NEW HOPE POWER PARTNERSHIP
OKEELANTA COGENERATION PLANT
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December 6, 2001

Mr. Hamilton S. Oven, Jr.
Administrator
Siting Coordination Office
Department of Environmental Protection
2600 Blair Stone Road
Twin Towers Office Building
Tallahassee, Florida 32399

Re: Okeelanta Cogeneration Plant

Dear Mr. Oven:

On behalf of New Hope Power Partnership ("New Hope Power," an affiliate of Florida Crystals Corporation), which has acquired the Okeelanta Cogeneration Facility from Okeelanta Power L.P., I am sending you this letter to confirm and supplement the information that has been provided to you during recent discussions with our environmental attorney, David S. Dee.

On July 14, 2001, the electrical generator at the Okeelanta Cogeneration Plant ("Plant") failed as a result of a short circuit, which damaged the generator's windings and iron core. The generator was inoperable for approximately 60 days because the generator's manufacturer, Alstom, had to replace the windings and repair the iron core. On September 14, 2001, New Hope Power Partnership ("NHPP") attempted to resume normal operations, but the generator failed again, within a few minutes after it was energized. The second failure occurred in the iron core, in the location that presumably had been repaired. This time the damage was more extensive.

Following the second failure, NHPP again consulted with various experts and thoroughly evaluated its options, and everyone agreed that NHPP had two basic options: (1) install new windings and a new core in the existing generator; or (2) replace the existing generator with a new or used generator. With regard to the first option, NHPP learned that it would take at least 150 days to repair and rebuild the existing generator. However, even if the existing generator was repaired, NHPP was concerned that the generator might fail a third time. With regard to the second option, NHPP learned that Siemens Westinghouse ("SW") had a new 130 MVA generator available in Houston, as a result of a canceled order with another customer. SW guaranteed that the new generator could be installed much quicker than rebuilding the existing generator. After comparing the cost of repairing the old generator or installing a new generator, and comparing the cost

(i.e., lost revenues) associated with further delays in operations, it was clear that it would be more economical for NHPP to install the new SW generator. Accordingly, NHPP has purchased the new SW generator (Model Number TLRI-100/30-36; Serial Number 6084), which will be operational on or about December 20, 2001. The new generator will be rated at 130 MVA at 40 degrees C air temperature. Using a design of 0.8 power factor, the rated output of the new generator will be 104 MW.

Although the new generator will have the physical capacity to generate more than 75 MW (net) of electricity, the output of the new generator will be limited to 74.9 MW (net), based on a one hour average. NHPP will use the Plant's Distributed Control System (DCS) to ensure compliance with the 74.9 MW limit. The Plant's control room operators will establish the generator's megawatt set-point to maintain the one hour average at or below 74.9 MW. The instantaneous maximum output of the generator will be controlled by the steam turbine's governor to a predetermined set-point. The governor will close the steam inlet control valves, which reduce the generator's output. Thus, the Plant will be physically limited to 74.9 megawatts (net) by the DCS and steam turbine. As a practical matter, the Plant's electrical output also is physically limited by the step-up transformer, the generator breaker, and other critical and auxiliary equipment.

NHPP fully understands that it must comply with the Florida Electrical Power Plant Siting Act ("PPSA"). Although NHPP is investigating the feasibility of upgrading the Plant to allow the Plant to operate at levels greater than 75 MW in the future, NHPP will not increase the Plant's electrical output to such levels until NHPP receives the necessary approvals.

Sincerely,

James M. Meriwether
Environmental Manager

cc: Ricardo Lima
Gus Cepero
Rodney Williams
Bill Tarr
David Dee
Scott Goorland
Al Linero