		\$ 4,790 [b]
Property Insurance	\$ 206,731		0.0940%		\$ 194 [c]
Cost of capital	\$ 206,731		7.34%		\$ 15,164 [d]
					<u>\$ 61,494</u>

[a] Furniture and equipment associated with the Texas LoneStar office is in the process of being broken out separately from total LoneStar CWIP and moved to general plant FERC #391 and depreciated. Annual depreciation estimated for this initial calculation using straight line over 5 years average life.

[b] Property tax rate obtained from Tax manager.

[c] Property insurance rate obtained from risk management.

[d] Cost of capital is the blended cost of capital per Lone Stars AFUDC computation.

**AMENDED & RESTATED
CORPORATE SUPPORT SERVICES AGREEMENT**

This Amended & Restated Corporate Support Services Agreement (the "Agreement"), dated as of November 9, 2011 (the "Effective Date"), is entered into by and between NextEra Energy Transmission, LLC, a Delaware limited liability company, successor to U.S. Transmission Holdings, LLC ("Provider"), and Lone Star Transmission, LLC, a Delaware limited liability company ("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 and Company previously entered into that certain Corporate Support Services Agreement dated June 30, 2011 (the "Original Agreement");

WHEREAS, Provider and Company wish to amend and restate the Original Agreement;

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 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 Original Agreement is hereby amended and restated 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 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 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, Company 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 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 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, Company shall ensure that Corporate Support Services do not include any services prohibited by Company'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 Company 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 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. Provider shall, at the Company's expense, (a) comply with the Company's instructions relating to adherence to the Company's Code of Conduct (a copy of which has been previously delivered to Provider) as such code may be modified from time to time (the "Code of Conduct"), (b) work with the Company to comply with all additional Code of Conduct requirements imposed upon Company by the PUCT or by Applicable Law (provided Company informs Provider of such additional requirements), and (c) at Company's

request, ensure that each of its employees providing Corporate Support Services to Company receive training in the Company'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 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 Company as it pertains to this Agreement shall be the exclusive responsibility of the Company, and, to the extent that Company requests that Provider comply with any such interpretation, the Company shall bear the expense of or otherwise indemnify Provider (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. As consideration 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 or by an allocation method using allocation factors approved by applicable regulatory authorities. 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 performed at a similar level of volume.

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 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

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 from and against any and all Liabilities claimed or asserted against Company 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.

(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. The Company shall have the right, at Company's expense, to engage independent auditors to perform a periodic audit of Provider's books and records to verify the Company's compliance with Substantive Rule 25.272 of the PUCT. The Provider shall reasonably cooperate with any Company audit conducted or required by the PUCT in connection with this Agreement.

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.

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

Provider: NextEra Energy Transmission, LLC
700 Universe Boulevard
Juno Beach, Florida 33408-0428
Attention: President
Telephone: 561-691-7087

With copy to: NextEra Energy Transmission, LLC
700 Universe Boulevard
Juno Beach, Florida 33408-0428
Attention: General Counsel
Telephone: 561-691-7151

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 conditioned, 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) Company 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 Company to Provider hereunder. In the event of such security assignment, Provider will execute for the benefit of such Secured Party a consent and agreement in a form reasonably satisfactory to Provider.

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

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 Texas without regard to its conflict of laws principles. Any disputes resulting in litigation between the parties shall be conducted in the state or federal courts located in Travis County, Texas. TO THE EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT EITHER OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT.

Section 10.10 Entire Agreement. This Agreement and all exhibits and schedules hereto constitutes 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 Grable
Title: President

NEXTERA ENERGY TRANSMISSION, LLC

By _____
Name: Eric Gleason
Title: President

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 Grable
Title: President

NEXTERA ENERGY TRANSMISSION, LLC

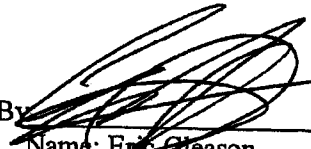
By  _____
Name: Eric Gleason
Title: President

EXHIBIT A

SCOPE OF CORPORATE SUPPORT SERVICES

Business Management Services

Provider will provide the following business management services to Company:

- (1) Executive oversight and strategic direction for business planning, development, and operations.
- (2) Development and implementation of strategies, processes, and policies for financial planning and forecasting, affiliate transactions, corporate compliance, and business activities.
- (3) Corporate financial, due diligence, and business reporting.
- (4) Financial transaction monitoring.
- (5) Preparation of debt funding estimates.
- (6) Assistance with the preparation of cost projections, estimates and annual five year plans.
- (7) Assistance with the preparation and execution of regulatory filings.

Business Services

Provider will provide the following business services to Company:

- (1) Strategic and business planning.
- (2) Roll-out of business plan.
- (3) Strategic planning in support of development.
- (4) Project management for rate case development and filing.
- (5) Process management system that ensures replication of each operational process.
- (6) Review of regulatory compliance filings to ensure they are completed timely and accurately.
- (7) Formulation and administration of quality program.
- (8) Establishment of "Operating Model" framework.
- (9) Research and analysis of legislative impact.

Transmission Operations

Provider will provide the following operations services to Company:

- (1) Provide standardized operations process implementation support.
- (2) Development and implementation of strategies, processes, and policies for system operation and compliance processes.
- (3) Provide operations and maintenance process oversight and implementation support
- (4) Support field asset maintenance standardization and support processes
- (5) Support implementation of transmission operations processes and procedures and documentation in Operational Model

**AMENDED & RESTATED
CORPORATE SUPPORT SERVICES AGREEMENT**

This Amended & Restated Corporate Support Services Agreement (the "Agreement"), is dated as of November 9, 2011 (the "Effective Date"), between NextEra Energy Resources, LLC, a Delaware limited liability company ("Provider"), and Lone Star Transmission, LLC, a Delaware limited liability company ("Company"). Provider and Company are sometimes referred to herein as a "Party" and, collectively known as the "Parties".

RECITALS

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

WHEREAS, Provider and Company previously entered into that certain Corporate Support Services Agreement dated January 1, 2010 (the "Original Agreement");

WHEREAS, Provider and Company wish to amend and restate the Original Agreement;

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 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 Original Agreement is hereby amended and restated 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.

"Competitive Affiliate" means an affiliate of a utility that provides services or sells products in a competitive energy-related market in Texas, including telecommunications services, to the extent those services are energy-related.

"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 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 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, Company 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, Company shall ensure that Corporate Support Services do not include any services prohibited by Company'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 Company 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. Provider shall, at the Company's expense, (a) comply with the Company's instructions relating to adherence to the Company's Code of Conduct (a copy of which has been previously delivered to Provider) as such code may be modified from time to time (the "Code of Conduct"), (b) work with the Company to comply with all additional Code of Conduct requirements imposed upon Company by the PUCT or by Applicable Law (provided Company informs Provider of such additional requirements), and (c) at Company's request, ensure that each of its employees providing Corporate Support Services to Company receive training in the Company'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 Company as it pertains to this Agreement shall be the exclusive responsibility of the Company, and, to the extent that Company requests that Provider comply with any such interpretation, the Company shall bear the expense of or otherwise indemnify Provider (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 or by an allocation method in accordance with the Affiliate Management Fee Policy set forth in Exhibit B. 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 shall render a monthly invoice to Company for such costs and expenses, based either on the actual recorded costs or the allocated amount, depending on the agreed applicable pricing for each such service. Each monthly invoice shall include supporting documentation as requested by Company. Each monthly invoice shall be rendered on or about the tenth day of the calendar month following the calendar month in which the Corporate Support Services were performed and payment thereof shall be due on or before the last day of the calendar month in which the invoice is rendered.

(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.

Section 6.3 Competitive Bidding. When applicable, Company shall conduct competitive bidding with Competitive Affiliates in accordance with the requirements of Substantive Rule 25.272 of the PUCT.

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.

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 Company shall have the right, at Company's expense, to engage independent auditors to perform a periodic audit of Provider's books and records to verify the Company's compliance with Substantive Rule 25.272 of the PUCT. The Provider shall reasonably cooperate with any Company audit conducted or required by the PUCT in connection with this Agreement.

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.

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