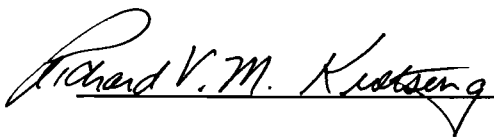


## Settlement Agreement– Distribution Dispatch

This Settlement Agreement (“Agreement”) is agreed to between Florida Power Company (“Company”) and the IBEW System Council U-8 (“Union”) in an effort to resolve longstanding disputes involving the issues remaining after the arbitrator’s Award in the Reeves Arbitration (FMCS 99-08462). This Agreement is agreed to on a non-precedent, non-prejudicial basis.

1. The Company will post five net new Distribution Dispatcher positions in April 2002. These positions will be located at the new Distribution Dispatch center in St. Petersburg. The Company will continue and not abolish any of these new positions, or any other Distribution Dispatch positions located in St. Petersburg, at least until December 1, 2003. Although the Company does not currently intend on abolishing any of these positions at that time, it may make such changes, and determine future staffing levels after December 1, 2003 at its sole discretion.
2. This Agreement resolves all outstanding issues arising out of the Reeves Arbitration (FMCS 99-0842). The Union agrees not to process any future grievances over the Company’s not filling positions in the Service Dispatcher classification, at least until December 1, 2003.

For the Company:



For the Union:



Date: April 3, 2002