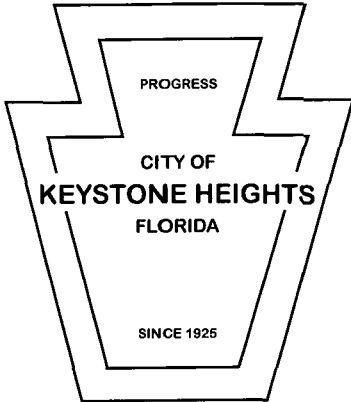


City of Keystone Heights, Florida



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Keystone Heights, Florida 32656
www.keystoneheights.us

Ph: (352) 473-4807
Fax: (352) 473-5101

February 4, 2008

RECEIVED
FEB 12 2008

Florida Energy Office

Florida Department of
Environmental Protection
390 Commonwealth Blvd.
Tallahassee, FL 32389

Dear To whom it may Concern,

The Keystone Heights City Council is sending you a copy of Resolution 2008-04, Support for the Seminole Electric, Inc., which was adopted on January 7, 2008 by the City of Keystone Heights.

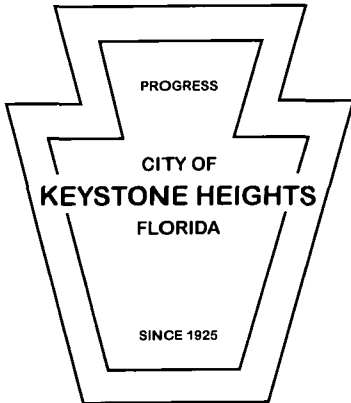
This resolution is in support of the expansion of the Seminole Electric Coal-Fired Plant, known as the SG-3 Project, in Putnam County, Florida.

If you have any questions please feel free to call the number above.

Sincerely,

Karen P. Nelson
City Clerk

City of Keystone Heights, Florida



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RESOLUTION 2008-04 SUPPORT FOR SEMINOLE ELECTRIC, INC.

AT A MEETING OF THE CITY COUNCIL OF KEYSTONE HEIGHTS, FLORIDA,
HELD AT 6:30 PM ON JANUARY 7, 2008.

RESOLUTION - SUPPORTING THE EXPANSION OF THE SEMINOLE ELECTRIC COAL-FIRED PLANT, KNOWN AS THE SGS 3 PROJECT, IN PUTNAM COUNTY, FLORIDA.

WHEREAS, the City Council of Keystone Heights, Florida, does hereby find as follows, and with these findings, will be soliciting the support of all applicable municipalities and county governments throughout the this great state:

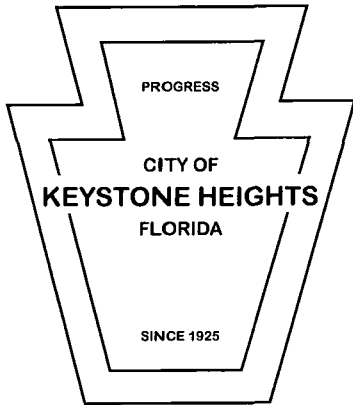
WHEREAS, the planned SGS Unit 3 project has stipulated agreements with all state and local agencies stating the project meets all rules and should be approved with an additional determination by the Florida Public Service Commission, stating the plant is not only needed but is the lowest cost alternative, and;

WHEREAS, if the project is not allowed to proceed, it will harm the regional economy, increase consumer costs, increase Florida's reliance on natural gas, increase the United States' reliance on foreign energy resources, and put Florida's electricity reliability in jeopardy, and;

WHEREAS, increasing the United States' reliance on foreign energy sources which is anticipated that a significant portion of any increased natural gas demand in the United States will have to be met with increased imports of liquefied natural gas(LNG), and;

WHEREAS, the reliability and Florida's reliance on natural gas is already at extreme levels in comparison to the rest of the United States as experienced in 2004 and 2005, natural gas supply and transportation facilities are typically shut down when storms enter the Gulf of Mexico, jeopardizing the ability to operate a large portion of Florida's power plants, and;

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RESOLUTION 2008-04 SUPPORT FOR SEMINOLE ELECTRIC, INC. CONT'D

WHEREAS, Seminole will have to replace the planned coal, a natural United States resource, unit with natural gas, a fuel which currently and on average is at least three times the cost of coal and which experiences price volatility over a much wider range of price uncertainty, and;

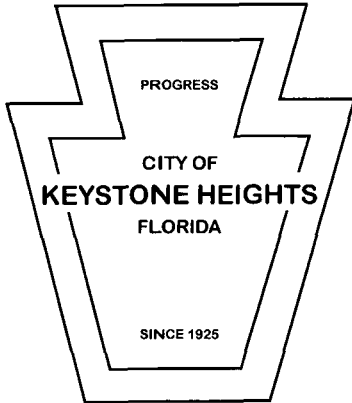
WHEREAS, coal-fired generation is a lower cost alternative to meet the growing customer demand, and during the application, approved by the Florida Public Service Commission in 2005, Seminole's economic results projected a present worth savings of \$500 million dollars to build the planned coal unit as opposed to a natural gas alternative, and;

WHEREAS, the emissions from a modern coal plant are significantly lower than the emissions from older technology plants, however, it is recognized that even modern coal plants have somewhat higher emissions than natural gas plants, however, the cost to provide base load power, the portion of the generation that has to run continuously, from a gas fired unit is much higher than using domestic coal as a fuel, additionally, the supply of natural gas from domestic sources has essentially peaked and future supplies of gas would cost much more and would likely be in the form of imported LNG, and;

WHEREAS, a recent Florida Chamber of Commerce study concluded and projected a significant downturn in Florida's economy and real income of Floridians, if the denial of the SGS 3 project as well as the Governor's statewide stance against domestic coal as a fuel source is successful, and;

WHEREAS, Seminole's cost of electricity sold to its ten member cooperatives will increase, resulting in a electrical cost increase for more than 900,000 retail consumers, and;

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RESOLUTION 2008-04 SUPPORT FOR SEMINOLE ELECTRIC, INC. CONT'D

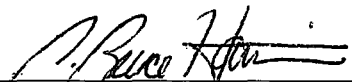
WHEREAS, Seminole Electric, Inc. supported by ten electrical cooperatives representing over 900,000 customers has encumbered \$8 million to date on the SGS 3 project and the denial of the SGS 3 project will and has resulted in delays, which will make it very difficult, if not impossible, to construct either the SGS 3 project or the gas fired unit when they would be needed in 2012, the alternative gas-fired unit, as demanded by the State's Environmental Protection Agency would be delayed two years, until May 2014, and;


WHEREAS, the regional economy will lose 1,500 construction jobs over the four year construction period and over 50 permanent jobs on the plant site itself, not including additional regional jobs due to the plants support of the regional economy, and;

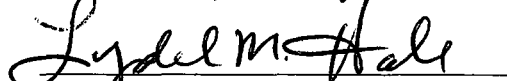
WHEREAS, governmental regulations, imbedded taxes and fees have become over-burdensome to all Floridians, including industry, that are forced to pass on the same to its customers;


NOW, THEREFORE, BE IT HEREBY PROCLAIMED by the City Council of the City of Keystone Heights, Florida that it does not support the Secretary of the Florida Department of the Environmental Protection's denial of the Seminole power plant expansion, known as the SGS 3 project, located in Putnam County, Florida or any legislation that increases loss of private sector jobs or any legislation, directives or executive orders that add a undue financial burden to the citizens of Keystone Heights, and or the citizen's of the State of Florida. In addition, let it be known the City Council of Keystone Heights Florida does support the Seminole Electric, Inc. SGS Unit 3 Project.

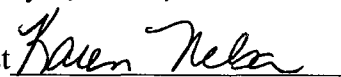

Mary-Lou Hildreth, Mayor


Bruce Harvin, Vice Mayor


Tony Brown, Councilman


Lyndel Hale, Councilman


Don Johnson, Councilman

Attest 
Karen Nelson, City Clerk



January 9, 2008

The Honorable Mary Lou Hildreth
Mayor of Keystone Heights
P. O. Box 420
Keystone Heights, FL 32656

Dear Mayor Hildreth:

Re: Resolution 2008-04

On behalf of Seminole Electric Cooperative, its 10 Member distribution cooperatives, and the over 900,000 consumers that we serve in 46 Florida counties, I want to thank the City Council of Keystone Heights for their unanimous support of our Seminole Generating Station Unit 3 coal fired electric generating project. From the start, our goal was to develop a project that provided low cost electricity for our consumers, had a positive effect on the environment, and was a benefit to the local economy. We firmly believe that we accomplished our goal, and the approvals that we received from Putnam County, State regulatory agencies, and even the national chapter of the Sierra Club confirmed it. Your Resolution shows that you also recognize the benefits of our project. It's unfortunate that we have to appeal to the court system to get the project moving.

I would like to thank Vice Mayor Harvin who took the time to discuss the merits of the Unit 3 project with my staff to insure the Resolution you adopted was in the best interests of your City. Hopefully, others cities and counties will also echo their support.

Again, we thank you for your support.

Sincerely,

Timothy S. Woodbury
Executive Vice President
and General Manager

dc

cc: W. Phillips