

FIRST AMENDMENT TO THE POWER PURCHASE AGREEMENT

This First Amendment dated January 9, 2009 (the "Amendment") to the Power Sales Agreement dated October 29, 2008 (the "Agreement") between Florida Power Corporation, doing business as Progress Energy Florida, Inc. (the "Company"), and the City of Gainesville, Florida doing business as Gainesville Regional Utilities (the "Customer") (collectively, the "Parties") shall be effective beginning on January 1, 2009. The purpose of this Amendment is to conform Article 19(b) of the Agreement to the requirements of the Federal Energy Regulatory Commission's ("FERC") order, in Docket No. ER09-250-000, conditionally accepting the Agreement for filing effective January 1, 2009, as requested. In conformance with FERC's order, the Company and the Customer, each intending to be legally bound, agree to amend the Agreement as follows:

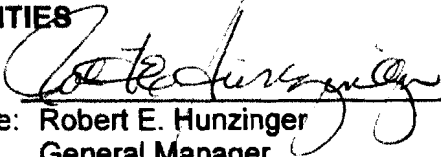
1. Article 19(b) of the Agreement shall be revised to read:

Except as set forth in Article 5(d) and Article 13 and/or absent agreement by the Parties, the standard of review for changes to the rates, terms and conditions of this Agreement proposed by a Party shall be the public interest standard set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), and the standard of review for changes to the rates, terms and conditions of this Agreement proposed by a non-party or the FERC acting *sua sponte* shall be the most stringent standard permissible under applicable law.

2. Consistent with Article 20 of the Agreement, this Amendment is made under and shall be governed by and construed in accordance with the laws of the State of Florida without regard to any conflict of laws provisions thereof that would direct the application of the laws of another jurisdiction.


IN WITNESS WHEREOF, the Parties, intending to be legally bound, have caused this Amendment to be executed by their duly authorized representatives as of the day and year above written.

CITY OF GAINESVILLE, FLORIDA
d/b/a GAINESVILLE REGIONAL
UTILITIES

By: 
Name: Robert E. Hunzinger
Title: General Manager

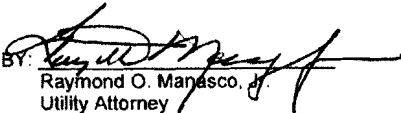
Date: 1/9/09

FLORIDA POWER CORPORATION
d/b/a/ PROGRESS ENERGY FLORIDA,
INC.

By: 
Name: Robert F. Caldwell
Title: Vice President
Efficiency and Innovative Technology

Date: 1/7/09

Approved as to form and legality:

By: 
Raymond O. Manasco, Jr.
Utility Attorney