

GULF POWER COMPANY

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STANDARD INTERCONNECTION AGREEMENT

Gulf Power Company, hereinafter referred to as "the Company", agrees to interconnect with _____, the "Customer" on whose behalf the "Application for Interconnection of Customer-Owned Generation" (Gulf Power Company Form 12, Tariff Sheets 9.33-9.34) dated _____ was submitted, hereinafter referred to as the "QF" or "Distributed Resource", subject to the following provisions:

1. Facility

The QF's or Distributed Resource's generating facility, hereinafter referred to as "Facility", is located at _____, within the Company's service territory. The QF or Distributed Resource intends to have its Facility installed and operational on or about _____, _____. The QF or Distributed Resource shall provide the Company reasonable prior notice of the Facility's initial operation, and it shall cooperate with the Company to arrange initial deliveries of power to the Company's system.

Unless the generator is classified as a Distributed Resources of 10 MVA or less, the Facility has been or will be certified as a Qualifying Facility pursuant to the rules and regulations of the Florida Public Service Commission (FPSC) or the Federal Energy Regulatory Commission (FERC). The QF shall maintain the qualifying status of the Facility throughout the term of the interconnection and any associated contracts for either capacity or energy or both.

2. Construction Activities

The QF or Distributed Resource shall provide the Company with written instructions to proceed with construction of the interconnection facilities as described in this Agreement at least 24 months prior to the date on which the facilities shall be completed. The Company agrees to complete the interconnection facilities as described in this Agreement within 24 months of receipt of written instructions to proceed.

Upon the parties' agreement as to the appropriate interconnection design requirements, and receipt of written instructions to proceed from the QF or Distributed Resource, the Company shall design and perform or cause to be performed all of the work necessary to interconnect the Facility with the Company's system.

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The QF or Distributed Resource agrees to pay the Company all expenses incurred by the Company to design, construct, operate, maintain and repair the interconnection facilities necessary for integration of the Facility into the Company's electrical system. Such interconnection costs shall not include any costs which the Company would otherwise incur if it were not engaged in interconnected operations with the QF or Distributed Resource but instead simply provided the electric power requirements of the Facility with electricity either generated by the Company or purchased from another source.

The QF or Distributed Resource agrees to pay the costs for complete interconnection work () within 30 days after the Company notifies the QF or Distributed Resource that such interconnection work has been completed or () payable in (up to 36) _____ monthly installments, plus interest on the outstanding balance calculated at the 30-day highest grade commercial paper rate in effect 30 days prior to the date each payment is due, with the first such installment payment being due 30 days after the Company notifies the QF or Distributed Resource that such interconnection work has been completed.

In the event the QF or Distributed Resource notifies the Company in writing to cease interconnection work before its completion, the QF shall be obligated to reimburse the Company in full for the interconnection costs incurred up to the date such notification is received.

3. Cost Estimates

Attached hereto as Exhibit A and incorporated herein by this reference, is a document entitled, "QF or Distributed Resource Interconnection Cost Estimates" prepared by the Company at the request of the QF or Distributed Resource pursuant the provisions of Rule 25-17.087(10) F.A.C. and the Company's Form 12 "Application for Interconnection of Customer-Owned Generation" (Retail Tariff Sheets 9.33-9.34.) The parties agree that the cost of the interconnection work contained in Exhibit A is a good faith estimate of the actual cost to be incurred.

4. Technical Requirements and Operations

The parties agree that the QF's or Distributed Resource's interconnection with, and delivery of electricity into, the Company's system must be accomplished in accordance with the provisions in Rule 25-17.087(6)-(9) F.A.C., adopted by the FPSC in Order No. 23623, Docket No. 891049-EU. For a Distributed Resource that is 10 MVA or less in size, the generator's interconnection with the Company's system must also be accomplished in accordance with the provisions of the IEEE Standard 1547 for Interconnecting Distributed Resources with Electric Power Systems that is in effect at the time of construction. Prior to initial synchronization with the Company's system, the QF or Distributed Resource must obtain written consent from the Company to operate electric generating equipment in parallel with the Company's electric system.

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The QF or Distributed Resource agrees to require that the Facility operator immediately notify the Company's System Dispatcher by telephone in the event hazardous or unsafe conditions associated with the parties' parallel operations are discovered. If such conditions are detected by the Company then the Company will likewise immediately contact the operator of the Facility by telephone. Each party agrees to immediately take whatever appropriate corrective action is necessary to correct the hazardous or unsafe conditions.

To the extent the Company reasonably determines the same to be necessary to ensure the safe operation of the Facility or to protect the integrity of the Company's system, the QF or Distributed Resource agrees to reduce power generation or take other appropriate actions.

5. Interconnection Facilities

The interconnection facilities shall include the items listed in Exhibit B, which is made an integral part of this Agreement.

Interconnection facilities on the Company's side of the ownership line with the QF or Distributed Resource shall be owned, operated, and maintained by the Company. The QF or Distributed Resource shall be responsible for the cost of designing, installing, operating and maintaining the interconnection facilities on the QF's or Distributed Resource's side of the ownership line as indicated in Exhibit C. The QF shall be responsible for establishing and maintaining controlled access by third parties to the interconnection facilities.

6. Operation and Maintenance Payments

The Company will separately invoice the QF or Distributed Resource monthly for all costs associated with the operation, and maintenance of the interconnection facilities. The QF or Distributed Resource agrees to pay the company within 20 days of receipt of each such invoice.

7. Site Access

In order to help ensure the continuous, safe, reliable and compatible operation of the Facility with the Company's system, the QF or Distributed Resource hereby grants to the Company for the period of interconnection the reasonable right of ingress and egress, consistent with the safe operation of the Facility, over property owned or controlled by the

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QF or Distributed Resource to the extent the Company deems such ingress and egress necessary in order to examine, test, calibrate, coordinate, operate, or maintain or repair any interconnection equipment involved in the parallel operation of the Facility and the Company's system, including the Company's metering equipment.

8. Construction Responsibility

In no event shall any Company statement, representation, or lack thereof, either expressed or implied, relieve the QF or Distributed Resource of its exclusive responsibility for the Facility. Specifically, any Company inspection of the Facility shall not be construed neither as confirming or endorsing the Facility's design or its operation or maintenance procedures nor as a warranty or guarantee as to the safety, reliability, or durability of the Facility's equipment. The Company's inspection, acceptance, or its failure to inspect shall not be deemed an endorsement of any Facility equipment or procedure.

9. Insurance

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

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The QF or Distributed Resource shall deliver to the Company at least fifteen days prior to the start of any interconnection work, a certificate of insurance certifying the QF's or Distributed Resource's coverage under a liability insurance policy issue by a reputable insurance company authorized to do business in the State of Florida, protecting and indemnifying the QF or Distributed Resource, 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 interconnection to the QF or Distributed Resource, or caused by operation of any of the QF's or Distributed Resource's equipment or by the QF's or Distributed Resource's failure to maintain the Facility's equipment in satisfactory and safe operating conditions, or otherwise arising out of the performance by the QF or Distributed Resource of the duties and obligations arising under the terms and conditions of this Agreement.

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 or Distributed Resource 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 interconnection with the Company.

10. Electric Service to the QF or Distributed Resource

The Company will provide the class or classes of electric service requested by the QF or Distributed Resource, to the extent that they are consistent with applicable tariffs, provided, however, that interruptible service will not be available under circumstances where interruptions would impair the QF's or Distributed Resource's ability to generate and deliver electricity to the Company.

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11. Notification

For purpose of making emergency or any communications relating to the operation of the Facility, under the provisions of this Agreement, the parties designate the following people for notification:

For Gulf: _____

Phone: _____

For QF or Distributed Resource:

Phone: _____

IN WITNESS WHEREOF, the QF or Distributed Resource and the Company executed this Agreement this _____ day of _____, _____.

QF or Distributed Resource

By: _____
(Signature)

(Print or Type Name)

Title: _____

Date: _____

GULF POWER COMPANY

By: _____
(Signature)

(Print or Type Name)

Title: _____

Date: _____