

BOARD OF COUNTY COMMISSIONERS

GULF COUNTY, FLORIDA

INFORMATION **JULY 13, 2010** **PAGE NO.**

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BOARD OF COUNTY COMMISSIONERS
GULF COUNTY, FLORIDA

CHIEF ADMINISTRATOR'S OFFICE

Donald Butler, Chief Administrator

1000 CECIL G. COSTIN, SR. BLVD., ROOM 302, PORT ST. JOE, FLORIDA 32456

PHONE: (850) 229-6111/229-6106/639-6700 • FAX: (850) 229-9252 • EMAIL: dbutler@gulfcountry-fl.gov

DATE AND TIME OF MEETINGS: SECOND TUESDAYS AT 9:00 A.M., E.T. AND FOURTH TUESDAYS AT 6:00 P.M., E.T.

MEMORANDUM

TO: Ms. Rebecca Norris, Clerk of Courts
FROM: Donald Butler, Chief Administrator
SUBJECT: Victoria McCall
DATE: July 6, 2010

Per recommendation of EMS Director Houston Whitfield, Ms. Victoria McCall has been transferred from part-time to full-time EMT status effective July 16, 2010. Ms. McCalls' rate of pay will be \$10.6102 per hour.

Please feel free to contact me should you have any questions.

Thanks,



Donald Butler, Chief Administrator

CC: Information Packet
Elaine Bland

FILED FOR RECORD
REBECCA L. NORRIS
CLERK OF CIRCUIT COURT
GULF COUNTY, FLORIDA
2010 JUL -7 PM 1:45

CLERK OF CIRCUIT AND COUNTY COURTS

RECORDER AND COMPTROLLER

GULF COUNTY, FLORIDA

REBECCA L. NORRIS, CLERK

1000 Cecil G. Costin, Sr. Blvd., Port St. Joe, Florida 32456

MEMORANDUM

TO: CARMEN L. MCLEMORE, CHAIRMAN

FROM: KARI SUMMERS

DATE: JULY 7, 2010

TOPIC: 2010 VALUE ADJUSTMENT BOARD MEMBERS

The VAB will need to hold an organizational meeting prior to the regular VAB hearings. Please appoint 2 County Commissioners and 1 citizen who owns homestead property (no taxing authority involvement) to serve on the VAB for 2010. I have also contacted the School Board for their member appointments.

Thanks!

Gulf County Status Report for Budget and Capital Improvements Element & Schedule

This report was prepared by the Planning Department as a planning aid for all offices and departments. Data Source is from the Bureau of Economic and Business Research (BEBR) who is the recognized data source for the State of Florida.

Population:

Estimated County population as of April 1, 2009: 16,798

Table of Population Change

April 1,	Gulf County	Unincorporated	Port St. Joe	Wewahitchka	Inmates	Revenue Sharing Pop
2008	16,923	11,444	3,758	1,721	3,139	13,784
2009	16,798	11,322	3,758	1,718	3,348	13,450
Change	-125	-122	0	-3	209	-334

Table of Population

Year	2004	2005	2006	2007	2008	2009
April, 1	15,615	16,171	16,479	16,509	16,815	16,923

Table of Population less Inmates

Year	2004	2005	2006	2007	2008	2009
Population	15,615	16,171	16,479	16,509	16,815	16,923
Inmates	2,897	3,143	3,066	3,152	3,139	3,348
Adjusted	13,193	13,336	13,443	13,663	13,784	13,450

The population of Gulf County less inmates for the six (6) year period averaged 13,478.

The population of Gulf County with inmates for the six (6) year period averaged 16,419.

The difference between the inmate low and high population was 451.

The difference between the adjusted population low and high was 591.

- Gulf County's population has remained rather stable during the six years of data reviewed.
- It is easy to misread the total population of Gulf County with such a high inmate population. 2nd highest of the counties.
- A trend that needs to be monitored is the population by age. The attached table shows a steady population increase for 55 and older while the 17 and under ages are decreasing. This has the potential to impact services in the future if the trend continues.
- A second trend that needs to be monitored is the 18-34 age group. There was only an increase of 14 between 08 and 09.
- In 2008, Gulf County Population ranked 58 in the State.
- Of the Small County Coalition, Gulf County population was the 10th smallest out of 38.

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OFFICE OF THE CLERK OF THE COUNTY OF GULF COUNTY, FLORIDA

Housing:

- Estimated number of households: 5,698 ranked 59 in the State
- Average household size: 2.36 ranked 44 in the State
- House purchase price (2007): 186,016 ranked 41 in the State

Income:

- Per capita personal income: 23,233 ranked 55 in the State
- Median household income: 38,160 ranked 46 in the State

Water:

- Per capita water use: 120 ranked 57 in the State

Tourism, Recreation, and Transportation:

- Licensed food service establishments, 7/4/09: 36 ranked 54 in the State
- Tourist related business employment, 08: 57 ranked 54 in the State
- Food service and drinking places(NAICS 722): 294 ranked 56 in the State
- Recreational boats, 08: 2,894 ranked 48 in the State
- Commercial boats, 07/08: 218 ranked 30 in the State
- Motor vehicle tags sold, 07/08: 19,477 ranked 60 in the State
- Recreational vehicle tags sold, 07/08: 141 ranked 60 in the State
- Per capita gasoline sales, 08: 285.5 ranked 65 in the State

Public Administration:

- Veteran population, 9/30/08: 1,720 ranked 58 in the State
- Gasoline sales, 07/08 estimate gallons (1,000): 5,040 ranked 62 in the State
- Local option tax collections (1,000): 460 ranked 63 in the State
- Ad valorem county-wide millage rates, 1/1/08: 9.8159 ranked 62 in the State
County government: 4.8949 ranked 45 in the State
District school board: 4.8760 ranked 64 in the State
- Of the Small County Coalition, Gulf County had the 9th lowest millage out of 38. Of the 8 counties lower than Gulf, only Franklin (#4) had less population.
- Solid waste tonnage, 07: 22.8 ranked 53 in the State
- Per capita tons: 1.35 ranked in 38 in the State
- Recycled (%): 4.16 ranked 65 in the State
- Landfilled (%): 74.51 ranked 36 in the State
- Combusted (%): 21.33 ranked 9 in the State
- Municipal solid waste tonnage collected tonnage collected, 2007: 22,755 ranked 53 in the State
Per capita per year (lbs.): 2,707 ranked 38 in the State
Per capita per day (lbs.): 7.42 ranked 38 in the State

Gulf County Population by Age

BEBR FSA Data Table 1.34

	0-17	18-34	35-54	55-64	65-79	80+
2004	2,926	3,485	5,064	1,778	1,824	538
2005	3,007	3,598	5,112	1,867	1,969	618
2006	3,032	3,771	5,259	1,945	1,865	607
2007	3,006	3,754	5,190	1,996	1,920	643
2008	2,995	3,883	5,234	2,050	1,976	677
2009	2,978	3,897	5,191	2,097	2,029	731

15,615

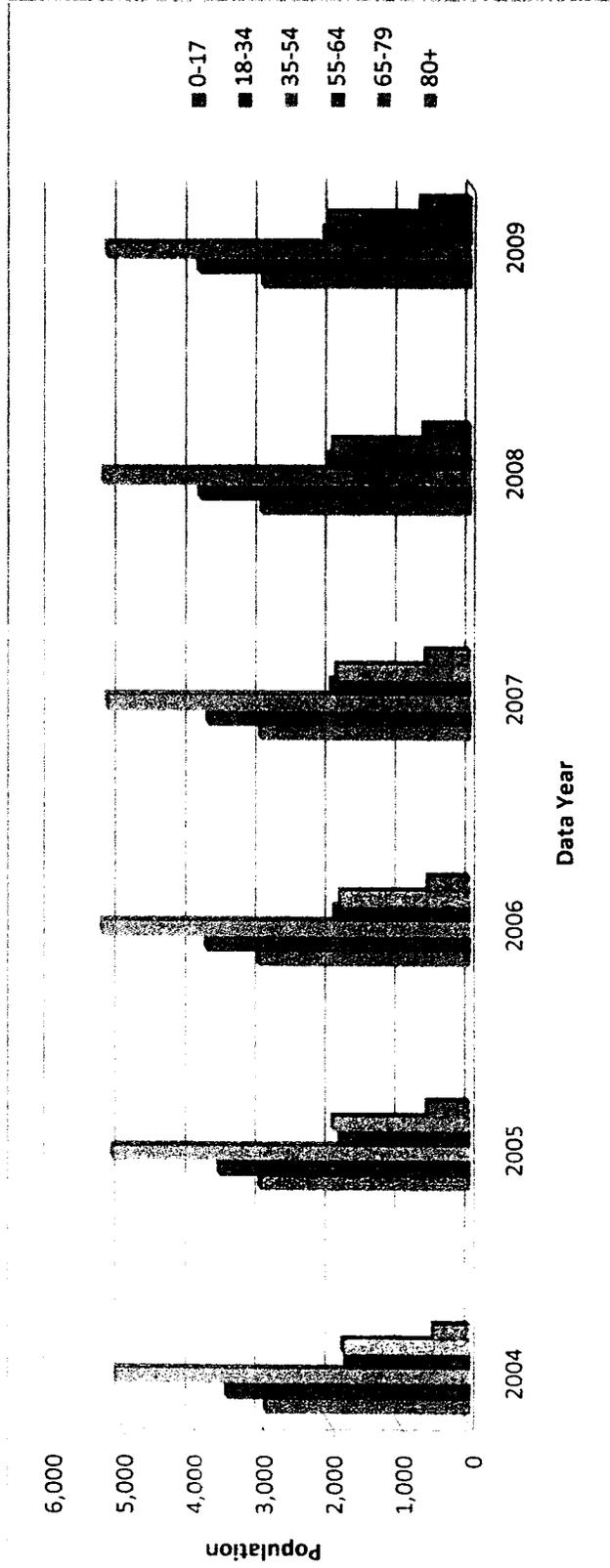
16,171

16,479

16,509

16,815

16,923



Population Millage

Baker	25,899	7.0779
Bradford	29,805	9.1760
Calhoun	14,601	10.0000
Citrus	142,609	5.7299
Columbia	66,409	7.8910
DeSoto	34,792	6.8987
Dixie	16,221	10.0000
Flagler	94,901	4.8894
Franklin	12,414	3.6753
Gadsden	50,046	8.9064
Gilchrist	17,393	8.2695
Glades	11,311	9.1367
Gulf	16,798	5.7679
Hamilton	14,783	10.0000
Hardee	28,333	8.5540
Hendry	41,320	6.5000
Highlands	99,713	7.1000
Holmes	19,857	9.5000
Indian River	141,634	3.0892
Jackson	52,637	7.1223
Jefferson	14,677	8.3226
Lafayette	8,183	8.7500
Levy	40,674	7.4212
Liberty	8,220	10.0000
Madison	20,333	8.9440
Martin	143,856	5.3090
Monroe	77,925	3.0837
Nassau	72,588	5.5670
Okeechobee	39,703	7.5030
Putnam	74,608	8.5765
Santa Rosa	144,508	6.0953
Sumter	95,326	6.0100
Suwannee	40,230	8.0000
Taylor	23,164	7.0113
Union	15,756	10.0000
Wakulla	31,791	8.2500
Walton	57,917	3.4076
Washington	24,721	8.6185

	Population	Millage			Population	Millage
Lafayette	8,183	8.7500	1	Santa Rosa	144,508	6.0953
Liberty	8,220	10.0000	2	Martin	143,856	5.3090
Glades	11,311	9.1367	3	Citrus	142,609	5.7299
Franklin	12,414	3.6753	4	Indian River	141,634	3.0892
Calhoun	14,601	10.0000	5	Highlands	99,713	7.1000
Jefferson	14,677	8.3226	6	Sumter	95,326	6.0100
Hamilton	14,783	10.0000	7	Flagler	94,901	4.8894
Union	15,756	10.0000	8	Monroe	77,925	3.0837
Dixie	16,221	10.0000	9	Putnam	74,608	8.5765
Gulf	16,798	5.7679	10	Nassau	72,588	5.5670
Gilchrist	17,393	8.2695	11	Columbia	66,409	7.8910
Holmes	19,857	9.5000	12	Walton	57,917	3.4076
Madison	20,333	8.9440	13	Jackson	52,637	7.1223
Taylor	23,164	7.0113	14	Gadsden	50,046	8.9064
Washington	24,721	8.6185	15	Hendry	41,320	6.5000
Baker	25,899	7.0779	16	Levy	40,674	7.4212
Hardee	28,333	8.5540	17	Suwannee	40,230	8.0000
Bradford	29,805	9.1760	18	Okeechobee	39,703	7.5030
Wakulla	31,791	8.2500	19	DeSoto	34,792	6.8987
DeSoto	34,792	6.8987	20	Wakulla	31,791	8.2500
Okeechobee	39,703	7.5030	21	Bradford	29,805	9.1760
Suwannee	40,230	8.0000	22	Hardee	28,333	8.5540
Levy	40,674	7.4212	23	Baker	25,899	7.0779
Hendry	41,320	6.5000	24	Washington	24,721	8.6185
Gadsden	50,046	8.9064	25	Taylor	23,164	7.0113
Jackson	52,637	7.1223	26	Madison	20,333	8.9440
Walton	57,917	3.4076	27	Holmes	19,857	9.5000
Columbia	66,409	7.8910	28	Gilchrist	17,393	8.2695
Nassau	72,588	5.5670	29	Gulf	16,798	5.7679
Putnam	74,608	8.5765	30	Dixie	16,221	10.0000
Monroe	77,925	3.0837	31	Union	15,756	10.0000
Flagler	94,901	4.8894	32	Hamilton	14,783	10.0000
Sumter	95,326	6.0100	33	Jefferson	14,677	8.3226
Highlands	99,713	7.1000	34	Calhoun	14,601	10.0000
Indian River	141,634	3.0892	35	Franklin	12,414	3.6753
Citrus	142,609	5.7299	36	Glades	11,311	9.1367
Martin	143,856	5.3090	37	Liberty	8,220	10.0000
Santa Rosa	144,508	6.0953	38	Lafayette	8,183	8.7500

	Population	Millage			Population	Millage
Monroe	77,925	3.0837	1	Liberty	8,220	10.0000
Indian River	141,634	3.0892	2	Calhoun	14,601	10.0000
Walton	57,917	3.4076	3	Hamilton	14,783	10.0000
Franklin	12,414	3.6753	4	Union	15,756	10.0000
Flagler	94,901	4.8894	5	Dixie	16,221	10.0000
Martin	143,856	5.3090	6	Holmes	19,857	9.5000
Nassau	72,588	5.5670	7	Bradford	29,805	9.1760
Citrus	142,609	5.7299	8	Glades	11,311	9.1367
Gulf	16,798	5.7679	9	Madison	20,333	8.9440
Sumter	95,326	6.0100	10	Gadsden	50,046	8.9064
Santa Rosa	144,508	6.0953	11	Lafayette	8,183	8.7500
Hendry	41,320	6.5000	12	Washington	24,721	8.6185
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Taylor	23,164	7.0113	14	Hardee	28,333	8.5540
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Dixie	16,221	10.0000	35	Franklin	12,414	3.6753
Hamilton	14,783	10.0000	36	Walton	57,917	3.4076
Liberty	8,220	10.0000	37	Indian River	141,634	3.0892
Union	15,756	10.0000	38	Monroe	77,925	3.0837

**BOARD OF COUNTY COMMISSIONERS
GULF COUNTY, FLORIDA
PLANNING DEPARTMENT**

9

DAVID E. RICHARDSON, PLANNER
1000 CECIL G. COSTIN, SR. BLVD., ROOM 312, PORT ST. JOE, FLORIDA 32456
PHONE (850) 227-9562 • FAX (850) 227-9563 • WEBSITE: www.gulfcounty-fl.gov

June 23, 2010

Mr. James McKnight
254 Betty Rae Dr.
Wewahitchka, FL 32465-0539

Re: PDRB appointment

Dear Mr. McKnight,

This is to inform and congratulate you on your appointment to the Planning and Development Review Board (PDRB) Board by the Gulf County Board of County Commissioners (BOCC) at their June 22, 2010 meeting. The PDRB is required by Florida Statutes to review all comprehensive plan amendments and issues and make a recommendation to the BOCC. Because of this required action, the PDRB is required to conform to the Sunshine Regulations of the State of Florida.

With your appointment, the Planning Department is requesting your contact information in order to inform you of meetings and etc. If you will call the department at 850-227-9562 as soon as possible and let us know the best way to communicate with you.

Congratulation again on your appointment and we look forward to working with you on this important Board.

Sincerely,



David Richardson
Planner

cc: BOCC
PDRB
Don Butler

2010 JUL -7 PM 1:44

RECEIVED
CLERK OF SUPERIOR COURT
GULF COUNTY, FLORIDA

9

**BOARD OF COUNTY COMMISSIONERS,
GULF COUNTY, FLORIDA
REQUEST FOR PROPOSAL
for
AUDITING SERVICES**

RFP NO: 0910-18

The Gulf County Board of County Commissioners (the "County") is requesting proposals from firms or individuals for the provision of professional Audit Services.

RFP DEADLINE: July 30, 2010

RFP OPENING: August 2, 2010

Late submittals received after the fore mentioned deadline date, either by Mail, or otherwise, will not be considered and returned unopened. The time of receipt will be determined by the time received in the Clerk to the Board of County Commissioner's office. It is the sole responsibility of the firm for assuring that the RFP is received in the clerk's office by the designated date and time. No faxed, electronic or oral RFP will be accepted.

To be considered, Firm/Team must submit an original and six (6) copies of RFP in a sealed envelope or package, clearly marked with the Firm/Team's name and address, and the words "Audit Services: RFP NO: 0910-18 addressed to: Gulf County Board of County Commissioners, Gulf County Clerk of Court, Room 148, 1000 Cecil G. Costin Sr., Blvd., Port St. Joe, FL 32456. RFP's will be received until 4:30 p.m., E.T., on Friday, July 30, 2010. RFP's will be opened on Monday, August 2, 2010 at 10:00 a.m., E.T. in the same office.

Copies of required information for the RFP, Financial Statements and Budgets are available in the Gulf County Clerk of Court's office, Room 148, 1000 Cecil G. Costin Sr., Blvd., Port St. Joe, FL 32456, Monday-Friday, 9:00 a.m., E.T. to 5:00 p.m., E.T.

The Gulf County Board of County Commissioners reserves the right to reject any or all bids deemed in the best interest of the County.

**GULF COUNTY
BOARD OF COUNTY COMMISSIONERS**

By: /s/ Carmen L. McLemore, Chairman

Attest: /s/ Rebecca L. Norris, Clerk

Ad Size: Legals

Ad #2010-46

Invoice: Gulf County Board of County Commissioners, Account #4522382

Publication Dates: July 15 and 22, 2010

CAPE ISLE PRESERVE OWNERS ASSOCIATION, INC.

NOTICE OF A SPECIAL MEMBERS' MEETING

NOTICE IS HEREBY GIVEN, in accordance with the Articles and Bylaws of the Association, that a Special Meeting of members will be held at the following date, time and place:

DATE: Thursday, July 15th, 2010
TIME: 10:00 A.M.
PLACE :Unit 101, Tranquil Harbor Condominiums
ADDRESS: 3702 Highway 98, Mexico Beach, Florida

PURPOSE: Election of a replacement director, adoption of the HOA budget; and consideration of Special Assessment for Common Area Improvements

AGENDA:

- 1. Calling of roll and certifying of proxies.
2. Proof of notice of meeting or waiver of notice.
3. Reading and disposal of any unapproved minutes.
4. Election of inspectors of election.
5. Election of Directors
6. Approval of Budget.
7. Approval of special assessment.
8. General discussion by members.
9. Adjournment.

Beach Community Bank,
a member

By: [Handwritten Signature]

RICHARD M. COLBERT

Its: Attorney

Dated: This 21st day of June, 2010.

2010 JUN 23 AM 10:11

Vertical stamp text: 2010 JUN 23 AM 10:11

Cobalt Community Research

supporting decisions | inspiring ideas

*****AUTO**MIXED AADC 150
Commissioner, Chair, County of Gulf
1000 Cecil G Costin Sr Blvd
Port Saint Joe FL 32456-1653

9
2427



I am writing to invite you to participate in a national nonprofit research coalition designed to help your community engage citizens in the challenging budget and planning decisions you are making. Detailed feedback from residents helps local leaders understand community priorities and helps build support for these decisions.

The data from the assessment adds actionable citizen insight to outreach, planning and budget development. The assessment also includes annual national and regional benchmarks that support economic development and branding efforts. Cobalt developed the program in collaboration with many local governments and associations to ensure it is useful, easy and affordable. The internationally-respected science and analysis powering the assessment ensures results are credible.

I invite you to participate in any of our 30-minute Webinars, which provide an overview of this program. You and interested colleagues may register at www.cobaltcommunityresearch.org, and click on Webinars. The schedule is as follows:

- Monday, June 14, 2010 3:00 pm, Eastern
- Wednesday, June 23, 2010 11:00 am, Eastern
- Thursday, June 24, 2010 3:00 pm, Eastern
- Tuesday, June 29, 2010 11:00 am, Eastern
- Thursday, July 1, 2010 10:30 am, Eastern
- Thursday, July 8, 2010 11:00 am, Eastern

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CLERK OF DISTRICT COURT
CLERK OF DISTRICT COURT
CLERK OF DISTRICT COURT

We are happy to schedule special sessions for leadership groups upon request.

Cobalt Community Research is a 501(c)(3) nonprofit organization with a mission to provide research and educational tools to local governments, schools and other not-for-profit organizations. Cobalt programs help you effectively focus limited resources and engage residents in a high-quality, cost-effective way.

Please join us and take advantage of this powerful tool. For additional information, please contact me at wsaintamour@cobaltcommunityresearch.org or call 877-888-0209.

Sincerely,

William SaintAmour
Executive Director, Cobalt Community Research

INFORMATION
DATE 7/13/10 LL

WHAT ARE YOUR BUDGET PRIORITIES?

Make budget choices clearer with credible, affordable feedback from your residents

“GREAT VALUE DURING DIFFICULT FINANCIAL TIMES”

CITIZEN ENGAGEMENT AND PRIORITY ASSESSMENTSM

Cobalt collaborated with local governments and associations to develop this nonprofit program. The goal: a high-quality tool that is actionable, affordable and time-effective. The result: a world-class, easy-to-use program that communities can repeat annually to engage residents, guide decisions and demonstrate value to current and future citizens and businesses.

It is a revolutionary leap forward in citizen satisfaction. Here's why:

Better Science. Cobalt (www.CobaltCommunityResearch.org) uses the science of the American Customer Satisfaction Index (www.theACSI.org), which is widely respected from a scholarly and business perspective. The methodology is considered the gold standard in customer and citizen satisfaction measurement in more than 40 industries, including public service. The credibility of the data is unmatched.

Better Benchmarks. Cobalt builds the most up-to-date baseline indices each year using a scientifically representative sample of citizens across the United States and across the region. This keeps your comparison scores valid as changes in economics and events can significantly change how residents look at local governments. In addition, Cobalt benchmarks allow local leaders to compare performance to similarly-sized governments across the country and region. They also can be compared to the 40 industries measured by the ACSI, from the federal government to financial institutions. Because of these statistically-sound comparisons, the program is a valuable tool for economic development and community branding.

Better Decisions. The sophisticated quantitative analysis of the ACSI identifies not only where performance is weak and strong, but what the actual drivers are of citizen satisfaction and behaviors such as remaining in the community, recommending it to others, volunteering, encouraging businesses to start up in the community, and supporting the current administration. In addition, results are available 24 hours per day/7 days per week on a dynamic portal that enables staff to easily create hands-on analysis of the data based on evolving questions from the board or council. Participants are not limited to a one-time analysis captured in a thick, static report.

Better Price. Because of Cobalt's nonprofit mission and use of technology in data analysis, collection, and reporting, program fees are significantly lower than similar services provided by any other private company. In addition, with the combination of time-tested questions and custom community-specific questions, the staff time requirement is significantly lower as well.

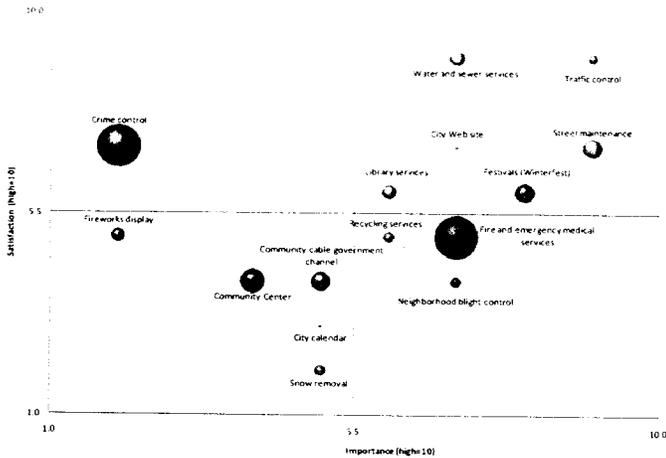
Why participate now? Here are a few reasons: reduce expenses, preserve tax base, guide millage decisions, improve quality of life, build economic vitality, allocate limited resources, focus staff, measure and track performance, report results, build trust.

Cobalt Community Research is a 501c3 nonprofit coalition created to help local governments, schools and nonprofit organizations thrive as changes emerge in the economic, demographic and social landscape.

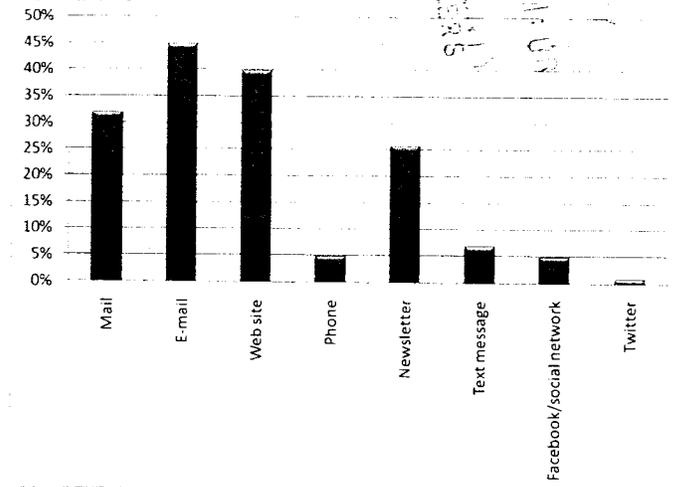


EXAMPLES

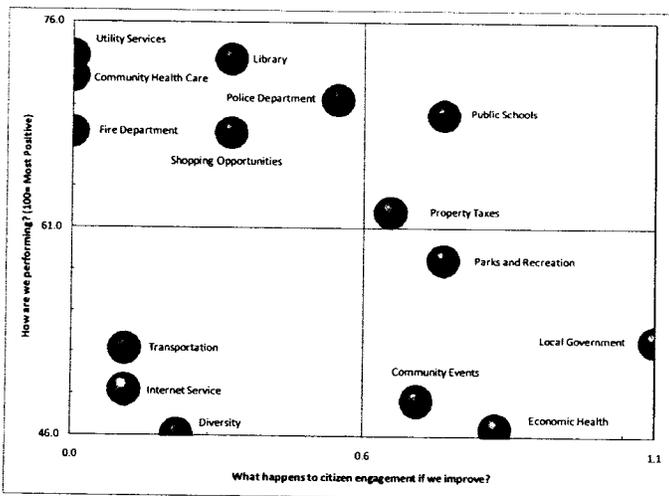
Map service importance and citizen satisfaction to guide budget decisions (bubble size based on what you spend on the service)



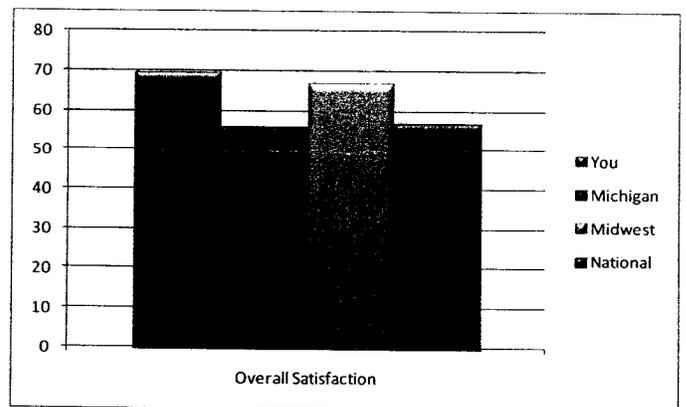
Strengthen the effectiveness and efficiency of communication efforts by focusing on how demographic groups in your community prefer to hear news about your local government



Identify drivers of citizen engagement and behaviors such as remaining in the community, recommending it, volunteering, encouraging business startups and supporting the current administration.



Compare current year scores against similar local governments and even the broader public and private sectors



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Office of Criminal Justice Grants
Florida Department of Law Enforcement
2331 Phillips Road
Tallahassee, Florida 32308

Edward Byrne Memorial JAG Program

GRANT ADJUSTMENT NOTICE

SUBGRANTEE: Gulf County Board of Commissioners

TITLE OF PROJECT: DRUG EDUCATION AND COMMUNITY SAFETY

GRANT NUMBER: 2010-JAGC-GULF-1-4X-178 ADJUSTMENT NUMBER: 1

NATURE OF ADJUSTMENT: Revised Performance Section

TO SUBGRANTEE:

Pursuant to your request of 06/21/2010 the following change, amendment, or adjustment in the above grant project is approved subject to such conditions or limitations as may be set forth below:

Clayton H. Wilder
Authorized Official
Clayton H. Wilder
Administrator

6-23-10
Date

This adjustment is to approve the addition of mandatory BJA Performance Measures. There is no change to the budget.

2010 JUL -7 PM 1:45

OFFICE OF THE ATTORNEY GENERAL
FLORIDA DEPARTMENT OF LAW ENFORCEMENT
TALLAHASSEE, FLORIDA 32308

NOTE: Retain this Grant Adjustment Notice as part of official project records.

7/13/10

Application for Funding Assistance

Florida Department of Law Enforcement
Justice Assistance Grant - County-wide

Section 3 Performance

General Performance Info:

Performance Reporting Frequency: Quarterly

Federal Purpose Area: 003 - Prevention and Education Programs

State Purpose Area: A - State/Local Initiatives - Coordinate/Organize Local Initiatives/State Initiatives

Activity Description

Activity: Community Policing
Target Group: Adults
Geographic Area: County-Wide
Location Type: Sheriff Office

Activity Description

Activity: Crime Prevention Education
Target Group: Adults
Geographic Area: County-Wide
Location Type: Neighborhood

Activity Description

Activity: Security Surveys
Target Group: Businesses
Geographic Area: County-Wide
Location Type: Neighborhood

Activity Description

Activity: Community Presentations
Target Group: Adults
Geographic Area: County-Wide
Location Type: Neighborhood

Activity Description

Activity: D.A.R.E.
Target Group: Juveniles
Geographic Area: County-Wide
Location Type: School, Elementary

Application for Funding Assistance

Florida Department of Law Enforcement
Justice Assistance Grant - County-wide

Section 3: Performance

Activity Description

Activity: D.A.R.E.
Target Group: Juveniles
Geographic Area: County-Wide
Location Type: School, Middle

Objectives and Measures

Objective: 02.A.SI - Number of new local initiatives planned

Measure: Part 1
Number of new local initiatives planned

Goal: 1

Measure: Part 2
Number of new local initiatives to be implemented

Goal: 1

Objective: 03.A.DS* - Number of program participants receiving services

Measure: Part 1
Number of program participants to receive services during the grant period

Goal: 200

Measure: Part 2
Number of program participants to receive services during each reporting period

Goal: 50

Objective: 04.A.DS* - Number of defined groups receiving services

Measure: Part 1
Total number of defined groups to receive services during the grant period

Goal: 10

Measure: Part 2
Number of defined groups to receive services each reporting period

Goal: 3

Objective: 06.A.BT* - Number of program participants who completed programming

Measure: Part 1

Application for Funding Assistance

Florida Department of Law Enforcement
Justice Assistance Grant - County-wide

Section Performance

Number of program participants to complete programming during the grant period

Goal: 200

Measure: Part 2

Number of program participants who will exit programming during the grant period (complete or not complete)

Goal: 200

State Purpose Area: D - Personnel - Employ Personnel

Activity Description

Activity: Personnel
Target Group: Personnel
Geographic Area: County-Wide
Location Type: County-Wide

Objectives and Measures

Objective: 22.D.SI - Number of new personnel funded with JAG funds

Measure: Part 2

Number of new personnel to be funded during the grant period

Goal: 1

Measure: Part 4

Total number of new personnel to be hired with all OTHER sources (not JAG or Recovery JAG funding) during the grant period.

Goal: 1

Objective: 24.D.SI - Percent of departments that report desired efficiency or desired program quality

Measure: Part 1

Total number of departments to use JAG funds to hire new personnel or for overtime hours

Goal: 1

Measure: Part 2

Number of departments that will report desired efficiency

Goal: 1

Measure: Part 3

Application for Funding Assistance

Florida Department of Law Enforcement
Justice Assistance Grant - County-wide

Section 3 - Performance

Number of departments that will report desired program quality

Goal: 1

Objective: 51.D.SI - Type of NEW personnel paid with JAG funds

Measure: Part 3

Number of new prevention and education personnel to be paid with JAG funds

Goal: 1

Application for Funding Assistance

Florida Department of Law Enforcement
Justice Assistance Grant - County-wide

Section #4 Performance

Section Questions:

Question: If "other" was selected for the geographic area, please describe.

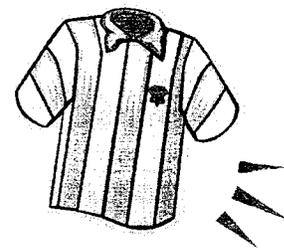
Answer: n/a

Question: If "other" was selected for location type, please describe.

Answer: n/a

2010 Sales Tax Holiday

August 13 through August 15, 2010



Do you sell books, clothing, footwear, accessories, or school supplies?

If you sell books, clothing, footwear, certain accessories, or certain school supplies in the State of Florida, the upcoming Sales Tax Holiday may impact your business.



Florida law directs that no sales tax or local option taxes (also known as discretionary sales surtax) will be collected on sales of books, clothing, footwear, and certain accessories selling for \$50 or less, or on certain school supplies selling for \$10 or less. This three-day tax exemption is in effect from 12:01 a.m., Friday, August 13, 2010, through midnight, Sunday, August 15, 2010.

The sales tax exemption applies to each eligible book or item of clothing selling for \$50 or less and to each eligible school supply item selling for \$10 or less. The exemption will still apply no matter how many items are sold on the same invoice to a customer.

However, the exemption does not apply to books or to any item of clothing selling for more than \$50, or to any school supply item selling for more than \$10.

“Book” means a set of printed sheets bound together and published in a volume. The term “book” does not include newspapers, magazines, other periodicals, or audio books.

Books are different from periodicals in that books, in addition to the above, are also generally identified with an International Standard Book Number (ISBN), while periodicals are dated and generally have an issue number, but not an ISBN.

“Clothing” means any article of wearing apparel, including all footwear (except skis, swim fins, roller blades, and skates) intended to be worn on or about the human body. However, “clothing” does not include watches, watchbands, jewelry, umbrellas, handkerchiefs, or sporting equipment. A representative list of items is included in this publication.

“School supplies” means pens, pencils, erasers, crayons, notebooks, notebook filler paper, legal pads, binders, lunch boxes, construction paper, markers, folders, poster board, composition books, poster paper, scissors, cellophane tape, glue, paste, rulers, computer disks, protractors, compasses, and calculators.

This exemption does not apply to sales of books, clothing, or school supplies within a theme park, entertainment complex, public lodging establishment, or airport. Those areas are defined below.

“Theme park or entertainment complex” means a complex comprised of at least 25 adjacent acres owned and controlled by the same business entity and which contains permanent exhibitions and a variety of recreational activities and has a minimum of one million visitors annually.

“Public lodging establishment” means any unit, group of units, dwelling, building, or group of buildings within a complex of buildings, which is rented to guests more than three times in a calendar year for periods of less than 30 days or one calendar month, whichever is less, or which is advertised or offered to the public as a place regularly rented to guests.

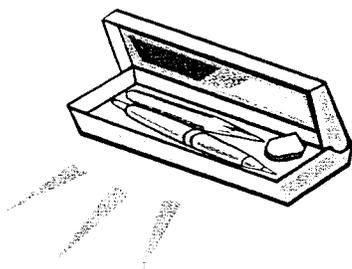
“Airport” means an area of land or water used for, or intended to be used for, landing and takeoff of aircraft, including accessory or relative areas, buildings, facilities, or rights-of-way necessary to facilitate such use or intended use.

Inside this TIP:

Gift certificates	pg. 2
Exchanges	pg. 3
Refunds	pg. 3
Returns	pg. 3
Coupons, rebates and discounts	pg. 3
Rain checks	pg. 3
Layaways	pg. 3
Mail orders	pg. 4
Records and reporting	pg. 4
List of items and their taxable status	pg. 5

Applying the Law to Sales Transactions

Articles normally sold as a unit



Articles that are normally sold as a unit must continue to be sold in that manner; they cannot be separately priced and sold as individual items in order to obtain the sales tax exemption.

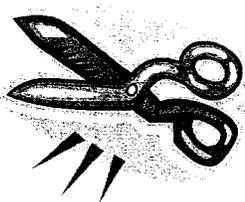
Example 1: A pair of shoes normally sells for \$80. The pair of shoes cannot be split up in order to sell each shoe for \$40 to qualify for the exemption.

Example 2: A suit is normally priced at \$100 on a single price tag. The suit cannot be split into two separate articles so that each piece may be sold for \$50 or less in order to qualify for the exemption. However, items that are normally priced as separate items may continue to be sold as separate items and qualify for the exemption if the price of the item is \$50 or less.

Example 3: A pen and pencil set is normally priced at \$18 on a single price tag. The set cannot be split into separate items so that either of the items may be sold for \$10 or less in order to qualify for the exemption.

Example 4: A set of five books normally sells for \$199.95. The set cannot be split into separate books so that each book sells for \$50 or less in order to qualify for the exemption.

Sets containing both exempt and taxable items



When exempt items are normally sold together with taxable merchandise as a set or single unit, the full price is subject to sales tax.

Example 1: A gift set consisting of a wallet and key chain is sold for a single price of \$35. Although the wallet would qualify for the exemption if sold separately during the exemption period, the key chain would not qualify because it is not listed as a qualifying tax-exempt item. The full selling price of the wallet and key chain gift set is taxable.

Example 2: A desk set consisting of a stapler and a pair of scissors is sold for a single price of \$9.95. Although the scissors would qualify for the exemption if sold separately during the exemption period, the stapler would not qualify because it is not listed as a qualifying tax-exempt item. The full selling price of the stapler and scissors desk set is taxable.

Buy one, get one free or for a reduced price



The total price of items advertised as "buy one, get one free," or "buy one, get one for a reduced price," cannot be averaged in order for both items to qualify for the exemption.

Example 1: A retailer advertises pants as "buy one, get one free." The first pair of pants is priced at \$70; the second pair of pants is free. Tax is due on \$70. The store cannot sell each pair of pants for \$35 in order for the items to qualify for the exemption. However, the retailer may advertise and sell the items for 50% off, selling each pair of \$70 pants for \$35, making each pair eligible for the exemption.

Example 2: A retailer advertises shoes as "buy one pair at the regular price, get a second pair for half price." The first pair of shoes is sold for \$60; the second pair is sold for \$30 (half price). Tax is due on the \$60 shoes, but not on the \$30 shoes. The store cannot sell each pair of shoes for \$45 in order for the items to qualify for the exemption. However, a retailer may advertise each pair for 25% off, thereby selling each pair of \$60 shoes for \$45, making each pair eligible for the exemption.

Gift certificates

The sale of a **gift certificate** is not taxable. Eligible items purchased during the exemption period using a gift certificate will qualify for the exemption, regardless of when the gift certificate was purchased. Eligible items purchased after the exemption period using a gift certificate are taxable, even if the gift certificate was purchased during the exemption period. A gift certificate cannot be used to reduce the selling price of a book or an item of clothing to \$50 or less, or the price of a school supply item to \$10 or less, in order for the item to qualify for the tax exemption.

When a customer purchases a tax-exempt item during the exemption period, then later exchanges the item for the same item (different size, different color, etc.), no additional tax will be due even if the exchange is made after the exemption period. When a customer purchases a tax-exempt item during the exemption period, then later returns the item and receives credit on the purchase of a different item, the appropriate sales tax will apply to the full sales price of the newly purchased item.

Example 1: During the exemption period, a customer purchases a \$50 dress that qualifies for the exemption. Later, during the exemption period, the customer exchanges the \$50 dress for a \$75 dress. Tax is due on the \$75 dress. The \$50 credit from the returned item cannot be used to reduce the sales price of the \$75 item to \$25 for exemption purposes.

Example 2: A customer purchases a \$35 shirt during the exemption period. After the exemption period, the customer exchanges the shirt for a \$35 jacket. Since the jacket was not purchased during the exemption period and is a different item of clothing, tax is due on the \$35 price of the jacket.

A customer who pays sales tax to a dealer on a tax-exempt item when no tax is due must secure a refund of the tax from the dealer and not from the Department of Revenue.

When a customer **returns** a tax-exempt item during the period August 13, 2010, through October 31, 2010, and wants a refund/credit of tax:

- The customer must produce a receipt or invoice showing tax was paid on the original purchase of the tax exempt item, **or**
- The retailer must have sufficient documentation to show that tax was paid on the original purchase of the tax exempt item.

Manufacturers' coupons do not reduce the sales price of an item. Therefore, a manufacturer's coupon cannot be used to reduce the selling price of a book or an item of clothing to \$50 or less, or that of a school supply item to \$10 or less, in order to qualify for the exemption.

Example: A jacket sells for \$55. The customer has a \$10 manufacturer's coupon good for the purchase of the jacket. The manufacturer's coupon does not reduce the sales price of the jacket. Tax is due on \$55, even though the customer only pays the retailer \$45 for the jacket.

Store coupons and discounts reduce the sales price of an item. Therefore, a store coupon or discount can be used to reduce the sales price of a book or an item of clothing to \$50 or less, or that of a school supply item to \$10 or less, in order to qualify for the exemption.

Example: A customer buys a \$400 suit and a \$55 shirt. The retailer is offering a 10% discount. After applying the 10% discount, the final sales price of the suit is \$360, and the sales price of the shirt is \$49.50. The suit is taxable (it is over \$50), and the shirt is exempt (it is less than \$50).

Rebates occur after the sale and do not affect the sales price of an item purchased.

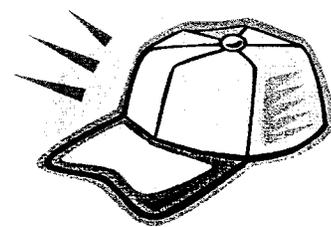
Example: A jacket sells for \$55. The customer receives a \$10 rebate from the manufacturer. The rebate occurs after the sale, so it does not reduce the sales price of the jacket. Tax is due on \$55.

Tax-exempt items purchased during the exemption period using a **rain check** will qualify for the exemption regardless of when the rain check was issued. However, issuance of a rain check during the exemption period will not qualify an eligible item for the exemption if the item is actually purchased after the exemption period.

Rentals of eligible items do not qualify for the exemption.

A **layaway sale** is a transaction where merchandise is set aside for future delivery to a customer who makes a deposit, agrees to pay the balance of the purchase price over a period of time, and receives the merchandise at the end of the payment period.

Exchanging a Purchase after August 13



Refunds

Returns

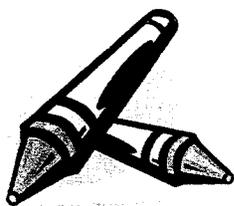
Coupons, rebates, and discounts



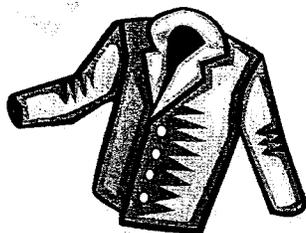
Rain checks

Rentals

Layaway sales



Mail-order sales



Shipping and handling

Repairs and alterations

For purposes of this exemption, tax-exempt items will qualify for the exemption if:

- A retailer and a customer enter into a contract for a layaway sale for an exempt item(s) during the exemption period.
- The customer makes the usual deposit in accordance with the retailer's layaway policy.
- The merchandise [exempt item(s)] is segregated from the retailer's inventory.
- The final payment is made during or after the exemption period.

If the final payment on a layaway order is made and the merchandise is given to the customer during the exemption period, that sale will qualify for the exemption, even when the qualified items were placed on layaway before the exemption period.

Tax-exempt items purchased by **mail order** (including transactions over the Internet) will qualify for the exemption if the order is accepted by the mail-order company during the exemption period for immediate shipment. When the acceptance of the order by the mail-order company occurs during the exemption period, the exemption will apply, even if delivery is made after the exemption period.

* An order is accepted by the mail-order company when the mail-order company has taken an action to fill the order for immediate shipment. Actions to fill an order include placing an "in date" stamp on a mail order or assigning an "order number" to a telephone order.

* An order is considered to be for immediate shipment when delayed shipment is not requested by the customer. An order is for immediate shipment even if the shipment may be delayed because of a backlog of orders or because stock is currently unavailable to, or on back order by, the company.

By law, **shipping and handling** charges are part of the sales price of an item, even if they are separately stated. If multiple items are shipped on a single invoice, and the shipping and handling charge is listed as a single cost for all items, the charge must be fairly assigned to each item on the invoice to determine if the total cost of each exempt item still qualifies it as tax exempt.

Repairs to tax-exempt items do not qualify for the exemption. **Alterations** to clothing are treated like repairs and do not qualify for the tax exemption, even though alterations may be completed, invoiced, and paid for at the same time as the tax-exempt item to be altered.

Example: A customer purchases a pair of pants for \$49 and pays \$5 to the retailer to have the pants cuffed. The \$49 charge for the pants is exempt; however, tax is due on the \$5 alteration charge.

For Bay County Dealers Only

Panama City and Panama City Beach impose on retailers a **merchant's license fee** or tax, which may be passed on to the customer. The merchant's license fee is included in the sales price of each item whether or not the fee is separately stated on the invoice.

Example: A handbag sells for \$49.95. The separately stated 1% tax or fee for this item is \$0.50. Since the fee or tax is part of the sales price of the item (\$50.45), the cost of the handbag exceeds the allowable threshold amount and, therefore, the handbag will not qualify for the exemption.

EXAMPLE	
Price of handbag	\$ 49.95
1% merchant's license fee	\$ 0.50
Taxable value of handbag	\$ 50.45

Consolidated Accounts

If you are a consolidated filer, only one of these publications is being mailed to your business. This will enable you to communicate directly with each of your store locations. Please be sure you notify all of your individual store locations regarding this sales tax holiday and the specific provisions contained in this publication. Posters containing the tax-exempt items and copies of this publication are available on our Internet site at www.myflorida.com/dor.

Record Keeping

During the tax-free holiday, no special record keeping or reporting is necessary. Sales of tax-exempt items that are sold from August 13, 2010, through August 15, 2010, should be reported as exempt sales on your sales tax return for that period.



The next two pages are designed to be removed for posting. Retailers may copy and post the list of tax-exempt items at store locations to provide assistance to customers wanting to make tax-exempt purchases during the Sales Tax Holiday.

For your convenience and easy access, the following items are posted on our Internet site at:

www.myflorida.com/dor

- This complete tax publication in PDF format
- An HTML version of this publication
- An 8" X 11" poster of tax-exempt items in PDF format

2010 Sales Tax Holiday

List of taxable and tax-exempt items

August 13 through August 15, 2010

The 2010 Florida Legislature passed and the Governor approved a tax-free period that states:

No sales tax shall be collected on the sale of books, clothing, wallets, or bags, including handbags, backpacks, fanny packs, and diaper bags, but excluding briefcases, suitcases, and other garment bags, having a sales price of \$50 or less, or on sales of certain school supplies having a sales price of \$10 or less for the period beginning 12:01 a.m., August 13, 2010, and ending at midnight, August 15, 2010.

“Book” means a set of printed sheets bound together and published in a volume. The term “book” does not include newspapers, magazines, other periodicals, or audio books.

“Clothing” means any article of wearing apparel, including all footwear (except skis, swim fins, roller blades, and skates), intended to be worn on or about the human body. However, “clothing” does not include watches, watchbands, jewelry, umbrellas, handkerchiefs, or sporting equipment.

“School supplies” means pens, pencils, erasers, crayons, notebooks, notebook filler paper, legal pads, binders, lunch boxes, construction paper, markers, folders, poster board, composition books, poster paper, scissors, cellophane tape, glue, paste, rulers, computer disks, protractors, compasses, and calculators.

The following is a list of clothing and accessory items and their taxable (T) or exempt (E) status during the tax-free period if they are sold for \$50 or less.

T/E	Item	T=Taxable E= Exempt	T/E	Item	T=Taxable E= Exempt	T/E	Item	T=Taxable E= Exempt
A				leviate a physical incapacity or injury*				
T	Accessories (generally)		E	Bras		E	Fanny packs	
E	• Barrettes and bobby pins		T	Briefcases		T	Fins	
E	• Belt buckles		C			T	Fishing boots (waders)	
E	• Bow ties		E	Caps and hats		E	Fishing vests (non-flotation)	
E	• Hair bows, clips, and bands		T	Checkbook covers (separate from wallets)		T	Football pads	
E	• Handbags		T	Chest protectors		E	Formal clothing (unless rented)	
T	• Handkerchiefs		E	Choir and altar clothing*		G		
T	• Jewelry		E	Cleated and spiked shoes		T	Garment bags	
E	• Neckwear		E	Clerical vestments*		E	Garters and garter belts	
T	• Key cases		E	Cloth and lace, knitting yarns, and other fabrics		E	Girdles, bras, and corsets	
E	• Ponytail holders		T	Clothing repair items such as thread, buttons, tapes, iron-on patches, zippers		E	Gloves (generally)	
E	• Scarves		E	Coats and wraps		T	• Baseball	
E	• Ties		T	Coin purses		T	• Batting	
E	• Wallets		T	Corsages and boutonnières		T	• Bicycle	
T	• Watch bands		E	Costumes		E	• Dress (unless rented)	
T	• Watches		E	Coveralls		E	• Garden	
E	Aerobic clothing		T	Crib blankets		T	• Golf	
E	Aprons/Clothing shields		D			T	• Hockey	
T	Athletic gloves		E	Diaper bags		E	• Leather	
T	Athletic pads		E	Diapers, diaper inserts (adult and baby, cloth or disposable)		T	• Rubber	
E	Athletic supporters		T	Dresses		T	• Surgical	
B				Duffel bags		T	• Tennis	
E	Baby clothes		E			E	• Work	
E	Backpacks		T	Elbow pads		T	Goggles (except prescription*)	
E	Bandanas		E	Employee uniforms		E	Graduation caps and gowns	
E	Baseball cleats		F			E	Gym suits and uniforms	
E	Bathing suits, caps, and cover-ups					H		
E	Belt buckles					E	Hair nets, bows, clips, and bands	
E	Belts					E	Handbags and purses	
T	Belts for weightlifting					T	Handkerchiefs	
E	Bibs					T	Hard hats	
E	Blouses					E	Hats	
E	Book bags					T	Helmets (bike, baseball, football, hockey, motorcycle, sports)	
E	Boots (except ski boots)					E	Hosiery, including support hosiery	
E	Bowling shoes (sold)					E	Hunting vests	
T	Bowling shoes (rented)					I-J		
E	Bow ties							
E	Braces and supports worn to correct or al-							

* These items are always exempt as religious, prescription, prosthetic, or orthopedic items.

T/E	Item	T=Taxable E= Exempt	T/E	Item	T=Taxable E= Exempt	T/E	Item	T=Taxable E= Exempt
T	Ice skates		T	Shoulder pads (football, hockey, sports)				
T	In-line skates		E	Shorts				
E	Insoles		T	Skates (ice, in-line, roller)				
E	Jackets		T	Ski boots (snow)				
E	Jeans		T	Ski vests (water)				
T	Jewelry		E	Ski suits (snow)				
K			T	Skin diving suits				
T	Key chains		E	Skirts				
T	Knee pads		E	Sleepwear, nightgowns, pajamas				
L			E	Slippers				
E	Lab coats		E	Slips				
E	Leg warmers		E	Socks				
E	Leotards and tights		T	Sports helmets				
T	Life jackets and vests		T	Sports pads (football, hockey, soccer, knee, elbow, shoulder)				
E	Lingerie		E	Sports uniforms (except pads, helmets)				
T	Luggage		T	Suitcases				
M-N			E	Suits, slacks, and jackets				
T	Makeup bags		T	Sunglasses (except prescription*)				
E	Martial arts attire		E	Suspenders				
E	Neckwear and ties		E	Sweatbands				
O-P			E	Sweaters				
E	Overshoes and rubber shoes		T	Swimming masks				
T	Pads (football, hockey, soccer, elbow, knee, shoulder)		E	Swim suits and trunks				
T	Paint or dust masks		T					
E	Pants		E	Ties (neckties - all)				
E	Pantyhose		E	Tights				
T	Patterns		E	Tuxedos, excluding cufflinks and rentals				
T	Protective masks (athletic)		U					
E	Raincoats, rain hats, and ponchos		T	Umbrellas				
E	Receiving blankets		E	Underclothes				
E	Religious clothing*		E	Uniforms (work, school, and athletic, excluding pads)				
T	Rented clothing (including uniforms, formal wear, and costumes)		V-W					
T	Repair of wearing apparel		E	Vests				
E	Robes		E	Vintage clothing				
T	Roller blades		E	Wallets				
T	Roller skates		T	Watchbands				
S			T	Water ski vests				
E	Safety clothing		T	Weight lifting belts				
T	Safety glasses (except prescription*)		T	Wet and dry diving suits				
E	Safety shoes		T	Wigs, toupees, and chignons				
E	Scarves		E	Work clothes and uniforms				
E	Scout uniforms		School Supplies					
T	Shaving kits/bags		The following is a list of school supplies and their taxable status if they are sold for \$10 or less during the tax exemption period.					
E	Shawls and wraps		E	Binders				
T	Shin guards and padding		E	Calculators				
E	Shirts		E	Cellophane (transparent) tape				
E	Shoe inserts		E	Colored pencils				
E	Shoes (including athletic)		E	Compasses				
E	Shoulder pads (for dresses, jackets, etc.)		E	Composition books				

School Supplies Continued

E	Computer disks (floppies and blank CDs)
T	Computer paper
E	Construction paper
T	Correction tape, fluid, or pens
E	Crayons
E	Erasers
E	Folders
E	Glue (stick and liquid)
E	Highlighters
E	Legal pads
E	Lunch boxes
E	Markers
T	Masking tape
E	Notebook filler paper
E	Notebooks
E	Paste
E	Pencils, including mechanical and refills
E	Pens, including felt, ballpoint, fountain, highlighters, and refills
E	Poster board
E	Poster paper
T	Printer paper
E	Protractors
E	Rulers
E	Scissors
T	Staplers
T	Staples

Books

The following is a list of books and their taxable status if they are sold for \$50 or less during the tax exemption period. Books are different from periodicals in that books are a set of printed sheets bound together and published in a volume.

Books are generally identified with an International Standard Book Number (ISBN), while periodicals are dated and generally have an issue number, but not an ISBN.

T	Audio books
E	Bibles*
T	Books with no publisher
E	Books with a publisher
E	Children's books (published)
E	Foreign and old books (even without ISBN)
T	Greeting cards
E	Instruction manuals (bound and published)
T	Magazines**
T	Movies
E	Music books
T	Newspapers**
T	Periodicals
E	Textbooks (published)

* These items are always exempt as religious, prescription, prosthetic, or orthopedic items.

** Subscriptions to newspapers and magazines that are delivered by mail remain exempt from tax.

For Information and Forms



Information and forms are available on our Internet site at:

www.myflorida.com/dor



To speak with a Department of Revenue representative, call Taxpayer Services, Monday through Friday, 8 a.m. to 7 p.m., ET, at 800-352-3671.



Persons with hearing or speech impairments may call our TDD at 800-367-8331 or 850-922-1115.



For a written reply to tax questions, write:
Taxpayer Services
Florida Department of Revenue
5050 W Tennessee St Bldg L
Tallahassee FL 32399-0112

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References: Chapter 2010-93, Laws of Florida (section 1, CS for HB 483 and HB 469)

Florida Department of Revenue Service Centers

Alachua Service Center

14107 US Highway 441 Ste 100
Alachua FL 32615-6390
386-418-4444 (ET)

Clearwater Service Center

Arbor Shoreline Office Park
19337 US Highway 19 N Ste 200
Clearwater FL 33764-3149
727-538-7400 (ET)

Cocoa Service Center

2428 Clearlake Rd Bldg M
Cocoa FL 32922-5731
321-504-0950 (ET)

Coral Springs Service Center

Florida Sunrise Tower
3111 N University Dr Ste 501
Coral Springs FL 33065-5096
954-346-3000 (ET)

Daytona Beach Service Center

1821 Business Park Blvd
Daytona Beach FL 32114-1230
386-274-6600 (ET)

Fort Myers Service Center

2295 Victoria Ave Ste 270
Fort Myers FL 33901-3871
239-338-2400 (ET)

Fort Pierce Service Center

Benton Building
337 N US Highway 1 Ste 207-B
Fort Pierce FL 34950-4255
772-429-2900 (ET)

Jacksonville Service Center

921 N Davis St A250
Jacksonville FL 32209-6829
904-359-6070 (ET)

Key West Service Center

3104 Flagler Ave
Key West FL 33040-4602
305-292-6725 (ET)

Lake City Service Center

1401 W US Highway 90 Ste 100
Lake City FL 32055-6123
386-758-0420 (ET)

Lakeland Service Center

115 S Missouri Ave Ste 202
Lakeland FL 33815-4600
863-499-2260 (ET)

Leesburg Service Center

1415 S 14th St Ste 103
Leesburg FL 34748-6686
352-315-4470 (ET)

Maitland Service Center

Building 200 Ste 160
2301 Maitland Center Parkway
Maitland FL 32751-4192
407-475-1200 (ET)

Marianna Service Center

4230 Lafayette St Ste D
Marianna FL 32446-8231
850-482-9518 (CT)

Miami Service Center

8175 NW 12th St Ste 119
Miami FL 33126-1828
305-470-5001 (ET)

Naples Service Center

3073 Horseshoe Dr S Ste 110
Naples FL 34104-6145
239-434-4858 (ET)

Panama City Service Center

210 N Tyndall Parkway
Panama City FL 32404-6432
850-872-4165 (CT)

Pensacola Service Center

3670C N L St
Pensacola FL 32505-5217
850-595-5170 (CT)

Port Richey Service Center

6709 Ridge Rd Ste 300
Port Richey FL 34668-6842
727-841-4407 (ET)

Sarasota Service Center

Sarasota Main Plaza
1991 Main St Ste 240
Sarasota FL 34236-5940
941-361-6001 (ET)

Tallahassee Service Center

267 John Knox Rd Ste 200
Tallahassee FL 32303-6692
850-488-9719 (ET)

Tampa Service Center

Ste 100
6302 E Martin Luther King Blvd
Tampa FL 33619-1166
813-744-6590 (ET)

West Palm Beach Service Center

2468 Metrocentre Blvd
West Palm Beach FL 33407-3105
561-640-2800 (ET)

CT—Central Time

ET—Eastern Time

For More Information

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FLA ENERGY FORUM

29

June 23, 2010

Chairman Carmen L. McLemore
Office of Gulf County Commissioners
1000 Cecil G. Costin, Sr. Blvd
Port St. Joe, FL 32456

Dear Chairman McLemore:

I am writing in my capacity as chairman of the FLA Energy Forum, a growing community of Floridians concerned about our state's and nation's energy futures. We are committed to achieving energy security for our country through a balanced approach to increasing American supplies of energy, and support expanded conservation efforts, development of renewable energy sources and increased domestic exploration of traditional energy sources.

Like all Americans, we are deeply concerned about the short and long-term consequences of the Deepwater Horizon oil spill in the Gulf of Mexico. This remains an ongoing catastrophe with no quick solution. While we hope the flow of oil will soon be stemmed, the damage assessment and clean-up will last for a very long time.

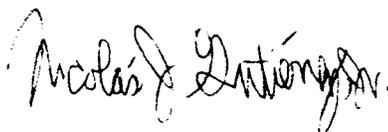
As this situation plays out and emotions run high, many people will want to identify and punish real or imagined villains. We understand that as long as effective solutions elude BP and the government, the urge to "DO SOMETHING," even if it is pointless or counter-productive, will only grow.

In this heated political environment, we urge you as a public official to preserve your options and resist the temptation to join in precipitous movements to stymie future oil exploration. As U.S. Interior Secretary Ken Salazar previously noted, offshore oil drilling will remain a necessary part of U.S. energy policy for many years to come.

Even the most optimistic projections of future expansion of all alternatives – wind, solar and bio-fuels – show that every sector of our economy, every state and every American family will depend on the accessibility of affordable oil for years to come.

Let's work together to learn from the tragedy in the Gulf of Mexico, adopt appropriate safety measures to prevent future oil spills and continue to invest in the exploration of all viable energy resources.

Sincerely,



Nicolás J. Gutiérrez, Jr., Esq.
Chairman, FLA Energy Forum

2010 JUL -7 PM 1:44
RECORDS SECTION
OFFICE OF CLERK OF COURT
GULF COUNTY, FLORIDA

ORDER NO. PSC-10-0398-S-EI
 DOCKET NOS. 090079-EI, 090144-EI, 090145-EI, 100136-EI
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The Office of the Public Counsel (OPC),¹ the Office of the Attorney General (AG),² the Florida Industrial Power Users Group (FIPUG),³ the Florida Retail Federation (FRF),⁴ the Florida Association for Fairness in Rate Making (AFFIRM),⁵ the Navy (Navy),⁶ and White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs (PCS Phosphate)⁷ intervened in this proceeding.

On March 20, 2009, PEF also filed a Petition for Limited Proceeding to Include the Bartow Repowering Project in Base Rates, in Docket No. 090144-EI. On June 12, 2009, we issued Proposed Agency Action (PAA) Order No. PSC-09-0145-PAA-EI⁸ approving PEF's petition for a limited proceeding and consolidating this matter with Docket No. 090079-EI (Bartow PAA Order). In addition, Order No. PSC-09-0586-PCO-EI,⁹ issued August 31, 2009, consolidated Docket No. 090145-EI with Docket No. 090079-EI.

We held an evidentiary hearing on PEF's proposed rate increase on September 21-25, 28-30, 2009, and October 1, 2009. Thereafter, on March 5, 2010, upon consideration of the evidentiary record, post-hearing briefs of the parties, and our staff's recommendation, we issued Order No. PSC-10-0131-FOF-EI (Final Order).

On March 18, 2010, PEF filed its Motion for Reconsideration of Order No. PSC-10-0131-FOF-EI to Correct Calculation Mistakes in the Commission's Depreciation Expense, Accumulated Depreciation Reserve, and Revenue Requirements (Motion for Reconsideration). PEF asserted that the Final Order contained nine separate mathematical mistakes in the calculation of PEF's depreciation expense and accumulated depreciation reserve, totaling approximately \$36 million in mistakes in PEF's revenue requirements, as calculated by this Commission. In its Motion for Reconsideration, PEF further requested that the Final Order be amended to correct the mathematical mistakes in the calculation of PEF's accumulated depreciation expense, accumulated depreciation reserve, and revenue requirements.

On March 25, 2010, and March 29, 2010, FIPUG and PCS Phosphate filed their Responses to PEF's Motion for Reconsideration. Both FIPUG and PCS Phosphate asserted in their respective Responses that to the extent that any of the claimed \$36 million in errors is found to be accurate, that the appropriate response is for us to use our broad rate-making authority to adjust the excess depreciation reserve as necessary and appropriate to ensure that there is no increase to PEF's customer base rates.

¹ Order No. PSC-09-0105-PCO-EI, issued February 23, 2009.

² Order No. PSC-09-0122-PCO-EI, issued March 2, 2009.

³ Order No. PSC-09-0198-PCO-EI, issued April 1, 2009.

⁴ Order No. PSC-09-0199-PCO-EI, issued April 1, 2009.

⁵ Order No. PSC-09-0579-PCO-EI, issued August 27, 2009.

⁶ Order No. PSC-09-0399-PCO-EI, issued June 6, 2009.

⁷ Order No. PSC-09-0200-PCO-EI, issued April 1, 2009.

⁸ Order No. PSC-09-0415-PAA-EI, issued June 12, 2009, in Docket No. 090144-EI, In re: Petition for limited proceeding to include Bartow repowering project in base rates, by Progress Energy Florida, Inc.

⁹ Order No. PSC-09-0586-PCO-EI, issued August 31, 2009, in Docket No. 090145-EI, In re: Petition for expedited approval of the deferral of pension expenses, authorization to charge storm hardening expenses to the storm damage reserve, and variance from or waiver of Rule 25-6.0143(1)(c), (d), and (f), F.A.C., by Progress Energy Florida, Inc.

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On March 29, 2010, OPC filed its Cross-Motion for Reconsideration and Response to PEF's Motion for Reconsideration (OPC's Cross-Motion). In OPC's Cross-Motion it asserted that we erred, as a matter of law, in determining that the \$132 million increase in base rate revenues associated with the Bartow Repowering Project (Bartow) was approved prior to and outside of the final determination on January 11, 2010, on PEF's Petition for rate increase filed in this docket. As a result of that alleged error, OPC asserts that this Commission appears to have declined to amortize any more than \$23 million of the depreciation reserve surplus to offset the increased revenue requirement resulting from Bartow or any other undifferentiated component of PEF's overall jurisdictional revenue requirement.

On March 30, 2010, the AG's Office filed its Cross-Motion for Reconsideration and Response to PEF's Motion for Reconsideration, affirming and supporting the response and cross-motion filed by OPC.

On April 5, 2010, PEF filed its Motion to Strike Citizen's Cross-Motion for Reconsideration and Response to Citizen's Cross-Motion for Reconsideration (Motion to Strike or PEF Response), arguing that OPC's Cross-Motion should be stricken on the grounds that it was untimely filed and, in the alternative, responding to OPC's Cross-Motion.

On March 18, 2010, PEF filed a petition for the approval of an accounting order to allow it to record a depreciation expense credit in Docket No. 100136-EI. This credit would reduce the cost of removal component in its depreciation expense resulting in a reduction of the theoretical reserve imbalance. PEF asserted that the proposed accounting treatment would provide it with the opportunity to earn a fair and reasonable return.

A Joint Motion for Approval of Stipulation and Settlement Agreement (Joint Motion) was filed on May 10, 2010 by PEF, OPC, AG, FIPUG, FRF, PCS Phosphate, and the Navy (Joint Movants). The proposed Stipulation and Settlement Agreement (Stipulation) is intended to resolve all of the issues in Docket Nos. 090079-EI, 090144-EI, 090145-EI, and 100136-EI.

This Order addresses the Joint Motion for Approval of Stipulation and Settlement Agreement. We have jurisdiction pursuant to Sections 366.06 and 366.071, F.S.

II. STIPULATION AND SETTLEMENT

The Joint Movants have proffered the proposed Stipulation (Attachment 1, attached hereto) as a complete resolution of all matters pending in Docket Nos. 090079-EI, 090144-EI, 090145-EI, and 100136-EI. The major elements contained in the Stipulation are:

- Base rates frozen through the last billing cycle in December 2012 unless return on equity falls below 9.50 percent (Paragraphs 4 and 5)
- Discretion to record a depreciation expense credit of up to \$150 million in 2010, up to \$250 million in 2011, and up to any remaining balance of the depreciation theoretical reserve imbalance in 2012 (Paragraph 3)

- Discretion to accelerate the amortization of certain regulatory assets (Paragraph 7)
- Recovery of storm damage costs and storm damage reserve replenishment (not to exceed \$4.00/1,000 kWh monthly for residential customers) will begin, on an interim basis, 60 days following the filing of a petition (Paragraph 6)

The proposed Stipulation consists of 9 paragraphs of agreement among the Joint Movants. We find that several of the paragraphs merit comment or clarification. These are as follows:

Paragraph 3

This paragraph provides PEF with the discretion to record a retail jurisdictional annual credit to depreciation expense and a debit to the "cost of removal portion" of the depreciation reserve of up to \$150 million in 2010, up to \$250 million in 2011, and up to the remaining balance of the cost of removal reserve in 2012. These credit amounts are in addition to the annual amortization of the depreciation reserve surplus approved in the Final Order. The Joint Motion states that the credits to depreciation expense will "reduce the existing depreciation theoretical reserve imbalance."

For financial reporting purposes, PEF separates the book depreciation reserve between the portion attributable to plant life and that attributable to cost of removal. Also, the cost of removal component of the reserve is classified as a regulatory liability for financial reporting purposes. Under Paragraph 3, PEF will record the annual depreciation expense credit as a regulatory credit amortization with a debit to the cost of removal liability. This will have the effect of amortizing the remaining reserve surplus of \$667 million identified in the Final Order up to the amount of the cost of removal liability.

As of March 31, 2010, the portion of the depreciation reserve that PEF identifies as being attributable to cost of removal is \$587.1 million (\$535.2 million retail). This amount will decrease each year due to actual expenditures incurred in removing retired property and will increase due to additional depreciation expense based on our approved depreciation rates in the Final Order, which PEF estimates to be in the range of \$30 - \$35 million annually. If the full amount of the depreciation expense credit is taken in 2010 and 2011, PEF will have the discretion in 2012 of recording a credit to depreciation expense up to the amount of the cost of removal liability existing at that time.

Also pursuant to Paragraph 3, if PEF records a depreciation expense credit in a given year that is less than the cap set forth above, the Company is permitted to carry forward and record in subsequent years the difference between the booked amount of the expense credit and the set cap for that year. For example, if PEF records a credit to depreciation expense of \$100 million in 2010, it would be permitted to carry forward and record in 2011 or 2012 the \$50 million difference between the amount booked and the cap of \$150 million, in addition to the \$250 million capped amount for 2011.

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Paragraph 5

Per the terms of this paragraph, if PEF's retail base rate earnings fall below 9.5 percent return on equity (ROE) as reported on a historical (12 month rolling period income statement) Commission adjusted or pro-forma basis on a PEF Earnings Surveillance Report (ESR) during the term of this Stipulation, PEF shall be entitled to seek interim, limited, or general base rate relief, or any combination thereof. For purposes of requesting relief under this paragraph, PEF must demonstrate that it recorded the greater of \$150 million or the actual depreciation expense credit on an adjusted or pro-forma basis. In addition, PEF may not include any acceleration of the amortization of the deferred regulatory assets identified in Paragraph 7 in the calculation of earnings for purposes of determining if achieved earnings are below 9.5 percent ROE.

Also pursuant to Paragraph 5, if PEF's retail base rate earnings exceed 11.5 percent ROE as reported on a historical Commission adjusted or pro-forma basis during the term of this Stipulation, any other Party shall be entitled to petition this Commission for a review of PEF's base rates. The ESR filed with this Commission consistent with Rule 25-6.1352, Florida Administrative Code, will be the basis for determining if PEF's ROE on a historical or pro-forma basis is above 11.5 percent. The depreciation expense credit and/or the acceleration of amortization of the regulatory assets identified in Paragraph 7 will be included as recognized in the calculation of the achieved ROE in the referenced ESR to which the 11.5 percent will be compared.

Paragraph 6

Per the terms of this paragraph, PEF is not precluded from requesting approval to recover costs (a) that are normally recovered through cost recovery clauses or surcharges, or (b) that are incremental costs not currently recovered in base rates that are determined to be clause recoverable, or (c) that are recoverable through base rates under the nuclear cost recovery legislation or our nuclear or integrated gasification combined cycle power plant cost recovery rule.

Paragraph 6 also explicitly addresses storm damage cost recovery. Sixty days following the filing of a petition seeking recovery of storm damage costs, the Joint Movants have agreed that PEF will be allowed to implement, on an interim basis, a monthly storm cost recovery surcharge of up to \$4.00/1,000 kWh on residential customer bills based on a 12-month recovery period. If the storm costs exceed that level, any additional costs will be recovered in a subsequent year(s) as determined by this Commission. This paragraph also allows PEF to use the surcharge to replenish its storm damage reserve to the level as of the implementation date of the Stipulation. As reflected in Order No. PSC-10-0131-FOF-EI, PEF is no longer authorized to make any accruals to the storm damage reserve. It is estimated that the storm damage reserve level as of the implementation date will be \$136 million. Based on the \$4.00/1,000kWh monthly cap for residential customers, the annual amount of the surcharge would be \$75.6 million for residential customers and a total of \$117.8 million for all of PEF's customers.

Paragraph 7

Pursuant to this paragraph, PEF will be authorized, at its discretion, to accelerate in whole or in part the amortization of the regulatory assets for FAS 109 Deferred Tax Benefits Previously Flowed Through, Unamortized Loss on Reacquired Debt, Interest on Income Tax Deficiency, and 2009 Pension Regulatory Asset over the term of the Stipulation. Table 1 – 1 below summarizes the amounts associated with each of these regulatory assets.

Table 1 – 1

Regulatory Asset	Date Created	Balance as of March 31, 2010	Annual Amortization
FAS 109 Regulatory Asset	1993	\$6.9 M	\$0.7 M
Unamortized Loss on Reacquired Debt	1998	\$19.3 M	\$1.4 M
Interest on Income Tax Deficiency	2009	\$3.1 M	\$1.4 M
Pension Regulatory Asset	2009	\$32.5 M	varies
Total		\$61.8 M	

As noted above in the discussion of Paragraph 5, PEF is precluded from recording an acceleration of the amortization of any of these regulatory assets in the calculation of earnings for purposes of determining eligibility for seeking interim, limited, or general base rate relief to be effective during the term of this Stipulation. PEF, at its sole discretion, will determine the amount, if any, of acceleration of amortization of these regulatory assets will be reflected in the calculation of earnings for purposes of determining if PEF's achieved ROE is in excess of 11.5 percent. Finally, any balance remaining after the acceleration of amortization of these regulatory assets will continue to be recoverable in rates in the future through amortization included in the cost of service.

III. CONCLUSION

Upon review and consideration, we find that the Stipulation and Settlement Agreement provides a reasonable resolution of the outstanding issues in Docket Nos. 090079-EI, 090144-EI, 090145-EI, and 100136-EI and is in the public interest. Therefore, we hereby approve the Stipulation and Settlement Agreement.

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Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Stipulation and Settlement Agreement filed May 10, 2010, which is attached hereto as Attachment 1 and incorporated herein by reference, is hereby approved. It is further

ORDERED that Docket Nos. 090079-EI, 090144-EI, 090145-EI, and 100136-EI shall be closed upon the expiration of the time for appeal.

By ORDER of the Florida Public Service Commission this 18th day of June, 2010.



ANN COLE
Commission Clerk

(SEAL)

KEF

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

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Docket Nos. 090079-EI, 090144-EI, 090145-EI, 100136-EI
Date: May 20, 2010

Attachment 1
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for increase in rates by Progress Energy Florida, Inc.	Docket No. 090079-EI
In re: Petition for limited proceeding to include Bartow repowering project in base rates, by Progress Energy Florida, Inc.	Docket No. 090144-EI
In re: Petition for expedited approval of the deferral of pension expenses, authorization to charge storm hardening expenses to the storm damage reserve, and variance from or waiver of Rule 25-6.0143(1)(e), (d), and (f), F.A.C., by Progress Energy Florida, Inc.	Docket No. 090145-EI
In re: Petition of approval of an accounting order to record a depreciation expense credit by Progress Energy Florida, Inc.	Docket No. 100136-EI FILED: May 10, 2010

STIPULATION AND SETTLEMENT AGREEMENT

WHEREAS, pursuant to its March 20, 2009 filing, Progress Energy Florida, Inc. ("PEF" or the "Company"), petitioned the Florida Public Service Commission (the "Commission") for an increase in base rates and other related relief;

WHEREAS, the Commission issued Order No. PSC-10-0131-FOF-EI on March 18, 2010, of which PEF and the Office of Public Counsel ("OPC") have sought reconsideration, and which requests are pending before this Commission;

WHEREAS, the Company has filed with the Commission a petition for approval of an accounting order to record a depreciation expense credit, which remains pending before this Commission in Docket No. 100136-EI, and in which OPC and others have intervened;

DOCUMENT NUMBER DATE
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ORDER NO. PSC-10-0398-S-EI
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 Date: May 20, 2010

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WHEREAS, the Company, OPC, the Attorney General of the State of Florida ("AG"), the Florida Industrial Power Users Group ("FIPUG"), the Florida Retail Federation ("FRF"), White Springs Agricultural Chemicals, Inc. ("White Springs"), and the U.S. Department of the Navy ("USDN") have agreed in principle to resolve all outstanding issues in Docket Nos. 090079-EI, 090144-EI, 090145-EI and 100136-EI pending before the Commission, as set forth in this Stipulation and Settlement Agreement (the "Agreement") dated May 10, 2010;

WHEREAS, unless the context clearly requires otherwise, the term Party or Parties means a signatory to this Agreement;

WHEREAS, the Parties recognize that this is an unprecedented time in the Florida economy, and that all Floridians, in particular those with fixed or low incomes, have been severely affected by the current economic recession;

WHEREAS, PEF and the Parties to this Agreement also recognize that this is a period of significant uncertainty regarding fuel prices and other energy, commodity, and operation and maintenance costs, driven in part by global factors and general economic uncertainty;

WHEREAS, this Agreement will help to mitigate the impact of high energy prices by, among other things, freezing PEF's current base rates through 2012;

WHEREAS, PEF believes that, but for this Agreement, the combination of lower energy sales and the rising cost of providing electric service would necessitate base rate increases implemented before or during 2012; and

WHEREAS, this Agreement will allow PEF's customers to avoid such potential rate increases.

NOW, THEREFORE, in consideration of the foregoing and the covenants contained herein, the Parties hereby agree and stipulate as follows:

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 Date: May 20, 2010

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1. This Agreement will become effective upon approval and final order of the Commission (the "Implementation Date") and continue through the last billing cycle in December 2012.

2. PEF will continue its base rates in effect as of the Implementation Date, without any change in such base rates except as otherwise provided for in this Agreement. Cost of service and rate design issues will be as set forth in Order No. PSC-10-0131-FOP-EI.

3. In consideration of the foregoing, PEF will have the discretion to reduce depreciation expense (cost of removal) by up to \$150 million in 2010, up to \$250 million in 2011, and up to any remaining balance in 2012 during the term of this Agreement until the earlier of (a) PEF's depreciation (cost of removal) reserve reaches zero, or (b) the term of this Agreement expires. In the event PEF reduces depreciation expense (cost of removal) by less than the caps set forth in this paragraph, PEF may carry forward (i.e. increase the cap by) any unused depreciation (cost of removal) reserve amounts in subsequent years during the term of this Agreement.

4. No Party to this Agreement will request, support, or seek to impose a change in the application of any provision hereof. Except as provided in paragraph 5, OPC, AG, FIPUG, FRP, White Springs, and USDN will neither seek nor support any reduction in PEF's base rates, including limited, interim or any other rate decreases, that would take effect prior to the first billing cycle for January 2013, except for any such reduction requested by PEF or as otherwise provided for in this Agreement. PEF shall not seek interim, limited, or general base rate relief during the term of this Agreement except as provided for in paragraph 5 of this Agreement. PEF is not precluded from seeking interim, limited or general base rate relief that would be effective during or after the first billing cycle in January 2013. Such interim relief may be based on time

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Date: May 20, 2010

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periods before January 1, 2013, consistent with Section 366.071, F.S., and calculated without regard to the provisions of this Agreement.

5. If PEF's retail base rate earnings fall below a 9.5% return on equity as reported on a historical (12 month rolling period income statement) Commission adjusted or pro-forma basis on a PEF monthly earnings surveillance report during the term of the Agreement, PEF shall be entitled to seek general, limited, or interim base rate relief, or any combination thereof. Prior to requesting any such relief under this paragraph, PEF must have reflected on its referenced surveillance report reduced depreciation expense (cost of removal) by the greater of \$150 million or the actual cost of removal-generated depreciation expense credit on an adjusted or pro forma basis, and PEF may not seek any such relief to be effective during the term of this Agreement if its return on equity for such period (as defined in the first sentence of this paragraph) is equal to or greater than 9.5% after the specified reduction in depreciation expense has been included and reflected. Any calculation of interim rate increase relief pursuant to Section 366.071(5)(b)1, F.S., shall include a cost of removal-generated depreciation expense credit in the amount of the greater of \$150 million or the actual amount recorded. If PEF's retail base rate earnings exceed 11.5% return on equity as reported on a historical Commission adjusted or pro-forma basis on a PEF monthly earnings surveillance report during the term of the Agreement, any other Party shall be entitled to petition the Commission for a review of PEF's base rates. PEF will not include any acceleration of deferred assets identified in Paragraph 7 in the calculation of earnings for purposes of determining eligibility for seeking interim, limited or general base rate relief to be effective during the term of this Agreement or calculating interim relief entitlement under this paragraph to the extent that such accelerated expenses cause achieved earnings to be below 9.5% return on equity on an historical basis. The Parties to this Agreement are not precluded from

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 Date: May 20, 2010

Attachment 1
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participating in any such proceedings. This Agreement shall terminate on the last day of the last billing cycle in December 2012 or the effective date of any Final Order issued in such proceeding that changes PEF's base rates under this paragraph. This paragraph shall not be construed to bar or limit PEF from any recovery of costs otherwise contemplated by this Agreement.

6. Nothing shall preclude the Company from requesting the Commission to approve the recovery of costs (a) that are of a type which traditionally and historically would be, have been, or are presently recovered through cost recovery clauses or surcharges, or (b) that are incremental costs not currently recovered in base rates which the Legislature or Commission determines are clause recoverable subsequent to the approval of this Agreement, or (c) which are recoverable through base rates under the nuclear cost recovery legislation, Section 366.93, F.S., or Commission Rule 25-6.0423, F.A.C. Specifically with respect to storm damage costs, nothing in this Agreement shall preclude PEF from petitioning the Commission to seek recovery of costs associated with any storms without the application of any form of earnings test or measure and irrespective of previous or current base rate earnings or level of theoretical depreciation reserve. Consistent with the rate design method set forth in Order Nos. PSC-06-0772-PAA-EI and PSC-05-0748-FOP-EI, the Parties agree that recovery of storm costs from customers will begin, on an interim basis, sixty days following the filing of a cost recovery petition and tariff with the Commission and will be based on a 12-month recovery period if the storm costs do not exceed \$4.00/1,000 kWh on monthly residential customer bills. In the event the storm costs exceed that level, any additional costs in excess of \$4.00/1,000 kWh shall be recovered in a subsequent year or years as determined by the Commission. All storm related costs shall be calculated and disposed of pursuant to Commission Rule 25-6.0143, F.A.C., and will be limited to costs

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 Date: May 20, 2010

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resulting from a tropical system named by the National Hurricane Center or its successor, estimate of incremental costs above the level of storm reserve prior to the storm and replenishment of the storm reserve to the level as of the Implementation Date of this Agreement. The Parties to this Agreement are not precluded from participating in any such proceedings. The Parties expressly agree that any proceeding to recover costs associated with any storm shall not be a vehicle for a "rate case" type inquiry concerning the expenses, investment, or financial results of operations of the Company and shall not apply any form of earnings test or measure or consider previous or current base rate earnings or level of theoretical depreciation reserve.

7. PEF will be authorized, at its discretion, to accelerate in whole or in part the amortization of the regulatory assets for FAS 109 Deferred Tax Benefits Previously Flowed Through, Unamortized Loss on Reacquired Debt, Interest on Income Tax Deficiency and 2009 Pension Regulatory Asset over the term of this Agreement. Any balance remaining after the acceleration of the amortization of these regulatory assets will continue to be recoverable in rates in the future through amortization to the cost of service.

8. The provisions of this Agreement are contingent on approval of this Agreement in its entirety by the Commission. The Parties further agree that they will support this Agreement and will not request or support any order, relief, outcome, or result in conflict with the terms of this Agreement in any administrative or judicial proceeding relating to, reviewing, or challenging the establishment, approval, adoption, or implementation of this Agreement or the subject matter hereof. No party will assert in any proceeding before the Commission that this Agreement or any of the terms in the Agreement shall have any precedential value. Approval of this Agreement in its entirety will resolve all matters in Docket Nos. 090144-EI, 090145-EI, 090079-EI, and 100136-EI pursuant to and in accordance with Section 120.57(4), Florida Statutes

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(2009). Upon approval of this Settlement Agreement in its entirety by the Commission, PEF and OPC will withdraw their respective Motions for Reconsideration of Order No. PSC-10-0131-FOF-EI, and PEF will withdraw its Position for Approval of an Accounting Order to Record a Depreciation Expense Credit in Docket No. 100136-EI. These Dockets will be closed effective on the date the Commission Order approving this Agreement is final and no Party shall seek appellate review of any order issued in these Dockets.

9. This Agreement dated as of May 10, 2010 may be executed in counterpart originals, and a facsimile of an original signature shall be deemed an original.

In Witness Whereof, the Parties evidence their acceptance and agreement with the provisions of this Agreement by their signatures below.

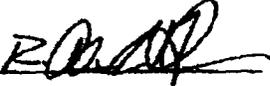
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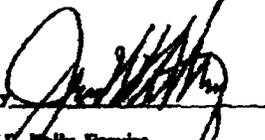
Attachment 1
Page 8 of 8

Florida Power Corporation dba
Progress Energy Florida, Inc.

By: 

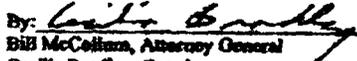
Alex Glenn, Esquire
Post Office Box 14042
St. Petersburg, Florida 33733

Office of Public Counsel

By: 

J.K. Kelly, Esquire
Charles Rehwinkel, Esquire
111 W. Madison St., Room 612
Tallahassee, Florida 32399

Attorney General, State of Florida

By: 
Bill McCollum, Attorney General
Cecilia Bradley, Esquire

Florida Industrial Power Users Group

By: 

Jon C. Moyle, Jr., Esquire
Victi Gordon Kaufman, Esquire
Keith Anchors Gordon & Moyle, P.A.
118 North Oakdale Street
Tallahassee, FL 32301

White Springs Agricultural Chemicals,
Inc.

By: 

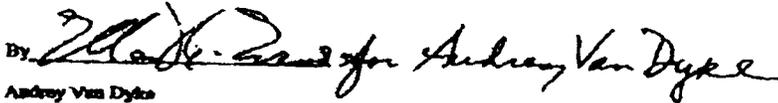
James W. Stow, Esquire
Erickson, Borchetta, Ritz & Stow, P.C.
1127 Thomas Jefferson St., NW
Eight Floor, West Tower
Washington, DC 20007

Florida Retail Federation

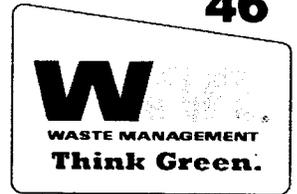
By: 

Robert Scheffel Wright, Esquire
Young van Asenderp, P.A.
225 South Adams Street, Suite 200
Tallahassee, Florida 32301

FEDERAL EXECUTIVE AGENCIES

By: 

Audrey Van Dyke
Naval Facilities Engineering Command
Litigation Headquarters
728 Kannon Street, S.E. Building 36, Room 136
Washington Navy Yard, D.C. 20374



Dear Valued Customer,

We want you to be aware that BP has selected Waste Management (WM) to be the primary transport and disposal agent for the coastal cleanup associated with the Deepwater Horizon spill for North West Florida, Alabama and Mississippi. WM is not involved with the actual cleanup activities, only the transportation and disposal component. To thoroughly and successfully execute these critical spill-related activities, we are deploying a variety of national resources and expertise from our company to local areas. Our task is to provide drivers, trucks and containers to safely and reliably transport the waste to facilities approved to accept such waste, all in support of BP's comprehensive cleanup efforts. All WM activities will be carried out under BP's recovery plan as overseen by appropriate county, state and federal agencies.

Based on the potential magnitude of the coastal impact and protection plan, this effort requires a significant dedication of people, time and energy from Waste Management. In order to maintain our regular service levels to our communities, we are establishing operational areas and hiring sufficient numbers of local individuals to accommodate this additional workload. All activities associated with the cleanup effort will be supported by these operational areas, not through our established districts. Our commitment to BP is the same as our commitment to our community, to provide timely, safe and efficient service.

If you have any questions regarding Waste Management's role in the Gulf Cleanup please do not hesitate to call me at (850) 699-1157.

Thank you for your continued partnership with Waste Management. We value the opportunity to serve your community's needs.

Thank you,
Larry Jones
Larry Jones
2010 JUL 22 AM 11:43
COUNTY COMMISSIONERS

FILED FOR RECORD
REBECCA JORDAN
CLERK OF CIRCUIT COURT
GULF COUNTY, FLORIDA
2010 JUL -7 PM 1:44