

Settlement Agreement—Telecommunications Grievances

This Settlement Agreement ("Agreement") is agreed to between Florida Power Company ("Company") and the IBEW System Council U-8 ("Union") in order to resolve the issues contained in the grievances set out below. This Agreement is agreed to on a non-precedent, non-prejudicial basis.

1. Qualified bargaining unit employees will be assigned to perform all non-emergency maintenance or upgrade work on the PTC Sonet OC-12 and OC-3 systems or replacement Sonet systems as long as the majority of the used bandwidth on said systems is Florida Power traffic. For emergency work, qualified bargaining employees will be assigned to perform such work to the extent that they are reasonably available. "Reasonably available" for purposes of this Agreement only is defined as able to respond to Urgent and High priority tickets within 30 minutes. If bargaining unit employees are not reasonably available, Progress Telecom will assign the work as it deems appropriate, in its sole discretion.
2. The performance of maintenance or upgrade work a) on any existing systems built or developed by Progress Telecom, or b) on new systems that in the future may be purchased or built or developed by Progress Telecom, will be at the sole discretion of Progress Telecom. The selection by Progress Telecom of bargaining unit employees to perform some or all of such maintenance or upgrade work shall not be construed to mean that such work is "Union work" or work that otherwise must be assigned to bargaining unit employees of the Union in the future.
3. The Union will withdraw and consider settled the following grievances: 00-13-0105, 00-13-0108, 00-13-0111, 00-13-0112, 00-13-0128, 01-13-0122, 01-13-0124, 01-13-0128.
4. This Agreement shall terminate immediately at such time as a) the PTC OC-12 and OC-3 systems are no longer owned or controlled by Progress Telecom, the Company, or Progress Energy, Inc. or any other of its subsidiaries, or b) Progress Telecom is no longer majority-owned by Progress Energy, Inc., or any of its subsidiaries.

For the Company:

Richard V. M. Kutzberg

Date: 3/27/02

For the Union:

W. D. Engard