

Memorandum of Understanding – Special Voluntary Reverse Seniority Layoffs

This Memorandum of Understanding (“Memorandum”) is agreed to between Florida Power Company (“Company”) and the IBEW System Council U-8 (“Union”). As set out below, it provides an opportunity for eligible senior employees in the Fossil and Nuclear Business Units of the Company voluntarily to elect layoff with severance, thereby allowing other employees who do not wish to be laid off to remain employed. The terms of this Memorandum are as follows:

1. This Memorandum covers only layoffs that are to take place in the Company’s Fossil Business Unit and the Crystal River Nuclear Plant (the “Impacted Locations”). Specifically, for the purpose of this Memorandum Fossil Business Unit means only the operations at the plants at Anclote, Bartow, Suwannee, and Crystal River 1 and 2, and 4 and 5 (including the Coal Yard), and the System Maintenance Crews (Travel, North Site and South Site).
2. The opportunity presented in this Memorandum is intended as a one-time only opportunity, based upon the unique circumstances surrounding the impending job reductions in the Fossil Business Unit and those taking place at the Crystal River Nuclear Plant. This Memorandum covers only job reductions occurring at the Impacted Locations in the years 2001 and 2002.
3. The Company has announced job reductions in the following job classifications at the Crystal River Nuclear Plant:
 - Nuclear Certified Welder Mechanic
 - Nuclear Mechanic
 - Nuclear Technical Support Technician
 - Nuclear Waste Systems Technician
4. The Company has also determined that job reductions will be necessary in the following job classifications in the Fossil Business Unit:
 - Chief Operator
 - Assistant Plant Operator
 - Laborer
 - Chief Electrician (SM)
 - Master Mechanic (SM)
 - Certified Welder Mechanic (NS and SM)
 - Mechanic (NS and SM)
 - Mechanic Apprentice (NS and SM)
 - Control Technician (SM)
 - Electrician (SM)
 - Laboratory Technician

- Fuel Equipment Operator
- Fuel Handler

5. In addition, the Company may add to or delete from the above classifications for any additional job reductions not now contemplated that may be considered in 2002.
6. Any bargaining unit employee who is employed in one of the classifications set out in Paragraphs 3 and 4 or who is employed in the line of progression of any of these classifications (together "the Eligible Classifications"), is eligible to make an election to receive severance pay in accordance with the terms of Article III, Section 8 of the Memorandum of Agreement.
7. All employees holding these Eligible Classifications will be provided a severance form on a date to be determined and given an opportunity to elect severance pay. They will have ten working days to return the form to Labor Relations.
8. Using the returned severance forms, the Company will then select employees for layoff with severance in order of seniority, most senior first and so on, who are in the respective line of progression. However, no more employees than the total number determined in advance by the Company for job reductions in the respective line of progression will be selected for severance pay. (See Attachment A for an example.)
9. The last day of work for employees selected for severance will be determined by the Company. Employees selected for layoff with severance who will become age 55 in year 2001 or 2002 after the initial layoff with severance selection will remain actively employed through the date on which they turn 55.
10. Depending upon the work location of an employee selected for severance pay, the Company will either abolish the position or repost it, as the case may be. The Company will ensure that the appropriate ratio of Non Shift and Special Maintenance positions is protected.
11. Employees in Eligible Classifications that are common to both the Fossil Business Unit and the Crystal River Nuclear Plant will not be considered together. That is, the severance opportunity for employees in Eligible Classifications exists only for employees in those classifications within either the Fossil Business Unit or the Crystal River Nuclear Plant, not both. For example, Electrician is an Eligible Classification in the Fossil Business Unit but not at the Crystal River Nuclear Plant, since no Electrician job reductions are currently being sought by the Company at the Nuclear Plant.

Attachment A

Example (for illustration purposes only)

There are three classifications in the Fossil Business Unit Operations line of progression: Chief Operator, Plant Operator and Assistant Plant Operator. If the Company were to determine that three Plant Operators and three Assistant Plant Operators must be reduced, then all employees in all three classifications, including the Chief Operators, are in Eligible Classifications and may seek to elect severance pay.

The six most senior employees in the Operations line of progression, regardless of which classifications they hold, who make such an election will be selected for severance pay. If ten make such an election, only the six most senior will be chosen. If only four make such an election, they will be selected. The four positions will then either be reposted or abolished, depending upon the location they come from. The remaining two positions will be abolished at the locations/areas where the Company has a need for the reductions.

Consequently, an Electrician at the Crystal River Nuclear Plant is not eligible to elect severance; only Electricians working within the Fossil Business Unit would be eligible to elect severance.

12. If the Company does not achieve the necessary reductions as a result of voluntary elections, the Company will then follow the layoff process as provided in Article III, Section 8 of the Memorandum of Agreement.

For the Company:

Richard V. M. Kolsang
[Signature]

Date: Feb. 20, 2001

For the Union:

W. O. Euyard
[Signature]