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DOCKET NO. 150248-EG

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FPSC - COMMISSION CLERK



November 19, 2015

Ms. Carlotta Stauffer, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

RE: Undocketed

Dear Ms. Stauffer:

Attached for official filing is a Petition for Approval of Gulf Power Company's Community Solar Pilot Program.

Sincerely,

A handwritten signature in blue ink that reads "Robert L. McGee, Jr." with a stylized flourish at the end.

Robert L. McGee, Jr.  
Regulatory and Pricing Manager

md  
Attachments

cc: Beggs & Lane  
Jeffrey A. Stone

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Approval of Gulf Power  
Company's community solar pilot program  
\_\_\_\_\_ /

Docket No. \_\_\_\_\_

Filed: November 19, 2015

**PETITION FOR APPROVAL OF GULF POWER  
COMPANY'S COMMUNITY SOLAR PILOT PROGRAM**

Gulf Power Company ("Gulf Power," "Gulf," or "the Company"), by and through its undersigned counsel and pursuant to Sections 366.06 and 366.075, Florida Statutes, and Rule 25-6.0436(3)(B), Florida Administrative Code, hereby petitions the Florida Public Service Commission ("Commission") for approval of Gulf Power's voluntary community solar pilot program (the "Solar Program" or "Program"), which is designed and intended to allow Gulf Power customers the choice of participating in and receiving benefits from distributed solar photovoltaic ("PV") resources without having to install, own or maintain a system of their own. As an essential part of approving the Solar Program, Gulf specifically requests that the Commission approve: (i) the experimental rate rider reflected on Original Tariff Sheet Nos. 6.99 and 6.100, the 5-year customer agreement reflected on Original Tariff Sheet Nos. 7.63, 7.64 and 7.65, and associated administrative changes to Tariff Sheet Nos. 6.2 and 7.2, all of which are attached as Exhibit "A"; (ii) the termination of the Company's existing optional Rate Rider PV attached as Exhibit "B"; and (iii) approval of an associated depreciation rate for the solar facilities. In support of this Petition, which the Company respectfully suggests be addressed through the Commission's Proposed Agency Action ("PAA") process, Gulf Power states as follows:

## PRELIMINARY INFORMATION

1. Petitioner, Gulf Power, is an investor-owned electric utility subject to the jurisdiction of the Commission under Chapter 366, Florida Statutes. Gulf's corporate offices are located at One Energy Place, Pensacola, Florida 32520.

2. The names, addresses and telephone numbers of Gulf's representatives to receive communications regarding this proceeding are:

Robert L. McGee, Jr.  
Gulf Power Company  
One Energy Place  
Pensacola, Florida  
32520-0780  
(850) 444-6530  
(850) 444-6026 (facsimile)  
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3. The agency affected by this petition is the Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850.

4. This petition is not a petition addressing an agency decision which has already been made. Therefore, Gulf cannot state how it received notice of an agency action, facts that warrant reversal of an agency proposed action, or rules or statutes that require reversal or modification of any agency's proposed action. This is a petition seeking agency action, and the facts, rules and statutes that warrant such proposed action are set forth herein.

5. Gulf knows of no material facts in dispute regarding the relief requested herein. The ultimate issue to be decided by the Commission is whether to approve the Solar Program.

## **BACKGROUND AND CUSTOMER PURPOSE**

6. As with all Gulf Power initiatives, the Solar Program has been designed with the Company's customers and public purpose in mind. This is a customer opportunity to engage in solar participation. The proposed Program is strictly voluntary and is designed for Gulf Power customers who are either unable or do not desire to install solar generation systems on their residences or businesses. For many customers, ownership and operation of a solar generation system is either not feasible or is not desirable. Ownership and operation of solar generation carries with it significant upfront capital costs, as well as ongoing operation and maintenance expenses. For consumers, entering into a lease can minimize the up-front cost, but lease arrangements can involve complex, long-term contracts and are not necessarily available to all interested customers. Moreover, customer-sited solar installations are feasible only for certain property owners. Customers who reside in rental properties, multi-unit dwellings, or townhomes may be limited in their options, as well as customers that have aging rooftops, shading, or unsuitable rooftop orientation. Whatever their obstacle to installing solar generation may be, the Solar Program will provide Gulf's customers an opportunity to support the development of solar resources in their community and to partake in the same.

7. In addition to providing opportunities for Gulf's customers, the Solar Program will afford Gulf Power an opportunity to collect and analyze data resulting from the Program including customer interest in community solar, continuity of customer participation, mix of customer participation, customer satisfaction, actual Program costs and Program sustainability. This type of data will further inform Gulf Power for any future solar projects.

8. The Program is an innovative solution to address a customer desire to participate in additional solar opportunities. It is also consistent with a statewide interest to promote additional solar portfolios.

### **DESCRIPTION OF PILOT PROGRAM**

9. Any Gulf Power customer --residential, commercial, or industrial-- will be eligible to participate in the Solar Program. The Program has two components: (1) an annual subscription fee used to address the full projected annual revenue requirement of the Program; and (2) a monthly bill credit to credit Program participants for the energy produced by the solar facility.

10. The annual subscription fee is \$99.00 and will appear as a line item on the customer's billing statement. Customers may choose to participate at higher levels by purchasing multiple \$99.00 subscriptions.<sup>1</sup> At the conclusion of a customer's first year of enrollment, the customer will automatically be enrolled in the Program for the following year and charged an additional subscription fee unless the customer provides at least thirty days' prior notice of their desire to cease participation in the Program.<sup>2</sup> This process will repeat itself on an annual basis for the duration of the Program. In order to provide additional flexibility to participants and to enhance continuity of participation, the Program will also include a five-year subscription offering. Customers desiring to take advantage of this offering will be required to

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<sup>1</sup> For example, a customer might choose to purchase three subscriptions, in which case the customer's annual fee would equal \$297.00 (\$99.00 multiplied by three). Per-customer subscriptions will be capped such that subscriptions will not exceed 100 percent of the customer's average kWh consumption for the previous twelve month period. In the event that adequate historic consumption data is not available for a given customer, Gulf will utilize estimates.

<sup>2</sup> Automatic renewal will be the Company's default procedure. However, customers will be presented with an option to forego automatic annual renewals at the time they enroll in the Program.

execute a written agreement, a copy of which is included in Exhibit “A” and identified with Tariff Sheet Nos. 7.63, 7.64 and 7.65. In consideration of a five-year commitment, the participants will pay a reduced subscription fee of \$89.00 per year for the five-year term.

11. The subscription fees are intended to cover the full projected annual revenue requirements of distributed solar facilities that will be constructed to support the Program. Initially, Program subscription will be limited to a solar facility of one (1) megawatt (“MW”) alternating current in size, which will be owned and operated by Gulf Power and located on existing Company-owned property (the “Initial Facility”). Additional solar facilities may be constructed if the Initial Facility is fully subscribed, and the Company reasonably anticipates that new subscriptions will offset the revenue requirements of the additional facilities. The projected annual revenue requirements will include all costs associated with engineering, procurement, construction, operation, and maintenance of the solar facilities. Program marketing costs will also be included in the projected revenue requirements. Gulf Power plans to levelize the projected annual revenue requirements over a 35 year asset life for the solar facilities.

12. Gulf established annual subscription fee levels at \$99.00 and \$89.00 in order to balance the dual objectives of creating a low-cost participation option for customers interested in solar and minimizing the number of participants needed to fully subscribe the Program. As discussed more fully below, Gulf has conducted a request for proposals (“RFP”), the results of which indicate that the levelized annual revenue requirement for the Initial Facility will be approximately \$270,000. The number of annual subscriptions needed to fully subscribe the Program can be determined by dividing the projected levelized annual revenue requirement by annual subscription fees. For example, if all customers subscribed at the \$99.00 level, approximately 2,730 subscriptions would be needed annually to fully subscribe the Program.

Similarly, if all customers subscribed at the \$89.00 level, approximately 3,030 subscriptions would be needed annually to fully subscribe the Program. Gulf believes it is reasonable to assume that customer subscriptions will be distributed equally at the \$89.00 and \$99.00 levels. Therefore, Gulf anticipates that approximately 2,880 subscriptions will be needed annually to fully subscribe the Initial Facility of 1 MW.

13. On September 22, 2015, Gulf issued an RFP for the engineering, procurement, construction, operation, and maintenance of the Initial Facility. Responses to the RFP have been submitted and a qualifying low bid has been identified. Gulf anticipates finalizing Engineering, Procurement and Construction agreements in the fourth quarter of 2015.

14. Contingent upon Commission approval of the Program, Gulf anticipates that construction of the Initial Facility will be complete by the third quarter of 2016. With that completion target in mind, the Company will begin pre-enrolling customers in the Program as soon as practicable upon final Commission action approving the Program. In accordance with this projected timeframe, Gulf would begin billing participants for subscription fees when the Initial Facility achieves full commercial operation.

15. Beyond receiving the satisfaction of knowing that they have furthered the development of new distributed solar facilities in Gulf Power's service area, Program participants will also receive a benefit in the form of monthly bill credits. The purpose of the bill credit is to compensate Program participants for the energy produced by their subscription share of the solar facilities.<sup>3</sup> The credit recognizes that the energy generated by the solar facilities is

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<sup>3</sup> The Program is designed so that its costs are borne by Program participants. Therefore, participants in the Solar Program will in effect be paying a monetary premium during the pilot as compared to non-participants. The bill credits are not intended, or expected, to fully offset subscription fees paid by participating customers. Customers will be informed of the foregoing prior to enrolling in the Program.

displacing energy that Gulf Power would otherwise have to generate or purchase to serve its load. The monthly bill credit will be determined each calendar year and stated on an average monthly basis. In order to determine the credit, Gulf Power will calculate the solar-weighted average annual avoided energy credit using the projected hourly output of the Program's solar facilities, the Company's projected hourly avoided energy costs and the number of subscriptions needed to fully subscribe the Program. An example is provided for illustrative purposes using Gulf's most current estimates for facility output, avoided cost and subscriptions: Assume that for a given calendar year: (1) the projected annual output of the Initial 1 MW solar facility is 2,150,000 kWh; (2) the total number of subscriptions needed to fully subscribe the Program is 2,880; and (3) the Company's projected solar-weighted average annual avoided energy cost is \$0.034 per kWh. Based on the foregoing, each Program subscription results in 746 kWh projected to be delivered to the grid for the year (projected annual output divided by total subscriptions needed to fully subscribe the Program). Each Program subscription will be compensated for this energy through a monthly credit of \$2.11 (the projected solar-weighted average annual avoided energy cost multiplied by the projected annual energy attributable to each subscription divided by 12 months). The amount of the credit for each subscription will change each calendar year based upon updated projections of facility output and the Company's solar-weighted avoided energy costs. Program participants will continue to be billed for all of their electricity consumption at the applicable retail rate and will see the bill credits for solar facility production as dollars that offset their total bills. Customers moving from one location to another within Gulf's service area will be able to transfer their subscription(s) to their new account. Customers will not be permitted to transfer or assign subscriptions to third parties.

16. In recognition of the fact that the energy generated from the solar facilities displaces energy which Gulf would otherwise generate or purchase to serve its load, the projected solar-weighted average annual avoided energy cost associated with the output of the solar facilities will be recovered through the Fuel and Purchased Power Cost Recovery Clause (“Fuel Clause”). Because the output of the Program-funded solar facilities will be used to serve all Gulf Power customers, it is appropriate to account for and recover the avoided energy costs associated with the solar facilities’ output through the Fuel Clause.

17. Renewable Energy Credits (“RECs”) associated with Program facilities will be retired by Gulf Power on behalf of Program participants. The retirement of the RECs on behalf of the Program participants will enable participants to represent that they are offsetting a portion of their energy use with renewable energy.

### **MARKET RESEARCH**

18. Gulf Power’s approach to developing the Program was methodical and data-driven. As an important first step to guide program development, Gulf Power conducted market research to better understand its customers’ views and desires with respect to solar in general and community solar in particular. Specifically, Gulf retained the services of a professional market research firm to conduct customer focus groups and telephonic surveys. A total of nine focus group sessions were held across Gulf’s service area. Additionally, a total of 406 residential customers and 157 small business customers participated in detailed telephonic surveys. The Company’s market research revealed that a majority of residential and small business customers are supportive of solar initiatives and some are willing to pay a premium for solar. Of those survey participants who indicated a definite willingness to pay a premium for solar, the average premium for residential customers was \$345.60 per year and \$414.00 per year for small business

customers. The research also revealed that over half of residential and small business customers are interested in the overall concept of community solar. Of those customers interested in community solar, two percent of residential customers indicated that they would “definitely” be willing to pay more for solar and one percent of small business customers answered in the same fashion.

19. Based on the research described above, the Company believes that sufficient customer interest exists to fully subscribe the Program. As noted in paragraph 12 above, Gulf anticipates that approximately 2,880 annual subscriptions will be needed to cover the full revenue requirements of the Program. If each participating customer only purchases one subscription, this translates to less than half of one percent of Gulf’s retail customers.<sup>4</sup>

20. Meeting the interests and needs of customers through a community solar offering brings value to customers. This pilot addresses affordability, expanded access, and maximizes participation for those customers that seek this opportunity in the near-term. As indicated below and with guidance and approval of the Commission, Gulf will collect the data, monitor progress, and keep the Commission informed. Gulf is proud of the unique design of the pilot project and recognizes the potential benefits.

#### **DURATION OF THE PROGRAM AND REPORTING REQUIREMENTS**

21. Gulf Power proposes to pilot this Program over a five year period, beginning with the commercial operation of the Initial Facility (the “Pilot Period”). During the Pilot Period, Gulf will report annually to the Commission on the results of its Program including participation levels, revenues from subscription fees, facility performance and Program costs.

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<sup>4</sup> As noted in footnote 1 above, a participating customer is not generally limited to one subscription. In fact, Gulf anticipates that participants may sign up for multiple subscriptions up to the applicable limit. Thus, the number of anticipated participants in the Program is expected to be an even smaller percentage of Gulf’s retail customers.

22. Prior to the conclusion of the Pilot Period, Gulf will evaluate the Program's performance. Depending upon the results of that evaluation, Gulf will subsequently make a request to the Commission to do one of the following: (1) continue the Program in its existing form; (2) continue the Program with modifications based on lessons learned; or (3) close the Program.

### **PROGRAM BENEFITS**

23. The Solar Program has been designed to provide multiple benefits, including:

- While voluntary, the Program provides an innovative opportunity for all customer classes to participate in and support the development of distributed solar resources in their community.
- The Program is designed so that its costs are borne by Program participants.
- The annual subscription fee will provide a low upfront cost to participate in the Program, thereby addressing affordability and increased access.
- Customers can choose to participate at increasing levels of subscription.
- Participating customers receive bill credits corresponding to their level of subscription in the Program.
- Customers that move within Gulf Power's service area can transfer bill credits to their new accounts served by Gulf Power.
- Gulf Power will own and maintain the solar facilities supporting the Program and will site the facilities to minimize installed costs and overall revenue requirements.
- Local economies will benefit from the tax revenues associated with the newly constructed solar facilities.

- The Company will gain valuable experience in owning and operating solar generating assets.
- The solar facilities will provide opportunities for education and awareness of solar technologies in Gulf’s service area.

### **TERMINATION OF EXISTING PV RATE RIDER**

24. In December 1999, the Commission approved Gulf’s existing Rate Rider PV which is reflected on sheets 6.89 and 6.90 of Gulf’s Retail Tariff (the “PV Rider”). The PV Rider is an optional rate rider that allows customers to purchase one or more 100-watt “blocks” of photovoltaic energy for a monthly charge of \$6.00 per 100-watt block. Participating customers must commit to an initial term of five (5) years. Participating customers are not charged under the PV Rider until the Company receives sufficient customer commitments to cover the cost of constructing a solar facility or purchasing solar energy from a third party.

25. Currently, the Company does not have any customers who have purchase obligations under the PV Rider. Moreover, continuation of the PV Rider in parallel with the Program has the potential to lead to customer confusion. Given the foregoing, and given that the Program, due to its economics and program design, is likely to be a preferable alternative to customers interested in promoting solar energy, Gulf requests approval to terminate the PV Rider coincident with the effective date of the Solar Program.

### **APPROVAL OF DEPRECIATION RATE**

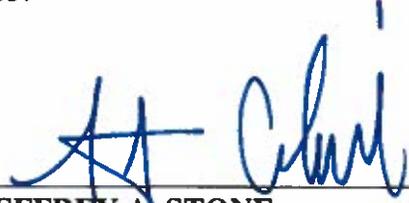
26. Pursuant to Rule 25-6.0436(3)(a), F.A.C., electric utilities are required to maintain depreciation rates and accumulated depreciation reserve in accounts or subaccounts as prescribed in Rule 25-6.014(1), F.A.C. Rule 25-6.0436(2)(a), F.A.C. further provides that “[n]o utility shall change any existing depreciation rate or initiate any new depreciation rate without prior

Commission approval.” Gulf Power does not presently have a depreciation rate for utility-scale solar facilities. In order to properly account for depreciation related to the solar facility, or facilities, to be constructed pursuant to the Community Solar Program, Gulf requests approval to depreciate the investment in the solar facility over an average service life of 35 years with no provision for cost of removal or salvage. This results in a 2.86 percent whole life depreciation rate. Presently, Gulf has little experience concerning the operation and maintenance of utility-scale solar facilities and therefore little data concerning cost of removal or salvage values for such facilities. Gulf will address these depreciation rate components in a future depreciation study after gaining sufficient experience with the operations and maintenance of the solar facilities. Gulf intends to record plant investment within FERC accounts 340-346 “Other Power Generation” and requests that the proposed depreciation rate become effective upon the in-service date of the Initial Facility.

### **RELIEF REQUESTED**

WHEREFORE, Gulf Power respectfully requests that the Commission approve through its PAA process: (i) Gulf Power’s Solar Pilot Program; (ii) the experimental rate rider reflected on Original Tariff Sheet Nos. 6.99 and 6.100, the 5-year customer agreement reflected on Original Tariff Sheet Nos. 7.63, 7.64 and 7.65, and associated administrative changes to Tariff Sheet Nos. 6.2 and 7.2, all of which are attached as Exhibit “A”; (iii) the termination of the Company’s existing optional Rate Rider PV; and (iv) an associated depreciation rate for the solar facilities.

Respectfully submitted this 19<sup>th</sup> day of November, 2015.



**JEFFREY A. STONE**

Florida Bar No. 325953

**RUSSELL A. BADDERS**

Florida Bar No. 007455

**STEVEN R. GRIFFIN**

Florida Bar No. 627569

**Beggs & Lane, R.L.L.P.**

P. O. Box 12950

501 Commendencia Street

Pensacola, FL 32576-2950

(850) 432-2451

**Attorneys for Gulf Power Company**

# **EXHIBIT A**



Section No. VI  
Thirtieth Revised Sheet No. 6.2  
Canceling Twenty-Ninth Revised Sheet No. 6.2

<b>PAGE</b> 2 of 2	<b>EFFECTIVE DATE</b>
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<u>Designation</u>	<u>URSC</u>	<u>Classification</u>	<u>Sheet No.</u>
RSVP	RS1	Residential Service Variable Pricing (Optional)	6.75
SP		Surge Protection	6.79
RTP		Real Time Pricing	6.80
CIS		Commercial/Industrial Service (Optional Rider)	6.84
BERS		Building Energy Rating System (BERS)	6.87
MBFC		Military Base Facilities Charge (Optional Rider)	6.91
LBIR		Large Business Incentive Rider (Optional Rider)	6.92
MBIR		Medium Business Incentive Rider (Optional Rider)	6.94
SBIR		Small Business Incentive Rider (Optional Rider)	6.96
CS		Community Solar (Optional Rider)	6.99

**ISSUED BY:** S. W. Connally, Jr.



**RATE RIDER CS  
COMMUNITY SOLAR  
LIMITED AVAILABILITY EXPERIMENTAL RIDER  
(OPTIONAL RIDER)**

<b>PAGE</b> 1 of 2	<b>EFFECTIVE DATE</b>
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**AVAILABILITY:**

This Rate Rider is available to all Customers throughout the entire service area served by the Company on a first come first served basis subject to subscription availability. Multiple subscriptions may be purchased representing no more than the Customer's average annual energy consumption for the previous twelve month period. Power produced from community solar photovoltaic (PV) facilities may not be specifically delivered to the Customer, but will displace power that would have been otherwise produced from traditional generating facilities. Availability is limited to those Customers enrolled in the community solar program.

**APPLICABILITY:**

This optional rider is offered in conjunction with the applicable rates, terms, and conditions under which the Customer takes service from the Company.

**RATE:**

Subscription Fee:	\$99.00 per year
Five-Year Contract Subscription Fee Option:	\$89.00 per year

**BILL CREDIT:**

Participating Customers will be eligible to receive a monthly bill credit for each subscription purchased. The monthly bill credit will be determined each calendar year and stated on an average monthly basis. The bill credit will be calculated using the projected hourly output of the program's PV facilities, the Company's projected hourly avoided energy costs, and the number of subscriptions needed to fully subscribe the program.



<b>PAGE</b> 2 of 2	<b>EFFECTIVE DATE</b>
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(Continued from Rate Rider CS, Sheet No. 6.99)

**TERM OF SERVICE:**

Service under this rate rider shall be for a minimum period of one (1) year. The non-refundable subscription fee will automatically renew for the following year, unless the Customer notifies the Company otherwise at the time of the initial enrollment in the program.

**TAX ADJUSTMENT:**

See Sheet No 6.37

**FRANCHISE FEE BILLING:**

See Sheet No 6.37

**GROSS RECEIPTS TAX ADJUSTMENT:**

See Sheet No 6.37

**PAYMENT OF BILLS:**

See Sheet No 6.37

Service under this rate rider is subject to Rules and Regulations of the Company and the Florida Public Service Commission.



Section No. VII  
Fourth Revised Sheet No. 7.2  
Canceling Third Revised Sheet No. 7.2

<b>PAGE</b> 2 of 2	<b>EFFECTIVE DATE</b>
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<u>Contract</u>	<u>Description</u>	<u>Sheet No.</u>
Form 28	Certificate of Compliance – Small Power Generation Systems	7.62
Form 29	Community Solar Customer Five-Year Participation Agreement	7.63

**Gulf Power Company  
Community Solar Customer Five-Year Participation Agreement**

**Form 29**

This Agreement is made by and between Gulf Power Company, (“Gulf Power” or the “Company”) and \_\_\_\_\_ (the “Customer”). The Company and the Customer are collectively referred to as the “Parties.”

WHEREAS, the Customer currently receives electric service from the Company pursuant to Gulf Power’s Rate Schedule \_\_\_\_\_ at the following location \_\_\_\_\_ which has been assigned a Gulf Power Account Number of \_\_\_\_\_ (the “Service Premises”); and

WHEREAS, the Customer’s actual (or estimated, in the case of insufficient service history) average kilowatt-hour (“kWh”) consumption at the Service Premises for the previous twelve month period is \_\_\_\_\_; and

WHEREAS, the Customer desires to participate in the Company’s voluntary community solar offering (the “Solar Program”) in accordance with the terms of Rate Rider CS (Community Solar) which has been approved by the Florida Public Service Commission (the “FPSC”) a copy of which is attached to this Agreement and incorporated herein as Exhibit “A”;

The Parties hereby agree as follows:

1. The Customer agrees to participate in the Solar Program for a period of five (5) Annual Periods beginning on the first day of the billing cycle in which the Customer’s first Annual Subscription Fee (as defined below) is paid, (the “Term”) subject to the terms and conditions contained in the Rate Rider and this Agreement. For purposes of this Agreement an “Annual Period” means any one of a succession of consecutive three hundred sixty five (365) day periods (or a three hundred sixty six (366) day period in the case of a leap year).
2. The Customer agrees to purchase a total of \_\_\_\_\_ subscription(s) during each Annual Period of the Term, which subscriptions shall not exceed 100 percent of actual (or estimated, in the case of insufficient service history) average kWh consumption at the Service Premises for the previous twelve (12) month period.
3. The Customer agrees to pay the Company an annual subscription fee of \$ \_\_\_\_\_ (\$89.00 multiplied by the number of subscriptions purchased) throughout the Term in exchange for their right to participate in the Solar Program (“Annual Subscription Fee”). The first Annual Subscription Fee will appear as a line item on the Customer’s monthly electric service billing statement in the month following the first month of the Customer’s enrollment in the Solar Program and will be due and payable to the Company on or before the date specified on the billing statement. Subsequent Annual Subscription Fees will automatically appear as line items on billing statements rendered to the Customer during the second through fifth Annual Periods of

**Form 29 (Continued)**

the Term. The Customer's aggregate monetary obligation to Gulf Power under this Agreement totals \_\_\_\_\_ (Annual Subscription Fee multiplied by five (5)).

4. In the event the Customer fails to pay an Annual Subscription Fee by the date specified in a billing statement, the Company reserves the right to terminate the Customer's participation in the Solar Program. Termination of the Customer's right to participate in the Solar Program will in no way impact the Customer's right to receive, or the Company's obligation to provide, electric service to the Customer pursuant to the Company's Tariff for Retail Electric Service.

5. In the event that the Customer transfers their electric service to a different location within Gulf Power's service area, the Customer's Solar Program subscription will be transferred to the new service location. The Customer shall not be permitted to transfer or assign their subscription to third parties.

6. If, for any reason, the Customer moves to a location outside of Gulf Power's service area and discontinues electric service with Gulf Power as a result, the Customer shall be released from any obligation to pay Gulf Power for Annual Subscription Fees which have yet to be billed to the Customer during the Term. However, the Customer shall not be entitled to a refund for Annual Subscription Fees which have previously been paid to the Company.

7. In the event that the Solar Program is discontinued or modified by the Florida Public Service Commission, Gulf Power reserves the right to terminate this Agreement. In such case, the Customer shall be released from any obligation to pay Gulf Power for Annual Subscription Fees which have yet to be billed to the Customer during the Term.

8. Unless otherwise provided in this Agreement, the Customer's obligation to pay the Annual Subscription Fee for each Annual Period during the Term is not subject to termination or cancellation by the Customer.

9. Any and all Renewable Energy Credits ("RECs"), associated with the Customer's subscription to the Solar Program will be retired by the Company on behalf of the Customer. For purposes of this Agreement the term RECs means any and all credits, including any emissions reduction credits, such as CO2 emission reduction credits, for renewable energy generated by the solar facilities that could qualify or do qualify for application toward compliance with any local, state or federal energy portfolio standard, green pricing program or other renewable energy or environmental mandate or objective. By way of example, if the actual output of the solar facilities associated with the Solar Program totals 2,100,000 kWh in a given Annual Period, the maximum number of subscriptions to the Program is 3,000 and the Customer has secured 10 subscriptions, the Company would retire RECs equivalent to 7,000 kWh for that particular customer.

**Form 29 (Continued)**

10. This Agreement does not convey to the Customer any right, title or interest in or to any portion of the property comprising the solar facilities constructed pursuant to the Solar Program. Such facilities will be owned, operated, controlled and maintained exclusively by the Company and any tax credits or other tax benefits associated with the construction and/or ownership of such facilities will belong solely to the Company.

11. Due to the cost to construct the solar facilities, the Customer and other participants in the Solar Program will be paying a monetary premium during the Term as compared to non-participants. Bill credits issued to the Customer pursuant to the Solar Program are not intended, or expected, to fully offset subscription fees paid by the Customer.

12. This Agreement constitutes the entire agreement between the Parties with respect to the Customer's participation in the Solar Program and supersedes all previous proposals, whether oral or written, and all other communications between the Parties. This Agreement is not intended to alter or modify any rate, charge, term or condition of electric service provided by the Company to the Customer. The Customer will continue to be billed for all of their electricity consumption at the applicable retail rate and will see the bill credits for solar facility production as dollars that offset their total bills.

13. This Agreement shall be governed by the laws of the State of Florida, including applicable regulations of the Florida Public Service Commission and the Company's Tariff for Retail Electric Service.

Customer:

Gulf Power Company

\_\_\_\_\_  
Customer Signature

\_\_\_\_\_  
Representative of Gulf Power

\_\_\_\_\_  
Customer Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Customer Account Number

# **Legislative Format**



Section No. VI  
~~Twenty-Ninth-Third~~ Revised Sheet No. 6.2  
 Canceling ~~Twenty-Eighth-Twenty-Ninth~~ Revised Sheet  
 No. 6.2

PAGE 2 of 2	EFFECTIVE DATE <b>January 1, 2014</b>
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<u>Designation</u>	<u>URSC</u>	<u>Classification</u>	<u>Sheet No.</u>
RSVP	RS1	Residential Service Variable Pricing (Optional)	6.75
SP		Surge Protection	6.79
RTP		Real Time Pricing	6.80
CIS		Commercial/Industrial Service (Optional Rider)	6.84
BERS		Building Energy Rating System (BERS)	6.87
<del>PV</del>		<del>Rate Rider PV - Photovoltaics (Optional Rider)</del>	<del>6.89</del>
MBFC		Military Base Facilities Charge (Optional Rider)	6.91
LBIR		Large Business Incentive Rider (Optional Rider)	6.92
MBIR		Medium Business Incentive Rider (Optional Rider)	6.94
SBIR		Small Business Incentive Rider (Optional Rider)	6.96
<del>CS</del>		<del>Community Solar (Optional Rider)</del>	<del>6.99</del>



**RATE RIDER CS**  
**COMMUNITY SOLAR**  
**LIMITED AVAILABILITY EXPERIMENTAL RIDER**  
**(OPTIONAL RIDER)**

PAGE 1 of 2	EFFECTIVE DATE
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**AVAILABILITY:**

This Rate Rider is available to all Customers throughout the entire service area served by the Company on a first come first served basis subject to subscription availability. Multiple subscriptions may be purchased representing no more than the Customer's average annual energy consumption for the previous twelve month period. Power produced from community solar photovoltaic (PV) facilities may not be specifically delivered to the Customer, but will displace power that would have been otherwise produced from traditional generating facilities. Availability is limited to those Customers enrolled in the community solar program.

**APPLICABILITY:**

This optional rider is offered in conjunction with the applicable rates, terms, and conditions under which the Customer takes service from the Company.

**RATE:**

Subscription Fee: \$99.00 per year

Five-Year Contract Subscription Fee Option: \$89.00 per year

**BILL CREDIT:**

Participating Customers will be eligible to receive a monthly bill credit for each subscription purchased. The monthly bill credit will be determined each calendar year and stated on an average monthly basis. The bill credit will be calculated using the projected hourly output of the program's PV facilities, the Company's projected hourly avoided energy costs, and the number of subscriptions needed to fully subscribe the program.

**ISSUED BY: S. W. Connally, Jr.**



(Continued from Rate Rider CS, Sheet No. 6.99)

**TERM OF SERVICE:**

Service under this rate rider shall be for a minimum period of one (1) year. The non-refundable subscription fee will automatically renew for the following year, unless the Customer notifies the Company otherwise at the time of the initial enrollment in the program.

**TAX ADJUSTMENT:**

See Sheet No 6.37

**FRANCHISE FEE BILLING:**

See Sheet No 6.37

**GROSS RECEIPTS TAX ADJUSTMENT:**

See Sheet No 6.37

**PAYMENT OF BILLS:**

See Sheet No 6.37

Service under this rate rider is subject to Rules and Regulations of the Company and the Florida Public Service Commission.



Section No. VII  
~~Third-Fourth~~ Revised Sheet No. 7.2  
Canceling ~~Second-Third~~ Revised Sheet No. 7.2

PAGE 2 of 2	EFFECTIVE DATE <b>June 28, 2002</b>
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<u>Contract</u>	<u>Description</u>	<u>Sheet No.</u>
Form 28	Certificate of Compliance – Small Power Generation Systems	7.62
<del>Form 29</del>	<del>Community Solar Customer Five-Year Participation Agreement</del>	<del>7.63</del>

ISSUED BY: ~~Tom Fanning~~ S. W. Connally, Jr.

**Gulf Power Company**  
**Community Solar Customer Five-Year Participation Agreement**

**Form 29**

This Agreement is made by and between Gulf Power Company, (“Gulf Power” or the “Company”) and \_\_\_\_\_ (the “Customer”). The Company and the Customer are collectively referred to as the “Parties.”

WHEREAS, the Customer currently receives electric service from the Company pursuant to Gulf Power’s Rate Schedule \_\_\_\_\_ at the following location \_\_\_\_\_ which has been assigned a Gulf Power Account Number of \_\_\_\_\_ (the “Service Premises”); and

WHEREAS, the Customer’s actual (or estimated, in the case of insufficient service history) average kilowatt-hour (“kWh”) consumption at the Service Premises for the previous twelve month period is \_\_\_\_\_; and

WHEREAS, the Customer desires to participate in the Company’s voluntary community solar offering (the “Solar Program”) in accordance with the terms of Rate Rider CS (Community Solar) which has been approved by the Florida Public Service Commission (the “FPSC”) a copy of which is attached to this Agreement and incorporated herein as Exhibit “A”;

The Parties hereby agree as follows:

1. The Customer agrees to participate in the Solar Program for a period of five (5) Annual Periods beginning on the first day of the billing cycle in which the Customer’s first Annual Subscription Fee (as defined below) is paid, (the “Term”) subject to the terms and conditions contained in the Rate Rider and this Agreement. For purposes of this Agreement an “Annual Period” means any one of a succession of consecutive three hundred sixty five (365) day periods (or a three hundred sixty six (366) day period in the case of a leap year).

2. The Customer agrees to purchase a total of \_\_\_\_\_ subscription(s) during each Annual Period of the Term, which subscriptions shall not exceed 100 percent of actual (or estimated, in the case of insufficient service history) average kWh consumption at the Service Premises for the previous twelve (12) month period.

3. The Customer agrees to pay the Company an annual subscription fee of \$ \_\_\_\_\_ (\$89.00 multiplied by the number of subscriptions purchased) throughout the Term in exchange for their right to participate in the Solar Program (“Annual Subscription Fee”). The first Annual Subscription Fee will appear as a line item on the Customer’s monthly electric service billing statement in the month following the first month of the Customer’s enrollment in the Solar Program and will be due and payable to the Company on or before the date specified on the billing statement. Subsequent Annual Subscription Fees will automatically appear as line items on billing statements rendered to the Customer during the second through fifth Annual Periods of

**Form 29 (Continued)**

the Term. The Customer's aggregate monetary obligation to Gulf Power under this Agreement totals \_\_\_\_\_ (Annual Subscription Fee multiplied by five (5)).

4. In the event the Customer fails to pay an Annual Subscription Fee by the date specified in a billing statement, the Company reserves the right to terminate the Customer's participation in the Solar Program. Termination of the Customer's right to participate in the Solar Program will in no way impact the Customer's right to receive, or the Company's obligation to provide, electric service to the Customer pursuant to the Company's Tariff for Retail Electric Service.

5. In the event that the Customer transfers their electric service to a different location within Gulf Power's service area, the Customer's Solar Program subscription will be transferred to the new service location. The Customer shall not be permitted to transfer or assign their subscription to third parties.

6. If, for any reason, the Customer moves to a location outside of Gulf Power's service area and discontinues electric service with Gulf Power as a result, the Customer shall be released from any obligation to pay Gulf Power for Annual Subscription Fees which have yet to be billed to the Customer during the Term. However, the Customer shall not be entitled to a refund for Annual Subscription Fees which have previously been paid to the Company.

7. In the event that the Solar Program is discontinued or modified by the Florida Public Service Commission, Gulf Power reserves the right to terminate this Agreement. In such case, the Customer shall be released from any obligation to pay Gulf Power for Annual Subscription Fees which have yet to be billed to the Customer during the Term.

8. Unless otherwise provided in this Agreement, the Customer's obligation to pay the Annual Subscription Fee for each Annual Period during the Term is not subject to termination or cancellation by the Customer.

9. Any and all Renewable Energy Credits ("RECs"), associated with the Customer's subscription to the Solar Program will be retired by the Company on behalf of the Customer. For purposes of this Agreement the term RECs means any and all credits, including any emissions reduction credits, such as CO2 emission reduction credits, for renewable energy generated by the solar facilities that could qualify or do qualify for application toward compliance with any local, state or federal energy portfolio standard, green pricing program or other renewable energy or environmental mandate or objective. By way of example, if the actual output of the solar facilities associated with the Solar Program totals 2,100,000 kWh in a given Annual Period, the maximum number of subscriptions to the Program is 3,000 and the Customer has secured 10 subscriptions, the Company would retire RECs equivalent to 7,000 kWh for that particular customer.

**Form 29 (Continued)**

10. This Agreement does not convey to the Customer any right, title or interest in or to any portion of the property comprising the solar facilities constructed pursuant to the Solar Program. Such facilities will be owned, operated, controlled and maintained exclusively by the Company and any tax credits or other tax benefits associated with the construction and/or ownership of such facilities will belong solely to the Company.

11. Due to the cost to construct the solar facilities, the Customer and other participants in the Solar Program will be paying a monetary premium during the Term as compared to non-participants. Bill credits issued to the Customer pursuant to the Solar Program are not intended, or expected, to fully offset subscription fees paid by the Customer.

12. This Agreement constitutes the entire agreement between the Parties with respect to the Customer's participation in the Solar Program and supersedes all previous proposals, whether oral or written, and all other communications between the Parties. This Agreement is not intended to alter or modify any rate, charge, term or condition of electric service provided by the Company to the Customer. The Customer will continue to be billed for all of their electricity consumption at the applicable retail rate and will see the bill credits for solar facility production as dollars that offset their total bills.

13. This Agreement shall be governed by the laws of the State of Florida, including applicable regulations of the Florida Public Service Commission and the Company's Tariff for Retail Electric Service.

Customer: Gulf Power Company

Customer Signature Representative of Gulf Power

Customer Printed Name Printed Name

Customer Account Number

# **EXHIBIT B**



Section No. VI  
Second Revised Sheet No. 6.89  
Canceling First Sheet No. 6.89

PAGE ____ of ____	EFFECTIVE DATE
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**ISSUED BY:** S. W. Connally, Jr.



Section No. VI  
Second Revised Sheet No. 6.90  
Canceling First Sheet No. 6.90

PAGE ___ of ___	EFFECTIVE DATE
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**THIS PAGE IS RESERVED FOR FUTURE USE.**

**ISSUED BY:** S. W. Connally, Jr.

# **Legislative Format**



Section No. VI  
~~First~~~~Second~~ Revised Sheet No. 6.89  
Canceling ~~Original~~~~First~~ Sheet No. 6.89

**~~RATE RIDER PV  
PHOTOVOLTAICS  
(OPTIONAL RIDER)~~**

PAGE	EFFECTIVE DATE
<del>1</del> of <del>2</del>	<del>December 15, 1999</del>

**~~AVAILABILITY:~~**

~~To all customers served throughout the Company's service area from existing lines of adequate capacity. Rate Rider PV customers will be served from the existing electrical system. Customers may purchase photovoltaic energy in 100-watt blocks. Multiple blocks may be purchased. Power purchased or produced from photovoltaic facilities may not be specifically delivered to the customer, but will displace power that would have otherwise been produced from traditional generating facilities.~~

**~~APPLICABILITY:~~**

~~Applicable, upon request, to all customers in conjunction with all standard rates. Construction of the photovoltaic facility or power purchased from photovoltaic facilities will begin upon the attainment of sufficient commitments from all participants across the Southern Company electric system where the option is available and after obtaining any needed permits or other regulatory approvals for construction. Customer billing will begin with the second month following the date in which power is purchased from photovoltaic generating facilities or in which a photovoltaic generating facility of the Company begins commercial operation.~~

**~~MONTHLY RATE:~~**

~~EarthCents—Solar Charge:—\$6.00 per 100-Watt block~~

**~~TERM OF AGREEMENT:~~**

~~Service under Rate Rider PV shall be for an initial term of five (5) years and may be terminated by either party following two (2) years written notice to the other party. Such two (2) year notice to terminate can be given at any time following year three (3) of the initial term.~~

**~~TAX ADJUSTMENT:~~**

~~See Sheet No. 6.37~~

**~~FRANCHISE FEE BILLING:~~**

~~See Sheet No. 6.37~~

**THIS PAGE IS RESERVED FOR FUTURE USE.**

**ISSUED BY:** ~~Travis Bowden~~ S. W. Connally, Jr.



Section No. VI  
~~First~~Second Revised Sheet No. 6.90  
Canceling ~~Original~~First Sheet No. 6.90

PAGE	EFFECTIVE DATE
<u>2</u> of <u>2</u>	<b>December 15, 1999</b>

~~(Continued from Rate Rider PV, Sheet No. 6.89)~~

**GROSS RECEIPTS TAX ADJUSTMENT:**  
**THIS PAGE IS RESERVED FOR FUTURE USE.**

~~See Sheet No. 6.37~~

**PAYMENT OF BILLS:**

~~Bills for service will be rendered monthly by the Company to the Customer. Payment is due when rendered, and becomes delinquent twenty (20) days after mailing or delivery to the Customer. At least five (5) days written notice separate from any billing will be given before discontinuing service. Payment may be made at offices or authorized collecting agencies of the Company. Care will be used to have bills properly presented to the Customer, but non-receipt of the bill does not constitute release from liability or payment. This provision for payment of bills shall be applied to this rate rider together with all underlying rate schedules.~~

~~Service under this rate schedule is subject to Rules and Regulations of the Company and the Florida Public Service Commission.~~

**ISSUED BY:** ~~Travis Bowden~~ S. W. Connally, Jr.