BEGGS & LANE

ATTORNEYS AND COUNSELLORS AT LAW

POST OFFICE BOX 12950

PENSACOLA, FLORIDA 32576-2950

ROBERT P. GAINES
WILLIAM GUY DAVIS, JR.
W. SPENCER MITCHEM
JAMES M. WEBER
ROBERT L. CRONGEYER
JOHN F. WINDHAM
J. NIXON DANIEL, III
G. EDISON HOLLAND, JR.
RALPH A. PETERSON
RONALD L. NELSON
GARY B. LEUCHTMAN
JOHN P. DANIEL
JEFFREY A. STONE
JAMES S. CAMPBELL
TERESA E. FILES
CRYSTAL COLLINS

SEVENTH FLOOR BLOUNT BUILDING
3 WEST GARDEN STREET
PENSACOLA, FLORIDA 32501
TELEPHONE (904) 432-2451
TELECOPIER (904) 469-3330

E. DIXIE BEGGS
Retired
BERT H. LANE
1917-1981

May 4, 1993

Mr. Steve Tribble, Director
Division of Records and Reporting
Florida Public Service Commission
Tallahassee, FL 32399-0870

930459-EQ

Re: Petition of Gulf Power Company to establish its new standard offer for the purchase of firm capacity and energy from small QFs (under 75 MW) from solid waste facilities

EI 804

Dear Mr. Tribble:

The original and fifteen copies of Gulf Power Company's Petition to Establish New Standard Offer are enclosed for official filing with the Commission. This filing is consistent with the statement of intent contained within Gulf's notice withdrawing its previous petition which was the subject of Docket No. 920768-EQ. Also enclosed is a double sided double density 3.5 inch floppy disk containing these documents in WordPerfect 5.1 format as prepared on a MS-DOS based computer.

Please mark the extra copy of this letter enclosed herein with the date and time the material was accepted in your office for filing and return same to the undersigned. Thank you for your assistance in this matter.

Very truly yours,

Jeffrey A. Stone
For the Firm

Enclosures

cc: Mary Ann Helton, Esquire

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition of Gulf Power Company to establish its new standard offer for the purchase of firm capacity and energy from small QFs (under 75 MW) or from solid waste facilities.	Docket No. 93______-EQ Date Filed: May 4, 1993

GULF POWER COMPANY'S PETITION TO ESTABLISH NEW STANDARD OFFER

Gulf Power Company ("Gulf Power", "Gulf", or "the Company"), by and through its undersigned attorneys, and pursuant to Rule 25-17.0832(3) of the Florida Administrative Code and Order No. 24989, hereby petitions the Florida Public Service Commission ("Commission") to authorize the Company to extend a new standard offer for the purchase of firm capacity and energy from small qualifying facilities (less than 75 megawatts) or from solid waste facilities as defined in Rule 25-17.091 (collectively "small qualifying facilities" or "QFs"). As part of this petition, Gulf hereby submits for Commission approval proposed revised tariff sheets containing the new standard offer and related standard offer contract. In support of this Petition, the Company respectfully states as follows:

1. Pleadings, notices, orders or other documents with respect to this Petition and docket should be addressed to:

G. Edison Holland, Jr.
Jeffrey A. Stone
Beggs & Lane
700 Blount Bldg.
P. O. Box 12950
Pensacola, FL 32576-2950

Jack L. Haskins
Mgr. of Rates & Reg. Matters
& Assistant Secretary
Gulf Power Company
P. O. Box 13470
Pensacola, FL 32591-3470

2. Gulf Power Company is an electric utility providing retail electric service to customers within northwest Florida and, pursuant to the provisions of Chapter 366 of the Florida Statutes,

is subject to the regulatory jurisdiction of the Florida Public Service Commission. The Company's corporate offices are located at 500 Bayfront Parkway, Pensacola, Florida 32501.

3. Gulf's previous standard offer for the purchase of firm capacity and energy from small qualifying facilities ("previous Standard Offer") was approved by the Commission through Order No. 24989 issued August 29, 1991, following planning hearings held before the Commission in May, 1991.[1] The previous Standard Offer was closed to further subscription effective May 16, 1992 by Order No. PSC-92-0853-FOF-EQ, issued August 24, 1992 in Docket No. 920581-EQ.[2] Pursuant to the rules and the orders of the Commission, the Company is obligated to submit a revised tariff and a revised standard offer contract to the Commission for its review and approval.[3]

---

[1]The previous Standard Offer is set forth in the Company's Tariff for Retail Electric Service as Schedule COG-2 and the related standard offer contract, Tariff Sheets 9.8 through 9.32.

[2]As noted in the Order, the previous Standard Offer was scheduled to expire June 1, 1992, or sooner, if the 79 megawatts was fully subscribed or avoided.

[3]On July 30, 1992, the Company filed a petition to establish a new standard offer based on what was then expected to be a 1997 80 megawatt combustion turbine capacity need. That petition became the subject of Docket No. 920768-EQ. On March 2, 1993, Gulf filed a notice withdrawing the July 30 petition. This action was taken because the Company's most recently adopted integrated resource plan shows that Gulf's next generating capacity addition is now scheduled for 1998. In the March 2 filing, Gulf stated that it anticipated being able to file a petition and supporting documentation to establish a new standard offer on or before May 4, 1993.

4. As shown by the Company through evidence presented at the Commission's May 1991 planning hearings, Gulf's previous Standard Offer was based on the Company's 79 megawatt combustion turbine generating unit then planned for an initial in-service date of June 1, 1995. As of May 1991, the Company's identified need for additional peaking capacity in the summer of 1995 was based on what was then Gulf's most recent load forecast and the results of the Company's integrated resource planning process.

5. Since the Commission's May 1991 planning hearings, one of Gulf's major industrial customers has announced plans to build additional cogeneration capacity for the purpose of self-serving virtually all of its needs for electric energy. The effect of this customer's announcement has been to reduce Gulf's load forecast. The reduction in the load forecast has been significant enough to warrant cancellation of the planned 1995 generating unit on which the previous Standard Offer was based.

6. Gulf's most recent load forecast and integrated resource plans identify the Company's next generating capacity addition as a combustion turbine scheduled for June 1998.[1] The 1998 combustion turbine is also the Company's next avoidable generating capacity addition. Gulf hereby requests that the Commission approve this unit for use as the Designated Avoided Unit

[1]Beginning in June 1996, the Company will be purchasing 21 megawatts of capacity pursuant to a negotiated contract with Monsanto Company that was reviewed by the Commission and approved through Order No. PSC-93-0456-FOF-EQ issued March 29, 1993 in Docket No. 921167-EQ. This capacity purchase was incorporated into the Company's most recently adopted integrated resource plan as a committed capacity resource.

on which Gulf should base its cogeneration prices and timing in its new Standard Offer.

7. Attached to this Petition as Appendix A, are certain updated planning hearing forms which the Company submits as supporting documentation for the new Designated Avoided Unit and related Standard Offer proposed herein. The planning hearing forms submitted are updated versions of those forms requested by the Commission Staff when the previous Standard Offer was submitted for review and approval. Appendix B to this petition contains new tariff sheets 9.8 through 9.32.3[5] to the Company's Tariff for Retail Electric Service. In addition to updated price and timing information associated with the proposed change in the designated avoided unit, Gulf has revised the language contained in its COG-2 tariff and standard offer contract in order to improve the clarity and organization of the documents. In most cases, the purpose of these changes is to address common questions Gulf has received during the past two years concerning the intent behind certain provisions in the previous Standard Offer. Gulf has attempted to utilize the experience gained with the previous Standard Offer to make the new Standard Offer easier to understand and administer, and to ensure that the resulting purchases more closely match the

[5]Sheets 9.8 through 9.18 contain Schedule COG-2. Sheets 9.19 through 9.32.3 contain the related standard offer contract. Because of revisions to the text of these sheets, the documents have been repaginated and new sheets have been added which, if approved, would constitute original editions of certain pages to Gulf's Tariff for Retail Electric Service. The Company's other cogeneration schedules, Schedule COG-1, Form 12 -- Application for Interconnection of Customer-Owned Generation and Standard Interconnection Agreement, etc. are not affected by this filing.

cost, timing and operational characteristics of the avoidable generation capacity the Company proposes for use as the Designated Avoided Unit. None of the proposed revisions deviate or alter the spirit or intent behind the Company's previous Standard Offer based on the anticipated need for peaking type generation capacity.

8. In order to preserve the new Standard Offer for small qualifying facilities and at the same time give the Company the opportunity to negotiate with potential cogenerators that may not be eligible for the standard offer due to their size, Gulf hereby requests that the Commission approve a subscription limit on the new Standard Offer of not more than 40 megawatts. In this fashion, Gulf believes that it can maximize the opportunity to avoid or defer the need for generation capacity represented by the proposed Designated Unit and at the same time minimize the risk to the Company's general body of customers that the Company may be compelled to accept contracts for the purchase of firm capacity and energy that may be excess to the Company's next generation capacity need. The Company further requests that the Commission authorize and direct the Company to petition the Commission for authority to close the new Standard Offer once the subscription limit for the offer is reached or the need for additional generation capacity represented by the proposed Designated Avoided Unit is otherwise deferred or avoided.

WHEREFORE, Gulf Power Company requests the Florida Public Service Commission to enter an order authorizing the Company to: (1) accept the combustion turbine the Company presently projects adding to its system in June 1998 as the appropriate Designated Avoided Unit; (2) extend a new standard offer for the purchase of capacity and energy from small qualifying facilities based on the cost and timing of said projected generating capacity addition, such offer to expire by its own terms no later than April 1, 1995; (3) approve the tariff and standard offer contract submitted herewith for use by the Company to extend its new Standard Offer; (4) set a subscription limit for the new Standard Offer of 40 megawatts; and (5) direct the Company to petition the Commission for authority to close the new Standard Offer once the subscription limit of the offer is reached or the designated capacity need is either deferred or fully avoided.

Respectfully submitted this 4th day of May, 1993.

G. EDISON HOLLAND, JR.
Florida Bar No. 261599
JEFFREY A. STONE
Florida Bar No. 325953
Beggs and Lane
P. O. Box 12950
Pensacola, Florida 32576-2950
(904) 432-2451
Attorneys for Gulf Power Company

ATTACHMENT A

GULF POWER COMPANY

PLANNING HEARING FORMS
CONSISTING OF 33 PAGES

MAY 4, 1993

INDEX

UTILITY: GULF POWER COMPANY
HISTORY AND FORECAST
AS OF JANUARY 1, 1993
BASE (MOST PROBABLE) LOAD FORECAST

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	SUMMER PEAK DEMAND - (MW)						WINTER PEAK DEMAND - (MW)						ENERGY	
YEAR	TOTAL (MW)	INTER-RUPTIBLE LOAD (MW)	LOAD MANAGEMENT (MW)	QF LOAD (MW)	NET DEMAND (MW)	YEAR	TOTAL (MW)	INTER-RUPTIBLE LOAD (MW)	LOAD MANAGEMENT (MW)	QF LOAD (MW)	NET DEMAND (MW)	YEAR	NET ENERGY FOR LOAD (GWH)	LOAD FACTOR (%)
1983	1,507	0	0	152	1,355	1982/83	1,111	0	0	74	1,037	1983	6,284	52.9%
1984	1,547	0	0	152	1,395	1983/84	1,458	0	0	152	1,306	1984	6,703	54.7%
1985	1,606	0	0	152	1,454	1984/85	1,683	0	0	152	1,531	1985	7,115	53.1%
1986	1,836	0	0	152	1,684	1985/86	1,564	0	0	152	1,412	1986	7,435	50.4%
1987	1,776	0	0	152	1,624	1986/87	1,512	0	0	152	1,360	1987	7,723	54.3%
1988	1,756	0	0	136	1,620	1987/88	1,554	0	0	152	1,402	1988	8,016	56.3%
1989	1,834	0	0	136	1,698	1988/89	1,690	0	0	136	1,554	1989	8,378	56.3%
1990	1,921	0	0	136	1,785	1989/90	1,957	0	0	136	1,821	1990	8,612	54.0%
1991	1,884	0	0	136	1,748	1990/91	1,561	0	0	136	1,425	1991	8,704	56.8%
1992	1,972	0	0	136	1,836	1991/92	1,677	0	0	136	1,541	1992	8,849	54.9%
83-92 AAGR	3.03%				3.43%	83-92 AAGR	4.68%				4.50%	83-92 AAGR	3.88%	0.40%
1993	2,043	0	0	136	1,907	1992/93	1,762	0	0	136	1,626	1993	9,056	54.2%
1994	2,082	0	0	198	1,884	1993/94	1,796	0	0	191	1,605	1994	9,037	54.8%
1995	2,106	0	0	198	1,908	1994/95	1,764	0	0	191	1,573	1995	9,167	54.8%
1996	2,129	0	0	198	1,931	1995/96	1,790	0	0	191	1,599	1996	9,304	54.9%
1997	2,157	0	0	198	1,959	1996/97	1,820	0	0	191	1,629	1997	9,459	55.1%
1998	2,204	0	0	209	1,995	1997/98	1,854	0	0	191	1,663	1998	9,661	55.3%
1999	2,233	0	0	209	2,024	1998/99	1,894	0	0	202	1,692	1999	9,835	55.5%
2000	2,254	0	0	209	2,045	1999/00	1,920	0	0	202	1,718	2000	9,992	55.6%
2001	2,279	0	0	209	2,070	2000/01	1,947	0	0	202	1,745	2001	10,156	56.0%
2002	2,296	0	0	209	2,087	2001/02	1,969	0	0	202	1,767	2002	10,298	56.3%
93-02 AAGR	1.30%				1.01%	93-02 AAGR	1.24%				0.93%	93-02 AAGR	1.44%	0.43%

NOTE: COLUMN (2) = SUM (3) THROUGH (6). COLUMN (8) = SUM (9) THROUGH (12).

COLUMN (5) & (11), SELF-SERVICE GENERATION, ARE QF LOAD SERVED BY QF GENERATION

02

GULF POWER COMPANY

FUELS FORECAST (1992-2007)
(AVERAGE 1992 BASE PRICE AS OF JULY, 1992)
BASE CASE OIL AND GAS PRICES

	RESIDUAL OIL (BY SULFUR CONTENT)									
	LESS THAN 1.0%		GREATER THAN 1.0%			DISTILLATE			NATURAL GAS	
YEAR	Dollars/BBL	Cents/MBTU	Dollars/BBL	Cents/MBTU	Escalation %	Dollars/BBL	Cents/MBTU	Escalation %	Cents/MBTU	Escalation %
1992			13.61	216		23.19	399		193	
1993			13.61	216	0.0	23.12	397	-0.3	199	3.1
1994			13.61	216	0.0	22.96	395	-0.7	204	2.7
1995			13.61	216	0.0	22.79	392	-0.7	210	2.7
1996	(1)	(1)	13.61	216	0.0	22.68	390	-0.5	216	2.9
1997			13.61	216	0.0	23.26	400	2.5	228	5.9
1998			13.61	216	0.0	24.15	415	3.8	241	5.7
1999			13.61	216	0.0	25.96	446	7.5	261	8.3
2000			13.61	216	0.0	28.10	483	8.3	288	10.0
2001			13.61	216	0.0	30.47	524	8.4	322	11.9
2002			13.61	216	0.0	32.87	565	7.9	362	12.6
2003			13.61	216	0.0	35.39	608	7.7	398	9.9
2004			13.61	216	0.0	38.16	656	7.8	436	9.5
2005			13.61	216	0.0	40.71	700	6.7	473	8.3
2006			13.61	216	0.0	43.01	739	5.6	500	5.8
2007			13.61	216	0.0	45.22	777	5.1	528	5.5

NOTE: Heat Content Distillate 5.817 MBTU/BBL
Heat Content Residual Oil 6.3 MBTU/BBL

(1) Not used by Gulf.

GULF POWER COMPANY

FUELS FORECAST (1992-2007)
(AVERAGE 1992 BASE PRICE AS OF JULY 1992)
HIGH, MEDIUM, AND LOW SULFUR COAL PRICES

	LOW SULFUR COAL LESS THAN 1.0%			MEDIUM SULFUR COAL 1.0% TO 2.0%			HIGH SULFUR COAL GREATER THAN 2.0%		
YEAR	Dollars/Ton	Cents/MBTU	Escalation %	Dollars/Ton	Cents/MBTU	Escalation %	Dollars/Ton	Cents/MBTU	Escalation %
1992	40.90	164		34.09	142		27.17	117	
1993	42.17	169	3.1	34.65	144	1.6	27.66	119	1.8
1994	43.32	173	2.7	35.12	146	1.4	28.06	121	1.4
1995	44.47	178	2.7	35.58	148	1.3	29.16	126	3.9
1996	46.04	184	3.5	36.13	151	1.5	29.66	128	1.7
1997	47.83	191	3.9	36.81	153	1.9	30.28	131	2.1
1998	49.61	198	3.7	37.70	157	2.4	31.14	134	2.8
1999	51.63	207	4.1	38.93	162	3.3	32.26	139	3.6
2000	53.87	215	4.3	40.56	169	4.2	*	*	*
2001	56.37	225	4.6	42.26	176	4.2	*	*	*
2002	58.98	236	4.6	44.04	184	4.2	*	*	*
2003	61.72	247	4.6	45.92	191	4.3	*	*	*
2004	64.58	258	4.6	47.87	199	4.2	*	*	*
2005	67.71	271	4.8	50.00	208	4.4	*	*	*
2006	70.89	284	4.7	52.18	217	4.4	*	*	*
2007	74.29	297	4.8	54.50	227	4.4	*	*	*

NOTE: Heat Content of Low Sulfer Coal 25 MBTU/Ton
Heat Content of Medium Sulfer Coal 24 MBTU/Ton
Heat Content of High Sulfer Coal 23.2 MBTU/Ton

* After the year 1999, there is projected to be no high sulfer coal burned at Gulf.

Economic Assumptions Gulf (1)
Base Case

AFUDC RATE

10.08%

CAPITALIZATION RATIOS

Debt	45.0%
Preferred	10.0%
Equity	45.0%

DISCOUNT RATE

8.62%

RATE OF RETURN

Debt	8.6%
Preferred	8.1%
Equity	12.0%

TAX DEPRECIATION LIFE

Combustion Turbine 15 Years

INCOME TAX RATE

State	5.5%
Federal	34.0%
Effective	37.63%

OTHER TAX RATE

Ad valorem 1.14%

(1) Based on IOU Data

Economic Escalation Assumptions Gulf

Year	General Inflation %	Plant Construction Cost %	Fixed O & M Cost %	Variable O & M Cost %
1993	3.0	3.0	1.2	2.2
1994	2.7	2.7	2.2	2.0
1995	2.7	2.7	2.6	1.9
1996	3.0	3.0	3.0	2.5
1997	3.2	3.2	2.7	2.8
1998	3.1	3.1	2.6	3.2
1999	3.3	3.3	3.2	3.6
2000	3.6	3.6	3.2	3.8
2001	3.6	3.6	3.2	4.2
2002	3.7	3.7	3.4	4.3
2003	3.6	3.6	3.3	4.2
2004	3.7	3.7	3.4	4.2
2005	3.8	3.8	3.4	4.1
2006	3.8	3.8	3.4	4.0
2007	3.9	3.9	3.5	4.0
Levelized	3.25	3.25	2.76	3.11

SOURCE: DRI 1st Quarter 1992 Macroeconomic Forecast

GULF POWER COMPANY
AVOIDED UNIT ***

Plant Name (Type): Scholz Combustion Turbine
Net Capacity (MW): 80
Book Life (Yrs.) : 40

Installed Cost (In-Service Year 1998)

Total Installed Cost ($/KW)*	396
Direct Construction Cost ($/KW-93)	339
AFUDC Amount ($/KW)	0
Escalation ($/KW)	57
Fixed O & M ($/KW-yr)	2.50
Variable O & M ($/MWH)	6.24
Assumed Capacity Factor	3.4 %

K Factor ** 1.4851

* Total Installed Cost = Direct Construction Cost + AFUDC + Escalation

** K Factor Developed on Form 3.2

*** Unit avoided by planned and proposed QFs.

INDIVIDUAL UTILITY FORM 2.1
As of April 1, 1993

GULF POWER COMPANY
SUMMARY OF NEW UNIT ADDITIONS

(1)	(2)	(3)	(4)	(5)	(6)
				Net Capability	
Year	Unit Type	Fuel	Construction Start Mo/Yr	Summer (MW)	Winter (MW)
1998	CT	NG	6/95	80	80
1999	CT	NG	6/96	80	80
2002	CC	NG	6/97	158	158

GULF POWER COMPANY

SUMMARY OF CAPACITY, DEMAND, AND RESERVE MARGIN

AT TIME OF SUMMER PEAK

BASE CASE

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Installed Capacity			(a) Projected Firm Net to Grid From QF		Coincident	Reserve Margin		(b) Other
Year	Existing & Certified	Generic Additions	Contracted Firm Interchange (MW)	(MW)	Total Available Capacity (MW)	Firm Peak Demand (MW)	(MW)	% of Peak	Reliability Index % EUE
1993	2340	0	(193)	0	2147	1907	240	12.6	0.00029
1994	2340	0	(194)	0	2146	1884	262	13.9	0.00059
1995	2340	0	(181)	0	2159	1908	251	13.2	0.00314
1996	2340	0	(199)	21	2162	1931	231	12.0	0.00529
1997	2340	0	(199)	21	2162	1959	203	10.4	0.00552
1998	2340	80	(199)	21	2242	1995	247	12.4	0.00691
1999	2420	80	(199)	21	2322	2024	298	14.7	0.00695
2000	2500	0	(199)	21	2322	2045	277	13.5	0.00602
2001	2500	0	(199)	21	2322	2070	252	12.2	0.00690
2002	2465	158	(199)	21	2445	2087	358	17.2	0.00592

Note: (a) Column (5) is the sum of co . 3 of Individual Utility Forms 6.4 and 6.5 page 2 by year.

(b) EUE (Expected Unserved Energy) - An annual probabilistic determination of total territorial energy not served, measured as a percent quantity.

GULF POWER COMPANY
SUMMARY OF CAPACITY, DEMAND, AND RESERVE MARGIN
AT TIME OF WINTER P[illegible]
BASE CASE

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Installed Capacity		Contracted Firm Interchange	Projected Firm Net to Grid From QF	Total Available Capacity	Coincident Firm Peak Demand	Reserve Margin	
Year	Existing & Certified	Generic Additions	(MW)	(MW)	(MW)	(MW)	(MW)	% of Peak
1992/93	2348	0	(200)	0	2148	1626	522	32.1
1993/94	2348	0	(200)	0	2148	1605	543	33.8
1994/95	2348	0	(200)	0	2148	1573	575	36.6
1995/96	2348	0	(199)	0	2149	1599	550	34.4
1996/97	2348	0	(199)	21	2170	1629	541	33.2
1997/98	2348	0	(199)	21	2170	1663	507	30.5
1998/99	2348	80	(199)	21	2250	1692	558	33.0
1999/00	2428	80	(199)	21	2330	1718	612	35.6
2000/01	2508	0	(199)	21	2330	1745	585	33.5
2001/02	2508	0	(199)	21	2330	1767	563	31.9
2002/03	2464	158	(199)	21	2444	1794	650	36.2

Note: Column (5) is the sum of col. 4 of Individual Utility Forms 6.4 and 6.5 page 2 by year.

GULF POWER COMPANY
Financial Assumptions
for the Development of K Factor

For the "Avoided Unit"

CAPITALIZATION RATIOS

Debt	45.0%
Preferred	10.0%
Equity	45.0%

RATE OF RETURN

Debt	8.6%
Preferred	8.1%
Equity	12.0%
Tax Rate	37.63%
AFUDC	10.08%
Discount Rate	8.62%
Book Life	40 Years
Start Year Construction	1995
In-Service Year	1998

CONSTRUCTION SPENDING CURVE

Year	% Construction Expenditures*
-8	%
-7	%
-6	%
-5	%
-4	%
-3	3.0 %
-2	2.5 %
-1	87.0 %
0	7.5 %

* To be applied to direct construction costs.

GULF POWER COMPANY

FIXED CHARGE CALCULATIONS FOR THE DEVELOPMENT OF K FACTOR
(THOUSANDS OF DOLLARS)

Unit: COMBUSTION TURBINE
In-Service Date: 1998

Year	Calendar Year	Electric Plant In-Service	Debt	Preferred	Equity	Taxes	T Credit	Total Debt Preferred Equity & Taxes	Straight Line Depreciation	Total Fixed Charges	Present Worth Fixed Charges	Cumulative Present Worth Fixed Charges
1	1998	31,459	1,217	255	1,699	1,544	301	4,715	800	5,515	5,515	5,515
2	1999	30,087	1,164	244	1,625	1,492	843	4,525	800	5,325	4,903	10,418
3	2000	28,501	1,103	231	1,539	1,433	729	4,306	800	5,106	4,328	14,745
4	2001	27,023	1,046	219	1,459	1,377	626	4,101	800	4,902	3,825	18,570
5	2002	25,643	992	208	1,385	1,326	533	3,910	800	4,711	3,384	21,954
6	2003	24,351	942	197	1,315	1,277	450	3,732	800	4,532	2,997	24,952
7	2004	23,121	895	187	1,249	1,231	410	3,562	800	4,362	2,656	27,608
8	2005	21,911	848	177	1,183	1,186	410	3,394	800	4,195	2,351	29,959
9	2006	20,700	801	168	1,118	1,140	410	3,227	800	4,027	2,078	32,037
10	2007	19,490	754	158	1,052	1,095	410	3,060	800	3,860	1,834	33,871
11	2008	18,280	707	148	987	1,050	410	2,892	800	3,693	1,615	35,487
12	2009	17,069	661	138	922	1,004	410	2,725	800	3,525	1,420	36,906
13	2010	15,859	614	128	856	959	410	2,558	800	3,358	1,245	38,151
14	2011	14,648	567	119	791	914	410	2,390	800	3,191	1,089	39,240
15	2012	13,438	520	109	726	868	410	2,223	800	3,023	950	40,190
16	2013	12,406	480	100	670	830	54	2,080	800	2,880	833	41,024
17	2014	11,729	454	95	633	804	(301)	1,987	800	2,787	742	41,766
18	2015	11,230	435	91	606	786	(301)	1,918	800	2,718	666	42,432
19	2016	10,730	415	87	579	767	(301)	1,849	800	2,649	598	43,030
20	2017	10,231	396	83	552	748	(301)	1,780	800	2,580	536	43,566
21	2018	9,732	377	79	526	730	(301)	1,711	800	2,511	480	44,047
22	2019	9,233	357	75	499	711	(301)	1,642	800	2,442	430	44,477
23	2020	8,734	338	71	472	692	(301)	1,573	800	2,373	385	44,862
24	2021	8,235	319	67	445	673	(301)	1,504	800	2,304	344	45,206
25	2022	7,736	299	63	418	655	(301)	1,435	800	2,235	307	45,513
26	2023	7,237	280	59	391	636	(301)	1,365	800	2,166	274	45,787
27	2024	6,737	261	55	364	617	(301)	1,296	800	2,097	244	46,031
28	2025	6,238	241	51	337	599	(301)	1,227	800	2,028	217	46,249
29	2026	5,739	222	46	310	580	(301)	1,158	800	1,959	193	46,442
30	2027	5,240	203	42	283	561	(301)	1,089	800	1,890	172	46,614
31	2028	4,741	183	38	256	543	(301)	1,020	800	1,821	152	46,766
32	2029	4,242	164	34	229	524	(301)	951	800	1,752	135	46,901
33	2030	3,743	145	30	202	505	(301)	882	800	1,683	119	47,021
34	2031	3,244	126	26	175	486	(301)	813	800	1,614	105	47,126
35	2032	2,745	106	22	148	468	(301)	744	800	1,545	93	47,219
36	2033	2,245	87	18	121	449	(301)	675	800	1,476	82	47,301
37	2034	1,746	68	14	94	430	(301)	606	800	1,407	72	47,372
38	2035	1,247	48	10	67	412	(301)	537	800	1,338	63	47,435
39	2036	748	29	6	40	393	(301)	468	800	1,269	55	47,490
40	2037	249	10	2	13	374	(301)	399	800	1,200	48	47,538

THE VALUE OF "K" 1.4851 = TOTAL CUMULATIVE PRESENT WORTH FIXED CHARGE / TOTAL INSTALLED COST

GULF POWER COMPANY
Summary of Firm Energy and Capacity Payments
To Supply Side Qualifying Facilities

Unit Type: Combustion Turbine

Contract Period	Avoided Capital Cost $/KW-Mo	Avoided O & M Cost $/KW-Mo	Total Avoided Capacity Cost $/KW-Mo	Avoided Unit Fuel Cost with VOM cents/KWH
6/1/95 to 5/31/96	0.00	0.00	0.00	0.00
6/1/96 to 5/31/97	0.00	0.00	0.00	0.00
6/1/97 to 5/31/98	0.00	0.00	0.00	0.00
6/1/98 to 5/31/99	2.79	0.21	3.00	3.94
6/1/99 to 5/31/00	2.88	0.21	3.09	4.24
6/1/00 to 5/31/01	2.97	0.22	3.19	4.61
6/1/01 to 5/31/02	3.07	0.23	3.30	5.07
6/1/02 to 5/31/03	3.17	0.23	3.40	5.61
6/1/03 to 5/31/04	3.27	0.24	3.51	6.09
6/1/04 to 5/31/05	3.38	0.24	3.63	6.63
6/1/05 to 5/31/06	3.49	0.25	3.74	7.13
6/1/06 to 5/31/07	3.60	0.26	3.86	7.50
6/1/07 to 5/31/08	3.72	0.27	3.99	7.91

DEFINITIONS

% AAGR - calculated Average Annual Growth Rate expressed as a percent.

Average Demand - energy for a given time period divided by the number of hours in the time period.

Interruptible Load - load which may be disconnected at the supplier's discretion.

Load Factor - Annual NEL/(peak demand x number of hours in the year).

Net Capability or Net Capacity - the continuous gross capacity less the power required by all auxiliaries associated with the unit, or the capacity as specified by "SERC Guideline Number 2 for Uniform Generator Ratings for Reporting."

Net Energy for Load (NEL) - net system generation plus energy received from Class I and Class II systems minus energy delivered to Class I and Class II systems.

Net Energy for System (NES) - net energy for load plus energy received from Class III and Class V systems minus energy delivered to Class III and Class V systems.

Peninsular Florida - geographically, Peninsular Florida is defined as those utilities and their service territories east of the Apalachicola River.

Peak Demand or Peak Load - the net 60-minute integrated demand (actual or adjusted). Forecasted demands are for normal weather conditions.

DEFINITIONS

Qualifying Facility - a cogenerator or small power producer which meet FERC criteria for qualifying facilities.

Sales for Resale - energy sales to Class I-V systems.

State of Florida - includes utilities and their service territories in Peninsular Florida plus Gulf Power Company, West Florida Electric Cooperative, Choctawhatchee Electric Cooperative, Escambia River Electric Cooperative and Gulf Coast Electric Cooperative.

Summer - June 1 through September 30 of year studied.

Winter - November 1 of the previous year through March 31 of year being studied.

Year - January 1 through December 31 (calendar year). Unless otherwise indicated, calendar year is used for historical and forecasted data.

UTILITY: GULF POWER COMPANY

INDIVIDUAL UTILITY FORM 5.2

HISTORY AND FORECAST
ENERGY USE BY CUSTOMER TYPE - GWH
AS OF JANUARY 1, 1993

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	RURAL & RESIDENTIAL			COMMERCIAL			INDUSTRIAL			STREET & HIGHWAY LIGHTING	OTHER SALES	TOTAL SALES	RESALE	UTILITY USE AND LOSSES	NEL
YEAR	GWH	CUSTOMERS	KWH/CUST	GWH	CUSTOMERS	KWH/CUST	GWH	CUSTOMERS	KWH/CUST	GWH	GWH	GWH	GWH	GWH	GWH
1983	2,472	201,714	12,254	1,499	25,487	58,805	1,612	176	9,161,324	14	0	5,597	338	351	6,284
1984	2,581	212,379	12,057	1,559	27,336	57,044	1,771	179	9,894,417	14	0	5,905	364	433	6,702
1985	2,736	223,908	12,221	1,777	28,983	61,326	1,771	181	9,782,246	14	0	6,298	359	458	7,115
1986	2,964	232,816	12,729	1,913	30,576	62,570	1,745	195	8,949,099	14	0	6,636	324	475	7,435
1987	3,055	239,362	12,763	1,986	31,821	62,422	1,840	204	9,019,271	14	0	6,895	328	499	7,722
1988	3,155	244,859	12,883	2,089	32,757	63,760	1,968	206	9,553,842	15	0	7,227	283	507	8,017
1989	3,294	250,038	13,173	2,169	33,500	64,761	2,095	229	9,147,029	16	0	7,574	276	528	8,378
1990	3,361	255,129	13,173	2,218	33,957	65,305	2,178	247	8,817,297	17	0	7,774	294	545	8,613
1991	3,455	259,395	13,320	2,273	34,372	66,120	2,117	260	8,143,878	16	0	7,861	296	547	8,704
1992	3,597	265,374	13,553	2,369	36,009	65,796	2,179	282	8,318,456	16	0	8,161	299	389	8,849
1983-'92 % AAGR	4.26%	3.09%	1.13%	5.22%	3.91%	1.26%	3.40%	4.52%	-1.07%	1.26%	0.00%	4.28%	-1.28%	1.14%	3.88%
1993	3,667	270,356	13,562	2,378	37,067	64,155	2,105	280	7,517,512	16	0	8,166	312	578	9,056
1994	3,727	275,847	13,510	2,420	37,864	63,908	1,966	282	6,972,260	16	0	8,129	321	586	9,038
1995	3,798	281,421	13,496	2,466	38,720	63,677	1,968	285	6,904,737	17	0	8,249	325	593	9,167
1996	3,869	287,034	13,479	2,509	39,568	63,422	1,977	288	6,863,368	18	0	8,373	329	602	9,304
1997	3,952	292,502	13,512	2,556	40,388	63,282	1,989	291	6,833,677	18	0	8,515	332	612	9,459
1998	4,051	297,799	13,603	2,617	41,182	63,559	2,013	294	6,846,701	18	0	8,699	335	625	9,659
1999	4,134	302,992	13,645	2,669	41,964	63,606	2,038	297	6,861,380	19	0	8,860	338	637	9,835
2000	4,205	308,113	13,646	2,716	42,717	63,573	2,064	300	6,881,433	19	0	9,004	341	647	9,992
2001	4,279	313,189	13,662	2,766	43,443	63,666	2,091	303	6,900,396	19	0	9,155	344	657	10,156
2002	4,343	318,234	13,646	2,806	44,149	63,557	2,116	306	6,915,817	20	0	9,285	347	668	10,298
1993-'02 % AAGR	1.90%	1.83%	0.07%	1.86%	1.96%	-0.10%	0.06%	0.99%	-0.92%	2.12%	0.00%	1.44%	1.19%	1.80%	1.44%
1983-'02 % AAGR	3.01%	2.43%	0.57%	3.36%	2.93%	0.41%	1.44%	2.95%	-1.47%	1.76%	0.00%	2.70%	0.17%	3.43%	2.63%

NOTES: COLUMN (13) IS THE INTEGER SUM OF COLUMNS (2),(5),(8),(11) AND (12).

COLUMN (16) IS THE INTEGER SUM OF COLUMNS (13),(14) AND (15).

SALES FOR RESALE AND NET ENERGY FOR LOAD INCLUDE CONTRACTED ENERGY ALLOCATED TO CERTAIN CUSTOMERS BY SOUTHEASTERN POWER ADMINISTRATION (SEPA)

GULF POWER COMPANY
EXISTING GENERATING FACILITIES
As of January 1, 1993

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
				Fuel		Fuel Transp		Com'l In-Service	Exptd Retrmnt	Gen Max Nameplate	Net Capability - MW	
Plant Name	Unit No.	Location	Unit Type	Pri	Alt	Pri	Alt	(Mo/Yr)	(Mo/Yr)	KW	Summer	Winter
Crist	1	Escambia County	FS	NG	HO	PL	TK	1/45	12/04	28,125	23.5	23.5
	2	25/1N/30W	FS	NG	HO	PL	TK	6/49	12/04	28,125	24.9	24.9
	3		FS	NG	HO	PL	TK	9/52	12/04	37,500	38.3	38.3
	4		FS	C	NG	WA	PL	7/59	12/14	93,750	89.4	89.4
	5		FS	C	NG	WA	PL	6/61	12/16	93,750	87.7	87.7
	6		FS	C	NG	WA	PL	5/70	12/15	369,750	323.0	323.0
	7		FS	C	--	WA	--	8/73	12/18	578,000	517.1	517.1
Lansing Smith	1	Bay County	FS	C	--	WA	--	6/65	12/15	149,600	162.8	162.8
	2	36/2S/15W	FS	C	--	WA	--	6/67	12/17	190,400	193.0	193.0
	A		CT	LO	--	TK	--	5/71	12/01	41,850	35.2	43.6
Scholz	1	Jackson County	FS	C	--	RR	WA	3/53	12/08	49,000	51.1	51.1
	2	12/3N/7W	FS	C	--	RR	WA	10/53	12/08	49,000	49.0	49.0
(A) Daniel	1	Jackson County, MS	FS	C	HO	RR	TK	9/77	12/22	274,125	264.6	264.6
	2	42/5S/6W	FS	C	HO	RR	TK	6/81	12/26	274,125	271.3	271.3
(A) Scherer	3	Monroe County, GA	FS	C	--	RR	--	1/87	12/27	222,750	208.9	208.9

Abbreviations:

FS - Fossil Steam
CT - Combustion Turbine
NG - Natural Gas
C - Coal
LO - Light Oil
HO - Heavy Oil
PL - Pipeline
WA - Water
TK - Truck
RR - Railroad

NOTE: (A) Unit capabilities shown represent Gulf's portion of Daniel Units 1 & 2 (50%) and Scherer Unit 3 (25%).

GULF POWER COMPANY

FUTURE GENERATION CAPABILITY INSTALLATIONS, CHANGES, AND REMOVALS

(January 1, 1993 Through December 31, 2002)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
				Fuel		Fuel Transp					Net Capability		
Plant Name	Unit No.	Location	Type	Pri	Alt	Pri	Alt	Const Start Mo/Yr	Com'l In-Service Mo/Yr	Gen Max Nameplate KW	Summer MW	Winter MW	Status
Scholz	A	Jackson County	CT	NG	LO	PL	TK	06/95	05/98		80.0	80.0	P
	B	12/3N/7W	CT	NG	LO	PL	TK	06/96	05/99		80.0	80.0	P
Intermediate Unit		Unknown	CC	NG	LO	PL	TK	06/97	05/02		158.0	158.0	P
Lansing Smith	A	Bay County 36/2S/15W	CT	LO	--	TK	--		(12/01)		(35.2)	(43.6)	R

Abbreviations:

FS	Fossil Steam	HO	Heavy Oil	P	Planned, but not authorized by utility.
CT	Combustion Turbine	LO	Light Oil	U	Under construction. Less than 50% complete.
CC	Combined Cycle	CV	Conveyer	V	Under construction. More than 50% complete.
HY	Hydro	PL	Pipeline	R	To be retired.
D	Diesel	RR	Railroad		
N	Nuclear	TK	Truck		
C	Coal	WA	Water		
NG	Natural Gas				

UTILITY: GULF POWER COMPANY

INDIVIDUAL UTILITY FORM 6.4

EXISTING QUALIFYING FACILITIES
AS OF JANUARY 1, 1993

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
				FUEL TYPE		COMMERCIAL IN-SERVICE	
FACILITY NAME	UNIT NO.	LOCATION	TYPE	PRIMARY	ALTERNATE	(MO/YR)	STATUS
Bay Resource Management Facility	1	Bay	SPP	MSW	--	2/87	NC
Champion	1 2	Escambia	COG	WD/C	NG	5/83	NC
Monsanto	1 2 3	Escambia	COG	NG	LO	'54	NC
Pensacola Christian College	1 2 3	Escambia	COG	NG	--	4/88	NC
Stone Container	1 2 3 4	Bay	COG	WD/HO/LO	NG/C	'60	NC

ABBREVIATIONS:

SPP Small Power Producer
COG Cogenerator
NC No Contract
MSW Municipal Solid Waste

NG Natural Gas
C Coal
WD Wood
LO Light Oil
HO Heavy Oil

UTILITY: GULF POWER COMPANY

INDIVIDUAL UTILITY FORM 6.4

EXISTING QUALIFYING FACILITIES
AS OF JANUARY 1, 1993

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
		POTENTIAL EXPORT TO GRID AT TIME OF PEAK – MW				QF LOAD SERVED BY QF GENERATION (MW)		PLANT AUXILARY LOAD – MW		MAXIMUM NORMAL GENERATOR OUTPUT (MW)	
		FIRM		AS AVAILABLE							
FACILITY NAME	UNIT NO.	SUMMER	WINTER	SUMMER	WINTER	SUMMER	WINTER	SUMMER	WINTER	SUMMER	WINTER
Bay Resource Management Facility	1	0.0	0.0	11.0	11.0	0.0	0.0	1.5	1.5	12.5	12.5
Champion	1	0.0	0.0	0.0	0.0	37.4	37.4	--	--	37.4	37.4
	2	0.0	0.0	0.0	0.0	40.8	40.8	--	--	40.8	40.8
Monsanto	1	0.0	0.0	0.0	0.0	5.0	5.0	--	--	5.0	5.0
	2	0.0	0.0	0.0	0.0	5.0	5.0	--	--	5.0	5.0
	3	0.0	0.0	0.0	0.0	6.0	6.0	--	--	6.0	6.0
Pensacola Christian College	1	0.0	0.0	0.0	0.0	1.0	1.0	--	--	1.0	1.0
	2	0.0	0.0	0.0	0.0	1.0	1.0	--	--	1.0	1.0
	3	0.0	0.0	0.0	0.0	1.0	1.0	--	--	1.0	1.0
Stone Container	1	0.0	0.0	0.0	0.0	4.0	4.0	--	--	4.0	4.0
	2	0.0	0.0	0.0	0.0	5.0	5.0	--	--	5.0	5.0
	3	0.0	0.0	0.0	0.0	10.0	10.0	--	--	10.0	10.0
	4	0.0	0.0	0.0	0.0	20.0	20.0	--	--	20.0	20.0

NOTE: COLUMN (3) + (5) = COLUMN (11) – (9) – (7)
COLUMN (4) + (6) = COLUMN (12) – (10) – (8)

UTILITY: GULF POWER COMPANY

PLANNED AND PROPOSED QUALIFYING FACILITIES

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
				FUEL TYPE		COMMERCIAL IN-SERVICE	
FACILITY NAME	UNIT NO.	LOCATION	TYPE	PRIMARY	ALTERNATE	(MO/YR)	STATUS
Air Products	1 2 3	Santa Rosa	COG	NG	--	7/98	NC
Regional	1	N.W. Fl.	SPP	SW	--	1/98	NC
Monsanto	4	Escambia	COG	NG	LO	8/93	CP

ABBREVIATIONS:

COG Cogenerator
SPP Small Power Producer
CP Contract Pending
NC No Contract

NG Natural Gas
SW Solid Waste
LO Light Oil

UTILITY: GULF POWER COMPANY

INDIVIDUAL UTILITY FORM 6.5
PAGE 2 OF 2

PLANNED AND PROPOSED QUALIFYING FACILITIES

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
		POTENTIAL EXPORT TO GRID AT TIME OF PEAK – MW				QF LOAD SERVED BY QF GENERATION (MW)		PLANT AUXILARY LOAD – MW		MAXIMUM NORMAL GENERATOR OUTPUT (MW)	
		FIRM		AS AVAILABLE							
FACILITY NAME	UNIT NO.	SUMMER	WINTER	SUMMER	WINTER	SUMMER	WINTER	SUMMER	WINTER	SUMMER	WINTER
Air Products	1	0.0	0.0	0.0	0.0	3.5	3.5	--	--	3.5	3.5
	2	0.0	0.0	0.0	0.0	3.5	3.5	--	--	3.5	3.5
	3	0.0	0.0	0.0	0.0	3.5	3.5	--	--	3.5	3.5
Regional	1	0.0 (1)	0.0	30.0	30.0	0.0	0.0	--	--	30.0	30.0
Monsanto	4	21.0 (2)	21.0	3.0	10.0	62.0	55.0	--	--	86.0	86.0

NOTES: (1) – This Regional facility has net export capacity, but since Gulf's projected avoided cost is relatively low, it is assumed that this capacity will be sold to other utilities.

(2) – This facility is assumed to replace the generation from the existing 16 MW facility shown in form 6.4.

COLUMN (3) + (5) = COLUMN (11) – (9) – (7)
COLUMN (4) + (6) = COLUMN (12) – (10) – (8)

UTILITY: GULF POWER COMPANY

INDIVIDUAL UTILITY FORM 6.6

SUMMARY OF FIRM ENERGY AND CAPACITY CONTRACTS
WITH QUALIFYING FACILITIES
AS OF JANUARY 1, 1993

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
								AVOIDED UNIT			
	CONTRACT TERM		CONTRACT CAPACITY		CONTRACT ENERGY						
QUALIFYING FACILITY	FROM MO/YR	TO MO/YR	NET SUM. (MW)	NET WIN. (MW)	GWH	% CAP. FACTOR	BILLING METHOD	NAME	ANTICIPATED IN-SERVICE (MO/YR)	NET SUMMER CAPABILITY (MW)	NOTES
MONSANTO	6/1996	5/2005	21	21	(1) 166	90 %	NET	CT	5/1996	80	

24 NOTE: (1) ESTIMATED "AS AVAILABLE" ENERGY ONLY SINCE THE CONTRACT DOES NOT SPECIFY ANY FIRM ENERGY AMOUNT.

NOTE: INDICATE IN COLUMN (12) THE LOCATION OF THE QF AND THE WHEELING UTILITY, IF THE POWER IS BEING WHEELED THROUGH ANOTHER UTILITY.

UTILITY: GULF POWER COMPANY

INDIVIDUAL UTILITY FORM 6.7

HISTORY AND FORECAST OF ENERGY AND CAPACITY PURCHASES
FROM QUALIFYING FAC..ITIES
AS OF JANUARY 1, 1993

(1) YEAR	(2) NET TO GRID SUMMER CAPACITY (MW)	(3) YEAR	(4) NET TO GRID WINTER CAPACITY (MW)	(5) YEAR	(6) NET TO GRID FIRM ENERGY (GWH)	(7) NET TO GRID AS-AVAILABLE ENERGY (GWH)	(8) NET TO GRID TOTAL ENERGY (GWH)
ACTUAL:		ACTUAL:		ACTUAL:			
1991	1	1990 / 91	0	1991	0	3	3
1992	0	1991 / 92	1	1992	0	3	3
FORECAST:		FORECAST:		FORECAST:			
1993	11	1992 / 93	11	1993	0	0	0
1994	11	1993 / 94	11	1994	0	0	0
1995	11	1994 / 95	11	1995	0	0	0
1996	35	1995 / 96	11	1996	0	111	111
1997	35	1996 / 97	42	1997	0	166	166
1998	65	1997 / 98	72	1998	0	166	166
1999	65	1998 / 99	72	1999	0	166	166
2000	65	1999 / C	72	2000	0	166	166
2001	65	2000 / 1	72	2001	0	166	166
2002	65	2001 / 2	72	2002	0	166	166

NOTE: COL (2) IS THE CUMULATIVE SUM OF COLS (3) AND (5) OF INDIVIDUAL UTILITY FORMS 6.4 AND 6.5, PAGE 2.

COL (4) IS THE CUMULATIVE SUM OF COLS (4) AND (6) OF INDIVIDUAL UTILITY FORMS 6.4 AND 6.5, PAGE 2.

COLS (6) AND (7) SHOULD BE THE ENERGY WHICH UTILITIES EXPECT TO RECEIVE FROM THE QF'S REPORTED IN THE INDIVIDUAL UTILITY FORMS 6.4 AND 6.5, RESPECTIVELY.

GULF POWER COMPANY
SUMMARY OF SCHEDULED OFF-SYSTEM CONTRACTS
AS OF JANUARY 1, 1993

(1)	(2)	(3)	(4)	(5)	(6)	(7)
		CONTRACT TERM		NET CAPABILITY		
PURCHASING UTILITY	SELLING UTILITY	FROM MO/YR	TO MO/YR	SUMMER (MW)	WINTER (MW)	DESCRIPTION
Florida Power	Gulf	01/93	05/93	N/A	155	
& Light Company		06/93	12/93	167	N/A	Unit Power Sales
		01/94	05/94	N/A	152	
		06/94	12/94	121	N/A	
		01/95	05/95	N/A	110	
		06/95	05/10	125	125	
Florida Power	Gulf	01/94	05/94	N/A	19	Unit Power Sales
Corporation		06/94	12/94	26	N/A	
		01/95	05/95	N/A	41	
		06/95	05/10	56	56	

GULF POWER COMPANY
SUMMARY OF SCHEDULED OFF-SYSTEM CONTRACTS
AS OF JANUARY 1, 1993

(1)	(2)	(3)	(4)	(5)	(6)	(7)
		CONTRACT TERM		NET CAPABILITY		
PURCHASING UTILITY	SELLING UTILITY	FROM MO/YR	TO MO/YR	SUMMER (MW)	WINTER (MW)	DESCRIPTION
Jacksonville Electric Authority	Gulf	01/93	05/93	N/A	18	Unit Power Sales
		06/93	12/93	25	N/A	
		01/94	05/94	N/A	21	
		06/94	12/94	27	N/A	
		01/95	05/95	N/A	23	
		06/95	05/10	28	28	
City of Tallahassee	Gulf	01/93	05/93	N/A	36	Unit Power Sales
		06/93	05/94	17	17	
		06/94	05/95	35	35	

GULF POWER COMPANY
SUMMARY OF SCHEDULED OFF-SYSTEM CONTRACTS
AS OF JANUARY 1, 1993

(1) PURCHASING UTILITY	(2) SELLING UTILITY	(3) CONTRACT TERM FROM MO/YR	(4) CONTRACT TERM TO MO/YR	(5) NET CAPABILITY SUMMER (MW)	(6) NET CAPABILITY WINTER (MW)	(7) DESCRIPTION
Florida Power Corporation	(A) Southern	01/93	12/93	400	400	Schedule "E" Sales
		01/94	12/94	200	200	
Gulf Power Company	Southeastern Power Administration	01/93	05/94	9	9	SEPA Preference Customer Allocation and Purchases

(A) Allocated to Southern operating companies on a peak period load ratio basis. Gulf's portion is expected to be small.

GULF POWER COMPANY
SCHEDULED OFF SYSTEM INTERCHANGE
(OFF-SYSTEM CONTRACTS)
(AS OF JANUARY 1,1993)

INDIVIDUAL UTILITY FORM 6.9

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	SUMMER CAPACITY			WINTER CAPACITY			TOTAL ENERGY	
YEAR	FIRM (MW)	NON-FIRM (MW)	YEAR	FIRM (MW)	NON-FIRM (MW)	YEAR	FIRM (GWH)	NON-FIRM (GWH)
Actual:			Actual:			Actual:		
1991	(178)	(17)	1990/91	(152)	(17)	1991	(1132)	(54)
1992	(200)	(17)	1991/92	(174)	(17)	1992	(1067)	(36)
Forecast:			Forecast:			Forecast:		
1993	(193)	(28)	1992/93	(200)	(28)	1993	(935)	(97)
1994	(194)	(13)	1993/94	(200)	(13)	1994	(862)	(48)
1995	(181)	0	1994/95	(200)	0	1995	(894)	0
1996	(178)	0	1995/96	(199)	0	1996	(716)	0
1997	(178)	0	1996/97	(178)	0	1997	(635)	0
1998	(178)	0	1997/98	(178)	0	1998	(624)	0
1999	(178)	0	1998/99	(178)	0	1999	(705)	0
2000	(178)	0	1999/00	(178)	0	2000	(798)	0
2001	(178)	0	2000/01	(178)	0	2001	(879)	0
2002	(178)	0	2001/02	(178)	0	2002	(898)	0

Note: Parenthesis denotes sale.

Gulf Power Company
History and Forecast: Interchange and Generation By Fuel Type - GWH

Individual Utility
Form 7.1

		ACTUAL 1991	ACTUAL 1992	1993	1994	1995	1996	1997
INTERCHANGE	GWH	(487)	(982)	(1,466)	(45)	(66)	(318)	(971)
NUCLEAR	GWH							
COAL	GWH	9,176	9,821	10,514	9,071	9,222	9,496	10,241
HO - TOTAL	GWH	0	0	0	0	0	0	0
STEAM	GWH	0	0	0	0	0	0	0
CC	GWH							
CT	GWH							
DIESEL	GWH							
LO - TOTAL	GWH	1	1	1	1	1	1	1
STEAM	GWH							
CC	GWH							
CT	GWH	1	1	1	1	1	1	1
DIESEL	GWH							
NG - TOTAL	GWH	14	9	7	10	10	14	22
STEAM	GWH	14	9	7	10	10	14	22
CC	GWH							
CT	GWH							
DIESEL	GWH							
ALT - TOTAL	GWH							
STEAM	GWH							
CC	GWH							
CT	GWH							
DIESEL	GWH							
HYDRO	GWH							
COG & SPP	GWH						111	166
OTHER	GWH							
NEL	GWH	8,704	8,849	9,056	9,037	9,167	9,304	9,459

Gulf Power Company

History and Forecast: Interchange and Generation By Fuel Type - GWH

		1998	1999	2000	2001	2002
INTERCHANGE	GWH	(1,069)	(1,109)	(955)	(980)	(1,671)
NUCLEAR	GWH					
COAL	GWH	10,482	10,584	10,625	10,759	11,349
HO - TOTAL	GWH	0	0	0	0	0
STEAM	GWH	0	0	0	0	0
CC	GWH					
CT	GWH					
DIESEL	GWH					
LO - TOTAL	GWH	1	1	1	1	0
STEAM	GWH					
CC	GWH					
CT	GWH	1	1	1	1	0
DIESEL	GWH					
NG - TOTAL	GWH	81	193	155	210	454
STEAM	GWH	35	60	52	69	51
CC	GWH					276
CT	GWH	46	133	103	141	127
DIESEL	GWH					
ALT - TOTAL	GWH					
STEAM	GWH					
CC	GWH					
CT	GWH					
DIESEL	GWH					
HYDRO	GWH					
COG & SPP	GWH	166	166	166	166	166
OTHER	GWH					
NEL	GWH	9,661	9,835	9,992	10,156	10,298

Gulf Power Company

History and Forecast: Interchange and Generation By Fuel Type - % Of GWH

Individual Utility
Form 7.2

		ACTUAL 1991	ACTUAL 1992	1993	1994	1995	1996	1997
INTERCHANGE	%	(5.60)	(11.10)	(16.19)	(0.50)	(0.72)	(3.42)	(10.27)
NUCLEAR	%							
COAL	%	105.42	110.98	116.10	100.38	100.60	102.06	108.27
HO - TOTAL	%	0.00	0.00	0.00	0.00	0.00	0.00	0.00
STEAM	%	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CC	%							
CT	%							
DIESEL	%							
LO - TOTAL	%	0.01	0.01	0.01	0.01	0.01	0.01	0.01
STEAM	%							
CC	%							
CT	%	0.01	0.01	0.01	0.01	0.01	0.01	0.01
DIESEL	%							
NG - TOTAL	%	0.16	0.10	0.08	0.11	0.11	0.15	0.23
STEAM	%	0.16	0.10	0.08	0.11	0.11	0.15	0.23
CC	%							
CT	%	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DIESEL	%							
ALT - TOTAL	%							
STEAM	%							
CC	%							
CT	%							
DIESEL	%							
HYDRO	%							
COG & SPP	%						1.19	1.75
OTHER	%							
NEL	%	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Gulf Power Company

History and Forecast: Interchange and Generation By Fuel Type - % Of GWH

			1998	1999	2000	2001	2002
INTERCHANGE		%	(11.07)	(11.28)	(9.56)	(9.65)	(16.23)
NUCLEAR		%					
COAL		%	108.50	107.62	106.34	105.94	110.21
HO -	TOTAL	%	0.00	0.00	0.00	0.00	0.00
	STEAM	%	0.00	0.00	0.00	0.00	0.00
	CC	%					
	CT	%					
	DIESEL	%					
LO -	TOTAL	%	0.01	0.01	0.01	0.01	0.00
	STEAM	%					
	CC	%					
	CT	%	0.01	0.01	0.01	0.01	0.00
	DIESEL	%					
NG -	TOTAL	%	0.84	1.97	1.55	2.07	4.41
	STEAM	%	0.36	0.61	0.52	0.68	0.50
	CC	%					
	CT	%	0.48	1.35	1.03	1.39	1.23
	DIESEL	%					
ALT -	TOTAL	%					
	STEAM	%					
	CC	%					
	CT	%					
	DIESEL	%					
HYDRO		%					
COG & SPP		%	1.72	1.69	1.66	1.63	1.61
OTHER		%					
NEL		%	100.00	100.00	100.00	100.00	100.00

STANDARD OFFER CONTRACT RATE FOR PURCHASE OF
FIRM CAPACITY AND ENERGY FROM SMALL
QUALIFYING FACILITIES (Less Than 75 MW)
OR FROM SOLID WASTE FACILITIES
(Schedule COG-2)

AVAILABILITY

The Company will purchase firm capacity and energy offered by any small Qualifying Facility (less than 75 megawatts), or by any solid waste facility as defined in FPSC Rule 25-17.091, F.A.C., irrespective of its location, which is either directly or indirectly interconnected with the Company under the provisions of this schedule. The Company will negotiate and may contract with any Qualifying Facility, irrespective of its location, which is either directly or indirectly interconnected with the Company for the purchase of firm capacity and energy pursuant to terms and conditions which deviate from this schedule where such negotiated contracts are in the best interest of the Company's ratepayers. The total maximum capacity available under this standard offer shall not exceed 40,000 KW.

APPLICABILITY

Applicable to any cogeneration or small power production Qualifying Facility (less than 75 megawatts) or to any solid waste facility as defined in FPSC Rule 25-17.091, F.A.C., irrespective of its location, producing capacity and energy for sale to the Company on a firm basis pursuant to the terms and conditions of this schedule and the Company's "Standard Offer Contract." Firm capacity and energy are described by the Florida Public Service Commission (FPSC) in Rule 25-17.0832, F.A.C., and are capacity and energy produced and sold by a Qualifying Facility pursuant to a negotiated or standard offer contract and subject to certain contractual provisions as to quantity, time, and reliability of delivery.

CHARACTER OF SERVICE

The character of service for purchases within the territory served by the Company shall be, at the option of the Company, single or three phase, 60 hertz, alternating current at any available standard Company voltage. The Character of service for purchases from outside the territory served by the Company shall be three phase, 60 hertz, alternating current at the voltage level available at the interchange point between the Company and the utility delivering firm capacity and energy from the Qualifying Facility.

LIMITATIONS

Purchases under this schedule are subject to the Company's "General Standards for Safety and Interconnection of Cogeneration and Small Power Production Facilities to the Electric Utility System" and to FPSC Rules 25-17.080 through 25-17.091, F.A.C., and are limited to those Qualifying Facilities which:

A. Prior to April 1, 1995, execute the Company's "Standard Offer Contract" for the purchase of firm capacity and energy; and

B. Commit to commence deliveries of firm capacity and energy no later than June 1, 1998 and to continue such deliveries through at least May 31, 2008.

RATES FOR PURCHASES BY THE COMPANY

Firm capacity and energy are purchased at a unit cost, in dollars per kilowatt per month and cents per kilowatt hour, respectively, base' on the value of Gulf's Designated Avoided Unit as described herein.

A. Firm Capacity Rates

Four options, 1, 2, 3, and 4, as set forth below, are available concerning payment for firm capacity which is produced by the Qualifying Facility or Solid Waste Facility and delivered to the Company. The capacity payment will be the product of the QF's Committed Capacity and the applicable rate from the QF's chosen capacity payment option. Once selected, an option shall remain in effect for the term of the contract with the Company. Exemplary payment schedules, shown on sheets following this section, contain the monthly rate per kilowatt of firm capacity the Qualifying Facility or Solid Waste Facility has contractually committed to deliver to the Company and are based on the minimum contract term for an agreement pursuant to this standard offer rate schedule which extends ten (10) years beyond the anticipated in-service date of the Designated Avoided Unit (i.e., through May 31, 2008). Payment schedules for longer contract terms will be made available by the Company to a Qualifying Facility or Solid Waste Facility upon request. At a maximum, firm capacity and energy shall be delivered for a period of time equal to the anticipated plant life of the Designated Avoided Unit, commencing with the anticipated in-service date of the Designated Avoided Unit.

Option 1 - Value of Deferral Capacity Payments - Value of Deferral Capacity Payments shall commence on June 1, 1998, the anticipated in-service date of the Designated Avoided Unit, provided the Qualifying Facility or Solid Waste Facility is delivering firm capacity and energy to the Company. Capacity payments under this option shall consist of monthly payments escalating annually of the avoided capital and fixed operating and maintenance expense associated with the Designated Avoided Unit and shall be equal to the value of the year-by-year deferral of the Designated Avoided Unit, calculated in conformance with the applicable provisions of FPSC Rule 25-17.0832, F.A.C.

Option 2 - Early Capacity Payments - Payment schedules under this option are based on an equivalent net present value of the Value of Deferral Capacity Payments for the Designated Avoided Unit with an in-service date of June 1, 1998. The earliest date that Early Capacity Payments can be received by a Qualifying Facility or Solid Waste Facility shall be June 1, 1995. This is an approximation of the lead time required to commit for manufacture, site, and construct the Designated Avoided Unit. The Qualifying Facility or Solid Waste Facility shall select the month and year in which the delivery of firm capacity and energy to the Company is to commence and capacity payments are to start. Early Capacity Payments shall consist of monthly payments, escalating annually, of the avoided capital and fixed operating and maintenance expense associated with the Designated Avoided Unit. Avoided capacity payments shall be calculated in conformance with the applicable provisions of FPSC Rule 25-17.0832, F.A.C. At the option of the Qualifying Facility or Solid Waste Facility, Early Capacity Payments may commence at any time after the specified earliest capacity payment date and before the anticipated in-service date of the Designated Avoided Unit provided the Qualifying Facility or Solid Waste Facility is delivering firm capacity and energy to the Company. Where Early Capacity Payments are elected, the cumulative present value of the capacity payments made to the Qualifying Facility or Solid Waste Facility over the term of the contract shall not exceed the cumulative present value of the capacity payments which would have been made to the Qualifying Facility or Solid Waste Facility had such payments been made pursuant to Option 1.

Option 3 - Levelized Capacity Payments - Levelized Capacity Payments shall commence on the anticipated in-service date of the Designated Avoided Unit, provided the Qualifying Facility or Solid Waste Facility is delivering firm capacity and energy to the Company. The capital portion of the capacity payment under this option shall consist of equal monthly payments over the term of the contract, calculated in accordance with the applicable provisions of FPSC Rule 25-17.0832, F.A.C. The fixed operation and maintenance portion of the capacity payment shall be equal to the value of the year-by-year deferral of fixed operation and maintenance associated with the Designated Avoided Unit. Where Levelized Capacity Payments are elected, the cumulative present value of the capacity payments made to the Qualifying Facility or Solid Waste Facility over the term of the contract shall not exceed the cumulative present value of the capacity payments which would have been made to the Qualifying Facility or Solid Waste Facility had such payment been made pursuant to Option 1.

Option 4 - Early Levelized Capacity Payments - Payment schedules under this option are based on an equivalent net present value of the Value of Deferral Capacity Payments for the Designated Avoided Unit with an in-service date of June 1, 1998. The earliest date that Early Levelized Capacity Payments can be received by a Qualifying Facility or Solid Waste Facility shall be June 1, 1995. This is an approximation of the lead time required to commit for manufacture, site, and construct the Designated Avoided Unit. The capital portion of the capacity payment under this option shall consist of equal monthly payments over the term of the contract, calculated in accordance with the applicable provisions of FPSC Rule 25-17.0832, F.A.C. The fixed operation and maintenance portion of the capacity payments shall be equal to the value of the year-by-year deferral of fixed operation and maintenance associated with the Designated Avoided Unit. At the option of the Qualifying Facility or Solid Waste Facility, Early Levelized Capacity Payments shall commence at any time after the specified earliest capacity payment date and before the anticipated in-service date of the Designated Avoided Unit provided the Qualifying Facility or Solid Waste Facility is delivering firm capacity and energy to the Company. The Qualifying Facility or Solid Waste Facility shall select the month and year in which the delivery of firm capacity and energy to the Company is to commence and capacity payments are to start. Where Early Levelized Capacity Payments are elected, the cumulative present value of the capacity payments made to the Qualifying Facility or Solid Waste Facility over the term of the contract shall not exceed the cumulative present value of the capacity payments which would have been made to the Qualifying Facility or Solid Waste Facility had such payments been made pursuant to Option 1.

All capacity payments made by the Company prior to June 1, 1998 are considered "Early Payments". The owner or operator of the qualifying facility, as designated by the Company, shall secure its obligation to repay, with interest, the accumulated amount of Early Payments to the extent that the cumulative present value of the capacity payments made to the Qualifying Facility over the term of the contract exceeds the cumulative present value of the capacity payments which would have been made to the Qualifying Facility had such payments been made pursuant to Option 1 or to the extent that annual firm capacity payments made to the Qualifying Facility in any year exceed that year's annual value of deferring the Designated Avoided Unit in the event the qualifying facility defaults under the terms of its "Standard Offer Contract" with the Company. The Company will provide to the QF monthly summaries of the total outstanding balance of such security obligations. A summary of the types of security instruments which are generally acceptable to the Company are set forth below.

SURETY BOND REQUIREMENTS

FPSC Rule 25-17.0832(3)(e)(8), F.A.C., requires that when early capacity payments are elected, the Qualifying Facility must provide a surety bond or equivalent assurance of repayment of early capacity payments to the extent that the cumulative present value of the capacity payments made to the Qualifying Facility over the term of the contract exceeds the cumulative present value of the capacity payments which would have been made to the Qualifying Facility had such payments been made pursuant to Option 1 or to the extent that annual firm capacity payments made to the Qualifying Facility in any year exceed that year's annual value of deferring the Designated Avoided Unit in the event the Qualifying Facility is unable to meet the terms and conditions of its contract. Depending on the nature of the Qualifying Facility's operation, financial health and solvency, and its ability to meet the terms and conditions of the Company's "Standard Offer Contract" one of the following may, at the Company's discretion, constitute an equivalent assurance of repayment:

(1) an unconditional, irrevocable direct pay letter; or

(2) surety bond; or

(3) other means acceptable to the Company.

The Company will cooperate with each Qualifying Facility applying for early capacity payments to determine the exact form of an "equivalent assurance of repayment" to be required based on the particular aspects of the Qualifying Facility. The Company will endeavor to accommodate an equivalent assurance of repayment which is in the best interests of both the Qualifying Facility and the Company's ratepayers.

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 that it will repay early capacity payments to the extent that the cumulative present value of the capacity payments made to the Qualifying Facility over the term of the contract exceeds the cumulative present value of the capacity payments which would have been made to the Qualifying Facility had such payments been made pursuant to Option 1 or to the extent that annual firm capacity payments made to the Qualifying Facility in any year exceed that year's annual value of deferring the Designated Avoided Unit in the event of default by the Solid Waste Facility.

MONTHLY CAPACITY PAYMENTS RATE $/KW/MONTH

Contract Year From	To	Option 1 Normal Payments Beginning 06/01/98	Option 2 Early Capacity Payments Beginning 06/01/95	Option 3 Levelized Payments Beginning 06/01/98	Option 4 Early Levelized Payments Beginning 06/01/95
6/1/95	5/31/96	--	1.93	--	2.24
6/1/96	5/31/97	--	1.99	--	2.25
6/1/97	5/31/98	--	2.05	--	2.25
6/1/98	5/31/99	3.00	2.12	3.37	2.26
6/1/99	5/31/00	3.09	2.19	3.38	2.26
6/1/00	5/31/01	3.19	2.26	3.39	2.26
6/1/01	5/31/02	3.30	2.33	3.39	2.27
6/1/02	5/31/03	3.40	2.41	3.40	2.27
6/1/03	5/31/04	3.51	2.48	3.40	2.28
6/1/04	5/31/05	3.63	2.56	3.41	2.28
6/1/05	5/31/06	3.74	2.65	3.42	2.29
6/1/06	5/31/07	3.86	2.73	3.43	2.29
6/1/07	5/31/08	3.99	2.82	3.43	2.30

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.

B. Energy Rates

(1) Payments Starting On June 1, 1998: The QF shall be paid at the avoided energy rate for all energy delivered to the Company during periods in which the Company has requested the QF to operate as though it were part of the Company's Designated Avoided Unit. During all other hours of QF operation, the QF will be paid for the energy which it delivers to the Company at the Company's as-available energy rate as described in Schedule COG-1, Sheet 9.3.

All purchases shall be adjusted for losses from the point of metering to the point of interconnection.

(2) Payments Prior To June 1, 1998: The as-available energy rate will apply to all energy delivered by the QF to the Company prior to June 1, 1998.

The calculation of as-available payments to the Qualifying Facility shall be based on the sum, over all hours of the billing period in which the QF is not called on by the Company, of the product of each hour's avoided energy cost times the purchases by the Company for that hour.

All purchases shall be adjusted for losses from the point of metering to the point of interconnection.

PERFORMANCE CRITERIA

Payments for firm capacity are conditioned on the Qualifying Facility's ability to maintain the following performance criteria:

(A) Commercial In-Service Date

Capacity payments shall not commence until the Qualifying Facility has attained and demonstrated, commercial in-service status. The commercial in-service date of a Qualifying Facility shall be defined as the first day of the month following the successful completion of a test in which the Qualifying Facility maintains an hourly kilowatt (KW) output, as metered at the point of interconnection with the Company, equal to or greater than the Qualifying Facility's Committed Capacity under its "Standard Offer Contract" for an entire test period. A Qualifying Facility shall coordinate the selection of the test period with the Company to ensure that the performance of its facility during this period is reflective of the anticipated day to day operation of the Qualifying Facility during a period the Company is likely to call upon the Qualifying Facility to operate as though it were part of the Company's Designated Avoided Unit.

(B) QF Availability Requirement

Payments for firm capacity shall be made monthly in accordance with the capacity payment rate option selected by the qualifying facility, subject to the condition that, beginning June 1, 1998 and continuing through the remainder of the contract term, the qualifying facility maintains a minimum availability factor of 98% during the requested operation periods for each 12 month period ending August 31. Failure to satisfy this availability requirement shall result in an obligation for repayment by the qualifying facility to the Company. The amount of such repayment shall be equal to the payments received for firm capacity during that 12 month period, plus interest. For the year 1998, the repayment obligation shall be determined as above except that the period for which the availability requirement applies and which is subject to repayment shall be the three months ending August, 1998.

In addition to the foregoing, when early capacity payments have been elected and received, the failure of the qualifying facility to satisfy the availability requirement set forth above shall also result in an obligation for additional repayments by the qualifying facility to the Company. The amount of such additional repayment shall be equal to the difference between: (1) what the qualifying facility would have been paid during the previous twelve months ending August 31 had it elected the normal payment option; and (2) what it was paid pursuant to the payment option selected. The latter amount is the amount the qualifying facility would have been entitled to retain for the previous twelve months ending August 31 had it satisfied the minimum availability factor performance criteria. For the year 1998, the additional repayment obligation shall be determined as above except that the period for which the availability requirement applies and which is subject to repayment shall be the three months ending August, 1998.

DETERMINATION OF THE AVAILABILITY FACTOR

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 Schedule, availability means the ratio of "average capacity from the facility delivered during the period of requested operation(s)" to "Committed Capacity". The term "requested operation(s)" refers to a specific request by the Company that the QF operate its generation constituting the Committed Capacity for a particular period. So long as the availability of the QF is equal to or greater than 98%, then the QF will be entitled to the capacity payments due under this standard offer rate schedule. When there have been requested operations, if the QF fails to perform at an availability factor of 98% or higher, then the Company may deem the QF to be in non-performance of its commitment and thereby invoke the provisions of Section 8 of the standard offer contract.

GULF POWER COMPANY

(C) Availability Factor Calculation

Each October during the term of this contract the Company will calculate the QF's availability factor during the previous twelve month period ending August 31. The formula to be used for this calculation is as follows:

Availability = (Sum $[PH_i * AC_i]$) / (PH_{total} * CC) where,

i = particular Requested Operation event

AC_i = Achieved Capacity
Actual average capacity delivered from the facility during hours of Requested Operation calculated by summing the lesser of CC or the actual integrated 15-minute KW output for each 15-minute metering interval occurring during a Requested Operation event, and dividing the result by the total number of 15-minute metering intervals occurring during the Requested Operation event.

PH_i = Period Hours
Number of hours for each Requested Operation event (including fractions thereof) the facility was called upon for service by the Company (Requested Operation).

PH_{total} = Total Period Hours
The total number of hours (including fractions thereof) the facility was called upon for service by the Company (Requested Operations) during the 12 month period ending August 31.

CC = Committed Capacity
The capacity from the facility committed by the QF for the purposes of this Agreement as set forth in Section 4.2.2.

"Integrated 15-minute KW output" means the kilowatthours per hour of electric energy or load flow from the facility, as measured at the point of interconnection with the Company, averaged over a period of 15 minutes.

(D) Additional Criteria

(1) The Qualifying Facility shall provide monthly generation estimates by October 1 for the next calendar year; and
(2) The Qualifying Facility shall promptly update its yearly generation schedule when any changes are determined necessary; and
(3) The Qualifying Facility shall agree to reduce generation or take other appropriate action as requested by the Company for safety reasons or to preserve system integrity; and
(4) The Qualifying Facility shall coordinate scheduled outages with the Company; and
(5) The Qualifying Facility shall comply with the reasonable requests of the Company regarding daily or hourly communications.
(6) The Qualifying Facility must promptly notify the Company of its inability to supply any portion of its full Committed Capacity from the facility. Failure of the QF to notify the Company of a known derating or inability to meet its Committed Capacity obligation from the facility may, at the sole discretion of the Company, result in a determination of non-performance.

DELIVERY VOLTAGE ADJUSTMENT

Energy payments to Qualifying Facilities within the Company's service territory shall be adjusted according to the delivery voltage by the following multipliers:

Transmission Voltage Delivery	1.01801#
Substation Voltage Delivery	1.03208##
Primary Voltage Delivery	1.05862###
Secondary Voltage Delivery	1.08576####

Any Qualifying Facility interconnected at a voltage of 46 KV or above.

Any Qualifying Facility interconnected at a voltage on the low side of a substation below 46 KV and above 4 KV. This substation, where the Qualifying Facility takes electricity on the low side, shall have transmission voltage on the high side (115, 69, or 46 KV) and distribution voltage on the low side (25, 12, or 4 KV).

Any Qualifying Facility interconnected at a distribution voltage, 4 to 25 KV inclusive.

Any Qualifying Facility interconnected at a voltage below 4 KV.

METERING REQUIREMENTS

Qualifying Facilities within the territory served by the Company shall pay the Company for meters required hereunder. Hourly demand recording meters shall be required for each individual generator unit comprising a facility with a total installed capacity of 100 KW or more. Where the total installed capacity of the facility is less than 100 KW, the Qualifying Facility may select from either hourly demand recording meters, dual kilowatt-hour register time-of-day meters or standard kilowatt-hour meters. Meters shall be installed to measure the energy production from each generating unit of the facility as well as net delivered energy at the point of interconnection. Purchases from Qualifying Facilities outside the territory served by the Company shall be measured as the quantities scheduled for interchange to the Company by the utility delivering firm capacity and energy to the Company.

BILLING OPTIONS

The Qualifying Facility may elect to make either simultaneous purchases and sales or net sales. The decision to change billing methods can be made once every twelve (12) months coinciding with the next Fuel and Purchased Power Cost Recovery Factor billing period providing the Company is given at least thirty days written notice before the change is to take place. In addition, allowance must be made for the installation or alteration of needed metering or interconnection equipment for which the Qualifying Facility must pay; and such purchases and/or sales must not abrogate any provisions of the tariff or contract with the Company.

A statement covering the charges and payments due the Qualifying Facility is rendered monthly, and payment normally is made by the twentieth business day following the end of the billing period.

GULF POWER COMPANY

CHARGES TO QUALIFYING FACILITY

(A) Customer Charges

Monthly customer charges for meter reading, billing and other applicable administrative costs shall be equal to the customer charge applicable to a customer receiving retail service under similar load characteristics and are as follows:

RS	$ 8.07	RST	$ 11.10
GS	10.09	GST	13.11
GSD	40.35	GSDT	45.80
LP	226.98	LPT	226.98
PX	575.01	PXT	575.01

(B) Interconnection Charge for Non-Variable Utility Expenses

The Qualifying Facility, in accordance with Rule 25-17.087, F.A.C., shall bear the cost required for interconnection including the cost of metering and the cost of accelerating construction of any transmission or distribution system improvements required in order to accommodate the location chosen by the Qualifying Facility for its facility. The Qualifying Facility shall have the option of payment in full for interconnection or making equal monthly installment payments over a thirty-six (36) month period together with interest at the rate then prevailing for thirty (30) days highest grade commercial paper; such rate is to be determined by the Company thirty (30) days prior to the date of each payment.

(C) Interconnection Charge for Variable Utility Expenses

The Qualifying Facility shall be billed monthly for the cost of variable utility expenses associated with the operation and maintenance of the interconnection. These include (a) the Company's inspections of the interconnection; and (b) maintenance of any equipment beyond that which would be required to provide normal electric service to the Qualifying Facility if no sales to the Company were involved.

(D) Taxes and Assessments

The Qualifying Facility shall 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 Qualifying Facility in lieu of other energy or capacity. Any savings in regards to taxes or assessments shall be included in the avoided cost payments made to the Qualifying Facility to the extent permitted by law. In the event the Company becomes liable for additional taxes, assessments or impositions arising out of its transactions with the Qualifying Facility under this tariff schedule or any related interconnection agreement, or due to changes in laws affecting the Company's purchases of energy or capacity from the Qualifying Facility occurring after the execution of an agreement under this tariff schedule, 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 such agreement itself, the Company may bill the Qualifying Facility monthly for such additional expenses or may offset them against amounts due the Qualifying Facility 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 tariff schedule that are not already reflected in the avoided energy or avoided capacity payments made to the Qualifying Facility hereunder, shall be passed on to the Qualifying Facility to the extent permitted by law without consequential penalty or loss of such benefit to the Company.

GULF POWER COMPANY

TERMS OF SERVICE

(1) It shall be the Qualifying Facility's responsibility to inform the Company of any change in its electric generation capability.

(2) Any electric service delivered by the Company to the Qualifying Facility shall be metered separately and billed under the applicable retail rate schedule and the terms and conditions of the applicable rate schedule shall pertain.

(3) A security deposit will be required in accordance with FPSC Rules 25-17.082(5) and 25-6.097, F.A.C. and the following:

A. In the first year of operation, the security deposit shall be based upon the singular month in which the Qualifying Facility's projected purchases from the Company exceed, by the greatest amount, the Company's estimated purchases from the Qualifying Facility. The security deposit should be equal to twice the amount of the difference estimated for that month. The deposit shall be required upon interconnection.

B. For each year thereafter, a review of the actual sales and purchases between the Qualifying Facility and the Company shall be conducted to determine the actual month of maximum difference. The security deposit shall be adjusted to equal twice the greatest amount by which the actual monthly purchases by the Qualifying Facility exceed the actual sales to the Company in that month.

(4) The Company shall specify the point of interconnection and voltage level.

(5) Qualifying Facilities within the territory served by the Company shall be required to sign the Company's filed Standard Interconnection Agreement in order to be permitted to engage in parallel operations with the Company. The Qualifying Facility shall recognize that its generation facility may exhibit unique interconnection requirements which will be separately evaluated, modifying the Company's General Standards for Safety and Interconnection where applicable.

(6) Service under this Schedule is subject to the rules and regulations of the Company and the Florida Public Service Commission as well as other applicable federal and state legislation or regulations.

SPECIAL PROVISIONS

(1) Special contracts deviating from the above Schedule are allowable provided they are agreed to by the Company and approved by the Florida Public Service Commission.

(2) A Qualifying Facility located within the Company's service territory may sell firm capacity and energy to a utility other than the Company. Where such agreements exist, the Company will provide transmission wheeling service to deliver the Qualifying Facility's power to the purchasing utility or to an intermediate utility. In addition, the Company will provide transmission wheeling service through its territory for a Qualifying Facility located outside the Company's service territory, for delivery of the Qualifying Facility's power to the purchasing utility or to an intermediate utility. In either case, where existing Company transmission capacity exists, the Company will impose a charge for wheeling Qualifying Facility capacity and energy, measured at the point of delivery to the Company.

The Qualifying Facility shall be responsible for all costs associated with such wheeling including:

A. Wheeling charges;
B. Line losses incurred by the Company; and
C. Inadvertent energy flows resulting from such wheeling.

GULF POWER COMPANY

Energy delivered to the Company shall be adjusted before delivery to another utility.

The following estimate of charges intended to allow the Company to recover the cost of displaced capacity for wheeling service based on capacity cost for service normally supplied by the Company, are set forth herein for informational purposes only:

Interstate Wheeling	Estimated Charge ($/KW-Month)
Transmission Voltage Delivery	0.99
Substation Voltage Delivery	1.71
Primary Distribution Voltage Delivery	3.51

Interstate transactions are defined as those determined to be in the jurisdiction of the Federal Energy Regulatory Commission.

Capacity delivered to the Company shall be adjusted before delivery to another utility. The following estimated adjustment factors are supplied for informational purposes only:

Qualifying Facility Delivery Voltage	Adjustment Factor
Transmission Voltage Delivery	0.96758
Substation Voltage Delivery	0.94103
Primary Distribution Voltage Delivery	0.91001

All charges and adjustments for wheeling will be determined on a case-by-case basis.

Where wheeling power produced by a Qualifying Facility for delivery within the Company's territory or to another utility will impair the Company's ability to give adequate service to the rest of the Company's customers or place an undue burden on the Company, the Company may petition the FPSC for a waiver of this Special provision No. 2 or require the QF to pay for the necessary transmission system improvements in accordance with the National Energy Policy Act of 1992.

(3) As a means of protecting the Company's ratepayers from the possibility of a QF project not coming on line as provided for under an executed standard offer contract and in order to provide the Company with additional and immediately available funds for its use to secure replacement and reserve power in the event that the QF fails to successfully complete construction and come on line in accord with the executed standard offer contract, the Company requires that a cash completion security deposit equal to $20 per kw of Anticipated Committed Capacity be delivered to the Company at the time the Company's standard offer contract is executed by the QF. At the election of the QF, the completion security deposit may be phased in such that one half of the total deposit due is paid at contract execution and the remainder within 12 months after contract execution.

Depending on the nature of the QF's operation, financial health and solvency, and its ability to meet the terms and conditions of the Company's standard offer contract, one of the following, at the Company's discretion, 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 the executed standard offer contract:

(a) an unconditional, irrevocable direct pay letter; or

(b) surety bond; or

(c) other means acceptable to the Company.

The Company will cooperate with each QF seeking an alternative to a cash security deposit as an acceptable means of securing the completion of the QF's facilities in accord with an executed standard offer contract. The Company will endeavor in good faith to accommodate an equivalent to a cash security deposit which is in the best interests of both the QF and the Company's ratepayers.

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 that it will pay the actual damages incurred by the Company because the governmental facility fails to come on line prior to the planned in-service date for the Designated Avoided Unit.

GULF POWER COMPANY

STANDARD OFFER CONTRACT FOR THE PURCHASE OF

FIRM CAPACITY AND ENERGY FROM A SMALL QUALIFYING FACILITY (LESS THAN 75 MW)

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. 23623, Docket No. 891049-EU; and

WHEREAS, the QF, in accordance with Rule 25-17.087, FAC, 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 75 megawatts) 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 ______________________________ ______________________________:

Unit	Description (Type)	Initial In-Service Date	KVA Nameplate Rating	KW Output Rating	Fuel Source Primary	Fuel Source 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) (total amount not to equal or exceed 75,000 kilowatts) 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 June 1, 2008).

Notwithstanding the foregoing, if construction and commercial operation of the facility are not accomplished by the QF before June 1, 1998, 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.

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, 1998.

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.

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. The QF will be paid for energy it delivers to the Company from the facility based on the Company's avoided energy costs associated with the Company's avoided capacity at those times that the QF is called on by the Company to operate as if it were part of the Company's avoided capacity (combustion turbine with an initial in-service date of June 1, 1998.)

GULF POWER COMPANY

For all other 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 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 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_____. (Amount specified may not exceed 40,000 KW. Date specified may not be later than June 1, 1998.)

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, 1998 in order to be entitled to any capacity payments pursuant to this Agreement. The final Committed Capacity set orth 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, 1998.

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 be available at least 98% of the time when called for service by the Company (Requested Operation.) The requested operations will be based on the economic dispatch of a combustion turbine fueled by natural gas and/or oil pursuant to the Company's participation in economic dispatch of the Southern electric system. 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.

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 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 contained in Schedule COG-2, Sheet No. 9.11 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, 2008; 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 the ratio of "average capacity from the facility delivered during the period of requested operation" to "Committed Capacity." If the availability of the QF is not equal to or greater than 0.98 (98%), 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.

GULF POWER COMPANY

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

Availability = (Sum [PH_i * AC_i]) / (PH_{total} * CC) where,

i = particular Requested Operation event

AC_i = Achieved Capacity
Actual average capacity delivered from the facility during hours of Requested Operation calculated by summing the lesser of CC or the actual integrated 15-minute KW output for each 15-minute metering interval occurring during a Requested Operation event, and dividing the result by the total number of 15-minute metering intervals occurring during the Requested Operation event.

PH_i = Period Hours
Number of hours for each Requested Operation event (including fractions thereof) the facility was called upon for service by the Company (Requested Operation.)

PH_{total} = Total Period Hours
The total number of hours (including fractions thereof) the facility was called upon for service by the Company (Requested Operations) during the 12 month period ending August 31.

CC = Committed Capacity
The capacity from the facility committed by the QF for the purposes of this Agreement as set forth in Section 4.2.2.

"Integrated 15-minute KW output" means the kilowatt hours per hour of electric energy or load flow from the facility, as measured at the point of interconnection with the Company, averaged over a period of 15 minutes.

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.

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.)

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, 1998. The parties recognize that capacity payments received for any period through May 31, 1998, 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, 1998, 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, 1998, 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, 1998 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.

GULF POWER COMPANY

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, 1998 and that said commercial in-service status is maintained from the date of initial demonstration to, through and including June 1, 1998. 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, 1998 and maintain that status to, through and including said date. Additionally, once construction has commenced, 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, 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, 1998.

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 availability over that same period calculated pursuant to the provisions of Paragraph 4.2.3 of this Agreement, does not equal or exceed 98%. To the extent that capacity payments may have already been made to the QF during a period when its minimum availability 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, 1998, 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, 1998, 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 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, 1998 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, 1998, 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, 1998; 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.

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 provisions 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.

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 cha.ges 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.

10.4 Renegotiation Due to Regulatory Changes. [The following provision is included within this Agreement pending the ultimate outcome of the case pending on appeal to the Florida Supreme Court under case number 79,338. If the Florida Public Service Commission's decision not to allow "regulatory out" provisions in standard offer contracts is not reversed by the courts or changed by the Commission, the following provision shall have no force or effect.]

Anything in this Agreement to the contrary notwithstanding, should the Company at any time during the term of this Agreement fail to obtain or be denied the authorization of the Florida Public Service Commission, or the authorization of any other regulatory body which now has or in the future may have jurisdiction over the Company's rates and charges, to recover from its customers all of the payments required to be made to the QF under the terms of this Agreement or any subsequent amendment to this Agreement, the parties agree that, at the Company's option, they shall renegotiate this Agreement or any applicable amendment. If the Company exercises such option to renegotiate, the Company shall not thereafter be required to make such payments to the extent the Company's authorization to recover them from its customers is not obtained or is denied. The Company's exercise of this option to renegotiate shall not relieve the QF of its obligation to repay the balance in the Capacity Account. It is the intent of the parties that the Company's payment obligations under this Contract or any amendment hereto are conditioned upon the Company being fully reimbursed for such payments through the Fuel an Purchased Power Cost Recovery Clause or other authorized rates or charges. Any amounts initially recovered by the Company from its ratepayers but for which recovery is subsequently disallowed by the FPSC or other regulatory body and charged back to the Company may be offset or credited against subsequent payments made for purchases from the QF, or alternatively, shall be repaid by the QF.

10.5 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, accidents to equipment or machinery or similar occurrences; 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.

10.6 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.

10.7 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.

10.8 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:

____
____
____
____
____
____

For Gulf Power Company:
Mr. Jack L. Haskins
Assistant Secretary
Gulf Power Company
500 Bayfront Parkway
Post Office Box 1151
Pensacola, Florida 32520-0770

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

10.10 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.

10.11 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.

10.12 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.

GULF POWER COMPANY

10.13 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.

ATTEST:

GULF POWER COMPANY

BY ____________________
Vice President

TITLE ____________________

____
Secretary

DATE ____________________

____

ATTEST:

QF

BY ____________________

TITLE ____________________
Official Capacity

____
Witness as to QF

DATE ____________________

____
Witness as to QF

STANDARD OFFER CONTRACT RATE FOR PURCHASE OF
FIRM CAPACITY AND ENERGY FROM SMALL
QUALIFYING FACILITIES (Less Than 75 MW)
OR FROM SOLID WASTE FACILITIES
(Schedule COG-2)

AVAILABILITY

The Company will purchase Firm Capacity and Energy offered by any small Qualifying Facility (less than 75 megawatts), or by any solid waste facility as defined in FPSC Rule 25-17.091, F.A.C., irrespective of its location, which is either directly or indirectly interconnected with the Company under the provisions of this schedule. The Company will negotiate and may contract with any Qualifying Facility, irrespective of its location, which is either directly or indirectly interconnected with the Company for the purchase of Firm Capacity and Energy pursuant to terms and conditions which deviate from this schedule where such negotiated contracts are in the best interest of the Company's ratepayers.

APPLICABILITY

Applicable to any cogeneration or small power production Qualifying Facility (less than 75 megawatts) or to any solid waste facility as defined in FPSC Rule 25-17.091, F.A.C., irrespective of its location, producing capacity and energy for sale to the Company on a firm basis pursuant to the terms and conditions of this schedule and the Company's "Standard Offer Contract." Firm Capacity and Energy are described by the Florida Public Service Commission (FPSC) in Rule 25-17.0832, F.A.C., and are capacity and energy produced and sold by a Qualifying Facility pursuant to a negotiated or standard offer contract and subject to certain contractual provisions as to quantity, time, and reliability of delivery.

CHARACTER OF SERVICE

The character of service for purchases within the territory served by the Company shall be, at the option of the Company, single or three phase, 60 hertz, alternating current at any available standard Company voltage. The Character of service for purchases from outside the territory served by the Company shall be three phase, 60 hertz, alternating current at the voltage level available at the interchange point between the Company and the utility delivering Firm Capacity and Energy from the Qualifying Facility.

LIMITATIONS

Purchases under this schedule are subject to the Company's "General Standards for Safety and Interconnection of Cogeneration and Small Power Production Facilities to the Electric Utility System" and to FPSC Rules 25-17.080 through 25-17.091, F.A.C., and are limited to those Qualifying Facilities which:

A. Execute ~~a~~ Company "Standard Offer Contract" ~~prior to June 1, 1992~~ for the ~~Company's~~ purchase of Firm Capacity and Energy; and

B. Commit to commence deliveries of Firm Capacity and Energy no later than June 1, 1995 and to continue such deliveries through at least May 31, 2005.

GULF POWER COMPANY

RATES FOR PURCHASES BY THE COMPANY

Firm Capacity and Energy are purchased at a unit cost, in dollars per kilowatt per month and cents per kilowatt hour, respectively, based on the value of Gulf's ~~avoided unit cost of fossil steam production plant~~ as described herein.

A. Firm Capacity Rates

Four options, 1, 2, 3, and 4, as set forth below, are available for ~~payment of~~ Firm Capacity which is produced by the Qualifying Facility or Solid Waste Facility and delivered to the Company. Once selected, an option shall remain in effect for the term of the contract with the Company. Exemplary payment schedules, shown on sheets following this section, contain the monthly rate per kilowatt of Firm Capacity the Qualifying Facility or Solid Waste Facility has contractually committed to deliver to the Company and are based on ~~a~~ minimum contract term which extends ten (10) years beyond the anticipated in-service date of the Designated Avoided Unit (i.e., through May 31, 2005). Payment schedules for longer contract terms will be made available to a Qualifying Facility or Solid Waste Facility upon request. At a maximum, Firm Capacity and Energy shall be delivered for a period of time equal to the anticipated plant life of the Designated Avoided Unit, commencing with the anticipated in-service date of the Designated Avoided Unit.

Option 1 - Value of Deferral Capacity Payments - Value of Deferral Capacity Payments shall commence on June 1, 1995, the anticipated in-service date of the Designated Avoided Unit, provided the Qualifying Facility or Solid Waste Facility is delivering Firm Capacity and Energy to the Company. Capacity payments under this option shall consist of monthly payments escalating annually of the avoided capital and fixed operating and maintenance expense associated with the Designated Avoided Unit and shall be equal to the value of the year-by-year deferral of the Designated Avoided Unit, calculated in conformance with the applicable provisions of FPSC Rule 25-17.0832, F.A.C.

Option 2 - Early Capacity Payments - Payment schedules under this option are based on an equivalent net present value of the Value of Deferral Capacity Payments for the Designated Avoided Unit with an in-service date of June 1, 1995. The earliest date that Early Capacity Payments can be received by a Qualifying Facility or Solid Waste Facility shall be June 1, 1992. This is an approximation of the lead time required to commit for manufacture, site, and construct the Designated Avoided unit. The Qualifying Facility or Solid Waste Facility shall select the month and year in which the delivery of Firm Capacity and Energy to the Company is to commence and capacity payments are to start. Early Capacity Payments shall consist of monthly payments, escalating annually, of the avoided capital and fixed operating and maintenance expense associated with the Designated Avoided Unit. Avoided capacity payments shall be calculated in conformance with the applicable provisions of FPSC Rule 25-17.0832, F.A.C. At the option of the Qualifying Facility or Solid Waste Facility, Early Capacity Payments may commence at any time after the specified earliest capacity payment date and before the anticipated in-service date of the Designated Avoided Unit provided the Qualifying Facility or Solid Waste Facility is delivering Firm Capacity and Energy to the Company. Where Early Capacity Payments are elected, the cumulative present value of the capacity payments made to the Qualifying Facility or Solid Waste Facility over the term of the contract shall not exceed the cumulative present value of the capacity payments which would have been made to the Qualifying Facility or Solid Waste Facility had such payments been made pursuant to Option 1.

Option 3 - Levelized Capacity Payments - Levelized Capacity Payments shall commence on the anticipated in-service date of the Designated Avoided Unit, provided the Qualifying Facility or Solid Waste Facility is delivering Firm Capacity and Energy to the Company. The capital portion of the capacity payment under this option shall consist of equal monthly payments over the term of the contract, calculated in accordance with the applicable provisions of FPSC Rule 25-17.0832, F.A.C. The fixed operation and maintenance portion of the capacity payment shall be equal to the value of the year-by-year deferral of fixed operation and maintenance associated with the Designated Avoided Unit. Where Levelized Capacity Payments are elected, the cumulative present value of the capacity payments made to the Qualifying Facility or Solid Waste Facility over the term

GULF POWER COMPANY

of the contract shall not exceed the cumulative present value of the capacity payments which would have been made to the Qualifying Facility or Solid Waste Facility had such payment been made pursuant to Option 1.

Option 4 - Early Levelized Capacity Payments - ~~Early-Levelized-Capacity~~-Payment schedules under this option are based on an equivalent net present value of the Value of Deferral Capacity Payments for the Designated Avoided Unit with an in-service date of June 1, 1995. The earliest date that Early Levelized Capacity Payments can be received by a Qualifying Facility or Solid Waste Facility shall be June 1, 1992. This is an approximation of the lead time required to commit for manufacture, site, and construct the Designated Avoided Unit. The capital portion of the capacity payment under this option shall consist of equal monthly payments over the term of the contract, calculated in accordance with the applicable provisions of FPSC Rule 25-17.0832, F.A.C. The fixed operation and maintenance portion of the capacity payments shall be equal to the value of the year-by-year deferral of fixed operation and maintenance associated with the Designated Avoided Unit. At the option of the Qualifying Facility or Solid Waste Facility, Early Levelized Capacity Payments shall commence at any time after the specified earliest capacity payment date and before the anticipated in-service date of the Designated Avoided Unit provided the Qualifying Facility or Solid Waste Facility is delivering Firm Capacity and Energy to the Company. The Qualifying Facility or Solid Waste Facility shall select the month and year in which the delivery of Firm Capacity and Energy to the Company is to commence and capacity payments are to start. Where Early Levelized Capacity Payments are elected, the cumulative present value of the capacity payments made to the Qualifying Facility or Solid Waste Facility over the term of the contract shall not exceed the cumulative present value of the capacity payments which would have been made to the Qualifying Facility or Solid Waste Facility had such payments been made pursuant to Option 1.

All capacity payments made by the Company prior to June 1, 1995 are considered "Early Payments". The owner or operator of the qualifying facility, as designated by the Company, shall secure its obligation to repay, with interest, the accumulative amount of Early ~~Capacity~~-Payments in the event the qualifying facility defaults under the terms of its "Standard Offer Contract" with the Company. The Company will provide to the QF monthly summaries of the total outstanding balance of such security obligations. A summary of the types of security instruments which are generally acceptable to the Company are set forth below.

SURETY BOND REQUIREMENTS

FPSC Rule 25-17.0832(3)(e)(8), F.A.C., requires that when early capacity payments are elected, the Qualifying Facility must provide a surety bond or equivalent assurance of repayment of early capacity payments in the event the Qualifying Facility is unable to meet the terms and conditions of its contract. Depending on the nature of the Qualifying Facility's operation, financial health and solvency, and its ability to meet the terms and conditions of the Company's "Standard Offer Contract" one of the following may at the Company's discretion constitute an equivalent assurance of repayment:

(1) ~~I~~rrevocable letter-~~of-credit~~;

(2) Surety bond;

(3) ~~O~~ther means acceptable to the Company.

The Company will cooperate with each Qualifying Facility applying for early capacity payments to determine the exact form of an "equivalent assurance of repayment" to be required based on the particular aspects of the Qualifying Facility. The Company will endeavor to accommodate an equivalent assurance of repayment which is in the best interests of both the Qualifying Facility and the Company's ratepayers.

In the case of a governmental solid waste facility, pursuant to FPSC Rule 25-17.091, F.A.C., ~~an~~-unsecured promise ~~by~~-a municipal, county, or state government ~~to~~-repay early capacity payments in the event of default ~~to assure-that-early-capacity-payments-are-repaid-will-be-acceptable-to-the-Company.~~

GULF POWER COMPANY

MONTHLY CAPACITY PAYMENTS RATE $/KW/MONTH

Contract Year From	To	Option 1 Normal Payments Beginning 06/01/95	Option 2 Early Capacity Payments Beginning 06/01/92	Option 3 Levelized Payments Beginning 06/01/95	Option 4 Early Levelized Payments Beginning 06/01/92
6/1/92	5/31/93	--	~~2.10~~	--	~~2.67~~
6/1/93	5/31/94	--	~~2.21~~	--	~~2.68~~
6/1/94	5/31/95	--	~~2.32~~	--	~~2.68~~
6/1/95	5/31/96	~~3.39~~	~~2.44~~	~~4.09~~	~~2.69~~
6/1/96	5/31/97	~~3.56~~	~~2.55~~	~~4.09~~	~~2.70~~
6/1/97	5/31/98	~~3.74~~	~~2.69~~	~~4.10~~	~~2.71~~
6/1/98	5/31/99	~~3.93~~	~~2.83~~	~~4.12~~	~~2.71~~
6/1/99	5/31/00	~~4.13~~	~~2.97~~	~~4.13~~	~~2.72~~
6/1/00	5/31/01	~~4.34~~	~~3.13~~	~~4.14~~	~~2.73~~
6/1/01	5/31/02	~~4.56~~	~~3.28~~	~~4.15~~	~~2.74~~
6/1/02	5/31/03	~~4.80~~	~~3.45~~	~~4.16~~	~~2.75~~
6/1/03	5/31/04	~~5.04~~	~~3.63~~	~~4.18~~	~~2.76~~
6/1/04	5/31/05	~~5.30~~	~~3.81~~	~~4.19~~	~~2.77~~

B. Energy Rates

(1) Payments Starting On June 1, 1995: The QF shall be paid for all energy delivered to the Company during periods in which the Company has requested the QF to operate ~~in lieu~~ of the Company's avoided ~~unit at the avoided energy rate.~~ During all other hours of QF operation, the QF will be paid for the energy ~~in~~ which it delivers to the Company at the Company's as-available energy rate as described in Schedule COG-1, Sheet 9.3.

All purchases shall be adjusted for losses from the point of metering to the point of interconnection.

(2) Payments Prior To June 1, 1995: The as-available energy rate will apply to all energy delivered by the QF to the Company prior to June 1, 1995.

The calculation of as-available payments to the Qualifying Facility shall be based on the sum, over all hours of the billing period in which the QF is not called on by the Company, of the product of each hour's avoided energy cost times the purchases by the Company for that hour. All purchases shall be adjusted for losses from the point of metering to the point of interconnection.

GULF POWER COMPANY

PERFORMANCE CRITERIA

Payments for Firm capacity are conditioned on the Qualifying Facility's ability to maintain the following performance criteria:

(A) Commercial In-Service Date

Capacity payments shall not commence until the Qualifying Facility has attained and demonstrated, commercial in-service status. The commercial in-service date of a Qualifying Facility shall be defined as the first day of the month following the successful completion ~~of~~-the Qualifying Facility ~~maintaining~~ an hourly kilowatt (KW) output, as metered at the point of interconnection with the Company, equal to or greater than the Qualifying Facility's Committed Capacity under its "Standard Offer Contract" for an entire ~~peak~~-period-~~as-described-under-the-Metering-Requirements-section-of-this-tariff~~. A Qualifying Facility shall coordinate the selection of ~~time-for-operation-of-its-facility-during-this~~-test period with the company to ensure that the performance of its facility during this period is reflective of the anticipated day to day operation of the Qualifying Facility.

(B) QF Availability Requirement

~~Upon--achieving-commercial--in-service--status,~~-payments for firm capacity shall be made monthly in accordance with the capacity payment rate option selected by the qualifying facility ~~and~~—subject to the ~~provision~~—that the qualifying facility maintains a minimum ~~equivalent~~-availability of 98% during the ~~peak hour--periods-described--in--the-Metering-Requirements-section-of-this--tariff~~. Failure to ~~achieve~~—this availability requirement shall result in the qualifying facility ~~forfeiting~~—payments for firm capacity during that 12 month period~~--as-determined-by-the-Company--in-October--of--each--year--of--the--contract, immediately-following-the-period-in-which-such-failure-occurs.--Where~~-early capacity payments have been elected~~;--starting-with-the--month-of--June--1995,~~-failure of the qualifying facility to ~~maintain--a-90% equivalent-availability-factor-(minimum)-during-the-peak-periods-of-the-previous-12-month-period~~-shall also result in repayments by the qualifying facility to the Company. The amount of such payment shall be equal to the difference between: (1) what the qualifying facility would have been paid had it elected the normal payment option-~~starting-on-June-1,-1995~~; and (2) what it was paid pursuant to the ~~Early~~-Payment ~~Option~~ ~~and~~ had it ~~maintained-its~~-minimum availability factor performance criteria.

DETERMINATION OF THE ~~EQUIVALENT~~-AVAILABILITY FACTOR

In October of each year of this Contract, the Company will calculate the ~~equivalent~~-availability of the QF over the most recent twelve month period. ~~If~~-the ~~equivalent~~-availability of the QF is 98%-~~of-the-time-during the-peak-periods-described-in-Section-5-of-the-Contract,-then-the-Company-will-agree-to-pay-the-QF-a-capacity payment-that-will-be-the-product-of-the-QF's-Committed-Capacity-and-the-applicable-rate-from-the-QF's-chosen capacity--payment--option-contained--in--Schedule--COG-2.----If~~ the QF fails to perform at an ~~equivalent~~ availability of 98% or higher, then the Company ~~will~~-deem the QF to be in non-performance of its commitment and ~~will-fall-under~~-the provisions of Section 8 of the contract.

~~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.~~

GULF POWER COMPANY

(C) ~~Equivalent~~-Availability Calculation

Each October during the term of this contract the Company will calculate the QF's ~~equivalent~~ availability during the ~~peak-periods-of-the~~-previous twelve months. The formula to be used for this calculation is as follows:

~~Equivalent-Availability-=--[AH---(EUDH-+-EPDH-+-ESEDH)]-/-PH---X---100----where;~~

~~AH------Available-Hours~~
~~Sum-of--all-Service-Hours,-Reserve-Shutdown-Hours,-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-Net-Maximum Capacity-(NMC).~~

~~ESEDH---Equivalent-Seasonal-Derated-Hours~~
~~NMC-less-the-Net-Dependable-Capacity-(NDC),-times-the-Available-Hours-(AH),-and-divided-by-the NMC.~~

~~EUDH--Equivalent-Unplanned-Derated-Hours~~
~~Product-of-the-Unplanned-Derated-Hours-and-the-Size-of-Reduction,-divided-by-the-NMC.~~

~~PH------Period-Hours~~
~~Number-of-hours-a-unit-was-in-the-active-state.~~

(D) Additional Criteria

(1) The Qualifying Facility shall provide monthly generation estimates by October 1 for the next calendar year; and
(2) The Qualifying Facility shall promptly update its yearly generation schedule when any changes are determined necessary; and
(3) The Qualifying Facility shall agree to reduce generation or take other appropriate action as requested by the Company for safety reasons or to preserve system integrity; and
(4) The Qualifying Facility shall coordinate scheduled outages with the Company; and
(5) The Qualifying Facility shall comply with the reasonable requests of the Company regarding daily or hourly communications.
(6) ~~Six-hours-prior-to-a-peak-period,-as-defined-in-the-Metering-Requirements-section-of-this-tariff,~~ the Qualifying Facility must notify the Company of its inability to supply any portion of its full Committed Capacity-~~during-that-period~~. Failure of the QF to ~~so~~-notify the Company of a known derating or inability to meet its Committed Capacity obligation may result in a determination of non-performance.

DELIVERY VOLTAGE ADJUSTMENT

Energy payments to Qualifying Facilities within the Company's service territory shall be adjusted according to the delivery voltage by the following multipliers:

Transmission Voltage Delivery	1.01801/
Substation Voltage Delivery	1.03208//
Primary Voltage Delivery	1.05862///
Secondary Voltage Delivery	1.08576////

GULF POWER COMPANY

I	Any Qualifying Facility interconnected at a voltage of 46 KV or above.
II	Any Qualifying Facility interconnected at a voltage on the low side of a substation below 46 KV and above 4 KV. This substation, where the Qualifying Facility takes electricity on the low side, shall have transmission voltage on the high side (115, 69, or 46 KV) and distribution voltage on the low side (25, 12, or 4 KV).
III	Any Qualifying Facility interconnected at a distribution voltage, 4 to 25 KV inclusive.
IIII	Any Qualifying Facility interconnected at a voltage below 4 KV.

METERING REQUIREMENTS

Qualifying Facilities within the territory served by the Company shall ~~be required to purchase from~~ the Company ~~hourly recording~~ meters to measure their energy production. Purchases from Qualifying Facilities outside the territory served by the Company shall be measured as the quantities scheduled for interchange to the Company by the utility delivering firm capacity and energy to the Company.

~~Determination of the On-Peak Period: The on-peak period for calendar months April through October is defined as being those hours between 12:00 noon and 9:00 p.m. Central Daylight Time/Central Standard Time, Monday through Friday.~~

~~The on-peak period for the calendar months November through March is defined as being those hours between 6:00 a.m. and 10:00 a.m. and between 6:00 p.m. and 10:00 p.m. Central Standard Time/Central Daylight Time, Monday through Friday.~~

~~Determination of the Off-Peak Period: All hours not included above and all hours of the observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas are in the off-peak period.~~

BILLING OPTIONS

The Qualifying Facility may elect to make either simultaneous purchases and sales or net sales. The decision to change billing methods can be made once every twelve (12) months coinciding with the next Fuel and Purchased Power Cost Recovery Factor billing period providing the Company is given at least thirty days written notice before the change is to take place. In addition, allowance must be made for the installation or alteration of needed metering or interconnection equipment for which the Qualifying Facility must pay; and such purchases and/or sales must not abrogate any provisions of the tariff or contract with the Company.

A statement covering the charges and payments due the Qualifying Facility is rendered monthly, and payment normally is made by the twentieth business day following the end of the billing period.

CHARGES TO QUALIFYING FACILITY

(A) Customer Charges

Monthly customer charges for meter reading, billing and other applicable administrative costs shall be equal to the customer charge applicable to a customer receiving retail service under similar load characteristics and are as follows:

RS	$ 8.07	RST	$ 11.10
GS	10.09	GST	13.11
GSD	40.35	GSDT	45.80
LP	226.98	LPT	226.98
PX	575.01	PXT	575.01

(B) Interconnection Charge for Non-Variable Utility Expenses

The Qualifying Facility shall bear the cost required for interconnection including the cost of metering and the cost of accelerating construction of any ~~local~~-transmission system improvements required in order to accommodate the location chosen by the Qualifying Facility for its facility. The Qualifying Facility shall have the option of payment in full for interconnection or making equal monthly installment payments over a thirty-six (36) month period together with interest at the rate then prevailing for thirty (30) days highest grade commercial paper; such rate is to be determined by the Company thirty (30) days prior to the date of each payment.

(C) Interconnection Charge for Variable Utility Expenses

The Qualifying Facility shall be billed monthly for the cost of variable utility expenses associated with the operation and maintenance of the interconnection. These include (a) the Company's inspections of the interconnection; and (b) maintenance of any equipment beyond that which would be required to provide normal electric service to the Qualifying Facility if no sales to the Company were involved.

(D) Taxes and Assessments

The Qualifying Facility shall 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 Qualifying Facility in lieu of other energy or capacity. Any savings in regards to taxes or assessments shall be included in the avoided cost payments made to the Qualifying Facility to the extent permitted by law. In the event the Company becomes liable for additional taxes, assessments or impositions arising out of its transactions with the Qualifying Facility under this tariff schedule or any related interconnection agreement, or due to changes in laws affecting the Company's purchases of energy or capacity from the Qualifying Facility occurring after the execution of an agreement under this tariff schedule, 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 such agreement itself, the Company may bill the Qualifying Facility monthly for such additional expenses or may offset them against amounts due the Qualifying Facility 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 tariff schedule that are not already reflected in the avoided energy or avoided capacity payments made to the Qualifying Facility hereunder, shall be passed on to the Qualifying Facility to the extent permitted by law without consequential penalty or loss of such benefit to the Company.

GULF POWER COMPANY

TERMS OF SERVICE

(1) It shall be the Qualifying Facility's responsibility to inform the Company of any change in its electric generation capability.

(2) Any electric service delivered by the Company to the Qualifying Facility shall be metered separately and billed under the applicable retail rate schedule and the terms and conditions of the applicable rate schedule shall pertain.

(3) A security deposit will be required in accordance with FPSC Rules 25-17.082(5) and 25-6.097, F.A.C. and the following:

A. In the first year of operation, the security deposit shall be based upon the singular month in which the Qualifying Facility's projected purchases from the Company exceed, by the greatest amount, the Company's estimated purchases from the Qualifying Facility. The security deposit should be equal to twice the amount of the difference estimated for that month. The deposit shall be required upon interconnection.

B. For each year thereafter, a review of the actual sales and purchases between the Qualifying Facility and the Company shall be conducted to determine the actual month of maximum difference. The security deposit shall be adjusted to equal twice the greatest amount by which the actual monthly purchases by the Qualifying Facility exceed the actual sales to the Company in that month.

(4) The Company shall specify the point of interconnection and voltage level.

(5) ~~The Company will, under the provisions of this schedule, require an agreement with the Qualifying Facility upon the~~ Company's filed Standard Agreement ~~for~~ Parallel ~~O~~peration ~~Between the Qualifying Facility and~~ the Company. The Qualifying Facility shall recognize that its generation facility may exhibit unique interconnection requirements which will be separately evaluated, modifying the Company's General Standards for Safety and Interconnection where applicable.

(6) Service under this Schedule is subject to the rules and regulations of the Company and the Florida Public Service Commission as well as other applicable federal and state legislation or regulations.

SPECIAL PROVISIONS

(1) Special contracts deviating from the above Schedule are allowable provided they are agreed to by the Company and approved by the Florida Public Service Commission.

(2) A Qualifying Facility located within the Company's service territory may sell Firm Capacity and Energy to a utility other than the Company. Where such agreements exist, the Company will provide transmission wheeling service to deliver the Qualifying Facility's power to the purchasing utility or to an intermediate utility. In addition, the Company will provide transmission wheeling service through its territory for a Qualifying Facility located outside the Company's service territory, for delivery of the Qualifying Facility's power to the purchasing utility or to an intermediate utility. In either case, where existing Company transmission capacity exists, the Company will impose a charge for wheeling Qualifying Facility capacity and energy, measured at the point of delivery to the Company.

The Qualifying Facility shall be responsible for all costs associated with such wheeling including:

A. Wheeling charges;
B. Line losses incurred by the Company; and
C. Inadvertent energy flows resulting from such wheeling. ~~Energy delivered to the Company shall be adjusted before delivery to another utility as follows:~~

~~For-information-purposes-only,-~~the following estimated charges based on capacity cost for service normally supplied by the Company,~~-will-allow-the-Company-to-recover-the-cost-of-displaced-capacity-for-wheeling service~~:

Interstate Wheeling	Estimated Charge ($/KW-Month)
Transmission Voltage Delivery	0.99
Substation Voltage Delivery	1.71
Primary Distribution Voltage Delivery	3.51

Interstate transactions are defined as those determined to be in the jurisdiction of the Federal Energy Regulatory Commission.

Capacity delivered to the Company shall be adjusted before delivery to another utility~~-as-follows~~:

Qualifying Facility Delivery Voltage	Adjustment Factor
Transmission Voltage Delivery	0.96758
Substation Voltage Delivery	0.94103
Primary Distribution Voltage Delivery	0.91001

Where wheeling power produced by a Qualifying Facility to another utility will impair the Company's ability to give adequate service to the rest of the Company's customers or place an undue burden on the Company, the Company may petition the FPSC for a waiver of this Special provision No. 2 or require the QF to pay for the necessary transmission system improvements.

(3) As a means of protecting the Company's ratepayers from the possibility of a QF project not coming on line as provided for under an executed standard offer contract and in order to provide the Company with additional and immediately available funds for its use to secure replacement and reserve power in the event that the QF fails to successfully complete construction and come on line in accord with the executed standard offer contract, the Company requires that a cash completion security deposit equal to $20 per kw of Committed Capacity be delivered to the Company at the time the Company's standard offer contract is executed by the QF. At the election of the QF, the completion security deposit may be phased in such that one half of the total deposit due is paid at contract execution and the remainder within 12 months after contract execution.

Depending on the nature of the QF's operation, financial health and solvency, and its ability to meet the terms and conditions of the Company's standard offer contract, one of the following, at the Company's discretion, 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 the executed standard offer contract:

(a) an unconditional, irrevocable direct pay letter; or

(b) surety bond; or

(c) other means acceptable to the Company.

The Company will cooperate with each QF seeking an alternative to a cash security deposit as an acceptable means of securing the completion of the QF's facilities in accord with an executed standard offer contract. The Company will endeavor in good faith to accommodate an equivalent to a cash security deposit which is in the best interests of both the QF and the Company's ratepayers.

In the case of a governmental solid waste facility, pursuant to FPSC Rule 25-17.091, F.A.C., ~~an~~—unsecured promise ~~by~~-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 the planned in-service date for the designated avoided unit--~~will-be-acceptable-to-the-Company~~.

GULF POWER COMPANY

STANDARD OFFER CONTRACT FOR THE PURCHASE OF

FIRM ENERGY AND CAPACITY FROM A SMALL QUALIFYING FACILITY (LESS THAN 75 MW)

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 consistent with Florida Public Service Commission (FPSC) Rules 25-17.080 through 25-17.091 and Order No. 23623, Docket No. 891049-EU; and

WHEREAS, the QF has either signed an Interconnection Agreement or the substantial equivalent of the Company's Form 12 — Application for Interconnection of Customer-Owned Generation ~~with~~ 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 the purchase of Firm Energy and Capacity from QFs;

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

1. Facility

The QF contemplates installing and operating ~~a~~ ________ ~~KVA~~ _______ generator located at ____. The generator is designed to produce a maximum of ________ ~~megawatts (MW), or~~ ________ kilowatts (KW) of electric power at an 85% power factor, such equipment being hereinafter referred to as "Facility."

GULF POWER COMPANY

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 Committed Capacity as described in Section 4.2.1 of this Agreement. This Agreement shall end at 12:01 A.M., ____________, ______.

Notwithstanding the foregoing, if construction and commercial operation of the facility are not accomplished by the QF before June 1, 1996, 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 upon contract execution and the remainder 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.

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., ~~an~~ unsecured promise ~~by~~ 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 ~~the planned in-service date for the designated avoided unit will be acceptable to the Company~~.

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

____.

GULF POWER COMPANY

3. Sale of Electricity by the QF

The Company agrees to purchase ~~all of the~~ 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 ~~construed as a~~ ( ) Net Billing Arrangement or ( ) Simultaneous Purchase and Sales Arrangement. The billing methodology may be changed ~~at the option of the QF~~, 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 Qualifying Facility and ~~delivered~~ to the Company in accordance with the rates and procedures contained in Schedule COG-2, ~~and as may be amended from time to time~~. The QF will ~~receive~~ energy payments based on the Company's avoided energy costs at those times that the QF is called on to operate as if it were the Company's avoided unit ~~(a 70 MW~~ combustion turbine). All other ~~hours in which the QF~~ delivers energy to the Company ~~will~~ be paid based on the Company's as-available energy rate.

GULF POWER COMPANY

4.2 Capacity

4.2.1 Anticipated Committed Capacity. The QF expects to sell approximately _______ ~~MW or~~ _______ KW of capacity, beginning on or about _________, _______.

The QF may finalize its Committed Capacity after initial ~~Facility~~ testing, and specify when capacity payments are to begin, by completing Paragraph 4.2.2 at a ~~later time~~. However, the QF must complete Paragraph 4.2.2 before June 1, 1995 in order to be entitled to any capacity payments pursuant to this Agreement.

4.2.2 Actual Committed Capacity. The Capacity Committed by the QF for the purposes of this Agreement is _______ ~~megawatts or~~ _______ kilowatts. The QF is committing this amount of capacity based on its agreement and commitment that this ~~QF~~ capacity will be available 98% of the time during the peak periods ~~described in Section 5 of this contract~~. 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 __________, _______.

4.2.3 Capacity Payments. The QF chooses to receive capacity payments from the Company under Option _________ of Schedule COG-2.

In October of each year of this Contract, the Company will calculate the ~~equivalent~~ availability of the QF over the most recent twelve month period. ~~If the equivalent availability of the QF is greater than 98% of the time during the peak periods described in Section 5 below, then the Company will agree to pay the QF a capacity payment that will be the product of the QF's Committed Capacity and the applicable rate from the QF's chosen capacity payment option contained in Schedule COG-2.~~ If the QF ~~fails to perform at an equivalent~~ availability of 98% ~~or higher~~, then the Company ~~will~~ deem the QF to be in non-performance of its commitment and ~~will fall under~~ the provisions of Section 8 of this contract.

GULF POWER COMPANY

~~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.~~

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

~~Equivalent Availability = ([AH – (EUDH + EPDH + ESEDH)] / PH) X 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), and divided by the NMC.~~

~~EUDH — Equivalent Unplanned Derated Hours~~
~~Product of the Unplanned Derated Hours and the Size of Reduction, divided by the NMC.~~

~~PH — Period Hours~~
~~Number of hours a unit was in the active state.~~

5. <u>Metering Requirements</u>

Hourly demand recording meters shall be required for ~~Qualifying Facilities~~ with an installed capacity of 100 kilowatts or more. Where the installed capacity is less than 100 kilowatts, the Qualifying Facility may select any one of the following options: (a) an hourly demand recording meter, (b) a dual kilowatt-hour register time-of-day meter, or (c) a standard kilowatt-hour meter. Unless special circumstances warrant, meters shall be read at monthly intervals on the approximate corresponding day of each meter reading period.

GULF POWER COMPANY

~~Determination of the On-Peak Period~~

~~The on peak period for calendar months April through October is defined as being those hours between 12:00 noon and 9:00 p.m. Central Daylight Time/Central Standard Time, Monday through Friday.~~

~~The on peak period for the calendar months November through March is defined as being those hours between 6:00 a.m. and 10:00 a.m. and between 6:00 p.m. and 10:00 p.m. Central Standard Time/Central Daylight Time, Monday through Friday.~~

~~Determination of the Off-Peak Period~~

~~All hours not included above and all hours of the observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas are in the off-peak period.~~

6. Electricity Production Schedule

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

(a) Provide the Company, prior to October 1 of each calendar year, an estimate of the amount of electricity 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;

(b) Promptly update the yearly generation schedule and maintenance schedule as and when any changes may be determined necessary;

(c) Coordinate its scheduled Facility outages with the Company;

(d) 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

(e) ~~Six hours prior to any peak period as described herein,~~ notify the Company of the QF's inability to produce any portion of its Committed Capacity. Failure of the QF to notify the Company of a known derating or inability to supply its full Committed Capacity may result in a determination of non-performance.

GULF POWER COMPANY

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, 1995. The parties recognize that capacity payments ~~paid~~ through May 31, 1995, 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 ~~credited~~ to the Capacity Account each month through May, 1995, 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. The monthly balance in the Capacity Account shall accrue interest. Commencing on June 1, 1995, there shall be debited 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 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, 1995 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 ~~credit~~ balance in the Capacity Account. The Company agrees to notify the QF monthly as to the current Capacity Account balance. Prior to receipt of ~~advance~~ capacity payments the QF shall execute a promise to repay any ~~credit~~ 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: ____

____.

The ~~total~~ Capacity Account shall immediately become due and payable in the event of default by the QF. The QF's obligation to pay the credit balance in the Capacity Account shall survive termination of this Agreement.

GULF POWER COMPANY

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 upon achieving commercial in-service status, provided that this occurs prior to June 1, 1995. 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, 1995. Additionally, once construction ~~of 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 ~~successful completion of the facility will be achieved.~~

The QF shall not be entitled to receive or retain capacity payments during any twelve month period during the existence of this contract that its ~~equivalent~~ availability over that same period ~~did~~ not equal or exceed 98~~% as defined in Schedule COG-2~~. To the extent that capacity payments may have already been made to the QF during a period when its minimum availability requirement was not met, the QF shall refund such payments, plus interest, to the Company for that entire twelve month period.

In addition to the foregoing, ~~if for any~~ twelve month periods ~~after June 1, 1995~~, the QF fails to achieve its minimum availability requirement and the QF has received capacity payments prior to June 1, 1995, the QF shall be liable for and shall pay the Company ~~in~~ 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 due and shall be paid by the QF within 20 days after receipt of such invoice by the QF. Such repayment shall be debited from the capacity account as an Early Payment Offset Amount. In no event shall the QF repay to the Company for non-performance under the provisions of this paragraph in such amounts which would exceed the current credit balance in the capacity account. 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.

GULF POWER COMPANY

9. Default

9.1 Mandatory Default. The QF shall be in default under this Agreement if: (1) ~~the QF~~ either voluntarily declares bankruptcy or becomes subject to involuntary bankruptcy proceedings; or (2) ~~the QF~~ ceases all electric generation for either of the ~~two~~ peak periods (summer or winter) ~~described in Section 5 of this contract~~.

9.2 Optional Default. The Company may declare the QF to be in default: (1) ~~if~~ at any time prior to June 1, 1995 and after capacity payments have begun that the Company has sufficient reason to believe that the QF is unable to deliver its Committed Capacity, or (2) after June 1, 1995 the QF fails to maintain a 98% equivalent availability factor over any twenty-four consecutive month period, ~~or~~ (3) because of a QF's refusal, inability or anticipatory breach of obligation to deliver its Committed Capacity after June 1, 1995.

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 provisions 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 term 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 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.

GULF POWER COMPANY

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.

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:

____
____
____
____
____
____

For Gulf Power Company:
Mr. Jack L. Haskins
Assistant Secretary
Gulf Power Company
500 Bayfront Parkway
Post Office Box 1151
Pensacola, Florida 32520-0770

GULF POWER 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 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.

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 ~~remedied with all possible dispatch; and the obligations, terms and conditions of this Agreement 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, accidents to equipment or machinery or similar occurrences; 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

GULF POWER COMPANY

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. ~~The Schedule is incorporated herein by reference.~~

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.

GULF POWER COMPANY

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

ATTEST:

GULF POWER COMPANY

BY ____________________
Vice President

____
Secretary

TITLE ____________________

____

DATE ____________________

ATTEST:

QF

BY ____________________

____
Witness as to QF

TITLE ____________________
Official Capacity

____
Witness as to QF

DATE ____________________

STANDARD OFFER CONTRACT RATE FOR PURCHASE OF
FIRM CAPACITY AND ENERGY FROM SMALL
QUALIFYING FACILITIES (Less Than 75 MW)
OR FROM SOLID WASTE FACILITIES
(Schedule COG-2)

AVAILABILITY

The Company will purchase firm capacity and energy offered by any small Qualifying Facility (less than 75 megawatts), or by any solid waste facility as defined in FPSC Rule 25-17.091, F.A.C., irrespective of its location, which is either directly or indirectly interconnected with the Company under the provisions of this schedule. The Company will negotiate and may contract with any Qualifying Facility, irrespective of its location, which is either directly or indirectly interconnected with the Company for the purchase of firm capacity and energy pursuant to terms and conditions which deviate from this schedule where such negotiated contracts are in the best interest of the Company's ratepayers. The total maximum capacity available under this standard offer shall not exceed 40,000 KW.

APPLICABILITY

Applicable to any cogeneration or small power production Qualifying Facility (less than 75 megawatts) or to any solid waste facility as defined in FPSC Rule 25-17.091, F.A.C., irrespective of its location, producing capacity and energy for sale to the Company on a firm basis pursuant to the terms and conditions of this schedule and the Company's "Standard Offer Contract." Firm capacity and energy are described by the Florida Public Service Commission (FPSC) in Rule 25-17.0832, F.A.C., and are capacity and energy produced and sold by a Qualifying Facility pursuant to a negotiated or standard offer contract and subject to certain contractual provisions as to quantity, time, and reliability of delivery.

CHARACTER OF SERVICE

The character of service for purchases within the territory served by the Company shall be, at the option of the Company, single or three phase, 60 hertz, alternating current at any available standard Company voltage. The Character of service for purchases from outside the territory served by the Company shall be three phase, 60 hertz, alternating current at the voltage level available at the interchange point between the Company and the utility delivering firm capacity and energy from the Qualifying Facility.

LIMITATIONS

Purchases under this schedule are subject to the Company's "General Standards for Safety and Interconnection of Cogeneration and Small Power Production Facilities to the Electric Utility System" and to FPSC Rules 25-17.080 through 25-17.091, F.A.C., and are limited to those Qualifying Facilities which:

A. Prior to April 1, 1995, execute the Company's "Standard Offer Contract" for the purchase of firm capacity and energy; and

B. Commit to commence deliveries of firm capacity and energy no later than June 1, 1998 and to continue such deliveries through at least May 31, 2008.

GULF POWER COMPANY

RATES FOR PURCHASES BY THE COMPANY

Firm capacity and energy are purchased at a unit cost, in dollars per kilowatt per month and cents per kilowatt hour, respectively, based on the value of Gulf's Designated Avoided Unit as described herein.

A. Firm Capacity Rates

Four options, 1, 2, 3, and 4, as set forth below, are available concerning payment for firm capacity which is produced by the Qualifying Facility or Solid Waste Facility and delivered to the Company. The capacity payment will be the product of the QF's Committed Capacity and the applicable rate from the QF's chosen capacity payment option. Once selected, an option shall remain in effect for the term of the contract with the Company. Exemplary payment schedules, shown on sheets following this section, contain the monthly rate per kilowatt of firm capacity the Qualifying Facility or Solid Waste Facility has contractually committed to deliver to the Company and are based on the minimum contract term for an agreement pursuant to this standard offer rate schedule which extends ten (10) years beyond the anticipated in-service date of the Designated Avoided Unit (i.e., through May 31, 2008). Payment schedules for longer contract terms will be made available by the Company to a Qualifying Facility or Solid Waste Facility upon request. At a maximum, firm capacity and energy shall be delivered for a period of time equal to the anticipated plant life of the Designated Avoided Unit, commencing with the anticipated in-service date of the Designated Avoided Unit.

Option 1 - Value of Deferral Capacity Payments - Value of Deferral Capacity Payments shall commence on June 1, 1998, the anticipated in-service date of the Designated Avoided Unit, provided the Qualifying Facility or Solid Waste Facility is delivering firm capacity and energy to the Company. Capacity payments under this option shall consist of monthly payments escalating annually of the avoided capital and fixed operating and maintenance expense associated with the Designated Avoided Unit and shall be equal to the value of the year-by-year deferral of the Designated Avoided Unit, calculated in conformance with the applicable provisions of FPSC Rule 25-17.0832, F.A.C.

Option 2 - Early Capacity Payments - Payment schedules under this option are based on an equivalent net present value of the Value of Deferral Capacity Payments for the Designated Avoided Unit with an in-service date of June 1, 1998. The earliest date that Early Capacity Payments can be received by a Qualifying Facility or Solid Waste Facility shall be June 1, 1995. This is an approximation of the lead time required to commit for manufacture, site, and construct the Designated Avoided Unit. The Qualifying Facility or Solid Waste Facility shall select the month and year in which the delivery of firm capacity and energy to the Company is to commence and capacity payments are to start. Early Capacity Payments shall consist of monthly payments, escalating annually, of the avoided capital and fixed operating and maintenance expense associated with the Designated Avoided Unit. Avoided capacity payments shall be calculated in conformance with the applicable provisions of FPSC Rule 25-17.0832, F.A.C. At the option of the Qualifying Facility or Solid Waste Facility, Early Capacity Payments may commence at any time after the specified earliest capacity payment date and before the anticipated in-service date of the Designated Avoided Unit provided the Qualifying Facility or Solid Waste Facility is delivering firm capacity and energy to the Company. Where Early Capacity Payments are elected, the cumulative present value of the capacity payments made to the Qualifying Facility or Solid Waste Facility over the term of the contract shall not exceed the cumulative present value of the capacity payments which would have been made to the Qualifying Facility or Solid Waste Facility had such payments been made pursuant to Option 1.

GULF POWER COMPANY

Option 3 - Levelized Capacity Payments - Levelized Capacity Payments shall commence on the anticipated in-service date of the Designated Avoided Unit, provided the Qualifying Facility or Solid Waste Facility is delivering firm capacity and energy to the Company. The capital portion of the capacity payment under this option shall consist of equal monthly payments over the term of the contract, calculated in accordance with the applicable provisions of FPSC Rule 25-17.0832, F.A.C. The fixed operation and maintenance portion of the capacity payment shall be equal to the value of the year-by-year deferral of fixed operation and maintenance associated with the Designated Avoided Unit. Where Levelized Capacity Payments are elected, the cumulative present value of the capacity payments made to the Qualifying Facility or Solid Waste Facility over the term of the contract shall not exceed the cumulative present value of the capacity payments which would have been made to the Qualifying Facility or Solid Waste Facility had such payment been made pursuant to Option 1.

Option 4 - Early Levelized Capacity Payments - Payment schedules under this option are based on an equivalent net present value of the Value of Deferral Capacity Payments for the Designated Avoided Unit with an in-service date of June 1, 1998. The earliest date that Early Levelized Capacity Payments can be received by a Qualifying Facility or Solid Waste Facility shall be June 1, 1995. This is an approximation of the lead time required to commit for manufacture, site, and construct the Designated Avoided Unit. The capital portion of the capacity payment under this option shall consist of equal monthly payments over the term of the contract, calculated in accordance with the applicable provisions of FPSC Rule 25-17.0832, F.A.C. The fixed operation and maintenance portion of the capacity payments shall be equal to the value of the year-by-year deferral of fixed operation and maintenance associated with the Designated Avoided Unit. At the option of the Qualifying Facility or Solid Waste Facility, Early Levelized Capacity Payments shall commence at any time after the specified earliest capacity payment date and before the anticipated in-service date of the Designated Avoided Unit provided the Qualifying Facility or Solid Waste Facility is delivering firm capacity and energy to the Company. The Qualifying Facility or Solid Waste Facility shall select the month and year in which the delivery of firm capacity and energy to the Company is to commence and capacity payments are to start. Where Early Levelized Capacity Payments are elected, the cumulative present value of the capacity payments made to the Qualifying Facility or Solid Waste Facility over the term of the contract shall not exceed the cumulative present value of the capacity payments which would have been made to the Qualifying Facility or Solid Waste Facility had such payments been made pursuant to Option 1.

All capacity payments made by the Company prior to June 1, 1998 are considered "Early Payments". The owner or operator of the qualifying facility, as designated by the Company, shall secure its obligation to repay, with interest, the accumulated amount of Early Payments to the extent that the cumulative present value of the capacity payments made to the Qualifying Facility over the term of the contract exceeds the cumulative present value of the capacity payments which would have been made to the Qualifying Facility had such payments been made pursuant to Option 1 or to the extent that annual firm capacity payments made to the Qualifying Facility in any year exceed that year's annual value of deferring the Designated Avoided Unit in the event the qualifying facility defaults under the terms of its "Standard Offer Contract" with the Company. The Company will provide to the QF monthly summaries of the total outstanding balance of such security obligations. A summary of the types of security instruments which are generally acceptable to the Company are set forth below.

GULF POWER COMPANY

SURETY BOND REQUIREMENTS

FPSC Rule 25-17.0832(3)(e)(8), F.A.C., requires that when early capacity payments are elected, the Qualifying Facility must provide a surety bond or equivalent assurance of repayment of early capacity payments to the extent that the cumulative present value of the capacity payments made to the Qualifying Facility over the term of the contract exceeds the cumulative present value of the capacity payments which would have been made to the Qualifying Facility had such payments been made pursuant to Option 1 or to the extent that annual firm capacity payments made to the Qualifying Facility in any year exceed that year's annual value of deferring the Designated Avoided Unit in the event the Qualifying Facility is unable to meet the terms and conditions of its contract. Depending on the nature of the Qualifying Facility's operation, financial health and solvency, and its ability to meet the terms and conditions of the Company's "Standard Offer Contract" one of the following may, at the Company's discretion, constitute an equivalent assurance of repayment:

(1) an unconditional, irrevocable direct pay letter; or

(2) surety bond; or

(3) other means acceptable to the Company.

The Company will cooperate with each Qualifying Facility applying for early capacity payments to determine the exact form of an "equivalent assurance of repayment" to be required based on the particular aspects of the Qualifying Facility. The Company will endeavor to accommodate an equivalent assurance of repayment which is in the best interests of both the Qualifying Facility and the Company's ratepayers.

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 that it will repay early capacity payments to the extent that the cumulative present value of the capacity payments made to the Qualifying Facility over the term of the contract exceeds the cumulative present value of the capacity payments which would have been made to the Qualifying Facility had such payments been made pursuant to Option 1 or to the extent that annual firm capacity payments made to the Qualifying Facility in any year exceed that year's annual value of deferring the Designated Avoided Unit in the event of default by the Solid Waste Facility.

MONTHLY CAPACITY PAYMENTS RATE $/KW/MONTH

Contract Year From	To	Option 1 Normal Payments Beginning 06/01/98	Option 2 Early Capacity Payments Beginning 06/01/95	Option 3 Levelized Payments Beginning 06/01/98	Option 4 Early Levelized Payments Beginning 06/01/95
6/1/95	5/31/96	--	1.93	--	2.24
6/1/96	5/31/97	--	1.99	--	2.25
6/1/97	5/31/98	--	2.05	--	2.25
6/1/98	5/31/99	3.00	2.12	3.37	2.26
6/1/99	5/31/00	3.09	2.19	3.38	2.26
6/1/00	5/31/01	3.19	2.26	3.39	2.26
6/1/01	5/31/02	3.30	2.33	3.39	2.27
6/1/02	5/31/03	3.40	2.41	3.40	2.27
6/1/03	5/31/04	3.51	2.48	3.40	2.28
6/1/04	5/31/05	3.63	2.56	3.41	2.28
6/1/05	5/31/06	3.74	2.65	3.42	2.29
6/1/06	5/31/07	3.86	2.73	3.43	2.29
6/1/07	5/31/08	3.99	2.82	3.43	2.30

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.

B. Energy Rates

(1) Payments Starting On June 1, 1998: The QF shall be paid at the avoided energy rate for all energy delivered to the Company during periods in which the Company has requested the QF to operate as though it were part of the Company's Designated Avoided Unit. During all other hours of QF operation, the QF will be paid for the energy which it delivers to the Company at the Company's as-available energy rate as described in Schedule COG-1, Sheet 9.3.

All purchases shall be adjusted for losses from the point of metering to the point of interconnection.

(2) Payments Prior To June 1, 1998: The as-available energy rate will apply to all energy delivered by the QF to the Company prior to June 1, 1998.

The calculation of as-available payments to the Qualifying Facility shall be based on the sum, over all hours of the billing period in which the QF is not called on by the Company, of the product of each hour's avoided energy cost times the purchases by the Company for that hour.

All purchases shall be adjusted for losses from the point of metering to the point of interconnection.

GULF POWER COMPANY

PERFORMANCE CRITERIA

Payments for firm capacity are conditioned on the Qualifying Facility's ability to maintain the following performance criteria:

(A) Commercial In-Service Date

Capacity payments shall not commence until the Qualifying Facility has attained and demonstrated, commercial in-service status. The commercial in-service date of a Qualifying Facility shall be defined as the first day of the month following the successful completion of a test in which the Qualifying Facility maintains an hourly kilowatt (KW) output, as metered at the point of interconnection with the Company, equal to or greater than the Qualifying Facility's Committed Capacity under its "Standard Offer Contract" for an entire test period. A Qualifying Facility shall coordinate the selection of the test period with the Company to ensure that the performance of its facility during this period is reflective of the anticipated day to day operation of the Qualifying Facility during a period the Company is likely to call upon the Qualifying Facility to operate as though it were part of the Company's Designated Avoided Unit.

(B) QF Availability Requirement

Payments for firm capacity shall be made monthly in accordance with the capacity payment rate option selected by the qualifying facility, subject to the condition that, beginning June 1, 1998 and continuing through the remainder of the contract term, the qualifying facility maintains a minimum availability factor of 98% during the requested operation periods for each 12 month period ending August 31. Failure to satisfy this availability requirement shall result in an obligation for repayment by the qualifying facility to the Company. The amount of such repayment shall be equal to the payments received for firm capacity during that 12 month period, plus interest. For the year 1998, the repayment obligation shall be determined as above except that the period for which the availability requirement applies and which is subject to repayment shall be the three months ending August, 1998.

In addition to the foregoing, when early capacity payments have been elected and received, the failure of the qualifying facility to satisfy the availability requirement set forth above shall also result in an obligation for additional repayments by the qualifying facility to the Company. The amount of such additional repayment shall be equal to the difference between: (1) what the qualifying facility would have been paid during the previous twelve months ending August 31 had it elected the normal payment option; and (2) what it was paid pursuant to the payment option selected. The latter amount is the amount the qualifying facility would have been entitled to retain for the previous twelve months ending August 31 had it satisfied the minimum availability factor performance criteria. For the year 1998, the additional repayment obligation shall be determined as above except that the period for which the availability requirement applies and which is subject to repayment shall be the three months ending August, 1998.

DETERMINATION OF THE AVAILABILITY FACTOR

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 Schedule, availability means the ratio of "average capacity from the facility delivered during the period of requested operation(s)" to "Committed Capacity". The term "requested operation(s)" refers to a specific request by the Company that the QF operate its generation constituting the Committed Capacity for a particular period. So long as the availability of the QF is equal to or greater than 98%, then the QF will be entitled to the capacity payments due under this standard offer rate schedule. When there have been requested operations, if the QF fails to perform at an availability factor of 98% or higher, then the Company may deem the QF to be in non-performance of its commitment and thereby invoke the provisions of Section 8 of the standard offer contract.

GULF POWER COMPANY

(C) Availability Factor Calculation

Each October during the term of this contract the Company will calculate the QF's availability factor during the previous twelve month period ending August 31. The formula to be used for this calculation is as follows:

Availability = (sum $[PH_i * AC_i]$) / ($PH_{total} * CC$) where,

i = particular Requested Operation event

AC_i = Achieved Capacity

Actual average capacity delivered from the facility during hours of Requested Operation calculated by summing the lesser of CC or the actual integrated 15-minute KW output for each 15-minute metering interval occurring during a Requested Operation event, and dividing the result by the total number of 15-minute metering intervals occurring during the Requested Operation event.

PH_i = Period Hours

Number of hours for each Requested Operation event (including fractions thereof) the facility was called upon for service by the Company (Requested Operation).

PH_{total} = Total Period Hours

The total number of hours (including fractions thereof) the facility was called upon for service by the Company (Requested Operations) during the 12 month period ending August 31.

CC = Committed Capacity

The capacity from the facility committed by the QF for the purposes of this Agreement as set forth in Section 4.2.2.

"Integrated 15-minute KW output" means the kilowatthours per hour of electric energy or load flow from the facility, as measured at the point of interconnection with the Company, averaged over a period of 15 minutes.

(D) Additional Criteria

(1) The Qualifying Facility shall provide monthly generation estimates by October 1 for the next calendar year; and
(2) The Qualifying Facility shall promptly update its yearly generation schedule when any changes are determined necessary; and
(3) The Qualifying Facility shall agree to reduce generation or take other appropriate action as requested by the Company for safety reasons or to preserve system integrity; and
(4) The Qualifying Facility shall coordinate scheduled outages with the Company; and
(5) The Qualifying Facility shall comply with the reasonable requests of the Company regarding daily or hourly communications.
(6) The Qualifying Facility must promptly notify the Company of its inability to supply any portion of its full Committed Capacity from the facility. Failure of the QF to notify the Company of a known derating or inability to meet its Committed Capacity obligation from the facility may, at the sole discretion of the Company, result in a determination of non-performance.

ISSUED BY: EFFECTIVE:

GULF POWER COMPANY

DELIVERY VOLTAGE ADJUSTMENT

Energy payments to Qualifying Facilities within the Company's service territory shall be adjusted according to the delivery voltage by the following multipliers:

Transmission Voltage Delivery	1.01801#
Substation Voltage Delivery	1.03208##
Primary Voltage Delivery	1.05862###
Secondary Voltage Delivery	1.08576####

Any Qualifying Facility interconnected at a voltage of 46 KV or above.

Any Qualifying Facility interconnected at a voltage on the low side of a substation below 46 KV and above 4 KV. This substation, where the Qualifying Facility takes electricity on the low side, shall have transmission voltage on the high side (115, 69, or 46 KV) and distribution voltage on the low side (25, 12, or 4 KV).

Any Qualifying Facility interconnected at a distribution voltage, 4 to 25 KV inclusive.

Any Qualifying Facility interconnected at a voltage below 4 KV.

METERING REQUIREMENTS

Qualifying Facilities within the territory served by the Company shall pay the Company for meters required hereunder. Hourly demand recording meters shall be required for each individual generator unit comprising a facility with a total installed capacity of 100 KW or more. Where the total installed capacity of the facility is less than 100 KW, the Qualifying Facility may select from either hourly demand recording meters, dual kilowatt-hour register time-of-day meters or standard kilowatt-hour meters. Meters shall be installed to measure the energy production from each generating unit of the facility as well as net delivered energy at the point of interconnection. Purchases from Qualifying Facilities outside the territory served by the Company shall be measured as the quantities scheduled for interchange to the Company by the utility delivering firm capacity and energy to the Company.

BILLING OPTIONS

The Qualifying Facility may elect to make either simultaneous purchases and sales or net sales. The decision to change billing methods can be made once every twelve (12) months coinciding with the next Fuel and Purchased Power Cost Recovery Factor billing period providing the Company is given at least thirty days written notice before the change is to take place. In addition, allowance must be made for the installation or alteration of needed metering or interconnection equipment for which the Qualifying Facility must pay; and such purchases and/or sales must not abrogate any provisions of the tariff or contract with the Company.

A statement covering the charges and payments due the Qualifying Facility is rendered monthly, and payment normally is made by the twentieth business day following the end of the billing period.

GULF POWER COMPANY

CHARGES TO QUALIFYING FACILITY

(A) Customer Charges

Monthly customer charges for meter reading, billing and other applicable administrative costs shall be equal to the customer charge applicable to a customer receiving retail service under similar load characteristics and are as follows:

RS	$ 8.07	RST	$ 11.10
GS	10.09	GST	13.11
GSD	40.35	GSDT	45.80
LP	226.98	LPT	226.98
PX	575.01	PXT	575.01

(B) Interconnection Charge for Non-Variable Utility Expenses

The Qualifying Facility, in accordance with Rule 25-17.087, F.A.C., shall bear the cost required for interconnection including the cost of metering and the cost of accelerating construction of any transmission or distribution system improvements required in order to accommodate the location chosen by the Qualifying Facility for its facility. The Qualifying Facility shall have the option of payment in full for interconnection or making equal monthly installment payments over a thirty-six (36) month period together with interest at the rate then prevailing for thirty (30) days highest grade commercial paper; such rate is to be determined by the Company thirty (30) days prior to the date of each payment.

(C) Interconnection Charge for Variable Utility Expenses

The Qualifying Facility shall be billed monthly for the cost of variable utility expenses associated with the operation and maintenance of the interconnection. These include (a) the Company's inspections of the interconnection; and (b) maintenance of any equipment beyond that which would be required to provide normal electric service to the Qualifying Facility if no sales to the Company were involved.

(D) Taxes and Assessments

The Qualifying Facility shall 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 Qualifying Facility in lieu of other energy or capacity. Any savings in regards to taxes or assessments shall be included in the avoided cost payments made to the Qualifying Facility to the extent permitted by law. In the event the Company becomes liable for additional taxes, assessments or impositions arising out of its transactions with the Qualifying Facility under this tariff schedule or any related interconnection agreement, or due to changes in laws affecting the Company's purchases of energy or capacity from the Qualifying Facility occurring after the execution of an agreement under this tariff schedule, 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 such agreement itself, the Company may bill the Qualifying Facility monthly for such additional expenses or may offset them against amounts due the Qualifying Facility 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 tariff schedule that are not already reflected in the avoided energy or avoided capacity payments made to the Qualifying Facility hereunder, shall be passed on to the Qualifying Facility to the extent permitted by law without consequential penalty or loss of such benefit to the Company.

GULF POWER COMPANY

TERMS OF SERVICE

(1) It shall be the Qualifying Facility's responsibility to inform the Company of any change in its electric generation capability.

(2) Any electric service delivered by the Company to the Qualifying Facility shall be metered separately and billed under the applicable retail rate schedule and the terms and conditions of the applicable rate schedule shall pertain.

(3) A security deposit will be required in accordance with FPSC Rules 25-17.082(5) and 25-6.097, F.A.C. and the following:

A. In the first year of operation, the security deposit shall be based upon the singular month in which the Qualifying Facility's projected purchases from the Company exceed, by the greatest amount, the Company's estimated purchases from the Qualifying Facility. The security deposit should be equal to twice the amount of the difference estimated for that month. The deposit shall be required upon interconnection.

B. For each year thereafter, a review of the actual sales and purchases between the Qualifying Facility and the Company shall be conducted to determine the actual month of maximum difference. The security deposit shall be adjusted to equal twice the greatest amount by which the actual monthly purchases by the Qualifying Facility exceed the actual sales to the Company in that month.

(4) The Company shall specify the point of interconnection and voltage level.

(5) Qualifying Facilities within the territory served by the Company shall be required to sign the Company's filed Standard Interconnection Agreement in order to be permitted to engage in parallel operations with the Company. The Qualifying Facility shall recognize that its generation facility may exhibit unique interconnection requirements which will be separately evaluated, modifying the Company's General Standards for Safety and Interconnection where applicable.

(6) Service under this Schedule is subject to the rules and regulations of the Company and the Florida Public Service Commission as well as other applicable federal and state legislation or regulations.

SPECIAL PROVISIONS

(1) Special contracts deviating from the above Schedule are allowable provided they are agreed to by the Company and approved by the Florida Public Service Commission.

(2) A Qualifying Facility located within the Company's service territory may sell firm capacity and energy to a utility other than the Company. Where such agreements exist, the Company will provide transmission wheeling service to deliver the Qualifying Facility's power to the purchasing utility or to an intermediate utility. In addition, the Company will provide transmission wheeling service through its territory for a Qualifying Facility located outside the Company's service territory, for delivery of the Qualifying Facility's power to the purchasing utility or to an intermediate utility. In either case, where existing Company transmission capacity exists, the Company will impose a charge for wheeling Qualifying Facility capacity and energy, measured at the point of delivery to the Company.

The Qualifying Facility shall be responsible for all costs associated with such wheeling including:

A. Wheeling charges;
B. Line losses incurred by the Company; and
C. Inadvertent energy flows resulting from such wheeling.

Energy delivered to the Company shall be adjusted before delivery to another utility.

The following estimate of charges intended to allow the Company to recover the cost of displaced capacity for wheeling service based on capacity cost for service normally supplied by the Company, are set forth herein for informational purposes only:

Interstate Wheeling	Estimated Charge ($/KW-Month)
Transmission Voltage Delivery	0.99
Substation Voltage Delivery	1.71
Primary Distribution Voltage Delivery	3.51

Interstate transactions are defined as those determined to be in the jurisdiction of the Federal Energy Regulatory Commission.

Capacity delivered to the Company shall be adjusted before delivery to another utility. The following estimated adjustment factors are supplied for informational purposes only:

Qualifying Facility Delivery Voltage	Adjustment Factor
Transmission Voltage Delivery	0.96758
Substation Voltage Delivery	0.94103
Primary Distribution Voltage Delivery	0.91001

All charges and adjustments for wheeling will be determined on a case-by-case basis.

Where wheeling power produced by a Qualifying Facility for delivery within the Company's territory or to another utility will impair the Company's ability to give adequate service to the rest of the Company's customers or place an undue burden on the Company, the Company may petition the FPSC for a waiver of this Special provision No. 2 or require the QF to pay for the necessary transmission system improvements in accordance with the National Energy Policy Act of 1992.

(3) As a means of protecting the Company's ratepayers from the possibility of a QF project not coming on line as provided for under an executed standard offer contract and in order to provide the Company with additional and immediately available funds for its use to secure replacement and reserve power in the event that the QF fails to successfully complete construction and come on line in accord with the executed standard offer contract, the Company requires that a cash completion security deposit equal to $20 per kw of Anticipated Committed Capacity be delivered to the Company at the time the Company's standard offer contract is executed by the QF. At the election of the QF, the completion security deposit may be phased in such that one half of the total deposit due is paid at contract execution and the remainder within 12 months after contract execution.

Depending on the nature of the QF's operation, financial health and solvency, and its ability to meet the terms and conditions of the Company's standard offer contract, one of the following, at the Company's discretion, 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 the executed standard offer contract:

(a) an unconditional, irrevocable direct pay letter; or

(b) surety bond; or

(c) other means acceptable to the Company.

The Company will cooperate with each QF seeking an alternative to a cash security deposit as an acceptable means of securing the completion of the QF's facilities in accord with an executed standard offer contract. The Company will endeavor in good faith to accommodate an equivalent to a cash security deposit which is in the best interests of both the QF and the Company's ratepayers.

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 that it will pay the actual damages incurred by the Company because the governmental facility fails to come on line prior to the planned in-service date for the Designated Avoided Unit.

GULF POWER COMPANY

STANDARD OFFER CONTRACT FOR THE PURCHASE OF

FIRM CAPACITY AND ENERGY FROM A SMALL QUALIFYING FACILITY (LESS THAN 75 MW)

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. 23623, Docket No. 891049-EU; and

WHEREAS, the QF, in accordance with Rule 25-17.087, FAC, 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 75 megawatts) 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 ______________________________

____

Unit	Description (Type)	Initial In-Service Date	KVA Nameplate Rating	KW Output Rating	Fuel Source Primary	Fuel Source 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) (total amount not to equal or exceed 75,000 kilowatts) 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 June 1, 2008).

Notwithstanding the foregoing, if construction and commercial operation of the facility are not accomplished by the QF before June 1, 1998, 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.

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, 1998.

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.

GULF POWER COMPANY

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. The QF will be paid for energy it delivers to the Company from the facility based on the Company's avoided energy costs associated with the Company's avoided capacity at those times that the QF is called on by the Company to operate as if it were part of the Company's avoided capacity (combustion turbine with an initial in-service date of June 1, 1998.)

For all other 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 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 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_____. (Amount specified may not exceed 40,000 KW. Date specified may not be later than June 1, 1998.)

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, 1998 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, 1998.

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 be available at least 98% of the time when called for service by the Company (Requested Operation.) The requested operations will be based on the economic dispatch of a combustion turbine fueled by natural gas and/or oil pursuant to the Company's participation in economic dispatch of the Southern electric system. 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.

GULF POWER COMPANY

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 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 contained in Schedule COG-2, Sheet No. 9.11 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, 2008; 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 the ratio of "average capacity from the facility delivered during the period of requested operation" to "Committed Capacity." If the availability of the QF is not equal to or greater than 0.98 (98%), 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.

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

Availability = (Sum $[PH_i * AC_i]$) / $(PH_{total} * CC)$ where,

i = particular Requested Operation event

AC_i = Achieved Capacity
Actual average capacity delivered from the facility during hours of Requested Operation calculated by summing the lesser of CC or the actual integrated 15-minute KW output for each 15-minute metering interval occurring during a Requested Operation event, and dividing the result by the total number of 15-minute metering intervals occurring during the Requested Operation event.

PH_i = Period Hours
Number of hours for each Requested Operation event (including fractions thereof) the facility was called upon for service by the Company (Requested Operation.)

PH_{total} = Total Period Hours
The total number of hours (including fractions thereof) the facility was called upon for service by the Company (Requested Operations) during the 12 month period ending August 31.

CC = Committed Capacity
The capacity from the facility committed by the QF for the purposes of this Agreement as set forth in Section 4.2.2.

"Integrated 15-minute KW output" means the kilowatt hours per hour of electric energy or load flow from the facility, as measured at the point of interconnection with the Company, averaged over a period of 15 minutes.

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.

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.)

GULF POWER COMPANY

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, 1998. The parties recognize that capacity payments received for any period through May 31, 1998, 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, 1998, 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, 1998, 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, 1998 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.

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, 1998 and that said commercial in-service status is maintained from the date of initial demonstration to, through and including June 1, 1998. 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, 1998 and maintain that status to, through and including said date. Additionally, once construction has commenced, 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, 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, 1998.

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 availability over that same period calculated pursuant to the provisions of Paragraph 4.2.3 of this Agreement, does not equal or exceed 98%. To the extent that capacity payments may have already been made to the QF during a period when its minimum availability 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, 1998, 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, 1998, 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 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, 1998 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, 1998, 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, 1998; 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.

GULF POWER COMPANY

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 provisions 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.

GULF POWER COMPANY

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.

GULF POWER COMPANY

10.4 Renegotiation Due to Regulatory Changes. [The following provision is included within this Agreement pending the ultimate outcome of the case pending on appeal to the Florida Supreme Court under case number 79,33P. If the Florida Public Service Commission's decision not to allow "regulatory out" provisions in standard offer contracts is not reversed by the courts or changed by the Commission, the following provision shall have no force or effect.]

Anything in this Agreement to the contrary notwithstanding, should the Company at any time during the term of this Agreement fail to obtain or be denied the authorization of the Florida Public Service Commission, or the authorization of any other regulatory body which now has or in the future may have jurisdiction over the Company's rates and charges, to recover from its customers all of the payments required to be made to the QF under the terms of this Agreement or any subsequent amendment to this Agreement, the parties agree that, at the Company's option, they shall renegotiate this Agreement or any applicable amendment. If the Company exercises such option to renegotiate, the Company shall not thereafter be required to make such payments to the extent the Company's authorization to recover them from its customers is not obtained or is denied. The Company's exercise of this option to renegotiate shall not relieve the QF of its obligation to repay the balance in the Capacity Account. It is the intent of the parties that the Company's payment obligations under this Contract or any amendment hereto are conditioned upon the Company being fully reimbursed for such payments through the Fuel and Purchased Power Cost Recovery Clause or other authorized rates or charges. Any amounts initially recovered by the Company from its ratepayers but for which recovery is subsequently disallowed by the FPSC or other regulatory body and charged back to the Company may be offset or credited against subsequent payments made for purchases from the QF, or alternatively, shall be repaid by the QF.

GULF POWER COMPANY

10.5 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, accidents to equipment or machinery or similar occurrences; 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.

10.6 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.

10.7 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.

GULF POWER COMPANY

10.8 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:

____
____
____
____
____
____

For Gulf Power Company:
Mr. Jack L. Haskins
Assistant Secretary
Gulf Power Company
500 Bayfront Parkway
Post Office Box 1151
Pensacola, Florida 32520-0770

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

10.10 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.

10.11 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.

10.12 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.

GULF POWER COMPANY

10.13 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.

ATTEST:

GULF POWER COMPANY

BY ______________________
Vice President

TITLE______________________

____
Secretary

DATE ______________________

____

ATTEST:

QF

BY ______________________

____
Witness as to QF

TITLE______________________
Official Capacity

DATE ______________________

____
Witness as to QF

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Gulf Power Company)
to establish its new standard offer)
for the purchase of firm capacity and)
energy from small QFs (under 75 MW) or)
from solid waste facilities.)

Docket No. 93______-EQ

Certificate of Service

I HEREBY CERTIFY that a copy of the foregoing has been furnished this 4th day of May 1993 by U.S. Mail or hand delivery to the following:

James P. Fama, Esquire
3201 34th Street, South
P. O. Box 14042
St. Petersburg, FL 32314

Mike Peacock
Florida Public Utilities Company
P. O. Box 610
Marianna, FL 32446

James Beasley, Esquire
Lee Willis, Esquire
Ausley, McMullen, McGehee,
Carothers and Proctor
P. O. Box 391
Tallahassee, FL 32301

Quincy Municipal Electric
Light Department
404 W. Jefferson Street
Quincy, FL 32351

Matthew Childs, Esquire
Charles Guyton, Esquire
Steel, Hector & Davis
215 S. Monroe, Suite 601
Tallahassee, FL 32301

Alabama Electric Cooperative
P. O. Box 550
Andalusia, AL 37320

Florida Keys Electric Coop.
ATTN: E. M. Grant
P. O. Box 377
Tavernier, FL 33070

Richard D. Melson, Esquire
Hopping, Boyd, Green & Sams
P. O. Box 6526
Tallahassee, FL 32314

Ms. Ann Carlin, Esquire
Gainesville Regional Utilities
P. O. Box 490, Station 52
Gainesville, FL 32602

Edward C. Tannen
Assistant Counsel
Jacksonville Electric Authority
1300 City Hall
Jacksonville, FL 32202

Frederick M. Bryant, Esquire
William J. Peebles, Esquire
P. O. Box 1169
Tallahassee, FL 32302

City of Chattahoochee
ATTN: Superintendent
P. O. Drawer 188
Chattachoochee, FL 32324

Ray Maxwell
Reedy Creek Utilities Company
P. O. Box 40
Lake Buena Vista, FL 32830

Roy Young, Esquire
Young, Van Assenderp, Varnadoes
and Benton, P.A.
P. O. Box 1833
Tallahassee, FL 32302-1833

Gail P. Fels, Esquire
Dade County Attorney's Office
Suite 2810, Metro-Dade Center
111 N. W. First Street
Miami, FL 33128-1993

FL Rural Electric Cooperatives
ATTN: Yvonne Gsteiger
P. O. Box 590
Tallahassee, FL 32302

Susan Delegal
Broward County General Counsel
115 S. Andrew Avenue, Room 406
Ft. Lauderdale, FL 33301

Vicki Gordon Kaufman, Esquire
Lawson, McWhirter, Grandoff and Reeves
315 S. Calhoun St., Suite 716
Tallahassee, FL 32301

Barney L. Capehart
1601 N. W. 35th Way
Gainesville, FL 32605

Richard A. Zambo
598 S.W. Hidden River Avenue
Palm City FL 34990

Suzanne Brownless, Esq.
2546 Blairstone Pines Drive
Tallahassee FL 32301

Bram D. E. Canter
Paul H. Amundsen
Haben, Culpepper, Dunbar & French, P.A.
306 N. Monroe Street
Tallahassee FL 32301

Gary Hoover, Vice-President
Tenaska, Inc.
407 N. 117th Street
Omaha NE 68154

David Bruce May, Jr., Esq.
Richard B. Stephens, Jr., Esq.
Holland & Knight
P. O. Drawer 810
Tallahassee FL 32302

Seminole Electric Cooperatives
ATTN: Gary Tipps
P. O. Box 272000
Tampa, FL 33688-2000

Jack Shreve, Esquire
Office of the Public Counsel
c/o House of Representatives
The Capitol
Tallahassee, FL 32399-1300

Cogeneration Program Manager
Governor's Energy Office
301 Bryant Building
Tallahassee, FL 32301

John Blackburn
P. O. Box 405
Maitland, FL 32751

Patrick K. Wiggins, Esq.
Wiggins and Villacorta
P. O. Box 1657
Tallahassee FL 32302

Michael A. Palecki, Esq.
FL Public Service Commission
101 East Gaines Street
Tallahassee FL 32399-0861

Kenneth Hoffman, Esq.
P. O. Box 1876
Tallahassee FL 32302

Sanford Schneider, Esq.
Kraft & McManimon
Barnett Centre - 4th Floor
625 N. Flagler Drive
West Palm Beach FL 33401

Roger Yott, P.E.
Manager, Power Sales Contracts
2 Windsor Plaza
2 Windsor Drive
Allentown PA 18195

John R. Marks, III
Katz, Kutter, Haigler, Alderman,
Davis, Marks, Rutledge, P.A.
215 S. Monroe, Suite 400
Tallahassee FL 32301

Mr. Thomas L. Nestor, II
Manager, Governmental and
Regulatory Affairs
P. O. Box 945100
Maitland FL 32794-5100

Barry N. P. Huddleston
Public Affairs Specialist
Destec Energy, Inc.
2500 CityWest Blvd., Ste.150
Houston TX 77210-4411

C. Everett Boyd, Jr.
Ervin, Varn, Jacobs, Odom
& Ervin
P. O. Drawer 1170
Tallahassee FL 32302

G. EDISON HOLLAND, JR.
Florida Bar No. 261599
JEFFREY A. STONE
Florida Bar No. 325953
Beggs & Lane
P. O. Box 12950
Pensacola, FL 32576
(904) 432-2451
Attorneys for Gulf Power Company