

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the stipulation and settlement agreement between Gulf Power Company, the Office of Public Counsel, Florida Industrial Power Users Group, and Southern Alliance for Clean Energy regarding the Tax Cuts and Jobs Act of 2017.

DOCKET NO. 20180039-EI
ORDER NO. PSC-2018-0180-FOF-EI
ISSUED: April 12, 2018

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman
JULIE I. BROWN
DONALD J. POLMANN
GARY F. CLARK
ANDREW GILES FAY

APPEARANCES:

JEFFREY A. STONE and RUSSELL A. BADDERS, ESQUIRES, One Energy Place, Pensacola, Florida 32520-0100; Beggs & Lane, P. O. Box 12950, Pensacola, Florida 32576-2950
On behalf of Gulf Power Company (Gulf).

J.R. KELLY and CHARLES REHWINKEL, ESQUIRES, Office of Public Counsel, c/o The Florida Legislature, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400
On behalf of the Citizens of the State of Florida (OPC).

JON MOYLE and KAREN PUTNAL, ESQUIRES, Moyle Law Firm, PA, The Perkins House, 118 North Gadsden Street, Tallahassee, Florida 32301
On behalf of the Florida Industrial Power Users Group (FIPUG).

SUZANNE BROWNLESS, ESQUIRE, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
On behalf of the Florida Public Service Commission (Staff).

MARY ANNE HELTON, ESQUIRE, Deputy General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
Advisor to the Florida Public Service Commission.

KEITH HETRICK, ESQUIRE, General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
Florida Public Service Commission General Counsel.

FINAL ORDER APPROVING JOINT MOTION TO APPROVE
STIPULATION AND SETTLEMENT AGREEMENT

BY THE COMMISSION:

BACKGROUND

On February 14, 2018, Gulf Power Company (Gulf) filed a Stipulation and Settlement Agreement (SSA) between Gulf and the Office of Public Counsel (OPC), the Florida Industrial Power Users Group (FIPUG), and the Southern Alliance for Clean Energy (SACE) regarding the Tax Cuts and Jobs Act of 2017 in Docket Nos. 20180013-PU,¹ the generic tax docket, and 20160186-EI,² Gulf's last base rate case proceeding. The SSA addresses the effects of the passage of the Tax Cuts and Jobs Act of 2017 (Act), signed into law by President Trump on December 22, 2017. The signatories to the SSA are OPC, FIPUG and SACE, all of whom were signatories to Gulf's last rate case stipulation.³

The SSA implements paragraph 6 of Gulf's 2017 Stipulation and Settlement Agreement (2017 Settlement) approved by Order No. PSC-17-0178-S-EI.⁴ There are six basic parts to the SSA: 1) base rate reduction of \$18.2 million per year commencing on April 1, 2018;⁵ 2) establishment of a regulatory liability to account for the tax rate reduction from January 1, 2018 until the effective date of the base rate reduction;⁶ 3) refund of \$69.4 million by the end of 2018 through the fuel cost recovery clause for the unprotected excess deferred tax regulatory liability as of December 31, 2017;⁷ 4) reduction of \$15.6 million to Environmental Cost Recovery Clause (ECRC) recovered by the end of 2018;⁸ 5) establishment of a 53.5% equity ratio cap for all retail regulatory purposes, e.g., earnings surveillance reporting, interim rate determinations, cost recovery clauses;⁹ and 6) initiation of a limited scope proceeding by May 1, 2018, for the purpose of determining the amount and flow back period for protected excess deferred taxes through a prospective reduction in base rates, should one be warranted.¹⁰ The SSA is intended to resolve all of Gulf's outstanding tax issues associated with the Act.

On February 19, 2018, pursuant to Section 366.076(1), Florida Statutes, this docket was opened to expedite consideration of the SSA as requested by the signatories so that the base rate reduction agreed to by the parties, if appropriate, can be implemented in April 2018. On February 26, 2018, Gulf filed a Joint Motion to Approve Stipulation and Settlement Agreement (Motion) requesting that the SSA be approved in its entirety and that this Commission take final

¹ Docket No. 20180013-PU, In re: Petition to establish a generic docket to investigate and adjust rates for 2018 tax savings, by Office of Public Counsel.

² Docket No. 20160186-EI, In re: Petition for rate increase by Gulf Power Company.

³ Order No. PSC-17-0178-S-EI, issued on May 16, 2017, in Docket No. 160186-EI, In re: Petition for rate increase by Gulf Power Company.

⁴ Id.

⁵ Paragraphs 2, 4.

⁶ Paragraphs 5, 8.

⁷ Paragraph 7.

⁸ Paragraph 9.

⁹ Paragraph 11.

¹⁰ Paragraph 13.

action no later than March 26, 2018, which would allow the tariffs filed with the Motion to become effective in April 2018. Gulf states that the SSA is in the best interest of Gulf's ratepayers as it allows for a reduction in base rates shortly after the Act's passage as well as reducing the Environmental Cost Recovery Clause factors, and returning unprotected excess deferred income taxes to customers more rapidly than normally done. All parties to this docket - OPC, FIPUG and SACE - as joint movants to Gulf's Motion support the Motion.

On March 20, 2018, Gulf filed amended tariffs correcting scrivener's errors in the tariffs filed on February 26, 2018. On March 26, 2018, we held an administrative hearing on this matter in which Gulf's customers and interested persons were provided with an opportunity to present public testimony and voice any concerns with the SSA. Gulf sponsored witnesses Robin Boren, Rhonda Alexander, and Lee Evans, who answered questions under oath about the SSA, and four exhibits were admitted into evidence.

DECISION

The standard for approval of a settlement agreement is whether it is in the public interest.¹¹ A determination of public interest requires a case-specific analysis based on consideration of the proposed settlement taken as a whole.¹²

As testified to by Gulf's witnesses, effective the first billing cycle of April 2018, this SSA greatly benefits ratepayers by implementing a base rate decrease of \$18.2 million per year associated with the reduction of the corporate income tax rate from 35 to 21 percent. This reduction will remain in effect until Gulf's next base rate case. Further, Gulf's customers will also receive \$69.4 million through the Fuel Clause in 2018 associated with unprotected accumulated deferred income taxes that would normally be amortized over a 5 to 10 year period. Finally, Gulf's ratepayers will immediately see a \$15.6 million reduction in the Environmental Cost Recovery Clause factor which would normally not be implemented until January of 2019. Combined, Gulf's ratepayers will see a \$103.2 million reduction in charges in 2018. Although Gulf's equity ratio cap will increase from 52.5% to 53.5% to allow the refund of \$103.2 million in one year, the equity ratio is well within the normal, accepted equity range and will maintain Gulf's financial stability. The issue of excess protected deferred income taxes, which total

¹¹ Order No. PSC-13-0023-S-EI, issued January 14, 2013, in Docket No. 120015-EI, In re: Petition for increase in rates by Florida Power & Light Company; Order No. PSC-11-0089-S-EI, issued February 1, 2011, in Docket Nos. 080677 and 090130, In re: Petition for increase in rates by Florida Power & Light Company and In re: 2009 depreciation and dismantlement study by Florida Power & Light Company; Order No. PSC-13-0023-S-EI, issued January 14, 2013, in Docket No. 120015-EI, In re: Petition for increase in rates by Florida Power & Light Company; PSC-10-0398-S-EI, issued June 18, 2010, in Docket Nos. 090079-EI, 090144-EI, 090145-EI, 100136-EI, In re: Petition for increase in rates by Progress Energy Florida, Inc., In re: Petition for limited proceeding to include Bartow repowering project in base rates, by Progress Energy Florida, Inc., In re: Petition for expedited approval of the deferral of pension expenses, authorization to charge storm hardening expenses to the storm damage reserve, and variance from or waiver of Rule 25-6.0143(1)(c), (d), and (f), F.A.C., by Progress Energy Florida, Inc., and In re: Petition for approval of an accounting order to record a depreciation expense credit, by Progress Energy Florida, Inc.; Order No. PSC-05-0945-S-EI, issued September 28, 2005, in Docket No. 050078-EI, In re: Petition for rate increase by Progress Energy Florida, Inc.

¹² Order No. PSC-13-0023-S-EI, at p. 7.

approximately \$386.1 million per year, has not been resolved by this SSA. The parties will continue to work on a mutually acceptable resolution to this issue and, if none can be reached by May 1, 2018, Gulf will file a petition for a limited proceeding in this docket to resolve the issue.

Based on our review of the SSA, the exhibits entered into the record, the support of the Parties, the testimony provided by Gulf witnesses, and the benefits to Gulf customers discussed above, we find that the SSA, taken as a whole, is in the public interest. Therefore, the SSA is hereby approved.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Joint Motion to Approve Stipulation and Settlement Agreement between Gulf Power Company, the Office of Public Counsel, the Florida Industrial Power Users Group, and the Southern Alliance for Clean Energy, dated February 14, 2018, is hereby granted and the Stipulation and Settlement Agreement, Attachment A hereto, approved. It is further

ORDERED that the revised tariff sheets implementing the Stipulation and Settlement Agreement between Gulf Power Company, the Office of Public Counsel, the Florida Industrial Power Users Group, and the Southern Alliance for Clean Energy, dated February 14, 2018, reflecting the approved final rates and charges, as filed on February 26, 2018, and amended on March 20, 2018, are hereby approved effective the first billing cycle of April 2018. It is further

ORDERED that this docket shall remain open for disposition by this Commission of the issue of protected excess deferred income taxes.

By ORDER of the Florida Public Service Commission this 12th day of April, 2018.



CARLOTTA S. STAUFFER
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SBr

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request:

- 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or
- 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.



Rhonda J. Alexander
Manager
Regulatory, Forecasting & Pricing

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February 14, 2018

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

Re: Docket No. 20160186-EI
Docket No. 20180013-PU

Dear Ms. Stauffer:

Attached for official filing in the above-referenced docket is a Stipulation and Settlement Agreement of Gulf Power Company, the Office of Public Counsel, the Florida Industrial Power Users Group, and the Southern Alliance for Clean Energy.

Sincerely,

A handwritten signature in blue ink that reads "Rhonda J. Alexander".

Rhonda J. Alexander
Regulatory, Forecasting and Pricing Manager

md

Attachments

cc: Gulf Power Company
Jeffrey A. Stone, Esq., General Counsel
Beggs & Lane
Russell Badders, Esq.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition to establish a generic docket to investigate and adjust rates for 2018 tax savings, by Office of Public Counsel.	Docket No. 20180013-PU
In re: Petition for rate increase by Gulf Power Company.	Docket No. 20160186-EI
	Filed: February <u>14</u> , 2018

STIPULATION AND SETTLEMENT AGREEMENT

WHEREAS, Gulf Power Company (“Gulf” or the “Company”), the Citizens of Florida through the Office of Public Counsel (“OPC”), the Florida Industrial Power Users Group (“FIPUG”), and the Southern Alliance for Clean Energy (“SACE”) have signed this Stipulation and Settlement Agreement (the “Agreement”) which is submitted to the Florida Public Service Commission (“Commission”) for its review and approval (unless the context clearly requires otherwise, the term “Party” or “Parties” means a signatory to this Agreement, whether or not specifically named above); and

WHEREAS, on December 22, 2017, the President of the United States signed the Tax Cuts and Jobs Act (G.L.c 164, § 94) (“the Act”) previously passed by both houses of the Congress of the United States, and the effective date of the Act became January 1, 2018; and

WHEREAS, on January 9, 2018, OPC petitioned the Commission to establish a generic docket to investigate and adjust rates for all investor owned utilities to reflect the reduction in federal income tax expense caused by the Act, resulting in the establishment of Docket No. 20180013-PU; and

WHEREAS, on January 30, 2018, FIPUG filed its notice in Docket No. 20180013-PU that it joins the Petition filed on or about January 9, 2018 by OPC; and

WHEREAS, OPC, and by its joinder, FIPUG, explicitly acknowledged in the January 9, 2018 petition that Gulf is one of four utilities that should be exempted from Docket No. 20180013-PU as a result of the specific provisions regarding tax reform contained in the comprehensive settlement agreement between OPC and Gulf filed on March 20, 2017 (“the 2017 comprehensive settlement agreement”), later signed by FIPUG and SACE, and subsequently approved by the Commission as evidenced by its Order No. PSC-2017-0178-S-EI, issued May 16, 2017 (“the 2017 Rate Order”); and

WHEREAS, the 2017 comprehensive settlement agreement and the 2017 Rate Order established the new 2017 base rates for Gulf that took effect on July 1, 2017; and

WHEREAS, pursuant to paragraph 6 in the 2017 comprehensive settlement agreement between the Parties, the prospective adjustment to base rates is to be based on the net operating income effect of the change in the income tax rate from 35 percent to 21 percent, based on the base rate revenue increase authorized by Order No. PSC-2017-0178-S-EI, with an assumed impact of \$1.3 million per each percentage point of income tax rate change. This formulation results in a prospective reduction to Gulf’s new 2017 base rates totaling \$18.2 million on an annual basis; and

WHEREAS, the intent of the Parties in formulating paragraph 6 in the 2017 comprehensive settlement agreement was to provide for an expedited permanent base rate reduction on a going-forward basis solely due to the impact of the change in federal income tax rates on the revenue requirements embedded in the new 2017 base rates resulting from the 2017 comprehensive settlement agreement, in this instance with a filing requirement on or before the 60th day following the effective date of the new income tax rates; and

WHEREAS, the Parties to this Agreement have undertaken to resolve the issues raised by the enactment of the Act so as to maintain a degree of reasonableness, stability and predictability with respect to Gulf's base rates and charges; and

WHEREAS, the Parties have entered into this Agreement in compromise of positions taken in accord with their rights and interests under Chapters 350, 366 and 120, Florida Statutes, as applicable, and as a part of the negotiated exchange of consideration among the Parties to this Agreement, each has agreed to concessions to the others with the expectation that all provisions of the Agreement will be enforced by the Commission as to all matters addressed herein with respect to all Parties, upon acceptance of the Agreement as provided herein and upon approval in the public interest;

NOW THEREFORE, in consideration of the foregoing and the covenants contained herein, the Parties hereby stipulate and agree:

1. This Agreement shall be in lieu of and as a complete substitution for Gulf's involvement in Docket No. 20180013-PU as a party with regard to the matters addressed herein, and Gulf shall not be subject to discovery requests in that docket with regard to such matters.
2. This Agreement will become effective upon Commission approval, and the rate changes agreed to herein, except as otherwise provided in this Agreement, shall be effective April 1, 2018 (the "Implementation Date"). The base rate changes shall be applied to meter readings beginning with the first billing cycle for April 2018 ("cycle one"), regardless of the actual date the cycle one meter readings occur, and shall continue until Gulf's base rates are next reset in a general base rate proceeding. The other rate changes agreed to herein shall also be applied to meter readings beginning with cycle one for April 2018, regardless of the actual date the cycle one meter readings occur, except as otherwise

provided in this Agreement, and shall continue until such rates are reset by the Commission in the normal course of the ongoing cost recovery clause dockets in which such rates are normally addressed.

3. In the event that the achieved effective date for new rates is less than 30 days following a vote by the Commission to approve this Agreement, the Parties agree that the public interest warrants implementation of the new reduced rates using meter readings less than 30 days following said vote and hereby waive any rights that may otherwise apply with regard to such effective date.
4. The annualized impact on Gulf's base rates associated with the Act is a reduction of \$18.2 million per year and shall be implemented as a reduction to the current base rates (newly established and implemented in 2017 by the 2017 comprehensive settlement agreement) through the package of new 2018 rates set forth in Attachment A. The revised tariff sheets reflecting the revised rates shall be submitted by Gulf under separate cover letter.
5. Because the effective date of the Act is January 1, 2018, bills rendered on meter readings starting with cycle one for February 2018 and continuing until the effective date of the base rate reduction identified in paragraph 4 are not able to reflect the tax rate reduction of the Act. Therefore, a regulatory liability will be established that initially consists of an amount equal to 1/24th of the \$18.2 million annualized impact for the billing month of January, plus 1/12th of the \$18.2 million annualized impact for the billing month of February, plus 1/12th of the \$18.2 million annualized impact for the billing month of March (and, if necessary, any additional subsequent billing month prior to the actual effective date of new 2018 rates provided for herein). The accumulated balance in this

regulatory liability shall be refunded to Gulf's retail customers through a credit to the fuel cost recovery clause. In this fashion, the full annualized impact of the tax savings resulting from the Act will be either reflected in prospective base rates or as a credit to the benefit of customers in 2018. The refund to customers provided under this paragraph shall be in lieu of any other assertion of continuing jurisdiction over Gulf's base rates for periods prior to the prospective application of the new 2018 rates provided for herein.

6. The excess accumulated deferred income taxes created by the Act are accounted for as regulatory liabilities under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) paragraphs ASC 740-10-30-8, ASC 740-10-25-47, ASC 740-10-35-4 and ASC 740-10-55-23. In order to become compliant with these standards, Gulf restated the deferred taxes at December 31, 2017, to the new rates and booked the difference as regulatory liabilities. Some of these excess accumulated deferred income taxes (referred to as "protected" deferred taxes) relate to depreciable property and must be returned to customers over a specified time under provisions in federal law governing the flow back of the excess under principles of normalization.
7. Gulf contends that the remaining excess accumulated deferred income taxes (referred to as "unprotected" deferred taxes), while not subject to the same normalization provisions under federal law as the "protected" deferred taxes, would expose Gulf to added risk from future increases in federal tax over the next 20 years (the average remaining life of the underlying assets) if flowed back to customers over a shorter time frame. The Parties agree that the "unprotected" excess deferred tax regulatory liability shall be addressed as follows:
 - a. The "unprotected" deferred tax liability as of December 31, 2017 shall be

refunded to customers with the retail portion (\$69,407,000) credited to customers through the fuel cost recovery clause, and the cost recovery rates for the fuel cost recovery clause shall be reduced for the remainder of 2018 as provided in paragraph 8 below such that the full amount of the resulting credit is refunded to customers through rates in 2018.

b. In the event of a subsequent increase to the federal income tax rate applicable to Gulf that takes effect prior to 2038, Gulf shall be entitled to initiate a regulatory proceeding to address recovery through rates of any portion of the “unprotected” deferred tax liability credited to customers in accordance with this paragraph 7 that would then no longer be excess deferred taxes under the applicable tax law if the accelerated credit to customers resulting from this Agreement had not occurred. The Parties to this Agreement are not precluded from participating in any such proceeding with all rights conferred to a party therein.

8. The credits to the fuel cost recovery clause set forth in paragraphs 5 and 7 above shall be combined for use in calculating revised fuel cost recovery rates for the remainder of 2018 designed to refund to customers the full combined amount through rates in 2018. The effective date for the new fuel cost recovery rates shall be the same as the effective date for new 2018 base rates established pursuant to this Agreement.
9. Because of the significant level of investment reflected in the 2018 rates established for Gulf’s Environmental Cost Recovery Clause (“ECRC”), the tax rate change in the Act also has a sizable impact on recoverable costs in 2018. As a result, Gulf shall implement revised ECRC rates for the remainder of 2018 that reflect a reduction of \$15.6 million, which is estimated to be the full annual impact of the tax rate change on 2018 recoverable costs. The effective date for the new ECRC rates shall be the same as the effective date

for new 2018 base rates established pursuant to this Agreement. Any difference between the estimated impact credited to customers through this reduction in rates and the actual impact shall be addressed, resolved and trued-up through the normal process associated with the ECRC mechanism. The new fuel cost recovery rates to be implemented pursuant to paragraph 8 above and the revised ECRC rates for the remainder of 2018 to be implemented pursuant to this paragraph 9 are set forth in Attachment B. The revised tariff sheets reflecting the revised rates shall be submitted by Gulf under separate cover letter.

10. Gulf contends that returning the full amount of “unprotected” deferred taxes to customers in 2018, along with the loss of bonus depreciation, will put a strain on Gulf’s credit metrics (specifically its Funds From Operations (“FFO”) to Debt) over the short and long term. To offset this contended adverse impact on Gulf’s financial integrity, Gulf has stated its intent to fund 100 percent of the \$69.4 million refund to its customers with common equity.
11. The Parties agree that the first sentence in paragraph 3(b) of the 2017 comprehensive settlement agreement between the Parties approved by Order No. PSC-2017-0178-S-EI is hereby amended by replacing “52.5%” with “53.5%”. In all other respects, paragraph 3(b) of the 2017 comprehensive settlement agreement remains unchanged.
12. For purposes of transition, the remaining amount of the additional common equity not already reflected in the May 2018 Surveillance Report shall be added to the weighted average cost of capital (“WACC”) before use in the cost recovery clause filings normally based in part on the WACC from the May 2018 Surveillance Report (this transition adjustment is so that a full 13/13ths of the increased common equity related to replacing

the unprotected excess deferred taxes in Gulf's capital structure is included for all future cost recovery clause filings). The revised cost of capital revenue requirement rate set forth in Attachment B shall be used for all cost recovery clause purposes for costs incurred after January 1, 2018, beginning January 1, 2018, until such rate is superseded by the May 2018 Surveillance WACC as adjusted by operation of this paragraph 12.

13. The Parties acknowledge that, within the scope of paragraph 6 of the 2017 comprehensive settlement agreement, work is required to determine whether it is possible to recognize the flow back of the "protected" excess deferred taxes as an additional reduction in Gulf's base rates while remaining consistent with provisions in federal law governing the flow back of the excess under principles of normalization, and if so determined, whether such recognition is desirable to the Parties. It is the desire and intent of the Parties that the rate reductions agreed to elsewhere in this Agreement not be held up pending the additional work required as noted above. The Parties therefore agree that they will either submit a later agreement on the issue regarding "protected" excess deferred taxes identified and reserved for future determination under this paragraph 13 or initiate a limited scope proceeding, by May 1, 2018, for the purpose of determining the amount and flow back period of the "protected" excess deferred taxes through a prospective reduction in base rates. Any further base rate reduction resulting from such later agreement or limited scope proceeding within the scope of paragraph 6 of the 2017 comprehensive settlement agreement as set forth in this paragraph 13 shall be implemented on a prospective basis only no earlier than cycle one meter readings for January 2019. There will be an annual flow back or amortization of the "protected" excess deferred taxes in accordance with federal law establishing and governing the

principles of normalization, and the unamortized portion of the “protected” excess deferred tax regulatory liability shall continue to be included as a cost-free source of capital in Gulf’s capital structure. Resolution of the subject matter identified and reserved for future determination under this paragraph 13 shall not become a vehicle to revisit or alter the resolution of the issues addressed by the rate reductions set forth in paragraphs 4, 5 and 7 above which are intended to be the complete and final determination of the matters addressed therein.

14. Pending resolution of the matters reserved under paragraph 13 above, for 2018, Gulf shall initially accrue an amount to a regulatory liability account established pursuant to this Agreement (the “2018 Tax Refund Reserve”) that is the projected annual revenue requirement impact of reflecting the flow-back or amortization of the “protected” excess deferred taxes to customers under the Average Rate Assumption Method used following the Tax Reform Act of 1986. The amount so accrued shall be trued up to the actual annual amount for 2018 under the methodology required by federal law establishing and governing the principles of normalization as applied under the Act. Unless the Parties agree to some other disposition as part of the resolution of the matters reserved under paragraph 13 above, the amount so accrued to the 2018 Reserve, including the true-up amount, shall be refunded to Gulf’s retail customers during the full calendar year 2019 through a credit to the fuel cost recovery clause in the same manner used to refund the “unprotected” excess deferred taxes through the fuel cost recovery clause rates during the remainder of 2018. The associated reduction in the fuel cost recovery rates from what would otherwise be applicable shall be effective for bills rendered on meter readings starting with cycle one for January 2019, regardless of the actual date the cycle one meter

readings occur.

15. The Parties request that the Commission consider and approve this Agreement at the earliest possible date so that final agency action will allow implementation in accordance with paragraph 2 above. Notwithstanding the desire and agreement of the Parties regarding the implementation date for new rates as set forth in paragraph 2 above, new rates agreed to herein shall not be implemented with an effective date prior to cycle one meter readings for the first calendar month following the Commission's issuance of final order, or in the event that the approval occurs through the Proposed Agency Action ("PAA") process, a Consummating Order in connection with any Proposed Agency Action Order approving this Agreement thereby rendering such PAA as final agency action.
16. No Party to this Agreement will request, support, or seek to impose a change in the application of any provision hereof.
17. Except as expressly amended herein in paragraph 11, the 2017 comprehensive settlement agreement is not modified by this Agreement. Nothing in this Agreement shall be construed as a precedent in any other docket nor will any affiliate of Gulf cite or suggest any treatment of capital structure provided for in this Agreement should govern or be used as guidance or precedent in any Commission Docket pending on the effective date.
18. The provisions of this Agreement are contingent on approval of this Agreement in its entirety by the Commission without modification. The Parties agree that approval of this Agreement is in the public interest. The Parties further agree that they will support this Agreement and will not request or support any order, relief, outcome, or result in conflict with the terms of this Agreement in any administrative or judicial proceeding relating to,

reviewing, or challenging the establishment, approval, adoption, or implementation of this Agreement or the subject matter hereof. No party will assert in any proceeding before the Commission or any court that this Agreement or any of the terms in the Agreement shall have any precedential value, except to enforce the provisions of this Agreement. Approval of this Agreement in its entirety will resolve all matters and issues as they may relate to Gulf Power Company in Docket No. 20180013-PU, pursuant to and in accordance with Section 120.57(4), Florida Statutes. Gulf will be excused from further participation in Docket No. 20180013-PU, and the docket will be closed with regard to any issues affecting Gulf Power effective on the date of the Commission vote approving this Agreement. No Party shall seek appellate review of any order issued in regards to this Agreement. The prohibition against seeking appellate review of any order issued in regards to this Agreement shall not apply to any order resulting from the limited scope proceeding, if any, arising from the provisions of paragraph 13 above.

19. This Agreement is dated as of February 14, 2018. It may be executed in counterpart originals, and a scanned .pdf copy of an original signature shall be deemed an original. Any person or entity that executes a signature page to this Agreement shall become and be deemed a Party with the full range of rights and responsibilities provided hereunder, notwithstanding that such person or entity is not listed in the first recital above and executes the signature page subsequent to the date of this Agreement, it being expressly understood that the addition of any such additional Party (or Parties) shall not disturb or diminish the benefits of this Agreement to any current Party.

In Witness Whereof, the Parties evidence their acceptance and agreement with the provisions of this Agreement by their signature on one of the following pages.

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. Stone", written over a horizontal line.

Jeffrey A. Stone

Florida Bar No. 325953

Vice President, General Counsel & Corporate Secretary

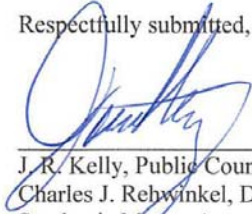
Gulf Power Company

One Energy Place

Pensacola, Florida 32520-0100

(850) 444-6550


Respectfully submitted,

A handwritten signature in blue ink, appearing to read "J. R. Kelly", is written over a horizontal line.

J. R. Kelly, Public Counsel
Charles J. Rehwinkel, Deputy Public Counsel
Stephanie Morse, Associate Public Counsel
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400
Office of Public Counsel

Attorneys for the Citizens of Florida

Respectfully submitted,

A handwritten signature in blue ink, consisting of a stylized 'J' and 'M', is written over a horizontal line. To the right of the signature, the date 'Feb. 14, 2018' is written in blue ink.

Jon C. Moyle, Jr., Esquire
Karen A. Putnal, Esquire
Moyle Law Firm, P.A.
The Perkins House
118 North Gadsden Street
Tallahassee, FL 32301

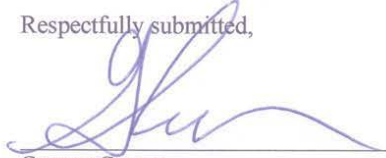
Attorneys for the Florida Industrial Power Users Group (FIPUG)

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Respectfully submitted,



George Cavros
Southern Alliance for Clean Energy
120 E. Oakland Park Blvd., Suite 105
Fort Lauderdale, FL 33334
(954) 295-5714 (tel)
(866) 924-2824 (fax)

On Behalf of Southern Alliance for Clean Energy (SACE)

Rate Design Materials

This attachment is organized in five sections:

Section	Description	Page Numbers
A	Summary Rate Summary Table and Impact on 1,000 kWh Residential Bill.	2 - 5
B	Allocation of the Rate Change Tables showing how the overall retail rate change has been spread to the various retail rate classes.	6 - 7
C	Proof of Revenue A detailed demonstration of the revenue produced by the retail rates (excluding Rate Schedule OS), and associated back-up information. The style of this section is very similar to that of MFR E-13c.	8 - 24
D	Proof of Revenue – Rate Schedule OS A detailed demonstration of the revenue produced by Rate Schedule OS (Outdoor Service). The style of this section is very similar to that of MFR E-13d.	25 - 30
E	Proof of Revenue Summary A summary of revenue achieved for all new retail rates from Section C and Section D.	31 - 32

Section A Summary

**TAX REFORM
NEW RETAIL ELECTRIC SERVICE RATES
SUMMARY**

Rate Schedule	Rate Component	Tax Reform Rates
RS	Base Charge (\$/day)	\$0.64
	Energy-Demand Charge (¢/KWH)	4.997 ¢
GS	Base Charge (\$/Bill)	\$26.00
	Energy-Demand Charge (¢/KWH)	5.126 ¢
GSD	Base Charge (\$/Bill)	\$47.33
	Demand Charge (\$/KW)	\$7.16
	Energy Charge (¢/KWH)	1.834 ¢
	Primary Voltage Discount	(\$0.28)
LP	Base Charge (\$/Bill)	\$262.80
	Demand Charge (\$/KW)	\$12.48
	Energy Charge (¢/KWH)	0.942 ¢
	Primary Voltage Discount	(\$0.37)
	Transmission Voltage Discount	(\$0.57)
PX	Base Charge (\$/Bill)	\$813.73
	Demand Charge (\$/KW)	\$11.87
	Energy Charge (¢/KWH)	0.436 ¢
	Minimum Monthly Bill	
	Demand Charge (\$/KW)*	\$14.26
	Transmission Voltage Discount	(\$0.18)
RSTOU	Base Charge (\$/day)	\$0.64
	On-Peak Energy-Demand Charge (¢/KWH)	4.997 ¢
	Off-Peak Energy-Demand Charge (¢/KWH)	4.997 ¢
RSVP	Base Charge (\$/day)	\$0.64
	Low P1 (¢/KWH)	4.997 ¢
	Medium P2 (¢/KWH)	4.997 ¢
	High P3 (¢/KWH)	4.997 ¢
	Critical P4 (¢/KWH)	4.997 ¢
GSTOU	Base Charge (\$/Bill)	\$47.33
	Summer On-Peak (¢/KWH)	19.732 ¢
	Summer Intermediate (¢/KWH)	7.366 ¢
	Summer Off-Peak (¢/KWH)	3.063 ¢
	Winter (¢/KWH)	4.287 ¢
GSDT	Base Charge (\$/Bill)	\$47.33
	Maximum Demand Charge (\$/KW)	\$3.40
	On-Peak Demand Charge (\$/KW)	\$3.83
	On-Peak Energy Charge (¢/KWH)	1.834 ¢
	Off-Peak Energy Charge (¢/KWH)	1.834 ¢
	Primary Voltage Discount	(\$0.28)

<u>Rate Schedule</u>	<u>Rate Component</u>	<u>Tax Reform Rates</u>
LPT	Base Charge (\$/Bill)	\$262.80
	Maximum Demand Charge (\$/KW)	\$2.55
	On-Peak Demand Charge (\$/KW)	\$10.03
	On-Peak Energy Charge (¢/KWH)	0.942 ¢
	Off-Peak Energy Charge (¢/KWH)	0.942 ¢
	Primary Voltage Discount	(\$0.37)
	Transmission Voltage Discount	(\$0.57)
	Critical Peak Option:	
	Max Demand (\$/KW)	\$2.55
	On-Peak Demand (\$/KW)	\$10.03
PXT	Base Charge (\$/Bill)	\$813.73
	Maximum Demand Charge (\$/KW)	\$0.97
	On-Peak Demand Charge (\$/KW)	\$11.02
	On-Peak Energy Charge (¢/KWH)	0.436 ¢
	Off-Peak Energy Charge (¢/KWH)	0.436 ¢
	Minimum Monthly Bill	
	Maximum Demand Charge (\$/KW)*	\$14.38
	Transmission Voltage Discount	(\$0.18)
OS-I/II	Energy Charge (¢/KWH)	2.558 ¢
OS-III	Energy Charge (¢/KWH)	4.821 ¢
SBS 100 to 499 KW	Base Charge (\$/Bill)	\$261.68
	Local Facilities Charge (\$/KW)	\$2.96
	Reservation Charge (\$/KW)	\$1.40
	Daily Demand Charge (\$/KW)	\$0.66
	On-Peak Demand Charge (\$/KW)	\$3.83
	Energy Charge (¢/KWH)	3.071 ¢
	Primary Voltage Discount	(\$0.05)
SBS 500 to 7,499 KW	Base Charge (\$/Bill)	\$261.68
	Local Facilities Charge (\$/KW)	\$2.70
	Reservation Charge (\$/KW)	\$1.40
	Daily Demand Charge (\$/KW)	\$0.66
	On-Peak Demand Charge (\$/KW)	\$10.03
	Energy Charge (¢/KWH)	3.071 ¢
	Primary Voltage Discount	(\$0.05)
Transmission Voltage Discount	(\$0.06)	
SBS Above 7,499 KW	Base Charge (\$/Bill)	\$623.10
	Local Facilities Charge (\$/KW)	\$0.94
	Reservation Charge (\$/KW)	\$1.43
	Daily Demand Charge (\$/KW)	\$0.67
	On-Peak Demand Charge (\$/KW)	\$11.02
	Energy Charge (¢/KWH)	3.071 ¢
	Transmission Voltage Discount	(\$0.07)

Gulf Power Company
Residential Service @ 1,000 kWh
Total Monthly Billing Base Rate Impact of Tax Reform
(Includes Clauses & GRT)

Billing Basis	Monthly Bill	Change
Present Rate	\$ 144.00	
Proposed Rate	\$ 141.81	\$ (2.19)

Section B

Allocation of the Rate Change

**TAX REFORM
 ALLOCATION OF CHANGE**

(1) RATE CLASS	(2) CHANGE FROM SERVICE CHARGES	(3) CHANGE FROM SALE OF ELECTRICITY	(4) CHANGE FROM OTHER REVENUE - UNBILLED	(5) TOTAL CHANGE	(6) % CHANGE
RESIDENTIAL	\$0	(\$10,912,895)	(\$14,105)	(\$10,927,000)	-2.95%
GS	\$0	(\$747,881)	(\$1,119)	(\$749,000)	-2.95%
GSD/GSDT	\$0	(\$3,622,892)	(\$1,108)	(\$3,624,000)	-2.95%
LP/LPT	\$0	(\$943,175)	\$175	(\$943,000)	-2.95%
MAJOR ACCTS	\$0	(\$1,369,000)	\$0	(\$1,369,000)	-2.95%
OS	\$0	(\$585,913)	(\$2,087)	(\$588,000)	-2.95%
TOTAL RETAIL:	\$0	(\$18,181,756)	(\$18,244)	(\$18,200,000)	-2.95%

Section C

Proof of Revenue

TAX REFORM
 GULF POWER COMPANY
 PROOF OF REVENUE AND RATE MIGRATIONS
 BY RATE CLASS

REVENUE CALCULATION FOR RATE SCHEDULES RS, RSVP AND FLAT-RS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
PRESENT REVENUE CALCULATION				PROPOSED REVENUE CALCULATION			
BASE CHARGE (CHG)	NUMBER OF BILLS	CALCULATED REVENUES	BASE CHARGE	NUMBER OF BILLS	CALCULATED REVENUES		
STANDARD RS:	4,432,780 BILLS @	\$19.78 /BILL	\$87,680,388	STANDARD RS:	4,432,780 BILLS @	\$19.48 /BILL	\$86,350,554
RSVP:	225,114 BILLS @	\$19.78 /BILL	\$4,452,755	RSVP:	225,114 BILLS @	\$19.48 /BILL	\$4,385,221
ENERGY/DEMAND CHG							
	KWH IN BLOCK			KWH IN BLOCK			
STANDARD RS:	4,863,898,089 KWH @	\$0.05181 /KWH	\$251,998,560	STANDARD RS:	4,863,898,089 KWH @	\$0.04997 /KWH	\$243,048,988
RSVP-LOW	71,577,727 KWH @	\$0.05181 /KWH	\$3,708,442	RSVP-LOW	71,577,727 KWH @	\$0.04997 /KWH	\$3,576,739
RSVP-MEDIUM	199,092,749 KWH @	\$0.05181 /KWH	\$10,314,995	RSVP-MEDIUM	199,092,749 KWH @	\$0.04997 /KWH	\$9,946,665
RSVP-HIGH	45,333,662 KWH @	\$0.05181 /KWH	\$2,348,737	RSVP-HIGH	45,333,662 KWH @	\$0.04997 /KWH	\$2,265,323
RSVP-CRITICAL	329,619 KWH @	\$0.05181 /KWH	\$17,078	RSVP-CRITICAL	329,619 KWH @	\$0.04997 /KWH	\$16,471
FLAT-RS	139,057 Bills	153,216,169 KWH	\$9,992,833	FLAT-RS	139,057 Bills	153,216,169 KWH	\$9,992,833
PRESENT BASE REVENUE:			\$370,513,788	PROJECTED BASE REVENUE:			\$359,584,794
TOTAL CHANGE:			(\$10,928,994)	TOTAL CHANGE:			(\$10,928,994)
% CHANGE:			-2.95%	% CHANGE:			-2.95%

TAX REFORM
 GULF POWER COMPANY
 PROOF OF REVENUE AND RATE MIGRATIONS
 BY RATE CLASS

REVENUE CALCULATION FOR RATE SCHEDULES GS AND FLAT-GS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PRESENT REVENUE CALCULATION		PROPOSED REVENUE CALCULATION				
	NUMBER OF BILLS		CALCULATED REVENUES	BASE CHARGE	NUMBER OF BILLS		CALCULATED REVENUES
BASE CHARGE	371,168		\$10,021,536		371,168		\$9,650,368
STANDARD GS:	BILLS @	\$27.00 /BILL		STANDARD GS:	BILLS @	\$26.00 /BILL	
ENERGY/DEMAND CHG	KWH IN BLOCK			ENERGY/DEMAND CHG	KWH IN BLOCK		
STANDARD GS:	280,359,844	KWH @	\$15,281.313	STANDARD GS:	280,359,844	KWH @	\$14,883.846
FLAT-GS	1,344	Bills	\$109,503	FLAT-GS	1,344	Bills	\$109,503
			PRESENT BASE REVENUE :			PROJECTED BASE REVENUE :	\$24,643,717
			\$25,392,352			TOTAL CHANGE:	(\$748,635)
						% CHANGE:	-2.95%

TAX REFORM
 GULF POWER COMPANY
 PROOF OF REVENUE AND RATE MIGRATIONS
 BY RATE CLASS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
REVENUE CALCULATION FOR RATE SCHEDULES GSD, GSDT, AND GSTOU				TRANSFERS TO RATE SCHEDULE GSD FROM GSDT - PROPOSED REVENUE CALCULATION			
TRANSFERS TO RATE SCHEDULE GSD FROM GSDT - PRESENT REVENUE CALCULATION				TRANSFERS TO RATE SCHEDULE GSD FROM GSDT - PROPOSED REVENUE CALCULATION			
BASE CHARGE	NUMBER OF BILLS	\$48.10 /BILL	CALCULATED REVENUES	BASE CHARGE	NUMBER OF BILLS	\$47.35 /BILL	CALCULATED REVENUES
STANDARD :	117 BILLS @	-- /BILL	\$5,628	STANDARD :	117 BILLS @	-- /BILL	\$5,538
TOU :	-- BILLS @	-- /BILL	--	TOU :	-- BILLS @	-- /BILL	--
DEMAND CHARGE				DEMAND CHARGE			
STANDARD :	18,542 KW @	\$7.38 /KW	\$136,840	STANDARD :	18,542 KW @	\$7.16 /KW	\$132,761
TOU : MAX DEMAND	-- KW @	-- /KW	--	TOU : MAX DEMAND	-- KW @	-- /KW	--
TOU : ON-PEAK	-- KW @	-- /KW	--	TOU : ON-PEAK	-- KW @	-- /KW	--
ENERGY CHARGE				ENERGY/DEMAND CHARGE			
STANDARD :	8,843,555 KWH @	\$0.01894 /KWH	\$167,497	STANDARD :	8,843,555 KWH @	\$0.01834 /KWH	\$162,191
TOU : ON-PEAK	-- KWH @	-- /KWH	--	TOU : ON-PEAK	-- KWH @	-- /KWH	--
TOU : OFF-PEAK	-- KWH @	-- /KWH	--	TOU : OFF-PEAK	-- KWH @	-- /KWH	--
VOLTAGE DISCOUNTS				VOLTAGE DISCOUNTS			
STANDARD : PRIMARY	-- KW @	-- /KW	--	STANDARD : PRIMARY	-- KW @	-- /KW	--
	-- KW @	-- /KW	--		-- KW @	-- /KW	--
	-- KWH @	-- /KWH	--		-- KWH @	-- /KWH	--
SUBTOTAL BASE REVENUE :				SUBTOTAL BASE REVENUE :			
\$309,965				\$300,490			

TAX REFORM
 GULF POWER COMPANY
 PROOF OF REVENUE AND RATE MIGRATIONS
 BY RATE CLASS

REVENUE CALCULATION FOR RATE SCHEDULES LP AND LPT

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
PRESENT REVENUE CALCULATION - LP AND LPT				PROPOSED REVENUE CALCULATION - LP AND LPT			
BASE CHARGE	NUMBER OF BILLS	CALCULATED REVENUES	BASE CHARGE	NUMBER OF BILLS	CALCULATED REVENUES	NUMBER OF BILLS	CALCULATED REVENUES
STANDARD :	925 BILLS @	\$262.80 /BILL	STANDARD :	925 BILLS @	\$262.80 /BILL	925 BILLS @	\$262.80 /BILL
TOU :	309 BILLS @	\$81.205	TOU :	309 BILLS @	\$81.205	309 BILLS @	\$81.205
TOU-CPO :	252 BILLS @	\$86.226	TOU-CPO :	252 BILLS @	\$86.226	252 BILLS @	\$86.226
DEMAND CHARGE							
STANDARD :	638,389 KW @	\$12.87 /KW	STANDARD :	638,389 KW @	\$12.48 /KW	638,389 KW @	\$12.48 /KW
TOU : MAX DEMAND	318,190 KW @	\$2.63 /KW	TOU : MAX DEMAND	318,190 KW @	\$2.55 /KW	318,190 KW @	\$2.55 /KW
TOU : ON-PEAK	311,873 KW @	\$10.34 /KW	TOU : ON-PEAK	311,873 KW @	\$10.03 /KW	311,873 KW @	\$10.03 /KW
TOU-CPO : MAX DEMAND	120,247 KW @	\$2.63 /KW	TOU-CPO : MAX DEMAND	120,247 KW @	\$2.55 /KW	120,247 KW @	\$2.55 /KW
TOU-CPO : ON-PEAK	116,581 KW @	\$10.34 /KW	TOU-CPO : ON-PEAK	116,581 KW @	\$10.03 /KW	116,581 KW @	\$10.03 /KW
ENERGY CHARGE							
STANDARD :	258,455,767 KWH @	\$0.00972 /KWH	STANDARD :	258,455,767 KWH @	\$0.00942 /KWH	258,455,767 KWH @	\$0.00942 /KWH
TOU : ON-PEAK	45,775,370 KWH @	\$444.937	TOU : ON-PEAK	45,775,370 KWH @	\$0.00942 /KWH	45,775,370 KWH @	\$0.00942 /KWH
TOU : OFF-PEAK	123,885,986 KWH @	\$1,204.172	TOU : OFF-PEAK	123,885,986 KWH @	\$0.00942 /KWH	123,885,986 KWH @	\$0.00942 /KWH
TOU-CPO : ON-PEAK	16,514,412 KWH @	\$0.00972 /KWH	TOU-CPO : ON-PEAK	16,514,412 KWH @	\$0.00942 /KWH	16,514,412 KWH @	\$0.00942 /KWH
TOU-CPO : OFF-PEAK	44,979,991 KWH @	\$437.206	TOU-CPO : OFF-PEAK	44,979,991 KWH @	\$0.00942 /KWH	44,979,991 KWH @	\$0.00942 /KWH
REACTIVE CHARGE							
STANDARD :	31,155 KVAR @	\$1.00 /KVAR	STANDARD :	31,155 KVAR @	\$1.00 /KVAR	31,155 KVAR @	\$1.00 /KVAR
TOU :	24,105 KVAR @	\$1.00 /KVAR	TOU :	24,105 KVAR @	\$1.00 /KVAR	24,105 KVAR @	\$1.00 /KVAR
TOU-CPO :	8,604 KVAR @	\$1.00 /KVAR	TOU-CPO :	8,604 KVAR @	\$1.00 /KVAR	8,604 KVAR @	\$1.00 /KVAR
VOLTAGE DISCOUNTS							
STANDARD : PRI	174,321 KW @	(\$69.726)	STANDARD : PRI	174,321 KW @	(\$64.499)	174,321 KW @	(\$64.499)
TOU :	174,321 KW @	(\$22.662)	TOU :	174,321 KW @	(\$20.919)	174,321 KW @	(\$20.919)
TOU - PRIMARY	79,597,148 KWH @	(\$7,960)	TOU - PRIMARY	79,597,148 KWH @	(\$7,164)	79,597,148 KWH @	(\$7,164)
TOU - PRIMARY	94,882 MAX KW @	(\$37,953)	TOU - PRIMARY	94,882 MAX KW @	(\$30,009)	94,882 MAX KW @	(\$30,009)
TOU - PRIMARY	94,882 MAX KW @	(\$2,846)	TOU - PRIMARY	94,882 MAX KW @	(\$2,846)	94,882 MAX KW @	(\$2,846)
TOU - PRIMARY	94,081 ON-PK KW @	(\$9,408)	TOU - PRIMARY	94,081 ON-PK KW @	(\$9,408)	94,081 ON-PK KW @	(\$9,408)
TOU - PRIMARY	14,061,156 ON-PK KWH @	(\$1,406)	TOU - PRIMARY	14,061,156 ON-PK KWH @	(\$1,266)	14,061,156 ON-PK KWH @	(\$1,266)
TOU - PRIMARY	37,209,462 OFF-PK KWH @	(\$3,721)	TOU - PRIMARY	37,209,462 OFF-PK KWH @	(\$3,348)	37,209,462 OFF-PK KWH @	(\$3,348)
TOU-CPO : PRIMARY	14,740 MAX KW @	(\$5,896)	TOU-CPO : PRIMARY	14,740 MAX KW @	(\$5,454)	14,740 MAX KW @	(\$5,454)
TOU-CPO : PRIMARY	14,740 MAX KW @	(\$442)	TOU-CPO : PRIMARY	14,740 MAX KW @	(\$442)	14,740 MAX KW @	(\$442)
TOU-CPO : PRIMARY	14,526 ON-PK KW @	(\$1,453)	TOU-CPO : PRIMARY	14,526 ON-PK KW @	(\$1,453)	14,526 ON-PK KW @	(\$1,453)
TOU-CPO : PRIMARY	1,782,649 ON-PK KWH @	(\$178)	TOU-CPO : PRIMARY	1,782,649 ON-PK KWH @	(\$160)	1,782,649 ON-PK KWH @	(\$160)
TOU-CPO : PRIMARY	4,717,351 OFF-PK KWH @	(\$472)	TOU-CPO : PRIMARY	4,717,351 OFF-PK KWH @	(\$425)	4,717,351 OFF-PK KWH @	(\$425)
SUBTOTAL BASE REVENUE :				SUBTOTAL BASE REVENUE :			
\$18,848,785				\$18,296,663			

TAX REFORM
GULF POWER COMPANY
PROOF OF REVENUE AND RATE MIGRATIONS
BY RATE CLASS

REVENUE CALCULATION FOR RATE SCHEDULES LP AND LPT

(1) TRANSFERS TO RATE SCHEDULE GSDT FROM LPT - PRESENT REVENUE CALCULATION	(2)	(3)	(4) CALCULATED REVENUES	(5) TRANSFERS TO RATE SCHEDULE GSDT FROM LPT - PROPOSED REVENUE CALCULATION	(6)	(7)	(8) CALCULATED REVENUES
BASE CHARGE	---		---	BASE CHARGE	---		---
STANDARD:	---		---	STANDARD:	---		---
TOU:	117	\$48.10 /BILL	\$5,628	TOU:	117	\$47.33 /BILL	\$5,538
DEMAND CHARGE	---		---	DEMAND CHARGE	---		---
STANDARD:	---		---	STANDARD:	---		---
TOU: MAX DEMAND	41,375	\$3.51 /KW	\$145,226	TOU: MAX DEMAND	41,375	\$3.40 /KW	\$140,675
TOU: ON-PEAK	40,353	\$3.95 /KW	\$159,394	TOU: ON-PEAK	40,353	\$3.83 /KW	\$154,552
ENERGY CHARGE	---		---	ENERGY CHARGE	---		---
STANDARD:	---		---	STANDARD:	---		---
TOU: ON-PEAK	5,518,189	\$0.01894 /KWH	\$104,514	TOU: ON-PEAK	5,518,189	0.01834 /KWH	\$101,204
TOU: OFF-PEAK	15,081,485	\$0.01894 /KWH	\$285,643	TOU: OFF-PEAK	15,081,485	0.01834 /KWH	\$276,594
REACTIVE CHARGE	---		---	REACTIVE CHARGE	---		---
STANDARD:	---		---	STANDARD:	---		---
TOU:	342	\$1.00 /KVAR	\$342	TOU:	342	\$1.00 /KVAR	\$342
			SUBTOTAL BASE REVENUE:				SUBTOTAL BASE REVENUE:
			<u>\$700,747</u>				<u>\$678,905</u>

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TAX REFORM
 GULF POWER COMPANY
 PROOF OF REVENUE AND RATE MIGRATIONS
 BY RATE CLASS

REVENUE CALCULATION FOR RATE SCHEDULES LP AND LPT

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	SUBTOTAL BASE REVENUE (PAGE 8 OF 14):		\$16,848,785				\$16,296,683
	SUBTOTAL BASE REVENUE (PAGE 9 OF 14):		\$3,051,241				\$2,957,972
	SUBTOTAL BASE REVENUE (PAGE 10 OF 14):		\$8,203,837				\$7,966,448
	SUBTOTAL BASE REVENUE (PAGE 11 OF 14):		\$1,201,357				\$1,164,540
	SUBTOTAL BASE REVENUE (PAGE 12 OF 14):		\$700,747				\$678,905
PRESENT BASE REVENUE:			\$32,005,767	PROJECTED BASE REVENUE:			\$31,064,528
				TOTAL CHANGE			(\$941,239)
				% CHANGE			-2.94%

TAX REFORM
 GULF POWER COMPANY
 PROOF OF REVENUE AND RATE MIGRATIONS
 BY RATE CLASS

REVENUE CALCULATION FOR RATE SCHEDULES SBS, RTP, AND CIS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
PRESENT REVENUE CALCULATION - SBS, RTP, AND CIS				PROPOSED REVENUE CALCULATION - SBS, RTP, AND CIS			
SBS BASE CHARGE	24 BILLS @ 12 BILLS @	\$51.68 /BILL \$623.10 /BILL	CALCULATED REVENUES \$623.10 \$7,477	SBS BASE CHARGE	24 BILLS @ 12 BILLS @	\$51.68 /BILL \$623.10 /BILL	CALCULATED REVENUES \$623.10 \$7,477
SBS LOCAL FAC CHG	59,015 KW @ 751,200 KW @	\$2.79 /KW \$0.96 /KW	\$164,652 \$721,152	SBS LOCAL FAC CHG	59,015 KW @ 751,200 KW @	\$2.70 /KW \$0.94 /KW	\$159,341 \$706,128
SBS RESERV CHG	59,015 KW @ 751,200 KW @	\$1.44 /KW \$1.47 /KW	\$84,982 \$1,104,264	SBS RESERV CHG	59,015 KW @ 751,200 KW @	\$1.40 /KW \$1.43 /KW	\$82,621 \$1,074,216
SBS DAILY DEMAND	--- KW @ --- KW @	\$0.68 /KW \$0.69 /KW	--- ---	SBS DAILY DEMAND	--- KW @ --- KW @	\$0.66 /KW \$0.67 /KW	--- ---
SBS ENERGY CHARGE ON-PEAK OFF-PEAK ON-PEAK OFF-PEAK	685,071 KWH @ 3,574,201 KWH @ 2,628,372 KWH @ 5,015,628 KWH @	\$0.03225 /KWH \$0.03225 /KWH \$0.03225 /KWH \$0.03225 /KWH	\$22,094 \$115,268 \$84,765 \$161,754	SBS ENERGY CHARGE ON-PEAK OFF-PEAK ON-PEAK OFF-PEAK	685,071 KWH @ 3,574,201 KWH @ 2,628,372 KWH @ 5,015,628 KWH @	\$0.03071 /KWH \$0.03071 /KWH \$0.03071 /KWH \$0.03071 /KWH	\$21,039 \$109,764 \$80,717 \$154,030
SBS VOLTAGE DISCOUNT - TRANSMISSION LFC KW @ LFC KW @ FC KW @ ON-PEAK @ OFF-PEAK @	59,015 (\$0.06) /KW 59,015 (\$0.06) /KW 59,015 (\$0.06) /KW 685,071 (\$0.0085) /KWH 3,574,201 (\$0.0085) /KWH		(\$3,541) (\$3,541) (\$3,541) (\$445) (\$2,223)	SBS VOLTAGE DISCOUNT - TRANSMISSION LFC KW @ LFC KW @ FC KW @ ON-PEAK @ OFF-PEAK @	59,015 (\$0.06) /KW 59,015 (\$0.06) /KW 59,015 (\$0.06) /KW 685,071 (\$0.0085) /KWH 3,574,201 (\$0.0085) /KWH		(\$3,645) (\$2,951) (\$479) (\$418) (\$2,180)
SUBTOTAL BASE REVENUE:			\$2,461,068	SUBTOTAL PROJECTED BASE REVENUE:			\$2,390,649
RTP	1,524 Bills	1,643,584,389 KWH	\$42,605,283	RTP	1,524 Bills	1,643,584,389 KWH	\$41,506,851
CIS	12 Bills	49,000,000 KWH	\$1,207,761	CIS	12 Bills	49,000,000 KWH	\$1,207,761
PRESENT BASE REVENUE:			\$46,474,112	PROJECTED BASE REVENUE:			\$45,105,261
TOTAL CHANGE:				TOTAL CHANGE:			(\$1,368,851)
% CHANGE:				% CHANGE:			-2.95%

**TAX REFORM
 BASE CHARGE CHANGES AND CORRESPONDING UNIT COSTS**

(1) <u>RATE CLASS</u>	(2) <u>CURRENT BASE CHARGE</u>	(3) <u>NEW BASE CHARGE TAX REFORM</u>	(4) <u>UNIT COST</u>
RESIDENTIAL	\$0.65 /day	\$0.64 /day ⁽¹⁾	\$19.56 /mo.
GS	\$27.00 /mo.	\$26.00 /mo.	\$26.55 /mo.
GSD/GSDT	\$48.10 /mo.	\$47.33 /mo.	\$47.45 /mo.
PX/PXT	\$838.43 /mo.	\$813.73 /mo.	No Data: Billing Units = 0

⁽¹⁾Converting the Residential Base Charge to an average monthly value using 30.4375 days per month yields \$19.48 per month

**TAX REFORM
 TRANSFORMER DISCOUNTS AND UNIT COSTS**

A	B	C	D
Rate Schedule and Voltage Level	Contract Level	Gulf's Current Discount* (\$/KW/MO)	Tax Reform Unit Cost (\$/KW/MO)
GSD/GSDT - Primary	N/A	\$0.30	\$0.28
LP/LPT - Primary	N/A	\$0.40	\$0.37
LP/LPT - Transmission	N/A	\$0.61	\$0.57
PX/PXT - Transmission	N/A	\$0.18	\$0.18
SBS - Primary	1 - 499 KW	\$0.05	\$0.05
SBS - Primary	500 - 7,499 KW	\$0.05	\$0.05
SBS - Transmission	500 - 7,499 KW	\$0.06	\$0.06
SBS - Transmission	7,500 KW - above	\$0.07	\$0.07

*Prepared using methodology specified by the FPSC's final orders in Gulf's last three rate cases.

Section D

Proof of Revenue

Rate Schedule OS

TAX REFORM
 GULF POWER COMPANY
 RATE SCHEDULE OS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Type of Facility	Description	Annual Billing Items	Ek. Monthly KWH	Annual KWH	Facility Charge	Maintenance Charge	Energy Charge	Monthly Charge	Total Revenue \$	Facility Charge	Maintenance Charge	Energy Charge	Monthly Charge	Total Revenue \$	Percent Change
HIGH PRESSURE SODIUM VAPOR (OS/MI)															
8000 LUMEN	Open Bottom	1,524	29	44,196	\$3.31	\$1.79	\$0.78	\$5.86	\$8,930.64	\$3.21	\$1.74	\$0.74	\$5.69	\$8,671.56	-2.90%
8000 LUMEN	Open Bottom	540,384	41	22,155,744	\$2.84	\$1.62	\$1.08	\$5.54	\$2,993,727.36	\$2.76	\$1.57	\$1.05	\$5.38	\$2,907,265.92	-2.96%
8000 LUMEN	Open Bottom w/Shield	168	41	6,868	\$3.89	\$1.90	\$1.08	\$6.87	\$1,154.16	\$3.77	\$1.84	\$1.05	\$6.66	\$1,118.88	-3.06%
8000 LUMEN	Acorn	35,640	41	1,461,240	\$14.14	\$4.77	\$1.08	\$19.99	\$712,443.60	\$13.72	\$4.63	\$1.05	\$19.40	\$691,416.00	-2.95%
8000 LUMEN	Coonaal	33,048	41	1,354,968	\$3.81	\$1.86	\$1.08	\$6.77	\$223,734.96	\$3.70	\$1.82	\$1.05	\$6.57	\$217,125.36	-2.95%
8000 LUMEN	English Coach	888	41	36,408	\$15.43	\$5.12	\$1.08	\$21.63	\$10,207.44	\$14.97	\$4.97	\$1.05	\$20.99	\$16,639.12	-2.96%
8000 LUMEN	Detin Single	852	41	34,932	\$26.55	\$8.24	\$1.08	\$35.87	\$30,561.24	\$25.77	\$8.00	\$1.05	\$34.82	\$29,666.64	-2.93%
17600 LUMEN	Detin Double	12	82	964	\$52.94	\$15.88	\$2.16	\$70.88	\$851.76	\$51.37	\$15.41	\$2.10	\$68.88	\$826.56	-2.96%
5400 LUMEN	Coobrahead	1,668	29	48,372	\$4.65	\$2.15	\$0.76	\$7.56	\$12,610.08	\$4.51	\$2.09	\$0.74	\$7.34	\$12,243.12	-2.91%
8000 LUMEN	Coobrahead	307,524	41	12,608,484	\$3.89	\$1.90	\$1.08	\$6.87	\$2,117,689.88	\$3.77	\$1.84	\$1.05	\$6.65	\$2,048,109.84	-3.06%
20000 LUMEN	Coobrahead	28,248	80	2,259,840	\$5.36	\$2.34	\$2.11	\$9.81	\$277,112.88	\$5.20	\$2.27	\$2.05	\$9.52	\$268,920.96	-2.96%
25000 LUMEN	Coobrahead	19,632	100	1,963,200	\$5.21	\$2.30	\$2.64	\$10.15	\$189,264.80	\$5.06	\$2.23	\$2.56	\$9.85	\$193,375.20	-2.96%
46000 LUMEN	Coobrahead	19,548	164	3,205,872	\$5.48	\$2.37	\$4.32	\$12.17	\$237,899.16	\$5.32	\$4.20	\$4.20	\$11.92	\$231,057.36	-2.88%
8000 LUMEN	Cu-Of Coobrahead	13,008	41	533,328	\$4.30	\$2.01	\$1.08	\$7.39	\$86,129.12	\$4.17	\$1.95	\$1.05	\$7.17	\$83,267.36	-2.86%
25000 LUMEN	Cu-Of Coobrahead	4,524	100	452,400	\$5.28	\$2.32	\$2.64	\$10.24	\$46,325.76	\$5.12	\$2.25	\$2.56	\$9.93	\$44,923.32	-3.03%
46000 LUMEN	Cu-Of Coobrahead	552	164	90,528	\$5.50	\$2.37	\$4.32	\$12.19	\$6,728.88	\$5.34	\$2.30	\$4.20	\$11.84	\$6,535.68	-2.87%
25000 LUMEN	Bracket Mount CIS	396	100	39,600	\$12.08	\$4.22	\$2.64	\$18.84	\$7,500.24	\$11.72	\$4.10	\$2.56	\$16.38	\$7,278.48	-2.96%
25000 LUMEN	Tenon Top CIS	36	100	3,600	\$12.09	\$4.22	\$2.64	\$18.85	\$682.20	\$11.73	\$4.10	\$2.56	\$16.39	\$662.04	-2.96%
46000 LUMEN	Bracket Mount CIS	420	161	67,620	\$12.86	\$4.42	\$4.24	\$21.52	\$9,038.40	\$12.48	\$4.29	\$4.12	\$20.89	\$8,773.80	-2.93%
25000 LUMEN	Small ORL	456	100	45,600	\$11.91	\$4.16	\$2.64	\$18.71	\$6,531.76	\$11.56	\$4.04	\$2.56	\$18.16	\$6,280.96	-2.94%
46000 LUMEN	Small ORL	946	164	155,472	\$12.46	\$4.32	\$4.32	\$21.10	\$20,002.80	\$12.09	\$4.19	\$4.20	\$20.48	\$19,415.04	-2.94%
20000 LUMEN	Large ORL	3,120	80	249,600	\$20.16	\$6.45	\$2.11	\$28.72	\$69,606.40	\$19.56	\$6.26	\$2.05	\$27.87	\$66,954.40	-2.96%
46000 LUMEN	Large ORL	360	164	59,040	\$22.70	\$7.17	\$4.32	\$34.19	\$12,308.40	\$22.03	\$6.86	\$4.20	\$33.19	\$11,948.40	-2.92%
16000 LUMEN	Shoobox	876	164	143,664	\$10.41	\$3.74	\$4.32	\$18.47	\$16,179.72	\$10.10	\$3.63	\$4.20	\$17.93	\$15,706.68	-2.92%
16000 LUMEN	Directional	1,484	68	99,552	\$5.85	\$2.43	\$1.79	\$10.07	\$14,742.48	\$5.68	\$2.36	\$1.74	\$9.78	\$14,317.92	-2.88%
20000 LUMEN	Directional	1,704	80	136,320	\$8.45	\$3.21	\$2.11	\$13.77	\$22,464.08	\$8.20	\$3.12	\$2.05	\$13.37	\$22,782.48	-2.90%
46000 LUMEN	Directional	112,776	164	18,495,264	\$8.28	\$2.60	\$4.32	\$13.20	\$1,486,643.20	\$8.09	\$4.32	\$4.20	\$12.81	\$1,444,680.56	-2.95%
125000 LUMEN	Large Flood	396	379	150,084	\$9.96	\$3.82	\$9.99	\$23.77	\$9,412.92	\$9.67	\$3.71	\$9.69	\$23.07	\$9,135.72	-2.94%
HIGH PRESSURE SODIUM VAPOR (OS/MI) - PAID UP FRONT															
8000 LUMEN	Open Bottom PUF	2,712	41	111,192	N/A	\$1.62	\$1.08	\$2.70	\$7,322.40	N/A	\$1.57	\$1.05	\$2.62	\$7,105.44	-2.96%
8000 LUMEN	Acorn PUF	11,016	41	451,656	N/A	\$4.77	\$1.08	\$5.85	\$64,443.60	N/A	\$4.63	\$1.05	\$5.68	\$62,570.88	-2.91%
8000 LUMEN	Coonaal PUF	8,496	41	348,336	N/A	\$1.88	\$1.08	\$2.96	\$25,148.16	N/A	\$1.82	\$1.05	\$2.87	\$24,383.52	-3.04%
8000 LUMEN	English Coach PUF	540	41	22,140	N/A	\$5.12	\$1.08	\$6.20	\$3,348.00	N/A	\$4.97	\$1.05	\$6.02	\$3,250.80	-2.90%
8000 LUMEN	Detin Single PUF	804	41	32,964	N/A	\$8.24	\$1.08	\$9.32	\$7,493.28	N/A	\$8.00	\$1.05	\$9.05	\$7,276.20	-2.90%
8000 LUMEN	Coobrahead PUF	17,544	41	719,304	N/A	\$1.90	\$1.08	\$2.98	\$52,281.12	N/A	\$1.84	\$1.05	\$2.89	\$50,702.16	-3.02%
17600 LUMEN	Directional PUF	24	68	1,632	N/A	\$2.43	\$1.79	\$4.22	\$101.28	N/A	\$2.36	\$1.74	\$4.10	\$98.40	-2.84%
17600 LUMEN	Detin Double PUF	24	82	1,968	N/A	\$15.88	\$2.16	\$18.04	\$432.96	N/A	\$15.41	\$2.10	\$17.51	\$420.24	-2.94%
20000 LUMEN	Coobrahead PUF	2,904	80	232,320	N/A	\$2.34	\$2.11	\$4.45	\$12,922.80	N/A	\$2.27	\$2.05	\$4.32	\$12,545.28	-2.92%
25000 LUMEN	Coobrahead PUF	5,652	100	565,200	N/A	\$2.30	\$2.64	\$4.94	\$27,920.88	N/A	\$2.23	\$2.56	\$4.79	\$27,073.08	-3.04%

TAX REFORM
 GULF POWER COMPANY
 RATE SCHEDULE OS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
Type of Facility	Description	Annual Billing Items	Ekt. Monthly KWH	Annual KWH	Facility Charge	Maintenance Charge	Energy Charge	Monthly Charge	Total Revenue	Facility Charge	Maintenance Charge	Energy Charge	Total Monthly Charge	Total Revenue	Percent Change	
HIGH PRESSURE SODIUM VAPOR (OS/MI) - PAID UP FRONT (OS/MI)																
46000 LUMEN	Bracket Mount CIS PUF	192	161	30,912	N/A	\$4.42	\$4.24	\$8.66	\$1,632.72	N/A	N/A	\$4.29	\$4.12	\$8.41	\$1,614.72	-2.89%
46000 LUMEN	Cobalthead PUF	2,244	164	368,016	N/A	\$2.37	\$4.32	\$6.69	\$15,012.36	N/A	N/A	\$2.30	\$4.20	\$6.50	\$14,586.00	-2.84%
8600 LUMEN	Cu-Off Cobalthead PUF	1,416	41	58,056	N/A	\$2.01	\$1.08	\$3.09	\$4,375.44	N/A	N/A	\$1.95	\$3.00	\$4,248.00	-2.91%	
25000 LUMEN	Cu-Off Cobalthead PUF	1,944	100	194,400	N/A	\$2.32	\$2.64	\$4.96	\$9,642.24	N/A	N/A	\$2.25	\$2.56	\$4.61	\$9,350.64	-3.02%
46000 LUMEN	Cu-Off Cobalthead PUF	1,332	164	21,648	N/A	\$2.37	\$4.32	\$6.69	\$893.08	N/A	N/A	\$2.30	\$4.20	\$6.50	\$858.00	-2.84%
25000 LUMEN	Bracket Mount CIS PUF	1,680	100	168,000	N/A	\$4.22	\$2.64	\$6.86	\$11,524.80	N/A	N/A	\$4.10	\$2.56	\$6.66	\$11,188.80	-2.92%
25000 LUMEN	Tenon Top CIS PUF	636	100	63,600	N/A	\$4.22	\$2.64	\$6.86	\$4,352.96	N/A	N/A	\$4.10	\$2.56	\$6.66	\$4,235.76	-2.92%
25000 LUMEN	Small ORL PUF	192	100	19,200	N/A	\$4.16	\$2.64	\$6.80	\$1,305.60	N/A	N/A	\$4.04	\$2.56	\$6.60	\$1,267.20	-2.94%
46000 LUMEN	Shoobox PUF	816	164	133,824	N/A	\$3.74	\$4.32	\$8.06	\$6,576.96	N/A	N/A	\$3.63	\$4.20	\$7.83	\$6,389.28	-2.85%
46000 LUMEN	Directional PUF	1,176	164	192,864	N/A	\$2.60	\$4.32	\$6.92	\$8,137.92	N/A	N/A	\$2.52	\$4.20	\$6.72	\$7,902.72	-2.89%
METAL HALIDE (OS/MI)																
12000 LUMEN	Acorn PUF	804	72	57,888	\$14.28	\$5.00	\$1.90	\$22.18	\$17,832.72	\$13.86	\$5.82	\$1.84	\$21.52	\$17,302.08	-2.98%	
12000 LUMEN	Colonial PUF	1,440	72	103,680	\$3.95	\$3.14	\$1.90	\$8.99	\$12,945.60	\$3.83	\$3.05	\$1.84	\$6.72	\$12,556.80	-3.00%	
12000 LUMEN	Destin Single PUF	24	72	1,728	\$26.69	\$9.47	\$1.90	\$38.06	\$913.44	\$25.90	\$9.19	\$1.84	\$36.93	\$908.32	-2.97%	
32000 LUMEN	Small Flood PUF	23,976	163	3,908,068	\$6.42	\$2.77	\$4.30	\$13.49	\$323,436.24	\$6.23	\$2.69	\$4.17	\$13.09	\$313,845.84	-2.97%	
32000 LUMEN	Small Parking Lot PUF	2,892	163	471,396	\$11.85	\$4.30	\$20.45	\$59,141.40	\$11.50	\$4.30	\$4.17	\$4.17	\$19.84	\$57,377.28	-2.98%	
100000 LUMEN	Large Flood PUF	21,000	378	7,938,000	\$9.20	\$5.50	\$9.86	\$24.66	\$517,860.00	\$8.93	\$5.34	\$9.67	\$23.94	\$502,740.00	-2.92%	
100000 LUMEN	Large Parking Lot PUF	1,212	378	458,136	\$20.45	\$7.63	\$9.86	\$38.04	\$46,104.48	\$19.85	\$7.40	\$9.67	\$36.92	\$44,747.04	-2.94%	
METAL HALIDE (OS/MI) - PAID UP FRONT																
12000 LUMEN	Acorn PUF	636	72	45,792	N/A	\$6.00	\$1.90	\$7.90	\$5,024.40	N/A	N/A	\$5.82	\$7.66	\$4,871.76	-3.04%	
12000 LUMEN	Colonial PUF	72	72	5,184	N/A	\$3.14	\$1.90	\$5.04	\$362.88	N/A	N/A	\$3.05	\$4.89	\$352.08	-2.98%	
12000 LUMEN	Destin Single PUF	528	72	38,016	N/A	\$9.47	\$1.90	\$11.37	\$6,003.36	N/A	N/A	\$9.19	\$11.03	\$5,823.84	-2.99%	
24000 LUMEN	Destin Double PUF	60	144	8,640	N/A	\$17.72	\$3.80	\$21.52	\$1,291.20	N/A	N/A	\$17.20	\$20.88	\$1,252.80	-2.97%	
32000 LUMEN	Small Flood PUF	276	163	44,968	N/A	\$2.77	\$4.30	\$7.07	\$1,951.32	N/A	N/A	\$2.69	\$4.17	\$6.86	\$1,893.36	-2.97%
32000 LUMEN	Small Parking Lot PUF	348	163	56,724	N/A	\$4.30	\$4.30	\$8.60	\$2,992.80	N/A	N/A	\$4.17	\$8.34	\$2,902.32	-3.02%	
100000 LUMEN	Large Flood PUF	780	378	294,840	N/A	\$5.50	\$9.86	\$15.46	\$12,058.80	N/A	N/A	\$5.34	\$9.67	\$11,707.80	-2.91%	
100000 LUMEN	Large Parking Lot PUF	96	378	36,288	N/A	\$7.63	\$9.86	\$17.59	\$1,688.64	N/A	N/A	\$7.40	\$17.07	\$1,638.72	-2.96%	
METAL HALIDE (USE START) (OS/MI)																
10000 LUMEN	Acorn PS	1,332	65	86,580	\$16.20	\$5.84	\$1.71	\$23.75	\$31,635.00	\$15.72	\$5.67	\$1.66	\$23.05	\$30,702.60	-2.95%	
13000 LUMEN	Colonial PS	3,300	65	214,500	\$5.04	\$2.74	\$1.71	\$9.49	\$31,317.00	\$4.89	\$2.66	\$1.66	\$9.21	\$30,393.00	-2.95%	
30000 LUMEN	Destin Single PS	132	65	8,560	\$35.12	\$11.13	\$1.71	\$47.96	\$6,330.72	\$34.08	\$10.79	\$1.66	\$46.53	\$6,141.96	-2.98%	
33000 LUMEN	Small Flood PS	15,996	137	2,191,452	\$7.18	\$3.54	\$3.61	\$14.33	\$229,222.88	\$6.97	\$3.44	\$3.50	\$13.91	\$222,504.36	-2.93%	
30000 LUMEN	Shoobox PS	564	137	77,268	\$8.59	\$3.94	\$3.61	\$16.14	\$9,102.86	\$8.34	\$3.62	\$3.50	\$15.66	\$8,832.24	-2.97%	
68000 LUMEN	Flood PS	804	288	231,552	\$7.41	\$5.95	\$7.59	\$20.95	\$16,843.80	\$7.19	\$5.77	\$7.37	\$20.33	\$16,345.32	-2.96%	

TAX REFORM
 GULF POWER COMPANY
 RATE SCHEDULE OS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Type of Facility	Description	Annual Billing Items	Ed. Monthly KWH	Annual KWH	Facility Charge	Maintenance Charge	Energy Charge	Total Monthly Charge	Total Revenue	Facility Charge	Maintenance Charge	Energy Charge	Total Monthly Charge	Total Revenue	Percent Change
METAL HALIDE PULSE START (OS/MI) - PAID UP FRONT															
13000 LUMEN	Acorn PS PUF	3,372	65	219,160	N/A	\$5.84	\$1.71	\$7.55	\$25,458.60	N/A	\$6.67	\$1.66	\$7.33	\$24,716.76	-2.91%
13000 LUMEN	Colonial PS PUF	396	65	25,740	N/A	\$2.74	\$1.71	\$4.45	\$1,762.20	N/A	\$2.66	\$1.66	\$4.32	\$1,710.72	-2.92%
13000 LUMEN	Derlin Single PS PUF	84	65	5,460	N/A	\$11.13	\$1.71	\$12.84	\$1,078.56	N/A	\$10.79	\$1.66	\$12.45	\$1,045.80	-3.04%
33000 LUMEN	Small Flood PS PUF	760	137	106,860	N/A	\$3.54	\$3.61	\$7.15	\$5,577.00	N/A	\$3.44	\$3.50	\$6.94	\$5,413.20	-2.84%
33000 LUMEN	Shedbox PS PUF	324	137	44,388	N/A	\$3.94	\$3.61	\$7.55	\$2,446.20	N/A	\$3.52	\$3.50	\$7.02	\$2,371.68	-3.05%
LED (OS/MI)															
3776 LUMEN	Acorn	24	26	624	\$19.01	\$9.62	\$0.69	\$29.52	\$708.48	\$16.45	\$9.53	\$0.67	\$26.65	\$687.60	-2.95%
4440 LUMEN	Street Light	432	25	10,800	\$14.76	\$5.05	\$0.66	\$20.47	\$8,843.04	\$14.32	\$4.90	\$0.64	\$19.86	\$8,579.52	-2.98%
5100 LUMEN	Cobrahead S2	3,024	25	75,600	\$6.47	\$4.22	\$0.66	\$11.35	\$34,322.40	\$6.28	\$4.10	\$0.64	\$11.02	\$33,324.48	-2.91%
10200 LUMEN	Cobrahead S3	792	46	36,432	\$7.97	\$4.87	\$1.21	\$14.05	\$11,127.60	\$7.73	\$4.73	\$1.18	\$13.64	\$10,802.88	-2.98%
6300 LUMEN	ATB071 S2/S3	420	24	10,080	\$5.07	\$5.46	\$0.63	\$11.16	\$5,955.60	\$5.33	\$5.33	\$0.61	\$13.77	\$5,783.40	-2.89%
9200 LUMEN	ATB1105 S3	312	36	11,232	\$11.79	\$6.62	\$0.65	\$19.36	\$8,040.32	\$11.44	\$6.42	\$0.92	\$18.78	\$5,859.36	-3.00%
23240 LUMEN	ATB2 260 S4	26,436	66	2,537,656	\$13.34	\$7.69	\$2.53	\$23.56	\$622,632.16	\$12.95	\$7.46	\$2.46	\$22.87	\$604,591.32	-2.93%
9600 LUMEN	W167 S4W	24	54	1,296	\$19.97	\$0.96	\$1.42	\$22.35	\$656.40	\$19.38	\$3.78	\$1.38	\$26.54	\$636.96	-2.96%
7377 LUMEN	W19 A2/S2	36	48	1,728	\$44.88	\$14.87	\$1.27	\$61.02	\$2,196.72	\$43.55	\$14.43	\$1.23	\$59.21	\$2,131.56	-2.97%
15228 LUMEN	Derlin Double	12	72	864	\$88.67	\$32.65	\$1.90	\$103.42	\$1,241.04	\$86.64	\$31.88	\$1.84	\$100.36	\$1,204.32	-2.96%
9336 LUMEN	ATB0 108	14,784	37	547,008	\$7.47	\$4.65	\$0.88	\$13.30	\$196,627.20	\$7.25	\$4.71	\$0.85	\$12.81	\$190,861.44	-2.93%
3640 LUMEN	Colonial	15,900	15	238,500	\$8.02	\$5.15	\$0.40	\$13.57	\$215,783.00	\$7.78	\$5.00	\$0.38	\$13.16	\$209,244.00	-3.02%
4204 LUMEN	LED Security LI	94,596	15	1,418,940	\$4.89	\$2.93	\$0.40	\$8.22	\$777,579.12	\$4.75	\$2.84	\$0.38	\$7.97	\$753,930.12	-3.04%
5510 LUMEN	LED Roadway 1	9,420	21	197,820	\$5.88	\$3.73	\$0.55	\$10.16	\$95,707.20	\$5.71	\$3.63	\$0.54	\$9.88	\$95,069.60	-2.76%
32327 LUMEN	Galilee 6sq	4,560	108	482,480	\$21.22	\$11.22	\$2.85	\$35.29	\$160,922.40	\$20.59	\$10.89	\$2.76	\$34.24	\$158,134.40	-2.98%
36000 LUMEN	Flood 421 W	27,060	145	3,923,700	\$18.37	\$10.15	\$3.92	\$32.34	\$975,120.40	\$17.83	\$9.85	\$3.71	\$31.39	\$848,413.40	-2.94%
5355 LUMEN	Wildfire Cert	552	36	19,672	\$18.03	\$9.57	\$0.95	\$28.55	\$15,759.60	\$17.50	\$9.29	\$0.92	\$27.71	\$15,285.92	-2.94%
LED (OS/MI) - PAID UP FRONT															
3640 LUMEN	Colonial PUF	1,080	15	16,200	N/A	\$5.15	\$0.40	\$5.55	\$5,994.00	N/A	\$5.00	\$0.38	\$5.38	\$5,610.40	-3.06%
3776 LUMEN	Acorn PUF	864	26	22,464	N/A	\$9.82	\$0.69	\$10.51	\$9,060.64	N/A	\$9.53	\$0.67	\$10.20	\$8,812.80	-2.95%
4204 LUMEN	LED Security LI PUF	72	15	1,080	N/A	\$2.93	\$0.40	\$3.33	\$339.76	N/A	\$2.84	\$0.38	\$3.22	\$331.84	-3.30%
5000 LUMEN	Acorn A5 PUF	346	19	6,612	N/A	\$8.46	\$0.50	\$8.96	\$3,118.08	N/A	\$8.21	\$0.49	\$8.70	\$3,027.60	-2.90%
5032 LUMEN	LG Colonial PUF	72	25	1,800	N/A	\$5.06	\$0.66	\$6.72	\$463.84	N/A	\$5.88	\$0.64	\$6.52	\$469.44	-2.98%
5100 LUMEN	Cobrahead S2 PUF	36	25	900	N/A	\$4.22	\$0.66	\$4.88	\$175.88	N/A	\$4.10	\$0.64	\$4.74	\$170.64	-2.87%
5565 LUMEN	Wildfire Cert PUF	2,616	36	94,176	N/A	\$9.57	\$0.95	\$10.52	\$27,530.32	N/A	\$9.29	\$0.92	\$10.21	\$26,709.36	-2.95%
5910 LUMEN	LED Roadway 1 PUF	59,592	21	1,251,432	N/A	\$4.28	\$0.56	\$4.84	\$255,063.76	N/A	\$4.63	\$0.54	\$5.17	\$248,498.64	-2.97%
6300 LUMEN	ATB071 S2/S3 PUF	2,052	24	49,248	N/A	\$5.46	\$0.63	\$6.11	\$12,537.72	N/A	\$5.33	\$0.61	\$5.94	\$12,188.88	-2.78%
7200 LUMEN	E132 A3 PUF	828	45	37,260	N/A	\$8.63	\$1.19	\$9.82	\$8,130.96	N/A	\$8.37	\$1.15	\$9.52	\$7,882.56	-3.05%
7377 LUMEN	W19 A2/S2 PUF	960	48	46,080	N/A	\$14.87	\$1.27	\$16.14	\$15,494.40	N/A	\$14.43	\$1.23	\$15.66	\$15,033.60	-2.97%
9200 LUMEN	ATB1105 S3 PUF	1,152	36	41,472	N/A	\$6.62	\$0.95	\$7.57	\$8,720.64	N/A	\$6.42	\$0.92	\$7.34	\$8,455.68	-3.04%

TAX REFORM
 GULF POWER COMPANY
 RATE SCHEDULE OS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Type of Facility	Description	Annual Billing Items	Ed. Monthly KWH	Annual KWH	Facility Charge	Maintenance Charge	Energy Charge	Total Monthly Charge	Total Revenue	Facility Charge	Maintenance Charge	Energy Charge	Total Monthly Charge	Total Revenue	Percent Change
LED(OS-JUL) - PAID UP FRONT (Cont.)															
9336 LUMEN	A180 100 PUF	1,332	37	49,284	N/A	\$4.65	\$0.96	\$5.63	\$7,765.56	N/A	N/A	\$4.71	\$0.95	\$7,539.12	-2.92%
9600 LUMEN	E157 SAW PUF	288	54	15,552	N/A	\$5.96	\$1.42	\$7.38	\$2,125.44	N/A	N/A	\$5.78	\$1.38	\$2,082.08	-2.98%
10200 LUMEN	Cobrahead S3 PUF	2,520	46	115,920	N/A	\$4.87	\$1.21	\$6.08	\$15,321.60	N/A	N/A	\$4.73	\$1.18	\$14,893.20	-2.80%
23400 LUMEN	A182 280 S4 PUF	18,372	86	1,783,712	N/A	\$7.69	\$2.53	\$10.22	\$187,781.84	N/A	N/A	\$7.46	\$2.46	\$182,250.24	-2.94%
36000 LUMEN	Flood 421 W PUF	1,224	145	177,480	N/A	\$10.15	\$3.52	\$13.97	\$17,099.28	N/A	N/A	\$9.85	\$3.71	\$16,597.44	-2.93%
MERCURY VAPOR (OS-JUL)															
7000 LUMEN	Open Bottom	12	67	804	\$2.30	\$1.42	\$1.77	\$5.49	\$65.88	\$2.23	\$1.38	\$1.71	\$5.32	\$63.84	-3.10%
3200 LUMEN	Cobrahead	12	39	468	\$4.26	\$1.99	\$1.03	\$7.28	\$87.36	\$4.13	\$1.93	\$1.00	\$7.06	\$84.72	-3.02%
7000 LUMEN	Cobrahead	12	67	804	\$3.86	\$1.86	\$1.77	\$7.49	\$89.88	\$3.75	\$1.81	\$1.71	\$7.27	\$87.24	-2.94%
9400 LUMEN	Cobrahead	12	95	1,140	\$5.08	\$2.26	\$2.50	\$9.84	\$118.08	\$4.93	\$2.19	\$2.43	\$9.55	\$114.60	-2.95%
17000 LUMEN	Cobrahead	12	152	1,824	\$5.55	\$2.36	\$4.01	\$11.92	\$143.04	\$5.39	\$2.29	\$3.89	\$11.57	\$139.84	-2.94%
48000 LUMEN	Cobrahead	12	372	4,464	\$11.13	\$4.09	\$9.81	\$25.03	\$300.36	\$10.80	\$3.97	\$9.52	\$24.29	\$291.48	-2.96%
17000 LUMEN	Directional	12	163	1,956	\$8.35	\$3.16	\$4.30	\$15.81	\$189.72	\$8.10	\$3.07	\$4.17	\$15.34	\$184.08	-2.97%
CUSTOMER OWNED MISC STREET/OUTDOOR LIGHTING (OS-JUL)															
				3,969,260	N/A	N/A	\$0.02636	N/A	\$104,629.69	N/A	N/A	\$0.02558	N/A	\$101,533.67	-2.96%
CUSTOMER OWNED WITH RELAMPING SERVICE AGREEMENT - HIGH PRESSURE SODIUM VAPOR (OS-JUL)															
8800 LUMEN	Unmetered	1,116	41	45,756	N/A	\$0.73	\$1.08	\$1.81	\$2,019.96	N/A	N/A	\$0.71	\$1.05	\$1,984.16	-2.76%
46000 LUMEN	Unmetered	286	164	47,232	N/A	\$0.74	\$4.32	\$5.06	\$1,457.28	N/A	N/A	\$0.72	\$4.20	\$1,416.96	-2.77%
8000 LUMEN	Metered	192	N/A	N/A	N/A	\$0.73	N/A	\$0.73	\$140.16	N/A	N/A	\$0.71	N/A	\$138.32	-2.74%
20000 LUMEN	Metered	408	N/A	N/A	N/A	\$0.74	N/A	\$0.74	\$301.92	N/A	N/A	\$0.72	N/A	\$293.76	-2.70%
25000 LUMEN	Metered	588	N/A	N/A	N/A	\$0.75	N/A	\$0.75	\$441.00	N/A	N/A	\$0.73	N/A	\$429.24	-2.67%
46000 LUMEN	Metered	252	N/A	N/A	N/A	\$0.74	N/A	\$0.74	\$186.48	N/A	N/A	\$0.72	N/A	\$181.44	-2.70%
CUSTOMER OWNED WITH RELAMPING SERVICE AGREEMENT - METAL HALIDE (OS-JUL)															
32000 LUMEN	Unmetered	120	163	19,560	N/A	\$0.88	\$4.30	\$5.18	\$621.60	N/A	N/A	\$4.17	\$5.02	\$602.40	-3.09%
32000 LUMEN	Metered	360	N/A	N/A	N/A	\$0.88	N/A	\$0.88	\$316.80	N/A	N/A	\$0.85	N/A	\$306.00	-3.41%
100000 LUMEN	Large Flood	96	378	35,288	N/A	\$3.26	\$9.96	\$13.22	\$1,269.12	N/A	N/A	\$9.67	\$12.83	\$1,231.68	-2.95%
HIGH PRESSURE SODIUM VAPOR - CUSTOMER OWNED/CUSTOMER MAINTAINED (OS-JUL)															
Customer-Owned	8800	372	41	15,252	N/A	N/A	\$1.08	\$1.08	\$401.76	N/A	N/A	\$1.05	\$1.05	\$390.60	-2.78%
Customer-Owned	20000	46	80	3,840	N/A	N/A	\$2.11	\$2.11	\$101.28	N/A	N/A	\$2.05	\$2.05	\$98.40	-2.84%
Customer-Owned	25000	4,224	100	422,400	N/A	N/A	\$2.64	\$2.64	\$11,151.36	N/A	N/A	\$2.56	\$2.56	\$10,813.44	-3.03%

TAX REFORM
 GULF POWER COMPANY
 RATE SCHEDULE OS

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Type of Facility	Description	Annual Billing Items	Est. Monthly KWH	Annual KWH	Facility Charge	Maintenance Charge	Energy Charge	Total Monthly Charge	Total Revenue	Facility Charge	Maintenance Charge	Energy Charge	Total Monthly Charge	Total Revenue	Percent Change
ADDITIONAL FACILITIES															
13 Ft. Decorative Concrete Pole		41,976	N/A	N/A	N/A	N/A	N/A	\$18.88	\$792,506.88	N/A	N/A	N/A	\$18.15	\$761,664.40	-3.87%
16 Ft. Decorative Base Aluminum Pole		828	N/A	N/A	N/A	N/A	N/A	\$13.56	\$11,227.68	N/A	N/A	N/A	\$13.04	\$10,797.12	-3.83%
17 Ft. Decorative Base Aluminum Pole		2,400	N/A	N/A	N/A	N/A	N/A	\$19.81	\$47,544.00	N/A	N/A	N/A	\$19.05	\$45,720.00	-3.84%
20 Ft. Fiberglass Pole		28,908	N/A	N/A	N/A	N/A	N/A	\$7.01	\$202,645.08	N/A	N/A	N/A	\$6.74	\$194,839.92	-3.85%
20 Ft. Aluminum Round Tapered Pole		2,964	N/A	N/A	N/A	N/A	N/A	\$6.17	\$18,237.68	N/A	N/A	N/A	\$5.93	\$17,576.52	-3.89%
25 Ft. Aluminum Round Tapered Pole		72	N/A	N/A	N/A	N/A	N/A	\$21.95	\$1,580.40	N/A	N/A	N/A	\$21.11	\$1,519.92	-3.83%
30 Ft. Wood Pole		27,420	N/A	N/A	N/A	N/A	N/A	\$4.55	\$124,761.00	N/A	N/A	N/A	\$4.38	\$120,099.60	-3.74%
30 Ft. Aluminum Pole		696	N/A	N/A	N/A	N/A	N/A	\$24.34	\$16,940.64	N/A	N/A	N/A	\$23.40	\$16,286.40	-3.86%
30 Ft. Concrete Pole		78,180	N/A	N/A	N/A	N/A	N/A	\$9.51	\$743,491.80	N/A	N/A	N/A	\$9.14	\$714,565.20	-3.88%
30 Ft. Fiberglass Pole w/Pedestal		720	N/A	N/A	N/A	N/A	N/A	\$45.01	\$32,407.20	N/A	N/A	N/A	\$43.28	\$31,161.60	-3.84%
35 Ft. Concrete Pole		1,896	N/A	N/A	N/A	N/A	N/A	\$13.85	\$26,259.60	N/A	N/A	N/A	\$13.32	\$25,254.72	-3.83%
35 Ft. Tension Top Concrete Pole		2,052	N/A	N/A	N/A	N/A	N/A	\$19.13	\$39,254.76	N/A	N/A	N/A	\$18.39	\$37,736.28	-3.87%
35 Ft. Wood Pole		78,996	N/A	N/A	N/A	N/A	N/A	\$6.61	\$522,163.56	N/A	N/A	N/A	\$6.36	\$502,414.56	-3.78%
35 Ft. Aluminum Pole		216	N/A	N/A	N/A	N/A	N/A	\$27.28	\$5,862.48	N/A	N/A	N/A	\$26.23	\$5,665.68	-3.85%
40 Ft. Wood Pole		2,604	N/A	N/A	N/A	N/A	N/A	\$8.12	\$21,144.48	N/A	N/A	N/A	\$7.61	\$20,337.24	-3.82%
45 Ft. Concrete Pole (Tension Top)		2,100	N/A	N/A	N/A	N/A	N/A	\$25.11	\$52,731.00	N/A	N/A	N/A	\$24.14	\$50,694.00	-3.86%
Single Arm - Shoebox		708	N/A	N/A	N/A	N/A	N/A	\$2.63	\$1,862.04	N/A	N/A	N/A	\$2.53	\$1,791.24	-3.80%
Double Arm - Shoebox		456	N/A	N/A	N/A	N/A	N/A	\$2.52	\$1,131.52	N/A	N/A	N/A	\$2.81	\$1,281.36	-3.77%
Tension Top Adapter		696	N/A	N/A	N/A	N/A	N/A	\$4.86	\$3,382.56	N/A	N/A	N/A	\$4.67	\$3,250.32	-3.91%
Optional 100 Amp Relay		36	N/A	N/A	N/A	N/A	N/A	\$27.20	\$979.20	N/A	N/A	N/A	\$26.15	\$941.40	-3.86%
Miscellaneous Additional Facilities		\$808,758.27	N/A	N/A	N/A	N/A	N/A	N/A	\$808,758.27	N/A	N/A	N/A	N/A	\$808,758.27	0.00%
SUBTOTAL OS-III PAGE 1 OF 5									\$8,880,888.80				\$8,880,888.80		
SUBTOTAL OS-III PAGE 2 OF 5									\$1,397,543.52				\$1,397,543.52		
SUBTOTAL OS-III PAGE 3 OF 5									\$3,414,275.04				\$3,414,275.04		
SUBTOTAL OS-III PAGE 4 OF 5									\$354,106.45				\$354,106.45		
SUBTOTAL OS-III PAGE 5 OF 5									\$3,475,152.03				\$3,475,152.03		
TOTAL OS-III KWH AND REVENUE									\$17,521,975.84				\$17,005,324.58		
TOTAL OS-III KWH AND REVENUE									\$2,340,794.12		N/A	\$0.04968	N/A	\$2,271,531.49	-2.96%
TOTAL OS KWH AND REVENUE									\$19,862,769.96				\$19,276,856.07		
TOTAL CHANGE													-\$586,913.89		
% CHANGE													-2.95%		

Section E

Proof of Revenue

Summary

**TAX REFORM
 RATE DESIGN PROOF OF REVENUE SUMMARY**

(1) <u>RATE CLASS</u>	(2) TARGET CHANGE FROM SALE OF ELECTRICITY <u>FROM SECTION B</u>	(3) ACHIEVED CHANGE PER PROOF OF REVENUE <u>FROM SECTIONS C & D</u>
RESIDENTIAL	(\$10,912,895)	(\$10,928,994)
GS	(\$747,881)	(\$748,635)
GSD/GSDT	(\$3,622,892)	(\$3,622,763)
LP/LPT	(\$943,175)	(\$941,239)
MAJOR ACCTS	(\$1,369,000)	(\$1,368,851)
OS	(\$585,913)	(\$585,914)
TOTAL RETAIL:	<u><u>(\$18,181,756)</u></u>	<u><u>(\$18,196,396)</u></u>

Gulf Power Company

Fuel Clause Tax Savings Summary

For Rates Effective April 2018

February 12, 2018

	<u>2018</u>	
1 Jurisdictional ADIT credit (unprotected) adjusted for revenue tax	\$	(69,456,000)
2 Prorated base rate adjustment (Line 15 x 2.5 ÷ 12)		<u>(3,791,667)</u>
3 One-time 2018 Tax Savings Credit	\$	(73,247,667)
4 Retail kWh Sales (April - December)		8,561,315,000
5 Current Approved Levelized Retail Fuel Rate		3.789 ¢/kWh
6 Retail Tax Savings Credit (Line 3 ÷ Line 4 x 100)		<u>(0.856) ¢/kWh</u>
7 Proposed Retail Fuel Rate (Line 5 - Line 6)		<u>2.933 ¢/kWh</u>
Cost Recovery Factors (¢ per kWh)		
<u>Rate Schedules</u>		
	<u>Standard</u>	
8 Group A (RS, RSVP, RSTOU, GS, GSD, GSTOU, OS-III)		2.949
9 Group B (LP)		2.909
10 Group C (PX, RTP)		2.865
11 Group D (OS-I/II)		2.915
<u>Rate Schedules (Time-of-use)</u>		
	<u>On-peak</u>	<u>Off-peak</u>
12 Group A (GSDT, SBS)	3.530	2.709
13 Group B (LPT, SBS)	3.482	2.672
14 Group C (PXT, SBS)	3.429	2.631
15 Prospective annual adjustment to base rates	\$	(18,200,000) per year

SCHEDULE E-1D
Revised 2/12/2018

**DETERMINATION OF FUEL RECOVERY FACTOR
TIME OF USE RATE SCHEDULES
GULF POWER COMPANY
PROPOSED FOR THE PERIOD: APRIL 2018 - DECEMBER 2018**

		NET ENERGY FOR LOAD	
		%	
	On-Peak	29.29	
	Off-Peak	70.71	
		<hr/> 100.00	
	<hr/> AVERAGE	<hr/> ON-PEAK	<hr/> OFF-PEAK
Cost per kWh Sold	3.5015	4.0780	3.2624
Jurisdictional Loss Factor	1.0012	1.0012	1.0012
Jurisdictional Fuel Factor	3.5057	4.0829	3.2663
GPIF	(0.0187)	(0.0187)	(0.0187)
True-Up	0.2994	0.2994	0.2994
TOTAL	<hr/> 3.7864	<hr/> 4.3636	<hr/> 3.547
Revenue Tax Factor	1.00072	1.00072	1.00072
Approved Recovery Factor	<hr/> 3.7891	<hr/> 4.3667	<hr/> 3.5496
Tax Reform Savings Factor	(0.856)	(0.856)	(0.856)
Recovery Factor Rounded to the Nearest .001 ¢/kWh	2.933	3.511	2.694
	HOURS:	ON-PEAK	25.00%
		OFF-PEAK	75.00%
			<hr/> 100.00%

SCHEDULE E-1E
 Revised 2/12/2018

FUEL RECOVERY FACTORS - BY RATE GROUP
(ADJUSTED FOR LINE/TRANSFORMATION LOSSES)
GULF POWER COMPANY
PROPOSED FOR THE PERIOD: APRIL 2018 - DECEMBER 2018

Group	Rate Schedules	Revised Average Factor	Fuel Recovery Loss Multipliers	Standard Fuel Recovery Factor
A	RS, RSVP, RSTOU, GS, GSD, GSDT, GSTOU, OSIII, SBS (1)	2.933	1.00555	2.949
B	LP, LPT, SBS (2)	2.933	0.99188	2.909
C	PX,PXT, RTP, SBS (3)	2.933	0.97668	2.865
D	OS-I/II	2.933	1.00560	2.915 *

Group	Rate Schedules	TOU
A	On-Peak	3.530
	Off-Peak	2.709
B	On-Peak	3.482
	Off-Peak	2.672
C	On-Peak	3.429
	Off-Peak	2.631
D	On-Peak	N/A
	Off-Peak	N/A

Group D Calculation

* D	On-Peak	3.511	¢ / kWh	x	0.2500	=	0.878	¢ / kWh
	Off-Peak	2.694	¢ / kWh	x	0.7500	=	2.021	¢ / kWh
							2.899	¢ / kWh
				Line Loss Multiplier		x	1.00560	
							<u>2.915</u>	¢ / kWh

- (1) Includes SBS customers with a Contract Demand in the range of 100 to 499 kW
- (2) Includes SBS customers with a Contract Demand in the range of 500 to 7,499 kW
- (3) Includes SBS customers with a Contract Demand over 7,499 kW

Gulf Power Company
 Environmental Cost Recovery Clause (ECRC)
 Summary of Tax Savings
 February 12, 2018

ECRC Revenue Requirement

1	Approved 2018 Retail Revenue Requirement included in current rates	\$ 203,589,886
2	Revised 2018 Retail Revenue Requirement included in proposed rates	<u>187,992,095</u>
3	Tax Savings	\$ 15,597,790

Cost of Capital

		38.575%	25.345%
		Effective Tax	Effective Tax
		<u>Rate</u>	<u>Rate</u>
4	Jurisdictional Revenue Requirement Rate of Return	8.4144%	7.1734%

ECRC Cost Recovery Factors (¢ per kWh)

	<u>Rate Class</u>	<u>Current</u>	<u>Proposed</u>
5	RS, RSVP, RSTOU	2.124	1.959
6	GS	1.956	1.805
7	GSD, GSDT, GSTOU	1.733	1.601
8	LP, LPT	1.547	1.431
9	PX, PXT, RTP, SBS	1.482	1.371
10	OS-I/II	0.570	0.537
11	OS-III	1.361	1.261

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2018 - December 2018

FPSC Capital Structure and Cost Rates

Line	Capital Component	(1)	(2)	(3)	(4)	(5)	(6)
		Jurisdictional Amount (\$000s)	Ratio %	Cost Rate %	Weighted Cost Rate %	Current Revenue Requirement Rate %	Proposed Revenue Requirement Rate %
1	Bonds	743,673	30.7440	4.40	1.3527	1.3527	1.3527
2	Short-Term Debt	28,504	1.1784	3.02	0.0356	0.0356	0.0356
3	Preferred Stock	94,609	3.9112	6.15	0.2405	0.3915	0.3221
4	Common Stock	957,875	39.5993	10.25	4.0589	6.6079	5.4369
5	Customer Deposits	24,536	1.0143	2.30	0.0233	0.0233	0.0233
6	Deferred Taxes	568,999	23.5229				
7	Investment Tax Credit	<u>721</u>	<u>0.0298</u>	7.61	0.0023	0.0034	<u>0.0028</u>
8	Total	<u>2,418,917</u>	<u>100.0000</u>		<u>5,7133</u>	<u>8,4144</u>	<u>7,1734</u>
<u>ITC Component:</u>							
9	Debt	743,673	41.4036	4.40	1.8218	0.0005	0.0005
10	Equity-Preferred	94,609	5.2673	6.15	0.3239	0.0002	0.0001
11	-Common	<u>957,875</u>	<u>53.3291</u>	10.25	<u>5.4662</u>	<u>0.0027</u>	<u>0.0022</u>
12		<u>1,796,157</u>	<u>100.0000</u>		<u>7,6119</u>	<u>0.0034</u>	<u>0.0028</u>
<u>Breakdown of Revenue Requirement Rate of Return between Debt and Equity:</u>							
13	Total Debt Component (Lines 1, 2, 5, and 9)					1.4121	1.4121
14	Total Equity Component (Lines 3, 4, 10, and 11)					<u>7,0023</u>	<u>5,7613</u>
15	Total Revenue Requirement Rate of Return					<u>8,4144</u>	<u>7,1734</u>

Column:

- (1) Based on MFR D-1a in Docket No. 160186-EI with the following adjustments in order to reflect specific terms in the Stipulation and Settlement Agreement under the same Docket.
-Reduced the common equity balance and increased the long-term debt balance in order to calculate a 52.5% equity ratio based on jurisdictional investors sources of capital (long-term debt, short-term debt, preference stock and common equity)
- (2) Column (1) / Total Column (1)
- (3) Based on MFR D-1a in Docket No. 160186-EI with the following adjustments in order to reflect specific terms in the Stipulation and Settlement Agreement under the same Docket.
-Reduced the common equity cost rate to 10.25%.
- (4) Column (2) x Column (3)
- (5, 6) For equity components: Column (4) / (1 - effective income tax rate);
Current: 38.575%; Proposed: 25.345% = effective income tax rate
For debt components: Column (4)

Schedule 7P
Revised 2/12/2018

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Energy & Demand Allocation % By Rate Class
January 2018 - December 2018

Rate Class	(A) Percentage of kWh Sales at Generation (%)	(B) Percentage of 12 CP Demand at Generation (%)	(C) Energy- Related Costs	(D) Demand- Related Costs	(E) Total Environmental Costs	(F) Projected Sales at Meter (kWh)	(G) Environmental Cost Recovery Factors (¢/kWh)
RS, RSVP, RSTOU	49.83290%	57.74834%	16,723,159	89,182,856	105,906,015	5,405,053,000	1.959
GS	2.85069%	2.99526%	956,648	4,625,689	5,582,337	309,196,000	1.805
GSD, GSDT, GSTOU	22.70391%	20.60040%	7,619,084	31,813,945	39,433,029	2,462,912,000	1.601
LP, LPT	8.13603%	6.52155%	2,730,327	10,071,466	12,801,793	894,459,000	1.431
PX, PXT, RTP, SBS	15.08774%	11.68414%	5,063,214	18,044,241	23,107,455	1,684,946,000	1.371
OS-I/II	0.93999%	0.15045%	315,446	232,345	547,791	101,954,000	0.537
OS-III	0.44874%	0.29986%	150,590	463,085	613,675	48,672,000	1.261
TOTAL	<u>100.00000%</u>	<u>100.00000%</u>	<u>\$33,558,468</u>	<u>\$154,433,627</u>	<u>187,992,095</u>	<u>10,907,192,000</u>	<u>1.724</u>

Notes:

- (A) From Schedule 6P, Col H
- (B) From Schedule 6P, Col I
- (C) Column A x Total Energy \$ from Schedule 1P, line 5
- (D) Column B x Total Demand \$ from Schedule 1P, line 5
- (E) Column C + Column D
- (F) Projected kWh sales for the period January 2018 - December 2018
- (G) Column E x 100 / Column F

GULF POWER COMPANY
Residential Bill Comparison
For Monthly Usage of 1,000 kWh
Proposed For The Period of: April 2018 - December 2018

	Current Approved Jan. 18 (\$/1,000 kWh)	Proposed Apr. 18 - Dec. 18 (\$/1,000 kWh)	Difference from Current (\$)	Difference from Current (%)
Base Rate	\$ 71.31	\$ 69.17	\$ (2.14)	-3.0%
Fuel Cost Recovery	38.10	29.49	(8.61)	-22.6%
Capacity Cost Recovery	8.35	8.35	-	0.0%
Energy Conservation Cost Recovery	1.40	1.40	-	0.0%
Environmental Cost Recovery	21.24	19.59	(1.65)	-7.8%
Subtotal	\$ 140.40	\$ 128.00	\$ (12.40)	-8.8%
Gross Receipts Tax	\$ 3.60	\$ 3.28	\$ (0.32)	-8.9%
Total	\$ 144.00	\$ 131.28	\$ (12.72)	-8.8%

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Petition for Increase in Rates)	
By Gulf Power Company)	
)	Docket No.: 20160186-EI
IN RE: Petition to establish a generic docket to)	
Investigate and adjust rates for 2018 tax savings,)	
By Office of Public Counsel)	Docket No.: 20180013-PU

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing has been furnished by electronic mail this 14th day of February, 2018 to the following:

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ORDER NO. PSC-2018-0180-FOF-EI

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