

GULF POWER COMPANY

RULES AND REGULATIONS FOR ELECTRIC SERVICE

These Rules and Regulations, approved by the Florida Public Utilities Commission, constitute the Company's operating procedures and policies and supplement the "Rules and Regulations Governing Electric Service by Electric Public Utilities" ordered to be effective November 30, 1959 or as may hereafter be modified by the Florida Public Utilities Commission.

PART I

GENERAL RULES

- 1.1 APPLICATION FOR SERVICE - Each person, firm or corporation desiring to become a Customer for electric service from any distribution system operated by the Company shall make application for service, either in person or by duly authorized agent. The Customer's load will not be connected to the distribution system until all the applicable conditions and provisions of these Rules and Regulations are complied with. The furnishing of service by the Company and its initial acceptance by the Customer, in the absence of a formal written contract, constitutes the evidence of the contractual relationship between the Customer who thereby agrees to take the service and the Company who thereafter undertakes to supply the type of service applied for under the terms and conditions of the applicable Rate Schedule or Rules and Regulations. The Company may require the execution of a formal contract for service involving special conditions or the furnishing of over 25 kilowatts of capacity. (See also, Rule 2.5)

GULF POWER COMPANY

1.2 CLASSIFICATION OF SERVICE - For the purpose of establishing a comprehensive rate structure, the Company may upon approval by the Commission classify its utility service according to the purpose for which such service is used, the quantity used, the time when used, or any other reasonable consideration, and conform its rate schedules to such classifications.

1.3 RATES - The rates to be charged by and paid to the Company for service shall be the rates from time to time legally established and in force, and in accordance with its Rate Schedules from time to time in effect and applicable to the class of service in the territory in which the Customer's premises are situated.

A copy of the rates under which service will be supplied is on file and is open for inspection at the Company's general office in Pensacola and at each district and local office. Upon request of any Customer, a copy of the Rate Schedule applicable to his service will be furnished him by the Company.

1.4 OPTIONAL RATES - When two or more rates are available for certain classes of service, the conditions under which they are applicable to the requirements of particular customers are plainly set forth in the Company's published rate schedules. The choice of such rates lies with the Customer.

The Company will at any time upon request advise any Customer as to the rate best adapted to existing or anticipated service requirements as defined by the Customer but the Company does not assume responsibility for the selection of such rate or for the continuance of the lowest annual cost under the rate selected should the volume or character of service change.

From time to time, the Company undertakes investigations of operating conditions of its customers with a view to recommending desirable

GULF POWER COMPANY

1.4 OPTIONAL RATES (continued)

changes from one applicable rate to another, but, lacking knowledge of changes which may occur at any time in such conditions, the Company cannot guarantee that customers will be served under the most favorable rate, nor make refunds covering the difference between the charges under the rate in effect and those under any other rate applicable to the same service.

A Customer, having selected a rate adapted to his service may not change to another rate within a twelve-month period unless there is a substantial change in the character or conditions of his service. A new Customer will be given reasonable opportunity to determine his service requirements before definitely selecting the most favorable rate therefor.

1.5 RESIDENTIAL SERVICE – Service for all domestic purposes in individually metered dwelling units suitable for year-round family occupancy containing full kitchen facilities. A separate point of service may be placed on the residential rate when it is determined to be at the same premise as the dwelling unit and used exclusively for personal rather than business use (i.e., garages, pumps, pools, boat docks, etc.) Service to commonly-owned condominium and cooperative apartment buildings meeting the following criteria is also considered Residential Service:

- a. 100% of the energy is used exclusively for the co-owners' benefit.
- b. None of the energy is used in any endeavor which sells or rents a commodity or provides service for a fee.
- c. Each point of delivery will be separately metered and billed.
- d. A responsible legal entity is established as the Customer to whom the Company can render its bills for said service.

1.6 GENERAL SERVICE - Any person, organization, firm, or corporation taking electric service to which no other rate schedule is applicable shall be considered a General Service Customer. These may be commercial, or institutional such as nonprofit organizations, religious, educational, philanthropic, fraternal, governmental, or others not listed. The following is an incomplete list which gives some examples of who shall be considered General Service customers:

1.6.1 Recognized boarding and rooming houses.

1.6.2 An apartment house, except for service rendered direct to individual tenants.

1.6.3 Any business house within which the Customer lives merely for convenience or economy, but such Customer, if he desires, shall have the right to have a separate meter installed under the residential rate for his

GULF POWER COMPANY

1.6 GENERAL SERVICE (Continued)

domestic consumption.

1.6.4 Commercial dairy, poultry, truck or other type farm, however, such Customer, if he desires, shall have the right to have a separate meter installed under the residential rate for his domestic consumption.

1.7 INDUSTRIAL SERVICE - Service to a Customer at a single location where the Customer is engaged in an industrial enterprise which uses the service primarily in an operation involving the extraction from, or the processing or fabrication of, materials or products.

1.8 LIMITS OF USES OF SERVICE - All service supplied by the Company is for the Customer's sole use within or upon his premises and for the purposes set forth by the applicable Rate Schedule. The Customer shall not supply electrical energy to anyone else or allow anyone to take same, nor shall he use or permit same to be used at any other premises (except as provided below) or for any other purposes (either directly or indirectly by transformation or regeneration) than those designated in the application. (See Section No. IV, Sheet No. 4.15, Rule 4.1)

The Company reserves the right to apply to each Customer the proper Rate Schedule in accordance with the classifications made of its service for billing purposes.

Electric service must not be used by the Customer in such a manner as to cause unusual voltage fluctuations or disturbances in the Company's distribution or transmission system and, should any apparatus be installed the use of which shall interfere with or harmfully affect the service to other customers, the Company may discontinue service upon giving reasonable

GULF POWER COMPANY

(Continued from Sheet No. 4.6)

notice unless in the meantime the use of such objectionable apparatus has been discontinued, or such steps taken as may be necessary to prevent a recurrence. Should the Company be required to make any unusual expenditure over and above that required to serve ordinary load of unobjectionable character, the Customer shall reimburse the Company for such excess cost of serving him.

No Customer shall extend electric lines or facilities across or under a street, avenue, alley, lane, court, or other public way in order to make electric energy available through one meter to a structure or facility on an adjacent tract of land, except under the following conditions: (1) said structure or facility on adjacent land is at all times operated and utilized by the same Customer for the same business or enterprise; (2) electric service through such single meter is utilized solely by such Customer; (3) such single-meter electric service is otherwise permissible under applicable Company Rules and Regulations and applicable Rate Schedule; (4) Customer obtains written approval from the Company on plans, and any extension or revision thereof, for such single-meter service arrangement; (5) Customer obtains and keeps currently effective any and all required permits from required public authorities for crossing of public ways with Customer's electric facilities; and (6) Customer's electric facilities crossing public ways must comply with all applicable local and national codes.

Customers and others are forbidden, without written consent of the Company, from using the Company's poles or other facilities for the purpose of fastening or supporting wires, signs, or things of any nature, or to locate any such things in such proximity to the Company's aforesaid property or facilities as to cause, or to be likely to cause, interference with the Company's operations or its supply of electric service, or a dangerous

GULF POWER COMPANY

(Continued from Sheet No. 4.7)

condition in connection therewith, and the Company shall have the right to remove any such things without notice and without liability for damages arising from such removal.

- 1.9 CHARACTER OF SERVICE - The phase, frequency, and voltage of electric service which may be available for delivery to the Customer shall be determined by the available local distribution system of the Company nearest the Customer's premises, and the Company shall not be required to deliver service at a phase, frequency, or voltage other than that provided for in the particular Rate Schedule applicable.

GULF POWER COMPANY

1.10 CONTINUITY OF SERVICE - The Company will exercise reasonable diligence and care to furnish and deliver a regular and uninterrupted supply of electrical energy, but in case the supply should be variable in frequency or voltage, interrupted or fail by reasons of legal process, strike, riot, war, flood, storm, fire, accident, breakdown, or on account of maintenance or repairs to its system, or any part thereof, or of cutting in new equipment or customers or any cause beyond the control of the Company, the Company shall not be held liable for any injury, loss, damage, or expense to any Customer, or to any other person, caused directly or indirectly by such variation, interruption, or failure, but shall restore its service to normal as quickly as practicable; and during such interruption the Customer shall have the right to use such other service as may be available. The Customer shall notify the Company promptly of any defect in service or of any trouble or accident to the electric supply.

Continuous service is further dependent upon and subject to conditions brought about by war, the necessities of war, or by the United States Government or any agency of the United States Government, and the Company assumes no obligation to continue the delivery of any quantity of power when or in the event it is required to supply such power to the United States Government, or to any person, firm, corporation, business or industry designated by the United States Government or other Governmental Agency either during time of war or at any other time.

1.11 INCREASE OF SERVICE - Increased service requirements shall be supplied at all times through the existing, or enlarged, service connection and such metering equipment as will properly measure the amount of energy and its maximum demand, provided that the necessary enlargement of the facilities in service does not require changes in point of delivery. The Customer

GULF POWER COMPANY

1.11 INCREASE OF SERVICE - (Continued)

shall give reasonable advance notice to the Company of any changes which affect the connected load under contract to the end that the Company will have ample time to provide adequate service facilities.

1.12 RIGHT-OF-WAY - The Customer, upon making application for service, thereby grants the Company, free of cost, right-of-way over and under property owned, leased, or controlled by the Customer, for the installation of poles, ducts, cables, wires, transformers, vaults, fixtures, and appurtenances necessary for service to the Customer; and the Customer shall provide, without cost to the Company, suitable location and housing for all apparatus installed and owned by the Company on Customer's premises; and all necessary permission for ingress and egress to and from the Customer's premises shall be provided by the Customer to enable the properly identified employees of the Company to read meters, install, repair, maintain, and remove the Company's property and inspect and test electrical equipment within or upon the premises at all reasonable times and to perform all other necessary duties in connection with the service to the Customer and the Company's property.

1.13 CUSTOMER WIRING - The wiring and electrical equipment in or upon the premises of the Customer to the point of service entrance shall be in conformity with the rules and regulations of constituted authorities pertaining thereto, and the rules set forth in the Company's "Electric Service and Meter Installations" as issued from time to time, but the Company does not assume responsibility therefore and shall not be liable for any defects or damages due to defective customer wiring.

GULF POWER COMPANY

1.14 RESIDENTIAL ENERGY AUDITS

1.14.1 ØENTSABLE ENERGY CHECK - When requested by a residential customer, the Company will make an inspection of that Customer's residence to assist the Customer in identifying appropriate electric energy conservation measures. The Company will give the Customer a written report of the energy saving improvements that can be made and the expected savings in future electric bills. This inspection and report is called a Øentsable Energy Øheck. This service will be available to all residential Customers at no charge to the Customer.

1.14.2 RESIDENTIAL CONSERVATION SERVICE (RCS) AUDIT - Residential Conservation Service (RCS) Audits as described and governed by Florida Public Service Commission rules located in Chapter 25-6 Part IX, Florida Administrative Code will be provided by the Company to its eligible customers at a charge of \$15.00 per audit. The Company will ensure that the afore-mentioned rules and any subsequent amendments thereto are the guidelines for this audit.

1.15 PAYMENT FOR SERVICE - Employees of the Company are forbidden to demand or accept any personal compensation from Customers of the Company, and payment for any services rendered should only be made upon presentation of formal statement by the Company.

1.16 RESPONSIBILITY FOR PROPERTY OF THE COMPANY - All property of the Company that is placed in or upon the Customer's premises, and used in supplying service to him, is placed there under his protection; Customer shall be liable for any loss of or damage to such property, normal wear and tear excepted, and shall pay the Company the amount of any such loss or damage.

1.17 DAMAGES TO PROPERTY - Neither the Customer nor the Company shall be responsible for damage to the machinery, apparatus, appliances or other property of the other caused by lightning or by defects in or failure of the machinery, apparatus, or appliances of the one suffering such damages from such causes; and the Company shall not be in any way responsible for the transmission or control of electrical energy beyond the point of connection to the Customer's premises, and shall not be liable for damages on account of injuries to person or property resulting in any manner from the receiving, use, or

GULF POWER COMPANY

- 1.17 DAMAGES TO PROPERTY - (continued)
application by the Customer of such electrical energy. The Customer must keep his, her, or its machinery, lines, apparatus and appliances in a safe condition and shall indemnify and save harmless the Company from the payment of any sums or sum of money to any person whomsoever, including attorney's fees and court costs, which it may be called upon to pay on account of damage to property or fatal or personal injuries to individuals resulting from or which may be in anyway caused by the operation and maintenance of the machinery, lines, apparatus and appliances belonging to the Customer.
- Reverse phase relays, phase failure relays and low voltage releases, preferably of the adjustable time-delay type, with circuit breakers or equivalent devices shall be provided by the Customer to disconnect automatically all motor installations which cannot be safely reversed or which would be damaged by a phase or voltage failure.
- 1.18 STANDARD NOMINAL VOLTAGE - The Company will adopt a standard nominal voltage, or standard nominal voltages, as may be required by its distribution system, or for each of the several districts into which the system may be divided, and the voltages maintained at the Company's main service terminals as installed for each Customer or group of customers shall be maintained reasonably constant. Information as to the standard nominal voltage supplied to any district or area will be furnished by the Company upon request.
- If an industrial Customer uses lighting incidental to his power service and the voltage regulation is unsatisfactory for lighting purposes, then the Customer shall install any required regulative apparatus at his own expense.
- 1.19 NOTICES - Any notice required or authorized to be given under these "Rules and Regulations" or under the provisions of any contracts between the Company and Customer, shall be in writing addressed to the Customer at the premises at which the service is rendered, or at such other address as may have been furnished by the Customer for receiving his bills from the Company, or at Customer's last known address, and mailed in the ordinary course of the Company's business; or by the Customer to the Company, by mail, addressed to the Company; or by either party by serving same personally upon the other. The date of serving or mailing any such notice shall be the date upon which the number of days specified for notice shall begin to run.
- Notice to the Company by the Customer should not be given to employees of the Company when away from the office, or in the office after or before business hours, as such will not be accepted as binding and formal notification to the Company.
- 1.20 PROMISES - No promise, agreement, or representation of any employee or officer of the Company shall bind the Company unless the same be in writing and approved by the signature of an officer of the Company, and no employee or officer of the Company is authorized to waive this condition.