

# GULF POWER COMPANY

## GULF POWER COMPANY

### STANDARD OFFER CONTRACT FOR THE PURCHASE OF FIRM CAPACITY AND ENERGY FROM A SMALL QUALIFYING FACILITY (LESS THAN 100 KW) OR FROM A SOLID WASTE FACILITY

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between \_\_\_\_\_, hereinafter referred to as the "QF"; and Gulf Power Company, a corporation, hereinafter referred to as the "Company". The QF and the Company shall collectively be referred to herein as the "Parties".

WITNESSETH:

WHEREAS, the QF desires to sell, and the Company desires to purchase, electricity to be generated by the QF, such sale and purchase to be consistent with Florida Public Service Commission (FPSC) Rules 25-17.080 through 25-17.091 and Order No. PSC-96-1548-FOF-EQ, Docket No. 931186-EQ; and

WHEREAS, the QF, in accordance with Rule 25-17.087, F.A.C., has entered into an interconnection agreement with (or signed and submitted the substantial equivalent of the Company's Form 12 -- Application for Interconnection of Customer-Owned Generation to) the utility in whose service territory the QF's generating facility is located, attached hereto as Appendix A; and

WHEREAS, the FPSC has approved the following standard contract for use in connection with the acceptance of the Company's standard offer for the purchase of firm capacity and energy from small qualifying facilities (less than 100 kilowatts) or from solid waste facilities as defined in Rule 25-17.091, F.A.C.;

NOW THEREFORE, for mutual consideration the Parties agree as follows:

1. Facility

The QF either contemplates installing and operating or has installed and is operating a facility comprised in whole or in part of the following generator units located at \_\_\_\_\_

\_\_\_\_\_ :

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Unit	Description (Type)	Initial In-Service Date	KVA Nameplate Rating	KW Output Rating	Fuel Source	
					Primary	Secondary
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

The entire facility, whether comprised in whole or in part of the generator units set forth above, is designed to produce a maximum of \_\_\_\_\_ kilowatts (KW) of electric power at an 85% power factor. Hereinafter, the designated generator units listed above and related equipment will be collectively referred to as "facility."

2. Term of the Agreement

This Agreement shall begin immediately upon its execution and the contemporaneous payment by the QF to the Company of a security deposit in the amount of \$20.00 times each KW of anticipated Committed Capacity as described in Section 4.2.1 of this Agreement. This Agreement shall end at 12:01 A.M., \_\_\_\_\_, 20 (date specified shall be no earlier than May 31, 2012).

Notwithstanding the foregoing, if construction and commercial operation of the facility are not accomplished by the QF before June 1, 2002, the Company's obligations to the QF under this Agreement shall be considered to be of no force and effect. The Company shall be entitled to retain and use the funds required by the Company as a completion security deposit under this section of the Agreement.

At the election of the QF, the security deposit may be phased in such that one half of the total deposit due is paid upon contract execution and the remainder is to be paid within 12 months after contract execution. If the QF elects to phase in payment of the security deposit due under this paragraph, the effective date of the contract shall be the date of execution; provided however, that the Company shall have no further obligation to the QF if either installment of the security deposit is not timely received by the Company.

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Canceling Third Revised Sheet No.9.21

Depending on the nature of the QF's operation, financial health and solvency, and its ability to meet the terms and conditions of this Agreement, one of the following, at the Company's discretion in accordance with the provisions of Schedule COG-2, may be used as an alternative to a cash deposit as a means of securing the completion of the QF's project in accord with this Agreement:

- (a) an unconditional, irrevocable direct pay letter; or
- (b) surety bond; or
- (c) other means acceptable to the Company.

In the case of a governmental solid waste facility, pursuant to FPSC Rule 25-17.091, F.A.C., the following will be acceptable to the Company: the unsecured promise of a municipal, county, or state government to pay the actual damages incurred by the Company because the governmental facility fails to come on line prior to June 1, 2002.

The specific completion security vehicle agreed upon by the parties is: \_\_\_\_\_

(IN ORDER FOR THIS FORM OF CONTRACT TO BE USED TO TENDER ACCEPTANCE OF THE COMPANY'S STANDARD OFFER BY A QF OTHER THAN A GOVERNMENTAL SOLID WASTE FACILITY, THE ABOVE LINE MUST SPECIFY CASH DEPOSIT IN THE APPROPRIATE AMOUNT UNLESS THE QF HAS SECURED THE PRIOR WRITTEN CONSENT FROM THE COMPANY TO AN ALTERNATIVE COMPLETION SECURITY VEHICLE.)

### 3. Sale of Electricity by the QF

The Company agrees to purchase electric power generated at the facility and transmitted to the Company by the QF. The purchase and sale of electricity pursuant to this Agreement shall be in accordance with the following billing methodology (choose one):

- ( ) Net Billing Arrangement; or
- ( ) Simultaneous Purchase and Sales Arrangement.

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The billing methodology chosen above may not be changed except in accordance with and subject to the following provisions of Rules 25-17.082 and 25-17.0832 F.A.C.:

- (a) when a Qualifying Facility selling as-available energy enters into a negotiated contract or standard offer contract for the sale of firm capacity and energy; or
- (b) when a firm capacity and energy contract expires or is lawfully terminated by either the Qualifying Facility or the purchasing utility; or
- (c) when the Qualifying Facility is selling as-available energy and has not changed billing methods within the last twelve months; and
- (d) upon at least thirty days advance written notice to the Company;
- (e) upon the installation of any additional metering equipment reasonably required to effect the change in billing and upon payment by the QF for such metering equipment and its installation;
- (f) upon completion and approval of any alterations to the interconnection reasonably required to effect the change in billing and upon payment by the QF for such alterations; and
- (g) where the election to change billing methods will not contravene the provisions of Rule 25-17.0832 or the tariff under which the facility receives electrical service, or any previously agreed upon contractual provision between the QF and the Company.

#### 4. Payment for Electricity Produced by the QF

##### 4.1 Energy

The Company agrees to pay the QF for energy produced by the facility and delivered for sale to the Company by the QF. The purchase and sale of energy pursuant to this Agreement shall be in accordance with the rates and procedures contained in Schedule COG-2 as it exists at the time this Agreement is properly submitted by the QF to the Company as tendered acceptance of the Company's standard offer.

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Canceling Third Revised Sheet No. 9.23

For all energy delivered by the QF to the Company, the QF shall be paid pursuant to the Company's as-available energy rate as outlined in the Company's Schedule COG-1, Sheet 9.3, contained in the Company's Tariff for Retail Electric Service on file with the Florida Public Service Commission, as said schedule may be amended from time to time with Commission approval. All purchases of energy by the Company shall be adjusted for losses from the point of metering to the point of interconnection. The calculation of as-available payments due to the QF shall be based on the sum, over all hours of the billing periods during which the QF is not called on by the Company to operate the facility, of the product of each hour's as-available energy price in conjunction with Gulf's participation in the Southern electric system's economic dispatch, times the quantity of energy delivered to the Company for that hour.

### 4.2 Capacity

4.2.1 Anticipated Committed Capacity. The QF expects to sell approximately \_\_\_\_\_ kilowatts of capacity, beginning on or about \_\_\_\_\_, 19\_\_\_\_. (Date specified may not be later than June 1, 2002.)

The QF may finalize its Committed Capacity (CC) after initial facility testing, and specify when capacity payments are to begin, by completing Paragraph 4.2.2 at a date subsequent to the execution of this Agreement by the parties. However, the QF must complete Paragraph 4.2.2 before June 1, 2002 in order to be entitled to any capacity payments pursuant to this Agreement. The final Committed Capacity set forth in Paragraph 4.2.2 shall not exceed plus or minus ten percent of the above estimate. The date specified in Paragraph 4.2.2 as the date on which capacity payments shall begin shall be no earlier than the date specified above, nor any later than June 1, 2002.

4.2.2 Actual Committed Capacity. The capacity committed by the QF (Committed Capacity or CC) for the purposes of this Agreement is \_\_\_\_\_ kilowatts beginning \_\_\_\_\_, \_\_\_\_\_. The QF is committing this amount of capacity based on its agreement and commitment that this capacity will maintain an Equivalent Availability Factor (EAF) or 92%. The EAF will be based on the economic operation of a gas fired combined cycle unit constructed at the Company's Lansing Smith Plant. The QF elects to receive, and the Company agrees to commence calculating, capacity payments in accordance with this Agreement starting with the first billing month following the date specified in this paragraph as the date on which capacity sales under this Agreement will begin.

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4.2.3 Capacity Payments. The QF chooses to receive capacity payments from the Company under Option \_\_\_\_\_ as described in the Company's Schedule COG-2, Sheets 9.9 and 9.10 of the Company Tariff for Retail Electric Service as they exist at the time this Agreement is properly submitted by the QF to the Company as tendered acceptance of the Company standard offer. The Capacity Payments to be made by Gulf to the QF are based upon a combined cycle generating unit with the following economic assumptions:

Size: 574 MW	Installed Costs (2002): \$373.15/kw
Discount Rate: 8.29%	AFUDC Rate: 9.68%
Annual Inflation: 2.88%	K-factor: 1.5311
Annual Capacity Factor: 62%	Fixed O & M: \$4.62/kw-yr
Equivalent Availability: 92%	Unit Life: 20 years

The Company agrees it will pay the QF a capacity payment. This capacity payment will be the product of the QF's Committed Capacity and the applicable rate from the QF's chosen capacity payment option in accordance with Tariff Sheet Nos. 9.9 and 9.10, as it exists at the time this Agreement is properly submitted by the QF to the Company as tendered acceptance of the Company's standard offer. In the event either: (1) the date specified in Section 2 of this Agreement is later than June 1, 2012; or (2) the date specified in Paragraph 4.2.2 as the date capacity payments are to begin is one other than the two standing dates shown on Sheet No. 9.11, a payment schedule will be calculated by the Company and attached to this agreement as Exhibit D. Under those circumstances, the payment schedule set forth in Exhibit D will be used in the calculation of capacity payments pursuant to this paragraph. The capacity payment for a given month will be added to the energy payment for such month and tendered by the Company to the QF as a single payment as promptly as possible, normally by the twentieth business day following the day the meter is read.

In October of each year of this Contract, the Company will calculate the availability of the QF over the most recent twelve month period ending August 31. For purposes of this Agreement, availability means Equivalent Availability Factor (EAF) as defined by the NERC GADS. If the availability (EAF) of the QF is not equal to or greater than 0.92 (92%), then the Company may deem the QF to be in non-performance of its commitment and thereby invoke the provisions of Section 8 of this contract.

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The formula to be used for the availability calculation is as follows:

$EAF = \{ [ AH - (EUDH + EPDH + ESEDH)] / PH \} \times 100 (\%)$  where,

- AH = Available Hours  
Sum of all SH, RSH, Pumping Hours, and Synchronous Condensing Hours.
- EPDH = Equivalent Planned Derated Hours  
Product of the Planned Derated Hours and the Size of Reduction, divided by the NMC.
- ESEDH = Equivalent Seasonal Derated Hours  
NMC less the NDC, times the Available Hours (AH), divided by the NMC.
- EUDH = Equivalent Unplanned Derated Hours  
Product of the Unplanned Derated Hours and the Size of Reduction, divided by the NMC.
- NDC = Net Dependable Capacity  
NMC modified for ambient limitations.
- NMC = Capacity a unit can sustain over a specified period when not restricted by ambient conditions or equipment deratings, minus the losses associated with station service or auxiliary loads.
- PH = Period Hours  
Number of ours a unit was in the active state. A unit generally enters the active state on its commercial date.
- RSH = Reserve Shutdown Hours  
Total number of hours the unit was available for service but not electrically connected to the transmission system for economic reasons.
- SH = Service Hours  
Total number of hours a unit was electrically connected to the transmission system.

## 5. Metering Requirements

Hourly demand recording meters shall be required for each individual generator unit comprising a facility with a total installed capacity of 100 kilowatts or more. Where the total installed capacity of the facility is less than 100 kilowatts, the QF may select any one of the following options (choose one):

- hourly demand recording meter(s);
- dual kilowatt-hour register time-of-day meter(s); or
- standard kilowatt-hour meter(s).

Unless special circumstances warrant, meters shall be read at monthly intervals on the approximate corresponding day of each meter reading period.

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6. Electricity Production Schedule

During the term of this Agreement, the QF agrees to:

- (a) Adjust reactive power flow in the interconnection so as to remain within the range of 85% leading to 85% lagging power factor;
- (b) Provide the Company, prior to October 1 of each calendar year (January through December), an estimate of the amount of electricity to be generated by the facility and delivered to the Company for each month of the following calendar year, including the time, duration and magnitude of any planned outages or reductions in capacity;
- (c) Promptly update the yearly generation schedule and maintenance schedule as and when any changes may be determined necessary;
- (d) Coordinate its scheduled facility outages with the Company;
- (e) Comply with reasonable requirements of the Company regarding day-to-day or hour-by-hour communications between the parties relative to the performance of this Agreement; and
- (f) Promptly notify the Company of the QF's inability to supply any portion of its Committed Capacity from the facility. (Failure of the QF to notify the Company of a known derating or inability to supply its full Committed Capacity from the facility may, at the sole discretion of the Company, result in a determination of non-performance.)



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7. The QF's Obligation if the QF Receives Early Capacity Payments

The QF's payment option choice pursuant to paragraph 4.2.3 may result in payment by the Company for capacity delivered prior to June 1, 2002. The parties recognize that capacity payments received for any period through May 31, 2002, are in the nature of "early payment" for a future capacity benefit to the Company. To ensure that the Company will receive a capacity benefit for which early capacity payments have been made, or alternatively, that the QF will repay the amount of early payments received to the extent the capacity benefit has not been conferred, the following provisions will apply:

The Company shall establish a Capacity Account. Amounts shall be added to the Capacity Account for each month through May, 2002, in the amount of the Company's capacity payments made to the QF pursuant to the QF's chosen payment option from Schedule COG-2 or Exhibit D if applicable. The monthly balance in the Capacity Account shall accrue interest at the rate then prevailing for thirty (30) days highest grade commercial paper; such rate is to be determined by the Company thirty days prior to the date of each payment or posting of interest to the account. Commencing on June 1, 2002, there shall be deducted from the Capacity Account an Early Payment Offset Amount to reduce the balance in the Capacity Account. Such Early Payment Offset Amount shall be equal to that amount which the Company would have paid for capacity in that month if the capacity payment had been calculated pursuant to Option 1 in Schedule COG-2 and the QF had elected to begin receiving payment on June 1, 2002 minus the monthly capacity payment the Company makes to the QF pursuant to the capacity payment option chosen by the QF in paragraph 4.2.3.

The QF shall owe the Company and be liable for the outstanding balance in the Capacity Account. The Company agrees to notify the QF monthly as to the current Capacity Account balance. Prior to receipt of early capacity payments, the QF shall execute a promise to repay any outstanding balance in the Capacity Account in the event the QF defaults pursuant to this Agreement. Such promise shall be secured by means mutually acceptable to the Parties and in accordance with the provisions of Schedule COG-2. The specific repayment assurance selected for purposes of this Agreement is: \_\_\_\_\_

\_\_\_\_\_. Any outstanding balance in the Capacity Account shall immediately become due and payable, in full, in the event of default by the QF or at the conclusion of the term of this Agreement. The QF's obligation to pay the balance in the Capacity Account shall survive termination of this Agreement.

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### 8. Non-Performance Provisions

The QF shall be entitled to receive a complete refund of the security deposit described in Section 2 of this contract (or in the event an alternative completion security vehicle is in effect, release of that completion security) upon achieving commercial in-service status (which, for purposes of this Agreement, shall include the demonstration of capability to perform by actual delivery of electricity to the Company), provided that this occurs prior to June 1, 2002 and that said commercial in-service status is maintained from the date of initial demonstration to, through and including June 1, 2002. The QF shall not be entitled to any of its security deposit if it fails to achieve commercial in-service status prior to June 1, 2002 and maintain that status to, through and including said date. Additionally, once construction of the facility or any additions necessary for the QF to have the capability to deliver the anticipated committed capacity and energy to the Company from the facility has commenced, the QF will allow Company representatives to review quarterly the construction progress to provide the Company with a level of assurance that the QF will be capable of delivering the anticipated committed capacity from the facility on or before June 1, 2002.

The QF shall not be entitled to receive or retain capacity payments during any twelve month period ending August 31 during the existence of this contract that its equivalent availability factor (EAF) over that same period calculated pursuant to the provisions of Paragraph 4.2.3 of this Agreement, does not equal or exceed 92%. To the extent that capacity payments may have already been made to the QF during a period when its minimum EAF requirement was not met, the QF shall refund such payments, plus interest, to the Company for that entire twelve month period within 30 days of notice and request for said repayment made by the Company. Interest for each month's capacity repayment will be charged at the rate prevailing for thirty (30) days highest grade commercial paper; such rate is to be determined by the Company contemporaneous with the request for repayment.

In addition to the foregoing, beginning with the 12 month period ending August 31, 2002, if the QF fails to achieve its minimum availability requirement during any twelve month period ending August 31, and the QF has received capacity payments for periods prior to June 1, 2002, the QF shall be liable for and shall pay the Company an amount equal to the Early Payment Offset Amount for that period. Any payments thus required of the QF shall be separately invoiced by the Company to the QF after such determinants of non-performance for which such repayment is

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due and shall be paid by the QF within 20 days after receipt of such invoice by the QF. Repayment under this paragraph shall not be construed as a limitation of the Company's right to pursue a claim against the QF in any appropriate court or forum for the actual damages the Company incurs as a result of the QF's non-performance or default.

Failure of the QF to notify the Company of a known derating or inability to supply its full Committed Capacity from the facility may, at the sole discretion of the Company, result in a determination of non-performance. Upon such determination by the Company, capacity payments to the QF shall be suspended for a period of time equal to the time of the known derating or inability to supply the full Committed Capacity from the facility or six months, whichever shall be longer.

### 9. Default

9.1 Mandatory Default. The QF shall be in default under this Agreement if: (1) QF either voluntarily declares bankruptcy or becomes subject to involuntary bankruptcy proceedings; or (2) QF ceases all electric generation for either of the Company's peak generation planning periods (summer or winter) occurring in a consecutive 12 month period. For purposes of this Agreement, the Company's summer peak generation planning period shall be May through September and the Company's winter peak generation planning period shall be December through February. The months included in the Company's peak generation planning periods may be changed, at the sole discretion of the Company, upon 12 months prior notice to the QF.

9.2 Optional Default. The Company may declare the QF to be in default if: (1) at any time prior to June 1, 2002 and after capacity payments have begun, the Company has sufficient reason to believe that the QF is unable to deliver its Committed Capacity from the facility; (2) after June 1, 2002, the QF fails to maintain a 98% availability factor over any twenty-four consecutive month period; (3) because of a QF's refusal, inability or anticipatory breach of obligation to deliver its Committed Capacity after June 1, 2002; or (4) the Company has made three or more determinations of non-performance due to the failure of the QF to notify the Company of a known derating or inability to supply Committed Capacity during any eighteen month period.

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### 10. General Provisions

10.1 Permits. The QF hereby agrees to seek to obtain any and all governmental permits, certifications, or other authority the QF is required to obtain as a prerequisite to engaging in the activities provided for in this Agreement. The Company hereby agrees to seek to obtain any and all governmental permits certifications or other authority the Company is required to obtain as a prerequisite to engaging in the activities provided for in this Agreement.

10.2 Indemnification. The QF agrees to indemnify and save harmless the Company, its subsidiaries or affiliates, and their respective employees, officers, and directors, against any and all liability, loss, damage, cost or expense which the Company, its subsidiaries, affiliates, and their respective employees, officers, and directors may hereafter incur, suffer or be required to pay by reason of negligence on the part of the QF in performing its obligations pursuant to this Agreement or the QF's failure to abide by the provisions of this Agreement. The Company agrees to indemnify and save harmless the QF against any and all liability, loss, damage, cost or expense which the QF may hereafter incur, suffer or be required to pay by reason of negligence on the part of the Company in performing its obligations pursuant to this Agreement or the Company's failure to abide by the provision of this Agreement. The QF agrees to include the Company as an additional named insured in any liability insurance policy or policies the QF obtains to protect the QF's interests with respect to the QF's indemnity and hold harmless assurances to parties contained in this Section.

The QF shall deliver to the Company at least fifteen days prior to the delivery of any capacity or energy under this Agreement, a certificate of insurance certifying the QF's coverage under a liability insurance policy issued by a reputable insurance company authorized to do business in the State of Florida, protecting and indemnifying the QF and the Company as an additional named insured, their officers, employees, and representatives, against all liability and expense on account of claims and suits for injuries or damages to persons or property arising out of the QF's performance under or failure to abide by the terms of this Agreement, including without limitation any claims, damages or injuries caused by operation of any of the QF's equipment or by the QF's failure to maintain the facility's equipment in satisfactory and safe operating conditions, or otherwise arising out of the performance by the QF of the duties and obligations arising under the terms and conditions of this Agreement.

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The policy providing such coverage shall provide comprehensive general liability insurance, including property damage, with limits in an amount not less than \$1,000,000 for each occurrence. In addition, the above required policy shall be endorsed with a provision whereby the insurance company will notify the Company within thirty days prior to the effective date of cancellation or a material change in the policy. The QF shall pay all premiums and other charges required or due in order to maintain such coverage as required under this section in force during the entire period of this Agreement beginning with the initial delivery of capacity or energy to the Company.

10.3 Taxes or Assessments. It is the intent of the parties under this provision that the QF hold the Company and its general body of ratepayers harmless from the effects of any additional taxes, assessments or other impositions that arise as a result of the purchase of energy or capacity from the QF in lieu of other energy or capacity and that any savings in regards to taxes or assessments be included in the avoided cost payments made to the QF to the extent permitted by law. In the event the Company becomes liable for additional taxes, assessments or imposition arising out of its transaction with the QF under either this agreement or any related interconnection agreement, or due to changes in laws affecting the Company's purchases of energy or capacity from the QF occurring after the execution of this agreement, and for which the Company would not have been liable if it had produced the energy and/or constructed facilities sufficient to provide the capacity contemplated under this agreement itself, the Company may bill the QF monthly for such additional expenses or may offset them against amounts due the QF from the Company. Any savings in taxes, assessments or impositions that accrue to the Company as a result of its purchase of energy and capacity under this agreement that are not already reflected in the avoided energy or avoided capacity payments made to the QF hereunder, shall be passed on to the QF to the extent permitted by law without consequential penalty or loss of such benefit to the Company.

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10.4 Force Majeure. If either party shall be unable, by reason of force majeure, to carry out its obligations under this Agreement, either wholly or in part, the party so failing shall give written notice and full particulars of such cause or causes to the other party as soon as possible after the occurrence of any such cause; and such obligations shall be suspended during the continuance of such hindrance, which, however, shall be extended for such period as may be necessary for the purpose of making good any suspension so caused. The term "force majeure" shall be taken to mean acts of God, strikes, lockouts or other industrial disturbances, wars, blockades, insurrections, riots, arrests and restraints of rules and people, environmental constraints lawfully imposed by federal, state or local government bodies, explosions, fires, floods, lightning, wind, perils of the sea; provided, however, that no occurrences may be claimed to be a force majeure occurrence if it is caused by the negligence or lack of due diligence on the part of the party attempting to make such claim. The QF agrees to pay the costs necessary to reactivate the facility and/or the interconnection with the Company's system if the same are rendered inoperable due to actions of the QF, its agents, or force majeure events affecting the facility or the interconnection with the Company. The Company agrees to reactivate at its own cost the interconnection with the facility in circumstances where any interruptions to such interconnections are caused by the Company or its agents.

10.5 Assignment. The QF shall have the right to assign its benefits under this Agreement, but the QF shall not have the right to assign its obligations and duties without the Company's prior written approval.

10.6 Disclaimer. In executing this Agreement, the Company does not, nor should it be construed, to extend its credit or financial support for the benefit of any third parties lending money to or having other transactions with the QF or any assignee of this Agreement.

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10.7 Notification. For purposes of making any and all non-emergency oral and written notices, payments or the like required under the provisions of this Agreement, the parties designate the following to be notified or to whom payment shall be sent until such time as either party furnishes the other party written instructions to contact another individual.

For QF:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

For Gulf Power Company:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

10.8 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

10.9 Severability. If any part of this Agreement, for any reason, be declared invalid, or unenforceable by a public authority of appropriate jurisdiction, then such decision shall not affect the validity of the remainder of the Agreement, which remainder shall remain in force and effect as if this Agreement had been executed without the invalid or unenforceable portion.

10.10 Complete Agreement and Amendments. All previous communications or agreements between the parties, whether verbal or written, with reference to the subject matter of this Agreement are hereby abrogated. No amendment or modification to this Agreement shall be binding unless it shall be set forth in writing and duly executed by both parties to this Agreement and, if required, approved by the FPSC.

10.11 Incorporation of Schedule. The parties agree that this Agreement shall be subject to all of the provisions contained in the Company's published Schedule COG-2 as approved and on file with the FPSC, as the Schedule exists at the time this Agreement is properly submitted by the QF to the Company as tendered acceptance of the Company's standard offer.

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10.12 Survival of Agreement. This Agreement as may be amended from time to time, shall be binding and insure to the benefit of the Parties' respective successors-in-interest and legal representatives.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.

**QF**

**GULF POWER COMPANY**

By: \_\_\_\_\_

By: \_\_\_\_\_

(Print or Type Name)

(Print or Type Name)

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**ISSUED BY:** Mark Crosswhite

**EFFECTIVE:** April 11, 2012