

970643-ET

Gulf Power Company Depreciation Study

At
December 31, 1997

ACK	_____
AFA	_____
APP	_____
CAF	_____
CMU	_____
CTR	_____
EAG	<u>2</u>
LEG	<u>1</u>
LIN	<u>5</u>
OPC	<u>1</u>
RCH	_____
SEC	<u>1</u>
WAS	_____
OTH	_____

ORIGINAL
FILE COPY

DOCUMENT NUMBER - DATE

05403 MAY 29 97

FPSC-RECORDS/REPORTING



**ORIGINAL
FILE COPY**

500 Bayfront Parkway
Pensacola, FL 32520

Tel 904.444.6000

ORIGINAL
FILE COPY

May 28, 1997



Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0870

970643 - EI

Dear Ms. Bayo:

Re: Depreciation Study 1997

Enclosed are 15 copies of Gulf Power's 1997 Depreciation Study filed in compliance with Rule 25-6.0436 and 25-6.04361 of the Florida Administrative Code. Gulf Power Company last filed a Depreciation Study on March 3, 1993. In Order No. PSC-97-0250-FOF-EI, Docket 961468-EI, the Commission granted Gulf Power Company a waiver of Rule 25-6.0436(8)(a) permitting that the next Depreciation Study be filed by June 1, 1997. The depreciation rates and amortization schedules currently in effect were approved by the Commission in Docket No. 930221-EI, effective January 1, 1994.

Gulf's depreciation and dismantlement studies are contained in three binders. Included in the binder labeled Gulf Power Company Depreciation Study are the Table of Contents, a Report Organization Narrative, Dismantlement Accrual Schedules, and the various detail schedules and data required by Rule 25-6.0436(6).

The other two binders relate to dismantlement which completes the set for the 1997 Depreciation Study. One binder is labeled "Fossil Plant Dismantling Cost Study, Volume 1" and contains the site specific final dismantling study for Plants Crist, Scholz and Smith. The other binder is labeled "Fossil Plant Dismantling Cost Study Volume 2" and contains the site specific final dismantling study for Plants Daniel and Scherer.

DOCUMENT NUMBER-DATE

05403 MAY 29 1997

FPSC-RECORDS/REPORTING

May 28, 1997
Ms. Blanca Bayo
Page 2

The effect of the proposed depreciation rates and proposed dismantlement accruals amount to a net increase of \$3.9 million over the current approved rates. There are two primary reasons for this increase. The first reason is the change from straight line amortization to the dismantlement policy announced by Commission Order Number 24741 in Docket Number 890186-EI. The straight line method of dismantlement accrual currently in use by Gulf Power was approved in Commission Order Number PSC-93-0771-FOF-EI in Docket Number 930221-EI. The second reason is due to an increase in the steam production rates. The following is a summary of existing and proposed dismantlement accruals and depreciation and amortization expense:

	<u>Current</u>	<u>Proposed</u>	<u>Inc/(Dec)</u>
Dismantlement Costs	4,679,921	6,228,639	1,548,718
Depreciation and Amortization	<u>58,729,874</u>	<u>61,059,764</u>	<u>2,329,890</u>
TOTAL	<u>63,409,795</u>	<u>67,288,403</u>	<u>3,878,608</u>

These amounts are detailed in the binder labeled Gulf Power Company Depreciation Study, Tab 5, Proforma Expense Comparison. The schedules reflect depreciation and amortization accruals by categories and dismantlement accrual at December 31, 1997.

With the filing of this 1997 Depreciation Study, Gulf Power Company requests approval of new depreciation rates, as proposed under Tab 4 and new accrual amounts for fossil dismantlement costs as reflected under Tab 9. We also request Commission approval to apply these proposed rates for depreciation and accruals for dismantlement with an effective date of January 1, 1998.

Gulf Power Company requests that any final recommendation by the Florida Public Service Commission staff for approval by the full Commission be accompanied by an explanation of any deviation from the filed Company recommendation. We also ask that, for all depreciable categories, final approved accrual rates be accompanied by separate statistics for Whole Life

May 28, 1997
Ms. Blanca Bayo
Page 3

Equivalent Lives and Rates, Plant Dismantlement Accrual, Removal Rate for Interim Retirements, Gross Salvage Rate and Theoretical Reserves.

All staff requests for clarification and additional information will be given prompt attention. Should there be any questions regarding this submittal, please contact Ronnie R. Labrato at (904)444-6384 or Carl A. Punyko at (904)444-6467.

Yours Truly,



Susan D. Cranmer
Assistant Secretary and Assistant Treasurer


SDC/cb

cc: R. R. Labrato
G. L. Livingston
C. A. Punyko
J. P. Williamson



Southern Company Services, Inc.
64 Perimeter Center East
Atlanta, Georgia 30346-6401
Telephone (770) 821-4576
Fax (770) 821-4324
Internet: john.p.williamson@spsc.com

J. Phil Williamson
Manager, Plant and Depreciation
Accounting Department


Southern Company Services
a subsidiary of The Southern Company

May 23, 1997

Ronnie Labrato, Controller
Gulf Power Company
500 Bayfront Parkway
Pensacola, FL 32520

DEPRECIATION RATE STUDY AS OF DECEMBER 31, 1997

The attached report summarizes the results of our depreciation accrual rate study for Gulf Power Company's depreciable investment projected as of December 31, 1997. This study was performed using methods and procedures generally accepted in the industry. Application of the proposed rates will provide for a systematic and rational allocation of depreciable cost over the expected remaining life of the property. Depreciable investments include the acquisition cost of the property, in addition to the estimated cost of retirement (salvage and cost of removal).

Our results reflect revisions to certain estimates included in Gulf Power Company's current depreciation rates to recognize subsequent events and transactions since its last rate prescription effective January 1, 1994. As you are aware, the FPSC requires utilities in the State of Florida to file a Depreciation Rate Study every four years and change--as necessary--the depreciation rates currently in use (Florida Administrative Code 25-6.0436 (8)(a)). This study complies with the requirements included in the code and incorporates the following changes to Gulf Power Company's current depreciation rates and amortization expense:

Fossil Dismantlement Accrual

The annual accrual for Gulf Power Company's Fossil Dismantlement Costs are currently based on a straight-line amortization of the current cost estimate over the remaining life of each unit. During 1993 Gulf Power Company received a waiver from the FPSC to continue using straight-line amortization as opposed to an accrual using the FPSC method as required in Docket # (890186)-EI, Order #(24741). The proposed 1/1/97 expense is based on the commission requirements and increases Fossil Dismantlement expense by \$1.5 million.

Increase in Steam Production Rate

Gulf Power Company uses remaining life depreciation rates based on the estimated retirement dates of its generating units. In other words, the net investments in Gulf Power's production plant facilities are allocated ratably over the remaining life of each generating unit through its projected retirement date (adjusted for the effect of interim retirements). As each year passes the remaining life for each unit is shorter. For example, Plant Crist's proposed depreciation expense has increased approximately \$3.1million as a result of this update in the remaining life. The depreciation rates for Gulf Power Company's production facilities should all be changed prospectively in order to ensure that their investments will be recovered by each unit's estimated retirement dates.

Interim Retirements

Interim retirements are investments in property which are expected to retire prior to the retirement date of the generating units. In Gulf Power Company's 1993 study, we used statistical data based on Iowa Survivor Curves to forecast interim retirements. In this study, we have changed from this methodology and adopted an approach similar to Tampa Electric. Gulf Power Company engineers have reviewed each retirement unit and stratified it into a life category from 1-20 years, 21-35 years, or 36 years through the life-of-plant. These categories were the basis for determining the Average Service Lives and Average Remaining Lives for the depreciable investment at each generating plant.

Retirement Dates

The estimated retirement dates for Gulf Power Company's generating plants reflect the company's best estimate of the life of its generating units. Retirement dates of co-owned facilities (i.e. Plant Daniel & Plant Scherer) are the same as those currently used at Mississippi Power Company and Georgia Power Company in determining their depreciation rates. The span lives for Gulf Power Company's generating units are consistent with the life estimates used for similar units within the Southern electric system.

Revised Parameters for Transmission, Distribution, and General Plant

Our analysis of the Average Service Lives, Dispersion Curves, and Net Removal Cost estimates for Gulf Power Company included a review of historic lives and trends for each category of depreciable electric plant. Historical lives were statistically measured using Actuarial Analysis and Simulated Plant Records (SPR) Analysis. This analysis in addition to information we received from company personnel indicated a need to revise the average service lives and/or dispersions for certain Transmission, Distribution and General Plant Accounts. The proposed changes are discussed in detail in Tab 6, "Analysis Results".

General Plant Amortization

Gulf Power Company currently splits Accounts 393-395 into two separate categories, depreciable assets and amortizable assets. These accounts represent minor investments with numerous items which are difficult to track or trace. The total depreciated investments in these accounts are less than two-tenths of a percent of Gulf Power Company's total Electric Plant in-service as of January 1, 1997. As such, we propose Gulf Power Company amortize the entire account over a seven-year period and eliminate the detailed record keeping relating to the investments which are currently being depreciated. This proposal is further supported by the FERC's Accounting Release #15 concerning the amortization of General Plant investments.

We recommend Gulf Power Company adopt the depreciation accrual rates included in this study. In our opinion, the practices recommended herein will provide for the proper and timely recovery of capital invested in the depreciable properties of Gulf Power Company over its related service life. Application of these rates are appropriate until subsequent study or event indicates a need for revision. Please call if you have any questions or require additional information.

Respectively Submitted:



**1997 DEPRECIATION STUDY
GULF POWER COMPANY
REPORT ORGANIZATION**

The Proposed Rates section (Tab 4) summarizes the depreciation accrual rates recommended by this study. (Florida Administrative Code 25-6.0436 (6) (a))

The Proforma Expense Comparison (Tab 5) computes depreciation expense on December 31, 1997, projected investment, using both the current and proposed accrual rates. This analysis compares the current and proposed rates, and also shows the change in expense as a result of adopting the proposed rates. (Florida Administrative Code 25-6.0436 (6) (a) & (b))

The Analysis Results section (Tab 6) contains summary pages for each of the following major functions: 1) Steam Production Plant, 2) Transmission Plant, 3) Distribution Plant, and 4) General Plant. Each summary page presents a narrative of pertinent information related to the analysis. Each summary page is followed by tabular analysis of each account (subaccount), similarly arranged, that comprise that function. (Florida Administrative Code 25-6.0436 (6) (a), (b), (d), (f), (g); (7) (a))

The Parameter Schedules (Tab 7) summarize the parameters used in the calculation of depreciation rates for each account (subaccount) within the five major functions of Gulf Power Company's depreciable investment. The schedules present the projected December 31, 1997, plant and reserve balances and the estimates of average service life, net salvage, and average remaining life for each account (subaccount) within the major study groupings. (Florida Administrative Code 25-6.0436 (6) (d) & (g))

The Net Removal Cost section (Tab 8) contains a summary of net removal factors used for this study, compared to factors used for the prior study. Following this summary is the detailed analysis by account. (Florida Administrative Code 25-6.0436 (6) (h))

The Fossil Dismantlement section (Tab 9) presents the annual accruals for production plant dismantlement based on future value methodology. (Docket # 890186-EI, Order # 24741)

The Summary of Plant-in-Service and Accumulated Depreciation (Tab 10 & 11) presents annual activity by function and account. (Florida Administrative Code 25-6.0436 (6) (c) & (g))

The "Fossil Plant Dismantling Cost Study" (Volumes 1 & 2) for Gulf Power Company's plants includes summaries, assumptions, descriptions, cost bases, and cost reports.

**1997 DEPRECIATION STUDY
GULF POWER COMPANY
PROPOSED RATES**

The depreciation rates proposed in this study are based on Gulf Power Company's (Gulf) estimated depreciable investment as of December 31, 1997. The proposed rates will provide for a systematic allocation of capital costs over the expected useful life of the property. Capital costs include the acquisition cost of the property, in addition to the estimated cost of retirement (salvage and cost removal).

Gulf's current depreciation rates were approved by the Florida Public Service Commission under Docket # 93-0221-EI in Order #PSC 93-1808-FOF-EI, dated December 20, 1993, and were effective January 1, 1994. The effective date of Gulf's proposed rates is requested to be January 1, 1998. As a result of this study, the following accrual rates, expressed as a percent of investment, are proposed:

<u>FUNCTION</u>	<u>RATE</u>
STEAM PRODUCTION:	
Daniel Plant	2.4%
Daniel RR Track	1.3
Daniel Easements	1.4
Crist Plant	3.5
Crist Easements	2.6
Scholz Plant	2.5
Smith Plant	3.2
Scherer Plant	2.1
OTHER PRODUCTION:	
Smith CT	0.9%
TRANSMISSION:	
Land and Land Rights	3.8%
Structures and Improvements	2.5
Station Equipment	2.3
Towers and Fixtures	2.4
Poles and Fixtures	4.1
Overhead Conductors	2.8
Underground Conductors	2.8
Roads and Trails	4.1

**1997 DEPRECIATION STUDY
GULF POWER COMPANY
PROPOSED RATES (CONTINUED)**

<u>FUNCTION</u>	<u>RATE</u>
DISTRIBUTION:	
Structures and Improvements	2.9%
Station Equipment	3.0
Poles, Towers, and Fixtures	5.2
Overhead Conductors	3.3
Underground Conduits	1.9
Underground Conductors	3.4
Line Transformers	4.2
Services-Overhead	2.7
Services-Underground	3.7
Services-House Power Panels	3.2
Meters	3.5
Street Lighting	7.5
GENERAL:	
Structures and Improvements	2.3%
Automobiles	Fully Depreciated
Light Trucks	4.6
Heavy Trucks	6.9
Trailers	5.4
Stores Equipment	Amortize All
Tools, Shop, & Garage	Amortize All
Laboratory Equipment	Amortize All
Power Operated Equipment	3.2
Communications Equipment	8.8

Gulf Power Company's depreciation expense will also include amounts for the dismantlement of fossil fueled generating stations and the amortization of general type property.

Depreciation Rates and Components
1997 Depreciation Study
Gulf Power Company

<u>Account</u>	<u>Depreciable Category</u>	(A) Average Remaining Life	(B) Net Removal	(C) Book Reserve Ratio	(D) Remaining Life Rate (%) <small>(1+(B)(C))-(A)</small>
Steam Production					
	Daniel Plant	26.0	7%	43.69%	2.4
	Daniel F R Track	34.0	0%	56.38%	1.3
	Daniel Easements	34.0	0%	53.25%	1.4
	Crist Plant	17.7	3%	41.08%	3.5
	Crist Easements	21.0	0%	45.00%	2.6
	Scholz Plant	13.2	2%	68.92%	2.5
	Smith Plant	16.6	4%	50.81%	3.2
	Scherer Plant	35.0	4%	30.57%	2.1
Other Production					
	Smith CT	8.5	0%	92.05%	0.9
Transmission					
350.2	Land and Land Rights	16.6	0%	36.58%	3.8
352	Structures and Impr.	35.0	10%	22.33%	2.5
353	Station Equipment	32.0	10%	36.29%	2.3
354	Towers and Fixtures	20.0	20%	71.27%	2.4
355	Poles and Fixtures	27.0	45%	33.11%	4.1
356	Overhead Conductors	21.0	20%	60.65%	2.8
358	Underground Conductors	31.0	5%	17.71%	2.8
359	Roads and Trails	17.0	0%	30.77%	4.1

Depreciation Rates and Components
1997 Depreciation Study
Gulf Power Company

<u>Account</u>	<u>Depreciable Category</u>	<u>(A) Average Remaining Life</u>	<u>(B) Net Removal</u>	<u>(C) Book Reserve Ratio</u>	<u>(D) Remaining Life Rate (%)</u> <small>(1+(B)(C)-(A))</small>
Distribution					
361	Structures and Impr.	27.0	10%	31.50%	2.9
362	Station Equipment	27.0	10%	28.02%	3.0
364	Poles, Towers, and Fixtures	24.0	60%	34.47%	5.2
365	Overhead Conductors	23.0	10%	35.24%	3.3
366	Underground Conduit	26.0	0%	50.25%	1.9
367	Underground Conductors	21.0	0%	28.68%	3.4
368	Line Transformers	21.0	25%	36.46%	4.2
369.1	Services-Overhead	19.6	5%	52.31%	2.7
369.2	Services-Underground	21.0	5%	27.05%	3.7
369.3	House Power Panels	8.4	0%	73.17%	3.2
370	Meters	19.0	3%	37.09%	3.5
373	Street Lighting	10.7	10%	29.82%	7.5
General					
390	Structures and Impr.	30.0	0%	31.70%	2.3
392.2	Light Trucks	3.5	-20%	63.93%	4.6
392.3	Heavy Trucks	7.2	-20%	30.33%	6.9
393.4	Trailers	11.8	-15%	21.31%	5.4
396	Power Operated Equip.	6.3	-15%	64.54%	3.2
397	Communications Equip.	10.0	2%	14.50%	8.8

**Proforma Change in Depreciation Expense
Gulf Power Company**

Function/Group	Projected 12/31/97 Investment	Current Rate	Expense	Proposed Rate	Expense	Increase (Decrease)
Steam Prod Excl Dismantlement						
Daniel Plant	206,023,000	2.5%	5,150,575	2.4%	4,944,552	(206,023)
Daniel RR Track	2,742,000	1.5%	41,130	1.3%	35,646	(5,484)
Easements	77,000	1.9%	1,463	1.4%	1,078	(385)
Cooling Lake-23 year Amort	8,954,000		386,861		386,861	0
Total Daniel	217,796,000		5,580,029		5,368,137	(211,892)
Crist Plant	385,723,000	2.7%	10,414,521	3.5%	13,500,305	3,085,784
Easements	20,000	1.9%	380	2.6%	520	140
Amort - 5 Year	98,000		19,675		19,675	0
Amort - 7 Year	1,009,000		149,349		149,349	0
Total Crist	386,850,000		10,583,925		13,669,849	3,085,924
Scholz Plant	28,904,000	1.7%	491,368	2.5%	722,600	231,232
Amort - 5 Year	20,000		4,036		4,036	0
Amort - 7 Year	174,000		26,311		26,311	0
Total Scholz	29,098,000		521,715		752,947	231,232
Smith Plant	106,623,000	2.7%	2,878,821	3.2%	3,411,936	533,115
Amort - 5 Year	26,000		5,164		5,164	0
Amort - 7 Year	554,000		80,755		80,755	0
Total Smith	107,203,000		2,964,740		3,497,855	533,115
Scherer Plant	174,791,000	2.3%	4,020,193	2.1%	3,670,611	(349,582)
Total Steam Prod Excl Dismntl	915,738,000		23,670,602		26,959,399	3,288,797
Steam Prod Dismantlement						
Daniel			550,457		862,564	312,107
Crist			2,614,167		3,117,032	502,865
Scholz			564,889		570,830	5,941
Smith			898,662		1,330,500	431,838
Scherer			37,079		337,201	300,122
Total Steam Dismantlement			4,665,254		6,218,127	1,552,873
Other Production						
Smith CT	4,251,000	2.0%	85,020	0.9%	38,259	(46,761)
Dismantlement			14,667		10,512	(4,155)
Total Smith CT	4,251,000		99,687		48,771	(50,916)

**Proforma Change in Depreciation Expense
Gulf Power Company**

Function/Group	Projected 12/31/97 Investment	Current Rate	Expense	Proposed Rate	Expense	Increase (Decrease)
Transmission Plant						
Easements	9,520,000	1.2%	114,240	3.8%	361,760	247,520
Structures & Improvements	5,221,000	2.8%	146,188	2.5%	130,525	(15,663)
Station Equipment	56,457,000	2.7%	1,524,339	2.3%	1,298,511	(225,828)
Towers & Fixtures	22,294,000	3.1%	691,114	2.4%	535,056	(156,058)
Poles & Fixtures	31,651,000	3.6%	1,139,436	4.1%	1,297,691	158,255
Overhead Conductors & Devices	25,929,000	3.7%	959,373	2.8%	726,012	(233,361)
UG Conductors & Devices	13,612,000	2.8%	381,136	2.8%	381,136	0
Roads & Trails	52,000	1.	728	4.1%	2,132	1,404
Total Depreciable Transmission	164,736,000		4,956,554		4,732,823	(223,731)
Distribution Plant						
Structures & Improvements	9,866,000	2.7%	266,382	2.9%	286,114	19,732
Station Equipment	102,756,000	2.8%	2,877,168	3.0%	3,082,680	205,512
Poles & Fixtures	74,111,000	4.8%	3,557,328	5.2%	3,853,772	296,444
Overhead Conductors	91,060,000	3.2%	2,913,920	3.3%	3,004,980	91,060
Underground Conduit	1,190,000	1.9%	22,610	1.9%	22,610	0
UG Conductors & Devices	41,465,000	3.5%	1,451,275	3.4%	1,409,810	(41,465)
Line Transformers	125,622,000	4.9%	6,155,478	4.2%	5,276,124	(879,354)
Overhead Services	33,965,000	4.5%	1,528,425	2.7%	917,055	(611,370)
Underground Services	15,440,000	3.8%	586,720	3.7%	571,280	(15,440)
Service Entrances	6,329,000	3.3%	208,857	3.2%	202,528	(6,329)
Meters	31,275,000	3.4%	1,063,350	3.5%	1,094,625	31,275
Street Lights	30,905,000	7.4%	2,286,970	7.5%	2,317,875	30,905
Total Depreciable Distribution	563,984,000		22,918,483		22,039,453	(879,030)

**Proforma Change in Depreciation Expense
Gulf Power Company**

Function/Group	Projected 12/31/97 Investment	Current Rate	Expense	Proposed Rate	Expense	Increase (Decrease)
General Plant						
Structures & Improvements	49,390,000	2.3%	1,135,970	2.3%	1,135,970	0
Power Operated Equipment	392,000	3.0%	11,760	3.2%	12,544	784
Communications Equipment	12,777,000	4.1%	523,857	8.8%	1,124,376	600,519
Transportation Equipment						
Automobiles	277,000	Fully depreciated in 1997.				
Light Trucks	3,765,000	15.4%	9,810	4.6%	173,190	(406,620)
Heavy Trucks	16,478,000	7.9%	1,301,762	6.9%	1,136,982	(164,780)
Trailers	1,272,000	3.3%	41,976	5.4%	68,688	26,712
Total Transportation Equip	<u>21,792,000</u>		<u>1,923,548</u>		<u>1,378,860</u>	<u>(544,688)</u>
Total Depreciable General	<u>84,351,000</u>		<u>3,595,135</u>		<u>3,651,750</u>	<u>56,615</u>
General Plant Amortization (Estimated 1998 Accrual)						
Office Furniture & Equip						
Furniture/Non-Computer	631,000	7 Yr	172,699	7 Yr	172,699	0
Computer Equipment	4,942,000	5 Yr	1,034,767	5 Yr	1,034,767	0
Total Office Furn & Equip	<u>5,573,000</u>		<u>1,207,466</u>		<u>1,207,466</u>	<u>0</u>
Auxiliary General Equip						
Marine Equipment	164,000	5 Yr	32,880	5 Yr	32,880	0
Stores Equipment	290,000	(1)	101,000	7 Yr	73,000	(28,000)
Tools, Shop & Garage Equipment	1,841,000	(1)	237,000	7 Yr	355,000	118,000
Laboratory Equipment	2,074,000	(1)	281,000	7 Yr	325,000	44,000
Communications Equipment	3,191,000	7 Yr	459,701	7 Yr	459,701	0
Miscellaneous Equipment	8,200,000	7 Yr	1,185,033	7 Yr	1,185,033	0
Total Auxiliary General Eq	<u>15,760,000</u>		<u>2,296,614</u>		<u>2,430,614</u>	<u>134,000</u>
Total Amortizable General	<u>21,333,000</u>		<u>3,504,080</u>		<u>3,638,080</u>	<u>134,000</u>
Total Depreciable & Amortizable General Plant	<u>105,684,000</u>		<u>7,099,215</u>		<u>7,289,830</u>	<u>190,615</u>
All Depreciable Property						
Total All	<u>1,754,393,000</u>		<u>63,409,795</u>		<u>67,288,403</u>	<u>3,878,608</u>

(1) Currently, these accounts are split between amortization and depreciable investments. Our proposed treatment is for the amortization of entire account. For proforma comparison, we combined depreciation and amortization expense.

ANALYSIS RESULTS

Production Plant

The detailed Analysis Results (by plant) appear on pages 3 to 11 and represent Gulf Power Company's (Gulf) projected depreciable investment in Steam and Other Production Plant as of December 31, 1997.

The net increase in the investment of steam production plant is presented in Tab 10, which summarize annual changes to plant-in- service balances.

Fossil Dismantlement Expense has been determined using Gulf Power Company's most recent dismantlement cost estimate. Annual expense was calculated using the FPSC prescribed procedures included in Docket # (890186)-EI, Order #(24741) (see Tab 9).

In interpreting the Analysis Results appearing on this and subsequent pages, it is important that the reader have an understanding of the concept of average service life relating to the "Forecast Life Span" procedure used in determining these rates.

Location life property is property located at a specific location, at which all surviving investment is expected to be retired at one time. All production plants are assigned an estimated retirement date, determined by production management. Our analyses assume all surviving property located at each production plant will be retired when the plant reaches its retirement date; however, it must be recognized that retirement dates are estimates and not commitments by Gulf.

The total life span of a production plant is the maximum life expected for any investment surviving to retirement date. Not all property will survive to the plant's retirement date. Interim additions, investment added subsequent to the in-service date of the plant, will, by definition, have a shorter life than that of the original investment.

Any plant investment currently in-service which is not expected to survive to the plant's retirement date is referred to as an interim retirement. As interim retirements will effect the ASL of their property group, it is important to identify and project all anticipated interim retirements as part of the rate of development process. Interim retirements for this study have been estimated by stratifying each FERC account into categories of homogeneous lives per the FPSC rule. Gulf Power Company Engineers in conjunction with accounting personnel have separated all of the retirement units in production plant into categories from 1-20 years, 21-35 years, or 36 years through the life-of-plant (see example on following page for FERC 312,subaccount 5249). The average remaining life was determined using the maximum period for each category not exceeding the units projected retirement date.

312.5249 Coal Storage Area, Coal Handling System

1361	Retaining Wall	36 years - Life of Plant
1362	Coal Storage Yard	36 years - Life of Plant
1363	Sump Pump	1 - 20 years
1364	Drainage System	36 years - Life of Plant
1365	Drive Motor	21 - 35 years
1366	Hydro-Ejectors	21 - 35 years

A net removal cost factor of 15% was applied to all interim retirements. This factor is based on historical analysis of Gulf's actual salvage and removal cost experience during the period from 1987 through 1996 (See Tab 8).

The detailed schedules on pages 44 to 45 are available for each production plant. These schedules present the calculations used to estimate the Average Service Life (ASL), Average Remaining Life (ARL), Interim Salvage, and Calculated Reserves utilizing the Life-Span Forecast procedure mentioned above. A summary of the detailed calculations for each stratified account is presented in Tab 7 "Parameter Schedules". The calculations performed on these schedules are as follows:

$$\text{"ASL"} = \text{"RET"} - \text{"VIN"}$$

$$\text{"AGE"} = \text{"1997"} - \text{"VIN"} + .5 \text{ (half year convention)}$$

$$\text{"ARL"} = \text{"ASL"} - \text{"AGE"}$$

$$\text{"AGE Weight"} = \frac{\text{"Balance 12/97"}}{\text{"AGE"}}$$

Interim Salvage: = Retirements Prior to Units Retirement Date (x) 15%
(represents Net Removal)

$$\text{Calc. Reserve} = \text{"Accrual"} (x) \text{"AGE"}$$

$$\text{"Unrecovered"} = \text{"Balance 12/97"} - \text{"Calc. Reserve"}$$

$$\text{"Accrual"} = \frac{\text{"Balance 12/97"}}{\text{"ASL"}}$$

$$\text{Composite ASL} = \frac{\text{sum of "Balance 12/97"}}{\text{sum of "Accrual"}}$$

$$\text{Composite ARL} = \frac{\text{sum of "Unrecovered"}}{\text{sum of "Accrual"}}$$

Retirement Date = Units Retirement Date or VIN+ASL, whichever is shorter

ANALYSIS RESULTS
Depreciable Property

				Plant Crist		
Item		93 FPSC	Est. 1997	Change		
Total Investment		341,422,341	385,723,000	44,300,659		
Retirement Dates:						
Unit	MW	Fuel Type	In-Serv.			
1	22.5	Oil/Gas	1945	2011		
2	22.5	Oil/Gas	1949	2011		
3	30.0	Oil/Gas	1952	2011		
4	75.0	Coal/Gas	1959	2014		
5	75.0	Coal/Gas	1961	2016		
6	320.0	Coal/Gas	1970	2015		
7	500.0	Coal	1973	2018		
Life Span (Years):						
Unit 1				66		
Unit 2				62		
Unit 3				59		
Unit 4				55		
Unit 5				55		
Unit 6				45		
Unit 7				45		
Common				73		
Study Method/Dispersion			Forecast			
Average Service Life			31			
Theoretical Reserve			172,752,379			
Book Reserve (excl dismantlement)		139,599,150	158,443,000	18,843,850		
Reserve Variance			(14,309,379)			
Book Reserve Ratio		40.89%	41.08%			
Gross Salvage		1%	1%			
Removal Cost excl Dismantlement		3%	4%			
Net Removal Cost		2%	3%			
Annual Dismantlement Expense		Current (SL) 2,614,167	Proposed FPSC 3,117,032	502,865		
Avg Whole Life Rate			3.3%			
AWL 1997 Expense excl Dismantlement			12,728,859			
Average Remaining Life		23.0	17.7			
ARL Rate		2.7%	3.5%			
ARL 1997 Expense excl Dismantlement		10,414,521	13,500,305	3,085,784		

The Average Remaining Life for Plant Crist needs to be adjusted to reflect the time remaining from 12/31/97 through the retirement date of each generating unit. The proposed ARL is a weighted average of all of Plant Crist's generating units adjusted for the effect of interim retirements.

ANALYSIS RESULTS
Depreciable Property

Item	Plant Crist Easements		
	93 FPSC	Est. 1997	Change
Total Investment	20,378	20,000	
Retirement Dates		2018	
Study Method/Dispersion		Square	
Average Service Life		37	
Theoretical Reserve		8,988	
Book Reserve (excl dismantlement)	8,094	9,000	
Reserve Variance		12	
Book Reserve Ratio	39.72%	45.00%	
Gross Salvage	0%	0%	
Removal Cost excl Dismantlement	0%	0%	
Net Removal Cost	0%	0%	
Avg Whole Life Rate		2.7%	
AWL 1997 Expense excl Dismantlement		540	
Average Remaining Life	31.0	21.0	
ARL Rate	1.9%	2.6%	
ARL 1997 Expense excl Dismantlement	380	520	140

This investment is being recovered over the remaining span life of Crist Unit 7.

ANALYSIS RESULTS
Depreciable Property

				Plant Daniel		
Item				93 FPSC	Est. 1997	Change
Total Investment				191,518,297	206,023,000	14,504,703
Retirement Dates:						
<u>Unit</u>	<u>MW</u>	<u>Fuel Type</u>	<u>In-Serv.</u>			
1	500	Coal/Oil	1977		2027	
2	500	Coal/Oil	1981		2031	
Life Span (Years):						
Unit 1					50	
Unit 2					50	
Common					54	
Study Method/Dispersion					Forecast	
Average Service Life					41	
Theoretical Reserve					81,578,052	
Book Reserve (excl dismantlement)				77,379,261	90,003,000	12,623,739
Reserve Variance					8,424,948	
Book Reserve Ratio				40.40%	43.69%	
Gross Salvage				1%	1%	
Removal Cost excl Dismantlement				4%	8%	
Net Removal Cost				3%	7%	
				<u>Current (SL)</u>	<u>Proposed FPSC</u>	
Annual Dismantlement				550,457	862,564	312,107
Avg Whole Life Rate					2.6%	
AWL 1997 Expense excl Dismantlement					5,356,598	
Average Remaining Life				25.0	26.0	
ARL Rate				2.5%	2.4%	
ARL 1997 Expense excl Dismantlement				5,150,575	4,944,552	(206,023)

The proposed rate is based on the 50 year span life for each unit presently used by Mississippi Power Company, Plant Daniel's co-owner and operator. This assumption resulted in a moderate depreciation rate reduction from 2.5% to 2.4%.

ANALYSIS RESULTS
Depreciable Property

Plant Daniel Easements			
Item	93 FPSC	Est. 1997	Change
Total Investment	77,160	77,000	
Retirement Dates		2031	
Study Method/Dispersion		Square	
Average Service Life		54	
Theoretical Reserve		29,290	
Book Reserve (excl dismantlement)	35,317	41,000	
Reserve Variance		11,710	
Book Reserve Ratio	45.77%	53.25%	
Gross Salvage	0%	0%	
Removal Cost excl Dismantlement	0%	0%	
Net Removal Cost	0%	0%	
Avg Whole Life Rate		1.9%	
AWL 1997 Expense excl Dismantlement		1,463	
Average Remaining Life	29.0	34.0	
ARL Rate	1.9%	1.4%	
ARL 1997 Expense excl Dismantlement	1,463	1,078	(385)

This investment is being recovered over the remaining span life of Daniel Unit 2.

ANALYSIS RESULTS
Depreciable Property

Plant Daniel Rail Tracks			
Item	93 FPSC	Est. 1997	Change
Total Investment	2,741,618	2,742,000	
Retirement Dates		2031	
Study Method/Dispersion		Square	
Average Service Life		54	
Theoretical Reserve		1,006,917	
Book Reserve (excl dismantlement)	1,382,261	1,546,000	
Reserve Variance		539,083	
Book Reserve Ratio	50.42%	56.38%	
Gross Salvage	0%	0%	
Removal Cost excl Dismantlement	0%	0%	
Net Removal Cost	0%	0%	
Avg Whole Life Rate		1.9%	
AWL 1997 Expense excl Dismantlement		52,098	
Average Remaining Life	33.0	34.0	
ARL Rate	1.5%	1.3%	
ARL 1997 Expense excl Dismantlement	41,130	35,646	(5,484)

The investment is being recovered over the remaining span life of Daniel Unit 2.

**ANALYSIS RESULTS
Depreciable Property**

Plant Scherer				
Item		93 FPSC	Est. 1997	Change
Total Investment		174,263,113	174,791,000	527,887
Retirement Dates:				
<u>Unit</u>	<u>MW</u>	<u>Fuel Type</u>	<u>In-Serv.</u>	
3	818	Coal	1987	2042
Life Span (Years):				
Unit 3				55
Study Method/Dispersion			Forecast	
Average Service Life			46	
Theoretical Reserve			40,844,988	
Book Reserve (excl dismantlement)		38,132,495	53,426,000	15,293,505
Reserve Variance			12,581,012	
Book Reserve Ratio		21.88%	30.57%	
Gross Salvage		1%	1%	
Removal Cost excl Dismantlement		1%	5%	
Net Removal Cost		0%	4%	
		<u>Current (SL)</u>	<u>Proposed FPSC</u>	
Annual Dismantlement		37,079	337,201	300,122
Avg Whole Life Rate			2.3%	
AV 1997 Expense excl Dismantlement			4,020,193	
Average Remaining Life		34.0	35.0	
ARL Rate		2.3%	2.1%	
ARL 1997 Expense excl Dismantlement		4,020,193	3,670,611	(349,582)

The proposed rate is based on the 55 year span life presently used by Georgia Power Company, Plant Scherer's co-owner and operator. This assumption resulted in a moderate depreciation rate reduction from 2.3% to 2.1%.

ANALYSIS RESULTS
Depreciable Property

Plant Scholz				
Item		93 FPSC	Est. 1997	Change
Total Investment		28,034,273	28,904,000	869,727
Retirement Dates:				
<u>Unit</u>	<u>MW</u>	<u>Fuel Type</u>	<u>In-Serv.</u>	
1	40	Coal	1953	2011
2	40	Coal	1953	2011
Life Span (Years):				
	Unit 1			58
	Unit 2			58
Study Method/Dispersion			Forecast	
Average Service Life			33	
Theoretical Reserve			19,456,699	
Book Reserve (excl dismantlement)		18,675,367	19,922,000	1,246,633
Reserve Variance			465,301	
Book Reserve Ratio		66.62%	68.92%	
Gross Salvage		1%	1%	
Removal Cost excl Dismantlement		1%	3%	
Net Removal Cost		0%	2%	
		<u>Current (SL)</u>	<u>Proposed FPSC</u>	
Annual Dismantlement		564,889	570,830	5,941
Avg whole Life Rate			3.1%	
AWL 1997 Expense excl Dismantlement			896,024	
Average Remaining Life		19.4	13.2	
ARL Rate		1.7%	2.5%	
ARL 1997 Expense excl Dismantlement		491,368	722,600	231,232

The Average Remaining Life for Plant Scholz needs to be adjusted to reflect the time remaining from 12/31/97 through the retirement date of each generating unit. The proposed ARL is a weighted average of all of Plant Scholz's generating units adjusted for the effect of interim retirements.

ACK _____
AFA _____
APP _____
CAF _____
CMU _____
CTR _____
EAG 2
LEG 1
LIN 5
OPC 1
RCH _____
SEC 1
WAS _____
OTH _____

ORIGINAL
FILE COPY

DOCUMENT NUMBER-DATE

05403 MAY 29 56

FPSC-RECORDS/REPORTING

GULF 
POWER

A SOUTHERN COMPANY

ORIGINAL
FILE COPY

500 Bayfront Parkway
Pensacola, FL 32520

Tel 904.444.6000

ORIGINAL
FILE COPY

May 28, 1997



Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0870

970643 - EI

Dear Ms. Bayo:

Re: Depreciation Study 1997

Enclosed are 15 copies of Gulf Power's 1997 Depreciation Study filed in compliance with Rule 25-6.0436 and 25-6.04361 of the Florida Administrative Code. Gulf Power Company last filed a Depreciation Study on March 3, 1993. In Order No. PSC-97-0250-FOF-EI, Docket 961468-EI, the Commission granted Gulf Power Company a waiver of Rule 25-6.0436(8)(a) permitting that the next Depreciation Study be filed by June 1, 1997. The depreciation rates and amortization schedules currently in effect were approved by the Commission in Docket No. 930221-EI, effective January 1, 1994.

Gulf's depreciation and dismantlement studies are contained in three binders. Included in the binder labeled Gulf Power Company Depreciation Study are the Table of Contents, a Report Organization Narrative, Dismantlement Accrual Schedules, and the various detail schedules and data required by Rule 25-6.0436(6).

The other two binders relate to dismantlement which completes the set for the 1997 Depreciation Study. One binder is labeled "Fossil Plant Dismantling Cost Study, Volume 1" and contains the site specific final dismantling study for Plants Crist, Scholz and Smith. The other binder is labeled "Fossil Plant Dismantling Cost Study Volume 2" and contains the site specific final dismantling study for Plants Daniel and Scherer.

DOCUMENT NUMBER-DATE

05403 MAY 29 97

FPSC-RECORDS/REPORTING

The effect of the proposed depreciation rates and proposed dismantlement accruals amount to a net increase of \$3.9 million over the current approved rates. There are two primary reasons for this increase. The first reason is the change from straight line amortization to the dismantlement policy announced by Commission Order Number 24741 in Docket Number 890186-EI. The straight line method of dismantlement accrual currently in use by Gulf Power was approved in Commission Order Number PSC-93-0771-F0F-EI in Docket Number 930221-EI. The second reason is due to an increase in the steam production rates. The following is a summary of existing and proposed dismantlement accruals and depreciation and amortization expense:

	<u>Current</u>	<u>Proposed</u>	<u>Inc/(Dec)</u>
Dismantlement Costs	4,679,921	6,228,639	1,548,718
Depreciation and Amortization	<u>58,729,874</u>	<u>61,059,764</u>	<u>2,329,890</u>
TOTAL	<u>63,409,795</u>	<u>67,288,403</u>	<u>3,878,608</u>

These amounts are detailed in the binder labeled Gulf Power Company Depreciation Study, Tab 5, Proforma Expense Comparison. The schedules reflect depreciation and amortization accruals by categories and dismantlement accrual at December 31, 1997.

With the filing of this 1997 Depreciation Study, Gulf Power Company requests approval of new depreciation rates, as proposed under Tab 4 and new accrual amounts for fossil dismantlement costs as reflected under Tab 9. We also request Commission approval to apply these proposed rates for depreciation and accruals for dismantlement with an effective date of January 1, 1998.

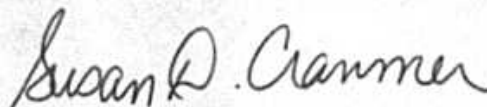
Gulf Power Company requests that any final recommendation by the Florida Public Service Commission staff for approval by the full Commission be accompanied by an explanation of any deviation from the filed Company recommendation. We also ask that, for all depreciable categories, final approved accrual rates be accompanied by separate statistics for Whole Life

May 28, 1997
Ms. Blanca Bayo
Page 3

Equivalent Lives and Rates, Plant Dismantlement Accrual, Removal Rate for Interim Retirements, Gross Salvage Rate and Theoretical Reserves.

All staff requests for clarification and additional information will be given prompt attention. Should there be any questions regarding this submittal, please contact Ronnie R. Labrato at (904)444-6384 or Carl A. Punyko at (904)444-6467.

Yours Truly,



Susan D. Cranmer
Assistant Secretary and Assistant Treasurer

SDC/cb

cc: R. R. Labrato
G. L. Livingston
C. A. Punyko
J. P. Williamson



Southern Company Services, Inc.
64 Perimeter Center East
Atlanta, Georgia 30346-6401
Telephone (770) 821-4576
Fax (770) 821-4324
Internet: john.p.williamson@scsnet.com

J. Phil Williamson
Manager, Plant and Depreciation
Accounting Department



May 23, 1997

Ronnie Labrato, Controller
Gulf Power Company
500 Bayfront Parkway
Pensacola, FL 32520

DEPRECIATION RATE STUDY AS OF DECEMBER 31, 1997

The attached report summarizes the results of our depreciation accrual rate study for Gulf Power Company's depreciable investment projected as of December 31, 1997. This study was performed using methods and procedures generally accepted in the industry. Application of the proposed rates will provide for a systematic and rational allocation of depreciable cost over the expected remaining life of the property. Depreciable investments include the acquisition cost of the property, in addition to the estimated cost of retirement (salvage and cost of removal).

Our results reflect revisions to certain estimates included in Gulf Power Company's current depreciation rates to recognize subsequent events and transactions since its last rate represcription effective January 1, 1994. As you are aware, the FPSC requires utilities in the State of Florida to file a Depreciation Rate Study every four years and change--as necessary--the depreciation rates currently in use (Florida Administrative Code 25-6.0436 (8)(a)). This study complies with the requirements included in the code and incorporates the following changes to Gulf Power Company's current depreciation rates and amortization expense:

Fossil Dismantlement Accrual

The annual accrual for Gulf Power Company's Fossil Dismantlement Costs are currently based on a straight-line amortization of the current cost estimate over the remaining life of each unit. During 1993 Gulf Power Company received a waiver from the FPSC to continue using straight-line amortization as opposed to an accrual using the FPSC method as required in Docket # (890186)-E1, Order #(24741). The proposed 1/1/97 expense is based on the commission requirements and increases Fossil Dismantlement expense by \$1.5 million.

Increase in Steam Production Rate

Gulf Power Company uses remaining life depreciation rates based on the estimated retirement dates of its generating units. In other words, the net investments in Gulf Power's production plant facilities are allocated ratably over the remaining life of each generating unit through its projected retirement date (adjusted for the effect of interim retirements). As each year passes the remaining life for each unit is shorter. For example, Plant Crist's proposed depreciation expense has increased approximately \$3.1 million as a result of this update in the remaining life. The depreciation rates for Gulf Power Company's production facilities should all be changed prospectively in order to ensure that their investments will be recovered by each units estimated retirement dates.

Interim Retirements

Interim retirements are investments in property which are expected to retire prior to the retirement date of the generating units. In Gulf Power Company's 1993 study, we used statistical data based on Iowa Survivor Curves to forecast interim retirements. In this study, we have changed from this methodology and adopted an approach similar to Tampa Electric. Gulf Power Company engineers have reviewed each retirement unit and stratified it into a life category from 1-20 years, 21-35 years, or 36 years through the life-of-plant. These categories were the basis for determining the Average Service Lives and Average Remaining Lives for the depreciable investment at each generating plant.

Retirement Dates

The estimated retirement dates for Gulf Power Company's generating plants reflect the company's best estimate of the life of its generating units. Retirement dates of co-owned facilities (i.e. Plant Daniel & Plant Scherer) are the same as those currently used at Mississippi Power Company and Georgia Power Company in determining their depreciation rates. The span lives for Gulf Power Company's generating units are consistent with the life estimates used for similar units within the Southern electric system.

Revised Parameters for Transmission, Distribution, and General Plant

Our analysis of the Average Service Lives, Dispersion Curves, and Net Removal Cost estimates for Gulf Power Company included a review of historical lives and trends for each category of depreciable electric plant. Historical lives were statistically measured using Actuarial Analysis and Simulated Plant Records (SPR) Analysis. This analysis in addition to information we received from company personnel indicated a need to revise the average service lives and/or dispersions for certain Transmission, Distribution and General Plant Accounts. The proposed changes are discussed in detail in Tab 6, "Analysis Results".

General Plant Amortization

Gulf Power Company currently splits Accounts 393-395 into two separate categories, depreciable assets and amortizable assets. These accounts represent minor investments with numerous items which are difficult to track or trace. The total depreciated investments in these accounts are less than two-tenths of a percent of Gulf Power Company's total Electric Plant in-service as of January 1, 1997. As such, we propose Gulf Power Company amortize the entire account over a seven-year period and eliminate the detailed record keeping relating to the investments which are currently being depreciated. This proposal is further supported by the FERC's Accounting Release #15 concerning the amortization of General Plant investments.

We recommend Gulf Power Company adopt the depreciation accrual rates included in this study. In our opinion, the practices recommended herein will provide for the proper and timely recovery of capital invested in the depreciable properties of Gulf Power Company over its related service life. Application of these rates are appropriate until subsequent study or event indicates a need for revision. Please call if you have any questions or require additional information.

Respectively Submitted:

Phil



**1997 DEPRECIATION STUDY
GULF POWER COMPANY
REPORT ORGANIZATION**

The Proposed Rates section (Tab 4) summarizes the depreciation accrual rates recommended by this study. (Florida Administrative Code 25-6.0436 (6) (a))

The Proforma Expense Comparison (Tab 5) computes depreciation expense on December 31, 1997, projected investment, using both the current and proposed accrual rates. This analysis compares the current and proposed rates, and also shows the change in expense as a result of adopting the proposed rates. (Florida Administrative Code 25-6.0436 (6) (a) & (b))

The Analysis Results section (Tab 6) contains summary pages for each of the following major functions: 1) Steam Production Plant, 2) Transmission Plant, 3) Distribution Plant, and 4) General Plant. Each summary page presents a narrative of pertinent information related to the analysis. Each summary page is followed by tabular analysis of each account (subaccount), similarly arranged, that comprise that function. (Florida Administrative Code 25-6.0436 (6) (a), (b), (d), (f), (g); (7) (a))

The Parameter Schedules (Tab 7) summarize the parameters used in the calculation of depreciation rates for each account (subaccount) within the five major functions of Gulf Power Company's depreciable investment. The schedules present the projected December 31, 1997, plant and reserve balances and the estimates of average service life, net salvage, and average remaining life for each account (subaccount) within the major study groupings. (Florida Administrative Code 25-6.0436 (6) (d) & (g))

The Net Removal Cost section (Tab 8) contains a summary of net removal factors used for this study, compared to factors used for the prior study. Following this summary is the detailed analysis by account. (Florida Administrative Code 25-6.0436 (6) (h))

The Fossil Dismantlement section (Tab 9) presents the annual accruals for production plant dismantlement based on future value methodology. (Docket # 890186-EI, Order # 24741)

The Summary of Plant-in-Service and Accumulated Depreciation (Tab 10 & 11) presents annual activity by function and account. (Florida Administrative Code 25-6.0436 (6) (c) & (g))

The "Fossil Plant Dismantling Cost Study" (Volumes 1 & 2) for Gulf Power Company's plants includes summaries, assumptions, descriptions, cost bases, and cost reports.



**1997 DEPRECIATION STUDY
GULF POWER COMPANY
PROPOSED RATES**

The depreciation rates proposed in this study are based on Gulf Power Company's (Gulf) estimated depreciable investment as of December 31, 1997. The proposed rates will provide for a systematic allocation of capital costs over the expected useful life of the property. Capital costs include the acquisition cost of the property, in addition to the estimated cost of retirement (salvage and cost removal).

Gulf's current depreciation rates were approved by the Florida Public Service Commission under Docket # 93-0221-EI in Order #PSC-93-1808-FOF-EI, dated December 20, 1993, and were effective January 1, 1994. The effective date of Gulf's proposed rates is requested to be January 1, 1998. As a result of this study, the following accrual rates, expressed as a percent of investment, are proposed:

<u>FUNCTION</u>	<u>RATE</u>
STEAM PRODUCTION:	
Daniel Plant	2.4%
Daniel RR Track	1.3
Daniel Easements	1.4
Crist Plant	3.5
Crist Easements	2.6
Scholz Plant	2.5
Smith Plant	3.2
Scherer Plant	2.1
OTHER PRODUCTION:	
Smith CT	0.9%
TRANSMISSION:	
Land and Land Rights	3.8%
Structures and Improvements	2.5
Station Equipment	2.3
Towers and Fixtures	2.4
Poles and Fixtures	4.1
Overhead Conductors	2.8
Underground Conductors	2.8
Roads and Trails	4.1

**1997 DEPRECIATION STUDY
GULF POWER COMPANY
PROPOSED RATES (CONTINUED)**

<u>FUNCTION</u>	<u>RATE</u>
DISTRIBUTION:	
Structures and Improvements	2.9%
Station Equipment	3.0
Poles, Towers, and Fixtures	5.2
Overhead Conductors	3.3
Underground Conduits	1.9
Underground Conductors	3.4
Line Transformers	4.2
Services-Overhead	2.7
Services-Underground	3.7
Services-House Power Panels	3.2
Meters	3.5
Street Lighting	7.5
GENERAL:	
Structures and Improvements	2.3%
Automobiles	Fully Depreciated
Light Trucks	4.6
Heavy Trucks	6.9
Trailers	5.4
Stores Equipment	Amortize All
Tools, Shop, & Garage	Amortize All
Laboratory Equipment	Amortize All
Power Operated Equipment	3.2
Communications Equipment	8.8

Gulf Power Company's depreciation expense will also include amounts for the dismantlement of fossil fueled generating stations and the amortization of general type property.

Depreciation Rates and Components
1997 Depreciation Study
Gulf Power Company

<u>Account</u>	<u>Depreciable Category</u>	(A) Average Remaining Life	(B) Net Removal	(C) Book Reserve Ratio	(D) Remaining Life Rate (%) <small>(1-(B)/(C))-(A)</small>
Steam Production					
	Daniel Plant	26.0	7%	43.69%	2.4
	Daniel RR Track	34.0	0%	56.38%	1.3
	Daniel Easements	34.0	0%	53.25%	1.4
	Crist Plant	17.7	3%	41.08%	3.5
	Crist Easements	21.0	0%	45.00%	2.6
	Scholz Plant	13.2	2%	68.92%	2.5
	Smith Plant	16.6	4%	50.81%	3.2
	Scherer Plant	35.0	4%	30.57%	2.1
Other Production					
	Smith CT	8.5	0%	92.05%	0.9
Transmission					
350.2	Land and Land Rights	16.6	0%	36.58%	3.8
352	Structures and Impr.	35.0	10%	22.33%	2.5
353	Station Equipment	32.0	10%	36.29%	2.3
354	Towers and Fixtures	20.0	20%	71.27%	2.4
355	Poles and Fixtures	27.0	45%	33.11%	4.1
356	Overhead Conductors	21.0	20%	60.65%	2.8
358	Underground Conductors	31.0	5%	17.71%	2.8
359	Roads and Trails	17.0	0%	30.77%	4.1

Depreciation Rates and Components
1997 Depreciation Study
Gulf Power Company

<u>Account</u>	<u>Depreciable Category</u>	(A) Average Remaining Life	(B) Net Removal	(C) Book Reserve Ratio	(D) Remaining Life Rate (%) <small>(1-(B)/(C))-(A)</small>
Distribution					
361	Structures and Impr.	27.0	10%	31.50%	2.9
362	Station Equipment	27.0	10%	28.02%	3.0
364	Poles, Towers, and Fixtures	24.0	60%	34.47%	5.2
365	Overhead Conductors	23.0	10%	35.24%	3.3
366	Underground Conduit	26.0	0%	50.25%	1.9
367	Underground Conductors	21.0	0%	28.68%	3.4
368	Line Transformers	21.0	25%	36.46%	4.2
369.1	Services-Overhead	19.6	5%	52.31%	2.7
369.2	Services-Underground	21.0	5%	27.05%	3.7
369.3	House Power Panels	8.4	0%	73.17%	3.2
370	Meters	19.0	3%	37.09%	3.5
373	Street Lighting	10.7	10%	29.82%	7.5
General					
390	Structures and Impr.	30.0	0%	31.70%	2.3
392.2	Light Trucks	3.5	-20%	63.93%	4.6
392.3	Heavy Trucks	7.2	-20%	30.33%	6.9
393.4	Trailers	11.8	-15%	21.31%	5.4
396	Power Operated Equip.	6.3	-15%	64.54%	3.2
397	Communications Equip.	10.0	2%	14.50%	8.8



**Proforma Change in Depreciation Expense
Gulf Power Company**

Function/Group	Projected 12/31/97 Investment	Current Rate	Expense	Proposed Rate	Expense	Increase (Decrease)
Steam Prod Excl Dismantlement						
Daniel Plant	206,023,000	2.5%	5,150,575	2.4%	4,944,552	(206,023)
Daniel RR Track	2,742,000	1.5%	41,130	1.3%	35,646	(5,484)
Easements	77,000	1.9%	1,463	1.4%	1,078	(385)
Cooling Lake-23 year Amort	8,954,000		386,861		386,861	0
Total Daniel	217,796,000		5,580,029		5,368,137	(211,892)
Crist Plant	385,723,000	2.7%	10,414,521	3.5%	13,500,305	3,085,784
Easements	20,000	1.9%	380	2.6%	520	140
Amort - 5 Year	98,000		19,675		19,675	0
Amort - 7 Year	1,009,000		149,349		149,349	0
Total Crist	386,850,000		10,583,925		13,669,849	3,085,924
Scholz Plant	28,904,000	1.7%	491,368	2.5%	722,600	231,232
Amort - 5 Year	20,000		4,036		4,036	0
Amort - 7 Year	174,000		26,311		26,311	0
Total Scholz	29,098,000		521,715		752,947	231,232
Smith Plant	106,623,000	2.7%	2,878,821	3.2%	3,411,936	533,115
Amort - 5 Year	26,000		5,164		5,164	0
Amort - 7 Year	554,000		80,755		80,755	0
Total Smith	107,203,000		2,964,740		3,497,855	533,115
Scherer Plant	174,791,000	2.3%	4,020,193	2.1%	3,670,611	(349,582)
Total Steam Prod Excl Dismntl	915,738,000		23,670,602		26,959,399	3,288,797
Steam Prod Dismantlement						
Daniel			550,457		862,564	312,107
Crist			2,614,167		3,117,032	502,865
Scholz			564,889		570,830	5,941
Smith			898,662		1,330,500	431,838
Scherer			37,079		337,201	300,122
Total Steam Dismantlement			4,665,254		6,218,127	1,552,873
Other Production						
Smith CT	4,251,000	2.0%	85,020	0.9%	38,259	(46,761)
Dismantlement			14,667		10,512	(4,155)
Total Smith CT	4,251,000		99,687		48,771	(50,916)

**Proforma Change in Depreciation Expense
Gulf Power Company**

Function/Group	Projected 12/31/91 Investment	Current Rate	Expense	Proposed Rate	Expense	Increase (Decrease)
Transmission Plant						
Easements	9,520,000	1.2%	114,240	3.8%	361,760	247,520
Structures & Improvements	5,221,000	2.8%	146,188	2.5%	130,525	(15,663)
Station Equipment	56,457,000	2.7%	1,524,339	2.3%	1,298,511	(225,828)
Towers & Fixtures	22,294,000	3.1%	691,114	2.4%	535,056	(156,058)
Poles & Fixtures	31,651,000	3.6%	1,139,436	4.1%	1,297,691	158,255
Overhead Conductors & Devices	25,929,000	3.7%	959,373	2.8%	726,012	(233,361)
UG Conductors & Devices	13,612,000	2.8%	381,136	2.8%	381,136	0
Roads & Trails	52,000	1.4%	728	4.1%	2,132	1,404
Total Depreciable Transmission	<u>164,736,000</u>		<u>4,956,554</u>		<u>4,732,823</u>	<u>(223,731)</u>
Distribution Plant						
Structures & Improvements	9,866,000	2.7%	266,382	2.9%	286,114	19,732
Station Equipment	102,756,000	2.8%	2,877,168	3.0%	3,082,680	205,512
Poles & Fixtures	74,111,000	4.8%	3,557,328	5.2%	3,853,772	296,444
Overhead Conductors	91,060,000	3.2%	2,913,920	3.3%	3,004,980	91,060
Underground Conduit	1,190,000	1.9%	22,610	1.9%	22,610	0
UG Conductors & Devices	41,465,000	3.5%	1,451,275	3.4%	1,409,810	(41,465)
Line Transformers	125,622,000	4.9%	6,155,478	4.2%	5,276,124	(879,354)
Overhead Services	33,965,000	4.5%	1,528,425	2.7%	917,055	(611,370)
Underground Services	15,440,000	3.8%	586,720	3.7%	571,280	(15,440)
Service Entrances	6,329,000	3.3%	208,857	3.2%	202,528	(6,329)
Meters	31,275,000	3.4%	1,063,350	3.5%	1,094,625	31,275
Street Lights	30,905,000	7.4%	2,286,970	7.5%	2,317,875	30,905
Total Depreciable Distribution	<u>563,984,000</u>		<u>22,918,483</u>		<u>22,039,453</u>	<u>(879,030)</u>

**Proforma Change in Depreciation Expense
Gulf Power Company**

Function/Group	Projected 12/31/97 Investment	Current Rate	Expense	Proposed Rate	Expense	Increase (Decrease)
General Plant						
Structures & Improvements	49,390,000	2.3%	1,135,970	2.3%	1,135,970	0
Power Operated Equipment	392,000	3.0%	11,760	3.2%	12,544	784
Communications Equipment	12,777,000	4.1%	523,857	8.8%	1,124,376	600,519
Transportation Equipment						
Automobiles	277,000	Fully depreciated in 1997.				
Light Trucks	3,765,000	15.4%	579,810	4.6%	173,190	(406,620)
Heavy Trucks	16,478,000	7.9%	1,301,762	6.9%	1,136,982	(164,780)
Trailers	1,272,000	3.3%	41,976	5.4%	68,688	26,712
Total Transportation Equip	21,792,000		1,923,548		1,378,860	(544,688)
Total Depreciable General	84,351,000		3,595,135		3,651,750	56,615
General Plant Amortization (Estimated 1998 Accrual)						
Office Furniture & Equip						
Furniture/Non-Computer	631,000	7 Yr	172,699	7 Yr	172,699	0
Computer Equipment	4,942,000	5 Yr	1,034,767	5 Yr	1,034,767	0
Total Office Furn & Equip	5,573,000		1,207,466		1,207,466	0
Auxiliary General Equip						
Marine Equipment	164,000	5 Yr	32,880	5 Yr	32,880	0
Stores Equipment	290,000	(1)	101,000	7 Yr	73,000	(28,000)
Tools, Shop & Garage Equipment	1,841,000	(1)	237,000	7 Yr	355,000	118,000
Laboratory Equipment	2,074,000	(1)	281,000	7 Yr	325,000	44,000
Communications Equipment	3,191,000	7 Yr	459,701	7 Yr	459,701	0
Miscellaneous Equipment	8,200,000	7 Yr	1,185,033	7 Yr	1,185,033	0
Total Auxiliary General Eq	15,760,000		2,296,614		2,430,614	134,000
Total Amortizable General	21,333,000		3,504,080		3,638,080	134,000
Total Depreciable & Amortizable General Plant	105,684,000		7,099,215		7,289,830	190,615
All Depreciable Property						
Total All	1,754,393,000		63,409,795		67,288,403	3,878,608

(1) Currently, these accounts are split between amortization and depreciable investments. Our proposed treatment is for the amortization of entire account. For proforma comparison, we combined depreciation and amortization expense.



ANALYSIS RESULTS

Production Plant

The detailed Analysis Results (by plant) appear on pages 3 to 11 and represent Gulf Power Company's (Gulf) projected depreciable investment in Steam and Other Production Plant as of December 31, 1997.

The net increase in the investment of steam production plant is presented in Tab 10, which summarize annual changes to plant-in- service balances.

Fossil Dismantlement Expense has been determined using Gulf Power Company's most recent dismantlement cost estimate. The annual expense was calculated using the FPSC prescribed procedures included in Docket # (890186)-EI, Order #(24741) (see Tab 9).

In interpreting the Analysis Results appearing on this and subsequent pages, it is important that the reader have an understanding of the concept of average service life relating to the "Forecast Life Span" procedure used in determining these rates.

Location life property is property located at a specific location, at which all surviving investment is expected to be retired at one time. All production plants are assigned an estimated retirement date, determined by production management. Our analyses assume all surviving property located at each production plant will be retired when the plant reaches its retirement date; however, it must be recognized that retirement dates are estimates and not commitments by Gulf.

The total life span of a production plant is the maximum life expected for any investment surviving to retirement date. Not all property will survive to the plant's retirement date. Interim additions, investment added subsequent to the in-service date of the plant, will, by definition, have a shorter life than that of the original investment.

Any plant investment currently in-service which is not expected to survive to the plant's retirement date is referred to as an interim retirement. As interim retirements will effect the ASL of their property group, it is important to identify and project all anticipated interim retirements as part of the rate of development process. Interim retirements for this study have been estimated by stratifying each FERC account into categories of homogeneous lives per the FPSC rule. Gulf Power Company Engineers in conjunction with accounting personnel have separated all of the retirement units in production plant into categories from 1-20 years, 21-35 years, or 36 years through the life-of-plant (see example on following page for FERC 312,subaccount 5249). The average remaining life was determined using the maximum period for each category not exceeding the units projected retirement date.

312.5249 Coal Storage Area, Coal Handling System

1361	Retaining Wall	36 years - Life of Plant
1362	Coal Storage Yard	36 years - Life of Plant
1363	Sump Pump	1 - 20 years
1364	Drainage System	36 years - Life of Plant
1365	Drive Motor	21 - 35 years
1366	Hydro-Ejectors	21 - 35 years

A net removal cost factor of 15% was applied to all interim retirements. This factor is based on historical analysis of Gulf's actual salvage and removal cost experience during the period from 1987 through 1996 (See Tab 8).

The detailed schedules on pages 44 to 46 are available for each production plant. These schedules present the calculations used to estimate the Average Service Life (ASL), Average Remaining Life (ARL), Interim Salvage, and Calculated Reserves utilizing the Life-Span Forecast procedure mentioned above. A summary of the detailed calculations for each stratified account is presented in Tab 7 "Parameter Schedules". The calculations performed on these schedules are as follows:

$$\text{"ASL"} = \text{"RET"} - \text{"VIN"}$$

$$\text{"AGE"} = \text{"1997"} - \text{"VIN"} + .5 \text{ (half year convention)}$$

$$\text{"ARL"} = \text{"ASL"} - \text{"AGE"}$$

$$\text{"AGE Weight"} = \frac{\text{"Balance 12/97"}}{\text{"AGE"}}$$

Interim Salvage: = Retirements Prior to Units Retirement Date (x) 15%
(represents Net Removal)

$$\text{Calc. Reserve} = \text{"Accrual"} (x) \text{"AGE"}$$

$$\text{"Unrecovered"} = \text{"Balance 12/97"} - \text{"Calc. Reserve"}$$

$$\text{"Accrual"} = \frac{\text{"Balance 12/97"}}{\text{"ASL"}}$$

$$\text{Composite ASL} = \frac{\text{sum of "Balance 12/97"}}{\text{sum of "Accrual"}}$$

$$\text{Composite ARL} = \frac{\text{sum of "Unrecovered"}}{\text{sum of "Accrual"}}$$

Retirement Date = Units Retirement Date or VIN+ASL, whichever is shorter

ANALYSIS RESULTS
Depreciable Property

				Plant Crist		
Item				93 FPSC	Est. 1997	Change
Total Investment				341,422,341	385,723,000	44,300,659
Retirement Dates:						
Unit	MW	Fuel Type	In-Serv.			
1	22.5	Oil/Gas	1945		2011	
2	22.5	Oil/Gas	1949		2011	
3	30.0	Oil/Gas	1952		2011	
4	75.0	Coal/Gas	1959		2014	
5	75.0	Coal/Gas	1961		2016	
6	320.0	Coal/Gas	1970		2015	
7	500.0	Coal	1973		2018	
Life Span (Years):						
Unit 1					66	
Unit 2					62	
Unit 3					59	
Unit 4					55	
Unit 5					55	
Unit 6					45	
Unit 7					45	
Common					73	
Study Method/Dispersion					Forecast	
Average Service Life					31	
Theoretical Reserve					172,752,379	
Book Reserve (excl dismantlement)				139,599,150	158,443,000	18,843,850
Reserve Variance					(14,309,379)	
Book Reserve Ratio				40.89%	41.08%	
Gross Salvage				1%	1%	
Removal Cost excl Dismantlement				3%	4%	
Net Removal Cost				2%	3%	
				Current (SL)	Proposed FPSC	
Annual Dismantlement Expense				2,614,167	3,117,032	502,865
Avg Whole Life Rate					3.3%	
AWL 1997 Expense excl Dismantlement					12,728,859	
Average Remaining Life				23.0	17.7	
ARL Rate				2.7%	3.5%	
ARL 1997 Expense excl Dismantlement				10,414,521	13,500,305	3,085,784

The Average Remaining Life for Plant Crist needs to be adjusted to reflect the time remaining from 12/31/97 through the retirement date of each generating unit. The proposed ARL is a weighted average of all of Plant Crist's generating units adjusted for the effect of interim retirements.

ANALYSIS RESULTS
Depreciable Property

Item	Plant Crist Easements		Change
	93 FPSC	Est. 1997	
Total Investment	20,378	20,000	
Retirement Dates		2018	
Study Method/Dispersion		Square	
Average Service Life		37	
Theoretical Reserve		8,988	
Book Reserve (excl dismantlement)	8,094	9,000	
Reserve Variance		12	
Book Reserve Ratio	39.72%	45.00%	
Gross Salvage	0%	0%	
Removal Cost excl Dismantlement	0%	0%	
Net Removal Cost	0%	0%	
Avg Whole Life Rate		2.7%	
AWL 1997 Expense excl Dismantlement		540	
Average Remaining Life	31.0	21.0	
ARL Rate	1.9%	2.6%	
ARL 1997 Expense excl Dismantlement	380	520	140

This investment is being recovered over the remaining span life of Crist Unit 7.

ANALYSIS RESULTS
Depreciable Property

				Plant Daniel		
Item				93 FPSC	Est. 1997	Change
Total Investment				191,518,297	206,023,000	14,504,703
Retirement Dates:						
Unit	MW	Fuel Type	In-Serv.			
1	500	Coal/Oil	1977		2027	
2	500	Coal/Oil	1981		2031	
Life Span (Years):						
Unit 1					50	
Unit 2					50	
Common					54	
Study Method/Dispersion					Forecast	
Average Service Life					41	
Theoretical Reserve					81,578,052	
Book Reserve (excl dismantlement)				77,379,261	90,003,000	12,623,739
Reserve Variance					8,424,948	
Book Reserve Ratio				40.40%	43.69%	
Gross Salvage				1%	1%	
Removal Cost excl Dismantlement				4%	8%	
Net Removal Cost				3%	7%	
Annual Dismantlement				<u>Current (SL)</u> 550,457	<u>Proposed FPSC</u> 862,564	312,107
Avg Whole Life Rate					2.6%	
AWL 1997 Expense excl Dismantlement					5,356,598	
Average Remaining Life				25.0	26.0	
ARL Rate				2.5%	2.4%	
ARL 1997 Expense excl Dismantlement				5,150,575	4,944,552	(206,023)

The proposed rate is based on the 50 year span life for each unit presently used by Mississippi Power Company, Plant Daniel's co-owner and operator. This assumption resulted in a moderate depreciation rate reduction from 2.5% to 2.4%.

ANALYSIS RESULTS
Depreciable Property

Item	Plant Daniel Easements		
	93 FPSC	Est. 1997	Change
Total Investment	77,160	77,000	
Retirement Dates		2031	
Study Method/Dispersion		Square	
Average Service Life		54	
Theoretical Reserve		29,290	
Book Reserve (excl dismantlement)	35,317	41,000	
Reserve Variance		11,710	
Book Reserve Ratio	45.77%	53.25%	
Gross Salvage	0%	0%	
Removal Cost excl Dismantlement	0%	0%	
Net Removal Cost	0%	0%	
Avg Whole Life Rate		1.9%	
AWL 1997 Expense excl Dismantlement		1,463	
Average Remaining Life	29.0	34.0	
ARL Rate	1.9%	1.4%	
ARL 1997 Expense excl Dismantlement	1,463	1,078	(385)

This investment is being recovered over the remaining span life of Daniel Unit 2

ANALYSIS RESULTS
Depreciable Property

Plant Daniel Rail Tracks			
Item	93 FPSC	Est. 1997	Change
Total Investment	2,741,618	2,742,000	
Retirement Dates		2031	
Study Method/Dispersion		Square	
Average Service Life		54	
Theoretical Reserve		1,006,917	
Book Reserve (excl dismantlement)	1,382,261	1,546,000	
Reserve Variance		539,083	
Book Reserve Ratio	50.42%	56.38%	
Gross Salvage	0%	0%	
Removal Cost excl Dismantlement	0%	0%	
Net Removal Cost	0%	0%	
Avg Whole Life Rate		1.9%	
AWL 1997 Expense excl Dismantlement		52,098	
Average Remaining Life	33.0	34.0	
ARL Rate	1.5%	1.3%	
ARL 1997 Expense excl Dismantlement	41,130	35,646	(5,484)

This investment is being recovered over the remaining span life of Daniel Unit 2.

ANALYSIS RESULTS
Depreciable Property

Item	Plant Scherer		
	93 FPSC	Est. 1997	Change
Total Investment	174,263,113	174,791,000	527,887
Retirement Dates:			
Unit	MW	Fuel Type	In-Serv.
3	818	Coal	1967
			2042
Life Span (Years):			
Unit 3			55
Study Method/Dispersion		Forecast	
Average Service Life		46	
Theoretical Reserve		40,844,988	
Book Reserve (excl dismantlement)	38,132,495	53,426,000	15,293,505
Reserve Variance		12,581,012	
Book Reserve Ratio	21.88%	30.57%	
Gross Salvage	1%	1%	
Removal Cost excl Dismantlement	1%	5%	
Net Removal Cost	0%	4%	
		<u>Current (SL)</u>	<u>Proposed FPSC</u>
Annual Dismantlement		37,079	337,201
			300,122
Avg Whole Life Rate			2.3%
AWL 1997 Expense excl Dismantlement			4,020,193
Average Remaining Life		34.0	35.0
ARL Rate		2.3%	2.1%
ARL 1997 Expense excl Dismantlement		4,020,193	3,670,611
			(349,582)

The proposed rate is based on the 55 year span life presently used by Georgia Power Company, Plant Scherer's co-owner and operator. This assumption resulted in a moderate depreciation rate reduction from 2.3% to 2.1%.

ANALYSIS RESULTS
Depreciable Property

Plant Scholz				
Item		93 %PSC	Est. 1997	Change
Total Investment		28,034,273	28,904,000	869,727
Retirement Dates:				
Unit	MW	Fuel Type	In-Serv.	
1	40	Coal	1953	2011
2	40	Coal	1953	2011
Life Span (Years):				
	Unit 1			58
	Unit 2			58
Study Method/Dispersion			Forecast	
Average Service Life				33
Theoretical Reserve			19,456,699	
Book Reserve (excl dismantlement)			18,675,367	19,922,000
Reserve Variance				465,301
Book Reserve Ratio			66.62%	68.92%
Gross Salvage			1%	1%
Removal Cost excl Dismantlement			1%	3%
Net Removal Cost			0%	2%
			<u>Current (SL)</u>	<u>Proposed FPSC</u>
Annual Dismantlement			564,889	570,830
				5,941
Avg Whole Life Rate				3.1%
AWL 1997 Expense excl Dismantlement				896,024
Average Remaining Life			19.4	13.2
ARL Rate			1.7%	2.5%
ARL 1997 Expense excl Dismantlement			491,368	722,600
				231,232

The Average Remaining Life for Plant Scholz needs to be adjusted to reflect the time remaining from 12/31/97 through the retirement date of each generating unit. The proposed ARL is a weighted average of all of Plant Scholz's generating units adjusted for the effect of interim retirements.

ANALYSIS RESULTS
Depreciable Property

				Plant Smith		
Item				93 FPSC	Est. 1997	Change
Total Investment				94,045,287	106,623,000	12,577,713
Retirement Dates:						
Unit	MW	Fuel Type	In-Serv.			
1	125	Coal	1965		2015	
2	180	Coal	1967		2017	
Life Span (Years):						
Unit 1					50	
Unit 2					50	
Common					52	
Study Method/Dispersion					Forecast	
Average Service Life					32	
Theoretical Reserve					53,501,785	
Book Reserve (excl dismantlement)				44,393,579	54,178,000	9,784,421
Reserve Variance					676,215	
Book Reserve Ratio				47.20%	50.81%	
Gross Salvage				1%	1%	
Removal Cost excl Dismantlement				4%	5%	
Net Removal Cost				3%	4%	
				Current (SL)	Proposed FPSC	
Annual Dismantlement				898,662	1,330,500	431,838
Avg Whole Life Rate					3.3%	
AWL 1997 Expense excl Dismantlement					3,518,559	
Average Remaining Life				21.0	16.6	
ARL Rate				2.7%	3.2%	
ARL 1997 Expense excl Dismantlement				2,878,821	3,411,936	533,115

The Average Remaining Life for Plant Smith needs to be adjusted to reflect the time remaining from 12/31/97 through the retirement date of each generating unit. The proposed ARL is a weighted average of all of Plant Smith's generating units adjusted for the effect of interim retirements.

ANALYSIS RESULTS
Depreciable Property

Plant Smith Combustion Turbine				
Item		93 FPSC	Est. 1997	Change
Total Investment		4,208,774	4,251,000	
Retirement Dates:				
Unit	MW	Fuel Type	In-Serv.	
A	40	Nat. Gas	1971	
			2001	2006
Life Span (Years):				
Unit 1			30	35
Study Method/Dispersion				Forecast
Average Service Life				32
Theoretical Reserve				3,112,893
Book Reserve (excl dismantlement)		3,591,495		3,913,000
Reserve Variance				800,107
Book Reserve Ratio		85.33%		92.05%
Gross Salvage		0%		0%
Removal Cost excl Dismantlement		0%		0%
Net Removal Cost		0%		0%
		<u>Current (SL)</u>	<u>Proposed FPSC</u>	
Annual Dismantlement		14,667	10,512	
Avg Whole Life Rate				3.1%
AWL 1997 Expense excl Dismantlement				131,781
Average Remaining Life		7.5		8.5
ARL Rate		2.0%		0.9%
ARL 1997 Expense excl Dismantlement		85,020	38,259	(46,761)

Gulf Power has revised the estimated retirement date of this unit from 2001 to 2006. The five year increase in span life results in the remaining life depreciation rate change from 2.0% to 0.9%.

ANALYSIS RESULTS

Transmission Plant

The Analysis Results presented on pages 13 to 20 represent Gulf Power Company's projected depreciable investment in Transmission Plant as of December 31, 1997.

In interpreting the Analysis Results for this and subsequent pages, it is important that the reader have an understanding of the concept of average service life. Transmission, distribution, and general plant are referred to as "average life property". Average life property (excluding Account 390, buildings) is that property expected to have a continuous life. In other words, retirements and replacements will always occur creating an average life as opposed to the location life referred to in the Production Plant Summary. The average service life used for average life properties is based in part upon the analysis of account data using an "Actuarial Method" or a "Simulated Plant Record" method (SPR).

The Actuarial Method, employed for all Transmission Plant, is used for property which has aged data available. It measures the life of past retirements relative to the original investments which were exposed to retirement. The results of this analysis are compared with the Iowa Survivor Curves. This analysis was performed using the Arthur Andersen Depreciation Analysis System (AADAS).

The average remaining life (ARL) presented on subsequent pages is a function of several variables. For example, a change in average service life, a change in the selection of Iowa Survivor curve, or a significant change in the investment balance can all impact the ARL.

The net changes by year to Transmission Plant investment and depreciation reserves are presented in Tabs 10 and 11, which summarize annual changes to plant-in-service.

Historical analysis of net removal cost are addressed in Tab 9.

ANALYSIS RESULTS
Depreciable Property

Account 350 Easements and Rights of Way			
Item	FPSC Approved	Est. 1997	Change
Investment	\$8,780,937	\$9,520,000	\$739,063
Iowa Curve	SQ	SQ	
Average Service Life	75	40	(35)
Theoretical Reserve	\$2,606,122	\$5,580,204	\$2,974,082
Book Reserve	\$3,048,279	\$3,482,000	\$433,721
Reserve Variance	\$442,157	(\$2,098,204)	(\$2,540,361)
Reserve Ratio	34.71%	36.58%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Removal Cost	0%	0%	0%
Avg. Whole Life Rate	1.3%	2.5%	1.2%
AWL Expense (1997)	\$123,760	\$238,000	\$114,240
Average Remaining Life	53.0	16.6	(36.4)
ARL Rate	1.2%	3.8%	2.6%
ARL Expense (1997)	\$114,240	\$361,760	\$247,520

In prior studies, the life of easements was estimated using the Iowa curves for transmission lines and calculating its "maximum probable life". This resulted in inordinately long lives. Easements and Land Rights are intangible costs and should not have a life of greater than 40 years.

ANALYSIS RESULTS
Depreciable Property

Account 352 Structures and Improvements			
Item	FPSC Approved	Est. 1997	Change
Investment	\$4,682,161	\$5,221,000	\$538,839
Iowa Curve	S3	R4	
Average Service Life	40	45	5
Theoretical Reserve	\$954,447	\$1,278,844	\$324,397
Book Reserve	\$759,400	\$1,166,000	\$406,600
Reserve Variance	(\$195,047)	(\$112,844)	\$82,203
Reserve Ratio	16.22%	22.33%	
Gross Salvage	0%	0%	0%
Removal Cost	5%	10%	5%
Net Removal Cost	5%	10%	5%
Avg. Whole Life Rate	2.6%	2.4%	-0.2%
AWL Expense (1997)	\$135,746	\$125,304	(\$10,442)
Average Remaining Life	32.0	35.0	3.0
ARL Rate	2.8%	2.5%	-0.3%
ARL Expense (1997)	\$146,188	\$130,525	(\$15,663)

This account has not incurred any insignificant retirements since its inception. As illustrated on pages 47 to 49 of this section, most of the original investment is still in service ("Percent Surviving at Beginning of Age Interval") indicating a longer ASL for this account.

Net removal cost has been increased from 5% to 10%. (See Tab 8 - Net Removal Cost Study)

ANALYSIS RESULTS
Depreciable Property

Account 353			
Station Equipment			
Item	FPSC Approved	Est. 1997	Change
Investment	\$49,439,636	\$56,457,000	\$7,017,364
Iowa Curve	R2	R2	
Average Service Life	38	45	7
Theoretical Reserve	\$15,660,107	\$17,494,546	\$1,834,439
Book Reserve	\$16,869,538	\$20,487,000	\$3,617,462
Reserve Variance	\$1,209,431	\$2,992,454	\$1,783,023
Reserve Ratio	34.12%	36.29%	
Gross Salvage	1%	4%	3%
Removal Cost	6%	14%	8%
Net Removal Cost	5%	10%	5%
Avg. Whole Life Rate	2.8%	2.4%	-0.4%
AWL Expense (1997)	\$1,580,796	\$1,354,968	(\$225,828)
Average Remaining Life	26.0	32.0	6.0
ARL Rate	2.7%	2.3%	-0.4%
ARL Expense (1997)	\$1,524,339	\$1,298,511	(\$225,828)

The analysis of substation equipment indicates longer service lives than those in the previous study (see page 50 of this section). Historical experience indicates the life of this equipment to be in the range from 45 to 50 years with 50% or more of the original investment attaining the ASL still in-service. Our engineers also state that the lives should be longer since this equipment is built to higher specifications to ensure reliability, particularly step-up substations. We recommend a change to 45 years.

Net removal cost has been increased from 5% to 10%. (See Tab 8 - Net Removal Cost Study)

ANALYSIS RESULTS
Depreciable Property

Account 354 Towers and Fixtures			
Item	FPSC Approved	Est. 1997	Change
Investment	\$22,006,929	\$22,294,000	\$287,071
Iowa Curve	Various	R5	
Average Service Life	40	45	5
Theoretical Reserve	\$13,754,570	\$14,705,460	\$950,890
Book Reserve	\$13,298,102	\$15,889,000	\$2,590,898
Reserve Variance	(\$456,468)	\$1,183,540	\$1,640,008
Reserve Ratio	60.43%	71.27%	
Gross Salvage	20%	20%	0%
Removal Cost	40%	40%	0%
Net Removal Cost	20%	20%	0%
Avg. Whole Life Rate	3.0%	2.7%	-0.3%
AWL Expense (1997)	\$668,820	\$601,938	(\$66,882)
Average Remaining Life	19.2	20.0	0.8
ARL Rate	3.1%	2.4%	-0.7%
ARL Expense (1997)	\$691,114	\$535,056	(\$156,058)

Historically, there have been few retirements in this account, rendering actuarial analysis meaningless. However, some of the older vintages (1958 is the first significant addition) are nearing the average service life with little or no retirement activity having occurred (see pages 51 to 53 of this section). Based on our analysis, we recommend the ASL should be increased. A 45 year ASL is proposed with an R5 dispersion.

Net removal cost is unchanged from current approved rates. (See Tab 8 - Net Removal Cost Study)

ANALYSIS RESULTS
Depreciable Property

Account 355 Poles and Fixtures			
Item	FPSC Approved	Est. 1997	Change
Investment	\$27,215,177	\$31,651,000	\$4,435,823
Iowa Curve	Various	S1	
Average Service Life	37	37	0
Theoretical Reserve	\$7,943,890	\$13,236,754	\$5,292,864
Book Reserve	\$8,685,989	\$10,481,000	\$1,795,011
Reserve Variance	\$742,099	(\$2,755,754)	(\$3,497,853)
Reserve Ratio	31.92%	33.11%	
Gross Salvage	2%	1%	-1%
Removal Cost	37%	46%	9%
Net Removal Cost	35%	45%	10%
Avg. Whole Life Rate	3.6%	3.9%	0.3%
AWL Expense (1997)	\$1,139,436	\$1,234,389	\$94,953
Average Remaining Life	29.0	27.0	(2.0)
ARL Rate	3.6%	4.1%	0.5%
ARL Expense (1997)	\$1,139,436	\$1,297,691	\$158,255

Actuarial analyses continues to support the basic life and dispersion parameters currently in use.

Net removal cost has been increased from 35% to 45%. (See Tab 8 - Net Removal Cost Study)

ANALYSIS RESULTS
Depreciable Property

Account 356 Overhead Conductor & Devices			
Item	FPSC Approved	Est. 1997	Change
Investment	\$25,110,086	\$25,929,000	\$818,914
Iowa Curve	Various	S3	
Average Service Life	35	40	5
Theoretical Reserve	\$14,522,793	\$15,056,106	\$533,313
Book Reserve	\$13,008,528	\$15,726,000	\$2,717,472
Reserve Variance	(\$1,514,265)	\$669,894	\$2,184,159
Reserve Ratio	51.81%	60.65%	
Gross Salvage	10%	10%	0%
Removal Cost	30%	30%	0%
Net Removal Cost	20%	20%	0%
Avg. Whole Life Rate	3.4%	3.0%	-0.4%
AWL Expense (1997)	\$881,586	\$777,870	(\$103,716)
Average Remaining Life	18.3	21.0	2.7
ARL Rate	3.7%	2.8%	-0.9%
ARL Expense (1997)	\$959,373	\$726,012	(\$233,361)

The ASL for this account should also be increased since very few retirements have occurred and most of the original installations are still in-service. (See pages 54 to 56 of this section.)

Net removal cost is unchanged from current approved rates. (See Tab 8 - Net Removal Cost Study)

ANALYSIS RESULTS
Depreciable Property

Account 358 Underground Conductor & Devices			
Item	FPSC Approved	Est. 1997	Change
Investment	\$13,612,933	\$13,612,000	(\$933)
Iowa Curve	SQ	SQ	
Average Service Life	40	40	0
Theoretical Reserve	\$1,786,697	\$3,185,901	\$1,399,204
Book Reserve	\$886,917	\$2,411,000	\$1,524,083
Reserve Variance	(\$899,780)	(\$774,901)	\$124,879
Reserve Ratio	6.52%	17.71%	
Gross Salvage	0%	0%	0%
Removal Cost	5%	5%	0%
Net Removal Cost	5%	5%	0%
Avg. Whole Life Rate	2.6%	2.6%	0.0%
AWL Expense (1997)	\$353,912	\$353,912	\$0
Average Remaining Life	35.0	31.0	(4.0)
ARL Rate	2.8%	2.8%	0.0%
ARL Expense (1997)	\$381,136	\$381,136	\$0

There have been not been any significant changes in this account to warrant any revisions to the estimates currently in effect.

ANALYSIS RESULTS
Depreciable Property

Account 359 Roads and Trails			
Item	FPSC Approved	Est. 1997	Change
Investment	\$52,176	\$52,000	(\$176)
Iowa Curve	SQ	SQ	
Average Service Life	75	50	(25)
Theoretical Reserve	\$14,732	\$29,980	\$15,248
Book Reserve	\$13,234	\$16,000	\$2,766
Reserve Variance	(\$1,498)	(\$13,980)	(\$12,482)
Reserve Ratio	25.36%	30.77%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Removal Cost	0%	0%	0%
Avg. Whole Life Rate	1.3%	2.0%	0.7%
AWL Expense (1997)	\$676	\$1,040	\$364
Average Remaining Life	54.0	17.0	(37.0)
ARL Rate	1.4%	4.1%	2.7%
ARL Expense (1997)	\$728	\$2,132	\$1,404

The investment in this account should be depreciated over a life not exceeding 40 years (similar to easements).

ANALYSIS RESULTS
Distribution Plant

The Analysis Results presented on pages 22 to 33 represent Gulf Power Company's projected depreciable investment in Distribution Plant as of 12/31/97.

The "average life property" concept as discussed under Transmission Plant also applies to Distribution Plant. The actuarial method discussed under transmission is used for substations (Accounts 361 and 362). For mass distribution property (Accounts 364 to 373), the simulated plant record (SPR) method is utilized. For unaged accounts the SPR method is used to aid in estimating the ASL. The method simulated aged data for each account by matching actual account balances with those generated by the Iowa curves using the AADAS SPR program.

The net changes by year to Distribution Plant investment and depreciation reserves are presented in Tabs 10 and 11, which summarize annual changes to plant-in-service.

Historical analyses of net removal cost are addressed in Tab 9.

ANALYSIS RESULTS
Depreciable Property

Account 361 Structures and Improvements			
Item	FPSC Approved	Est. 1997	Change
Investment	\$9,662,844	\$9,866,000	\$203,156
Iowa Curve	S3	S3	
Average Service Life	40	40	0
Theoretical Reserve	\$2,532,325	\$3,614,380	\$1,082,055
Book Reserve	\$2,194,702	\$3,108,000	\$913,298
Reserve Variance	(\$337,623)	(\$506,380)	(\$168,757)
Reserve Ratio	22.71%	31.50%	
Gross Salvage	1%	0%	-1%
Removal Cost	6%	10%	4%
Net Removal Cost	5%	10%	5%
Avg. Whole Life Rate	2.6%	2.8%	0.2%
AWL Expense (1997)	\$256,516	\$276,248	\$19,732
Average Remaining Life	30.0	27.0	(3.0)
ARL Rate	2.7%	2.9%	0.2%
ARL Expense (1997)	\$266,382	\$286,114	\$19,732

There have been not been any significant changes in this account to warrant any revisions to the estimates currently in effect.

Net removal cost has been increased from 5% to 10%. (See Tab 8 - Net Removal Cost Study)

ANALYSIS RESULTS
Depreciable Property

Account 362 Station Equipment			
Item	FPSC Approved	Est. 1997	Change
Investment	\$91,490,980	\$102,756,000	\$11,265,020
Iowa Curve	R2	R2	
Average Service Life	38	38	0
Theoretical Reserve	\$23,610,755	\$31,958,031	\$8,347,276
Book Reserve	\$21,607,323	\$28,796,000	\$7,188,677
Reserve Variance	(\$2,003,432)	(\$3,162,031)	(\$1,158,599)
Reserve Ratio	23.62%	28.02%	
Gross Salvage	1%	4%	3%
Removal Cost	6%	14%	8%
Net Removal Cost	5%	10%	5%
Avg. Whole Life Rate	2.8%	2.9%	0.1%
AWL Expense (1997)	\$2,877,168	\$2,979,924	\$102,756
Average Remaining Life	29.0	27.0	(2.0)
ARL Rate	2.8%	3.0%	0.2%
ARL Expense (1997)	\$2,877,168	\$3,082,680	\$205,512

Our analysis and discussions with Company personnel continues to support the estimates of life currently in effect.

Net removal cost has been increased from 5% to 10%. (See Tab 8 - Net Removal Cost Study)

ANALYSIS RESULTS
Depreciable Property

Account 364 Poles, Towers and Fixtures			
Item	FPSC Approved	Est. 1997	Change
Investment	\$62,965,623	\$74,111,000	\$11,145,377
Iowa Curve	\$0	\$0	
Average Service Life	32	32	0
Theoretical Reserve	\$23,612,109	\$29,410,467	\$5,798,358
Book Reserve	\$21,767,928	\$25,549,000	\$3,781,072
Reserve Variance	(\$1,844,181)	(\$3,861,467)	(\$2,017,286)
Reserve Ratio	34.57%	34.47%	
Gross Salvage	25%	25%	0%
Removal Cost	75%	85%	10%
Net Removal Cost	50%	60%	10%
Avg. Whole Life Rate	4.7%	5.0%	0.3%
AWL Expense (1997)	\$3,483,217	\$3,705,550	\$222,333
Average Remaining Life	24.0	24.0	0.0
ARL Rate	4.8%	5.2%	0.4%
ARL Expense (1997)	\$3,557,328	\$3,853,772	\$296,444

Our analysis continues to support the estimates of life currently in effect.

Net removal cost has been increased from 50% to 60%. (See Tab 8 - Net Removal Cost Study)

ANALYSIS RESULTS
Depreciable Property

Account 365 Overhead Conductors & Devices			
Item	FPSC Approved	Est. 1997	Change
Investment	\$80,226,548	\$91,060,000	\$10,833,452
Iowa Curve	S1	S1	
Average Service Life	32	32	0
Theoretical Reserve	\$22,062,301	\$29,392,761	\$7,330,460
Book Reserve	\$26,991,165	\$32,088,000	\$5,096,835
Reserve Variance	\$4,928,864	\$2,695,239	(\$2,233,625)
Reserve Ratio	33.64%	35.24%	
Gross Salvage	20%	50%	30%
Removal Cost	30%	60%	30%
Net Removal Cost	10%	10%	0%
Avg. Whole Life Rate	3.4%	3.4%	0.0%
AWL Expense (1997)	\$3,096,040	\$3,096,040	\$0
Average Remaining Life	24.0	23.0	(1.0)
ARL Rate	3.2%	3.3%	0.1%
ARL Expense (1997)	\$2,913,920	\$3,004,980	\$91,060

Our analysis continues to support the estimates of life currently in effect.

Net removal cost is unchanged from current approved rates. (See Tab 8 - Net Removal Cost Study)

ANALYSIS RESULTS
Depreciable Property

Account 366 Underground Conduit			
Item	FPSC Approved	Est. 1997	Change
Investment	\$1,246,374	\$1,190,000	(\$56,374)
Iowa Curve	L4	L4	
Average Service Life	50	50	0
Theoretical Reserve	\$486,490	\$576,132	\$89,642
Book Reserve	\$470,298	\$598,000	\$127,702
Reserve Variance	(\$16,192)	\$21,868	\$38,060
Reserve Ratio	37.73%	50.25%	
Gross Salvage	5%	5%	0%
Removal Cost	5%	5%	0%
Net Removal Cost	0%	0%	0%
Avg. Whole Life Rate	2.0%	2.0%	0.0%
AWL Expense (1997)	\$23,800	\$23,800	\$0
Average Remaining Life	32.0	26.0	(6.0)
ARL Rate	1.9%	1.9%	0.0%
ARL Expense (1997)	\$22,610	\$22,610	\$0

There have been not been any significant changes in this account to warrant any revisions to the estimates currently in effect.

Net removal cost is unchanged from current approved rates. (See Tab 8 - Net Removal Cost Study)

ANALYSIS RESULTS
Depreciable Property

Account 367			
Underground Conductors & Devices			
Item	FPSC Approved	Est. 1997	Change
Investment	\$25,870,526	\$41,465,000	\$15,594,474
Iowa Curve	R3	R3	
Average Service Life	28	28	0
Theoretical Reserve	\$7,127,411	\$10,813,430	\$3,686,019
Book Reserve	\$7,924,494	\$11,893,000	\$3,968,506
Reserve Variance	\$797,083	\$1,079,570	\$282,487
Reserve Ratio	30.63%	28.68%	
Gross Salvage	15%	15%	0%
Removal Cost	15%	15%	0%
Net Removal Cost	0%	0%	0%
Avg. Whole Life Rate	3.6%	3.6%	0.0%
AWL Expense (1997)	\$1,492,740	\$1,492,740	\$0
Average Remaining Life	20.0	21.0	1.0
ARL Rate	3.5%	3.4%	-0.1%
ARL Expense (1997)	\$1,451,275	\$1,409,810	(\$41,465)

There have been not been any significant changes in this account to warrant any revisions to the estimates currently in effect.

Net removal cost is unchanged from current approved rates. (See Tab 8 - Net Removal Cost Study)

ANALYSIS RESULTS
Depreciable Property

Account 368 Line Transformers			
Item	FPSC Approved	Est. 1997	Change
Investment	\$102,729,001	\$125,622,000	\$22,892,999
Iowa Curve	R2	S0	
Average Service Life	25	29	4
Theoretical Reserve	\$40,167,039	\$42,030,481	\$1,863,442
Book Reserve	\$35,177,475	\$45,796,000	\$10,618,525
Reserve Variance	(\$4,989,564)	\$3,765,519	\$8,755,083
Reserve Ratio	34.24%	36.46%	
Gross Salvage	5%	10%	5%
Removal Cost	20%	35%	15%
Net Removal Cost	15%	25%	10%
Avg. Whole Life Rate	4.6%	4.3%	-0.3%
AWL Expense (1997)	\$5,778,612	\$5,401,746	(\$376,866)
Average Remaining Life	16.5	21.0	4.5
ARL Rate	4.9%	4.2%	-0.7%
ARL Expense (1997)	\$6,155,478	\$5,276,124	(\$879,354)

Both the prior study and current study provided some indication that the life should be increased (see page 57 of this section). A 29 year ASL with an S0 dispersion is proposed.

Net removal cost has been increased from 15% to 25%. (See Tab 8 - Net Removal Cost Study)

ANALYSIS RESULTS
Depreciable Property

Account 369.1 Overhead Services			
Item	FPSC Approved	Est 1997	Change
Investment	\$31,429,629	\$33,965,000	\$2,535,371
Iowa Curve	S1	L2	
Average Service Life	27	29	2
Theoretical Reserve	\$11,500,916	\$11,537,900	\$36,993
Book Reserve	\$13,240,882	\$17,768,000	\$4,527,118
Reserve Variance	\$1,739,966	\$6,230,091	\$4,490,125
Reserve Ratio	42.13%	52.31%	
Gross Salvage	20%	5%	-15%
Removal Cost	50%	10%	-40%
Net Removal Cost	30%	5%	-25%
Avg. Whole Life Rate	4.8%	3.6%	-1.2%
AWL Expense (1997)	\$1,630,320	\$1,222,740	(\$407,580)
Average Remaining Life	19.4	19.6	0.2
ARL Rate	4.5%	2.7%	-1.8%
ARL Expense (1997)	\$1,528,425	\$917,055	(\$611,370)

Based on SPR analysis, a modest change to an L2-29 dispersion and life is proposed (see page 58 of this section).

Net removal cost has been decreased from 30% to 5%. (See Tab 8 - Net Removal Cost Study)

ANALYSIS RESULTS
Depreciable Property

Account 369.2 Underground Services			
Item	FPSC Approved	Est. 1997	Change
Investment	\$12,265,552	\$15,440,000	\$3,174,448
Iowa Curve	S3	S3	
Average Service Life	30	30	0
Theoretical Reserve	\$2,698,421	\$4,780,038	\$2,081,617
Book Reserve	\$2,324,344	\$4,176,000	\$1,851,656
Reserve Variance	(\$374,077)	(\$604,038)	(\$229,961)
Reserve Ratio	18.95%	27.05%	
Gross Salvage	0%	0%	0%
Removal Cost	10%	5%	-5%
Net Removal Cost	10%	5%	-5%
Avg. Whole Life Rate	3.7%	3.5%	-0.2%
AWL Expense (1997)	\$571,280	\$540,400	(\$30,880)
Average Remaining Life	24.0	21.0	(3.0)
ARL Rate	3.8%	3.7%	-0.1%
ARL Expense (1997)	\$586,720	\$571,280	(\$15,440)

There have been not been any significant changes in this account to warrant any revisions to the estimates currently in effect.

Net removal cost has been decreased from 10% to 5%. (See Tab 8 - Net Removal Cost Study)

ANALYSIS RESULTS
Depreciable Property

Account 369.3			
Services-Housepower Boxes			
Item	FPSC Approved	Est. 1997	Change
Investment	\$7,633,133	\$6,329,000	(\$1,304,133)
Iowa Curve	R3	R3	
Average Service Life	27	27	0
Theoretical Reserve	\$4,631,119	\$4,350,373	(\$280,746)
Book Reserve	\$4,992,695	\$4,631,000	(\$361,695)
Reserve Variance	\$361,576	\$280,627	(\$80,949)
Reserve Ratio	65.41%	73.17%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Removal Cost	0%	0%	0%
Avg. Whole Life Rate	3.7%	3.7%	0.0%
AWL Expense (1997)	\$234,173	\$234,173	\$0
Average Remaining Life	10.6	8.4	(2.2)
ARL Rate	3.3%	3.2%	-0.1%
ARL Expense (1997)	\$208,857	\$202,528	(\$6,329)

This account represents a discontinued promotional program which is being systematically retired using an R3-27 dispersion and life.

Net removal cost is unchanged from current approved rates. (See Tab 8 - Net Removal Cost Study)

ANALYSIS RESULTS
 Depreciable Property

Account 370 Distribution Meters			
Item	FPSC Approved	Est. 1997	Change
Investment	\$21,378,816	\$31,275,000	\$9,896,184
Iowa Curve	\$1	\$1	
Average Service Life	27	27	0
Theoretical Reserve	\$7,666,285	\$9,549,264	\$1,882,979
Book Reserve	\$9,252,132	\$11,600,000	\$2,347,868
Reserve Variance	\$1,585,847	\$2,050,736	\$464,889
Reserve Ratio	43.28%	37.09%	
Gross Salvage	2%	3%	1%
Removal Cost	5%	6%	1%
Net Removal Cost	3%	3%	-0%
Avg. Whole Life Rate	3.8%	3.8%	0.0%
AWL Expense (1997)	\$1,188,450	\$1,188,450	\$0
Average Remaining Life	17.6	19.0	1.4
ARL Rate	3.4%	3.5%	0.1%
ARL Expense (1997)	\$1,063,350	\$1,094,625	\$31,275

Our analysis of this account using SPR indicates a historical ASL longer than the life currently in effect. However, in our opinion, this life should remain the same due to the recent installations of shorter-lived solid state equipment.

Net removal cost is unchanged from current approved rates. (See Tab 8 - Net Removal Cost Study)

ANALYSIS RESULTS
Depreciable Property

Account 373 Street Lighting & Signal System			
Item	FPSC Approved	Est. 1997	Change
Investment	\$19,941,044	\$30,905,000	\$10,963,956
Iowa Curve	R0.5	R1	
Average Service Life	15	15	0
Theoretical Reserve	\$4,679,498	\$9,712,137	\$5,032,639
Book Reserve	\$4,601,456	\$9,215,000	\$4,613,544
Reserve Variance	(\$78,042)	(\$497,137)	(\$419,095)
Reserve Ratio	23.08%	29.82%	
Gross Salvage	10%	10%	0%
Removal Cost	20%	20%	0%
Net Removal Cost	10%	10%	0%
Avg. Whole Life Rate	7.3%	7.3%	0.0%
AWL Expense (1997)	\$2,256,065	\$2,256,065	\$0
Average Remaining Life	11.8	10.7	(1.1)
ARL Rate	7.4%	7.5%	0.1%
ARL Expense (1997)	\$2,286,970	\$2,317,875	\$30,905

Based on SPR analysis, retention of the current 15 year life is proposed. A minor change from an R0.5 to an R1 curve is proposed as half curves imply a greater degree of accuracy than is warranted by the data.

Net removal cost is unchanged from current approved rates. (See Tab 8 - Net Removal Cost Study)

ANALYSIS RESULTS

General Plant

The Analysis Results presented on pages 35 to 43 represent Gulf Power Company's projected depreciable investment in General Plant as of 12/31/97.

General Plant is analyzed via the actuarial method. Accounts 391, 392-Marine Equipment, 393, 394, 395, 397-Telephone Equipment and 398 were not analyzed because the investment in these accounts/subaccounts is amortized, not depreciated. Accounts 393, 394, and 395 in the past contained investments which were subject to both amortization and depreciation. This study proposes amortization of all investment in accounts 393, 394 and 395.

The net changes by year to General Plant investment and depreciation reserves are presented in Tabs 10 and 11, which summarize annual changes to plant-in-service.

Historical analysis of net removal cost are discussed in Tab 9.

ANALYSIS RESULTS
Depreciable Property

Account 390 Structures and Improvements			
Item	FPSC Approved	Est. 1997	Change
Investment (1997 excl Corp HQ 3rd floor)	\$51,405,551	\$49,390,000	(\$2,015,551)
Iowa Curve	N/A	R4	
Average Service Life	43	43	0
Theoretical Reserve	\$10,759,301	\$14,728,830	\$3,969,529
Book Reserve	\$11,687,973	\$15,658,000	\$3,970,027
Reserve Variance	\$928,672	\$929,170	\$498
Reserve Ratio	22.74%	31.70%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Removal Cost	0%	0%	0%
Avg. Whole Life Rate	2.3%	2.3%	0.0%
AWL Expense (1997)	\$1,135,970	\$1,135,970	\$0
Average Remaining Life	34.0	30.0	(4.0)
ARL Rate	2.3%	2.3%	0.0%
ARL Expense (1997)	\$1,135,970	\$1,135,970	\$0

Actuarial analysis is not very meaningful as retirement experience is limited. However, very little change has occurred in this account since the last rate prescription. Therefore, as long as the current proscribed rate is deemed appropriate, the remaining life should be adjusted by four years. We propose an R4 dispersion and the same 43 year life which are within industry standards as reported in the EEI's Annual Statistics Survey for the South Atlantic region.

Net removal cost is unchanged from current approved rates. (See Tab 8 - Net Removal Cost Study)

ANALYSIS RESULTS
Depreciable Property

Account 392 1 Automobiles			
Item	FPSC Approved	Est. 1997	Change
Investment	\$2,116,367	\$277,000	(\$1,839,367)
Iowa Curve	L4	L4	
Average Service Life	6	6	0
Theoretical Reserve	\$846,547		(\$846,547)
Book Reserve	\$1,123,426	\$277,000	(\$846,426)
Reserve Variance	\$276,879		(\$276,879)
Reserve Ratio	53.08%	100.00%	
Gross Salvage	20%	25%	5%
Removal Cost	0%	0%	0%
Net Removal Cost	-20%	-25%	-5%
Avg. Whole Life Rate	13.3%	12.5%	-0.8%
AWL Expense (1997)	\$36,841	\$34,625	(\$2,216)
Average Remaining Life	3.0		(3.0)
ARL Rate	9.0%		-9.0%
ARL Expense (1997)	\$24,930		(\$24,930)

Since the prior study, Gulf Power Company changed its policy with respect to owning automobiles. Gulf Power now either rents vehicles as necessary or reimburses employees for using their automobiles. The vehicles previously owned by Gulf Power are being retired and sold causing this account to be fully depreciated. As such, no depreciation rate should be applied to the current investment in this account. In the event Gulf Power acquires new vehicles they should be depreciated over the whole life rate.

Net removal cost has been decreased from -20% to -25%. (See Tab 8 - Net Removal Cost Study)

ANALYSIS RESULTS
Depreciable Property

Account 392.2			
Light Trucks			
Item	FPSC Approved	Est. 1997	Change
Investment	\$3,505,736	\$3,765,000	\$259,264
Iowa Curve	S3	L3	
Average Service Life	6	7	1
Theoretical Reserve	\$1,495,781	\$1,508,328	\$12,547
Book Reserve	\$1,289,356	\$2,407,000	\$1,117,644
Reserve Variance	(\$206,425)	\$898,672	\$1,105,097
Reserve Ratio	36.78%	63.93%	
Gross Salvage	20%	20%	0%
Removal Cost	0%	0%	0%
Net Removal Cost	-20%	-20%	0%
Avg. Whole Life Rate	13.3%	11.4%	-1.9%
AWL Expense (1997)	\$500,745	\$429,210	(\$71,535)
Average Remaining Life	2.8	3.5	0.7
ARL Rate	15.4%	4.6%	-10.8%
ARL Expense (1997)	\$579,810	\$173,190	(\$406,620)

Actuarial analysis indicated longer service lives for which an L3-7 dispersion and life would be appropriate (see page 59 of this section). Recently, Gulf has changed its maintenance policy to better monitor both the need and the quality of repairs for these vehicles. Replacement of these trucks are no longer based strictly on age and mileage criteria.

Net removal cost is unchanged from current approved rates. (See Tab 8 - Net Removal Cost Study)

ANALYSIS RESULTS
Depreciable Property

Item	Account 392.3 Heavy Trucks		
	FPSC Approved	Est. 1997	Change
Investment	\$12,837,191	\$16,478,000	\$3,640,809
Iowa Curve	L2	L2	
Average Service Life	11	11	0
Theoretical Reserve	\$3,868,663	\$4,373,871	\$505,208
Book Reserve	\$3,721,134	\$4,997,000	\$1,275,866
Reserve Variance	(\$147,529)	\$623,129	\$770,658
Reserve Ratio	28.99%	30.33%	
Gross Salvage	15%	20%	5%
Removal Cost	0%	0%	0%
Net Removal Cost	-15%	-20%	-5%
Avg. Whole Life Rate	7.7%	7.3%	-0.4%
AWL Expense (1997)	\$1,268,806	\$1,202,894	(\$65,912)
Average Remaining Life	7.1	7.2	0.1
ARL Rate	7.9%	6.9%	-1.0%
ARL Expense (1997)	\$1,301,762	\$1,136,982	(\$164,780)

Actuarial analysis indicates continued use of the current life parameters, an L2-11 dispersion and life.

Net removal cost has been decreased from -15% to -20%. (See Tab 8 - Net Removal Cost Study)

ANALYSIS RESULTS
Depreciable Property

Account 392.4			
Trailers			
Item	FPSC Approved	Est. 1997	Change
Investment	\$1,093,019	\$1,272,000	\$178,981
Iowa Curve	SQ	S1	
Average Service Life	25	18	(7)
Theoretical Reserve	\$275,004	\$370,235	\$95,231
Book Reserve	\$284,854	\$271,000	(\$13,854)
Reserve Variance	\$9,850	(\$99,235)	(\$109,085)
Reserve Ratio	26.06%	21.31%	
Gross Salvage	15%	15%	0%
Removal Cost	0%	0%	0%
Net Removal Cost	-15%	-15%	0%
Avg. Whole Life Rate	3.4%	4.7%	1.3%
AWL Expense (1997)	\$43,248	\$59,784	\$16,536
Average Remaining Life	17.6	11.8	(5.8)
ARL Rate	3.3%	5.4%	2.1%
ARL Expense (1997)	\$41,976	\$68,688	\$26,712

This account has experienced a significant increase in retirements since the last depreciation study. This experience indicates a need to revise the ASL and dispersion previously used. Based on actuarial analysis an S1-18 dispersion and life is proposed (see page 60 of this section).

Net removal cost is unchanged from current approved rates. (See Tab 8 - Net Removal Cost Study)

ANALYSIS RESULTS
Depreciable Property

Account 393
Account 394
Account 395

Stores Equipment
Tools, Shop & Garage Equipment
Laboratory Equipment

In the past, depreciation expense for accounts 393, 394, and 395 was determined using both a depreciation rate and amortization. Considering FERC's Accounting Release #15 (see pages 62 to 65 of this section), coupled with the fact that these accounts primarily represent low dollar investments for numerous items which are difficult to track or trace, we propose that Gulf Power Company be allowed to amortize the entire account over a seven-year period. The depreciable investment in these accounts are less than two-tenths of a percent of Gulf Power's total Electric Plant In-service as of January 1, 1997. A seven year amortization period is in accordance with Gulf Power Company and FPSC practice.

The following page compares the current methodology with the proposed amortization. The first year of total amortization (1998), results in a total increase of \$134 thousand for all three accounts. All of this increase is due to amortizing over seven years reserve deficiencies created by retirement of older vintage property.

Gulf Power Company
Accounts 393 to 395 Depr & Amort Expense
Current Approved Methodology Vs. Proposed Amort.

FERC Acct.	Current Approved Methodology					Proposed 7 Year Amortization -Entire Account			
	12/31/97 Investment	Current Dep Rate	12/31/97 Reserve	Yr-End 1997 Rets	98 Accrual on Y/E Balances	12/31/97 Investment	12/31/97 Reserve	Yr-End 1997 Rets	98 Accrual on Y/E Balances
Depreciable General Plant									
393	1,326,000	6.3%	1,027,000	0	84,000				
394	1,044,000	3.8%	148,000	0	40,000				
395	714,000	5.9%	286,000	0	42,000				
Amortizable General Plant									
393	109,000		20,000	108,000	17,000				
394	1,331,000		527,000	134,000	197,000				
395	1,359,000		437,000	221,000	239,000				
Total Depr & Amort Expense by FERC									
393	1,435,000		1,047,000	108,000	101,000	290,000	(97,000)	1,252,000	73,000
394	2,375,000		675,000	134,000	237,000	1,841,000	140,000	669,000	355,000
395	2,073,000		723,000	221,000	281,000	2,074,000	721,000	221,000	325,000
Total Expense					<u>619,000</u>				<u>753,000</u>
Increase/(Decrease) in Expense									<u>134,000</u>

ANALYSIS RESULTS
Depreciable Property

Account 396			
Power Operated Equipment			
Item	FPSC Approved	Est. 1997	Change
Investment	\$384,883	\$392,000	\$7,117
Iowa Curve	SQ	SQ	
Average Service Life	20	20	0
Theoretical Reserve	\$179,581	\$228,459	\$48,878
Book Reserve	\$221,921	\$253,000	\$31,079
Reserve Variance	\$42,340	\$24,541	(\$17,799)
Reserve Ratio	57.66%	64.54%	
Gross Salvage	15%	15%	0%
Removal Cost	0%	0%	0%
Net Removal Cost	-15%	-15%	0%
Avg. Whole Life Rate	4.3%	4.3%	0.0%
AWL Expense (1997)	\$16,856	\$16,856	\$0
Average Remaining Life	9.0	6.3	(2.7)
ARL Rate	3.0%	3.2%	0.2%
ARL Expense (1997)	\$11,760	\$12,544	\$784

There have been not been any significant changes in this account to warrant any revisions to the estimates currently in effect.

Net removal cost is unchanged from current approved rates. (See Tab 8 - Net Removal Cost Study)

ANALYSIS RESULTS
 Depreciable Property

Account 397			
Communication Equipment			
Item	FPSC Approved	Est. 1997	Change
Investment	\$9,568,481	\$12,777,000	\$3,208,519
Iowa Curve	S1	S3	
Average Service Life	24	15	(9)
Theoretical Reserve	\$2,217,495	\$4,196,144	\$1,978,649
Book Reserve	\$2,635,286	\$1,853,000	(\$782,286)
Reserve Variance	\$417,791	(\$2,343,144)	(\$2,760,935)
Reserve Ratio	27.54%	14.50%	
Gross Salvage	1%	0%	-1%
Removal Cost	4%	2%	-2%
Net Removal Cost	3%	2%	-1%
Avg. Whole Life Rate	4.3%	6.8%	2.5%
AWL Expense (1997)	\$549,411	\$868,836	\$319,425
Average Remaining Life	18.6	10.0	(8.6)
ARL Rate	4.1%	8.8%	4.7%
ARL Expense (1997)	\$523,857	\$1,124,376	\$600,519

Gulf Power Company has experienced an increase in the retirement activity for this account. Based on this increased experience coupled with trends in the communications industry and input from our engineers, we propose a shorter life of 15 years and a symmetrical dispersion using an S3 Iowa Curve (see page 61 of this section).

Net removal cost has been decreased from 3% to 2%. (See Tab 8 - Net Removal Cost Study)

FORECAST ANALYSIS
(HARMONIC WEIGHTED)
1997 DEPRECIATION STUDY

VIN	BALANCE 1/1/97	NET	ADL	AGE	ADL	AGE WEIGHT	INTERIM SAL	CALC. RESERVE	UNRECOVERED	ACCUMUL
1979	298,478	298,478	60	0	0	10,000	0	173,000	127,478	6,238
1980	0	0	60	0	0	0	0	0	0	0
1981	0	0	60	0	0	0	0	0	0	0
1982	0	0	60	0	0	0	0	0	0	0
1983	0	0	60	0	0	0	0	0	0	0
1984	220,605	220,605	60	0	0	5,220	0	14,000	2,000	143
1985	218,182	218,182	60	0	0	5,220	0	14,000	78,720	1,848
1986	0	0	60	0	0	0	0	0	74,560	1,550
1987	0	0	60	0	0	0	0	0	1,788	87
1988	0	0	60	0	0	0	0	0	0	0
1989	0	0	60	0	0	0	0	0	0	0
1990	0	0	60	0	0	0	0	0	0	0
1991	0	0	60	0	0	0	0	0	0	0
1992	0	0	60	0	0	0	0	0	0	0
1993	0	0	60	0	0	0	0	0	0	0
1994	0	0	60	0	0	0	0	0	0	0
1995	0	0	60	0	0	0	0	0	0	0
1996	0	0	60	0	0	0	0	0	0	0
1997	0	0	60	0	0	0	0	0	0	0
312 3	28,368,512		31.5	5.4	29.5	5,253,454	0	9,792,788	18,567,732	985,742
312 3	INTERIM NET SALVAGE Z = 0									
ACCOUNT 312	61,475,284		28.5	5.0	19.2	12,782,658	-1,299,895	28,561,918	48,913,366	2,135,729
ACCOUNT 312	INTERIM NET SALVAGE Z = -2									
ACCOUNT 314										

ANALYSIS SUMMARY

Company Name GULF POWER COMPANY
 Project Name 352
 Experience Band 1950 1997
 Avg Age of Rtmnts 16 90

Account

352 STRUCTURES & IMPROVEMENTS

Subaccount

47

AGE AT BEGINNING OF INTERVAL	EXPOSURES AT BEGINNING OF INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETIREMENTS RATIOS	SURVIVOR RATIOS	PCT SURVIVING AT BEGIN OF AGE INTERVAL	RETIREMENT FREQUENCY
0.0	5,548,107	0	0.0000	1.0000	100.00	0.00
0.5	4,257,811	1,021	0.0002	0.9998	100.00	0.00
1.5	4,252,918	675	0.0002	0.9996	99.98	0.02
2.5	4,238,854	423	0.0001	0.9999	99.98	0.02
3.5	4,181,837	543	0.0001	0.9999	99.95	0.01
4.5	4,179,118	6,620	0.0016	0.9984	99.94	0.01
5.5	4,158,273	11,454	0.0028	0.9972	99.78	0.16
6.5	3,770,653	12,321	0.0033	0.9967	99.50	0.27
7.5	3,597,391	2,720	0.0008	0.9992	99.18	0.33
8.5	2,428,489	4,929	0.0020	0.9980	99.10	0.07
9.5	1,837,385	5,135	0.0028	0.9972	98.90	0.20
10.5	1,689,228	26,542	0.0157	0.9843	98.83	0.28
11.5	1,627,404	1,000	0.0006	0.9994	97.08	1.55
12.5	1,595,813	1,324	0.0008	0.9992	97.02	0.06
13.5	1,593,503	877	0.0006	0.9994	96.94	0.08

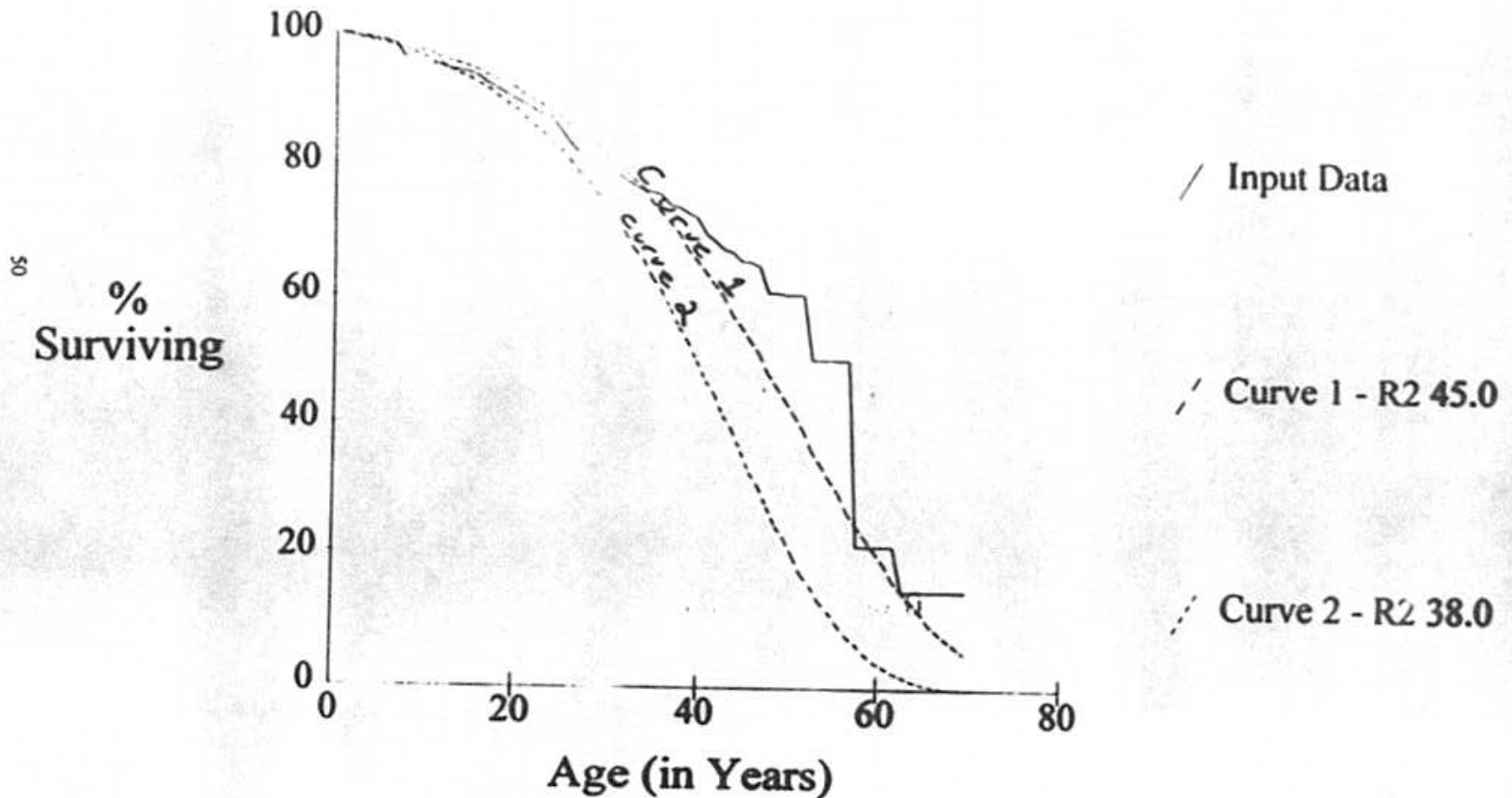
<u>AGE AT BEGINNING OF INTERVAL</u>	<u>EXPOSURES AT BEGINNING OF INTERVAL</u>	<u>RETIREMENTS DURING AGE INTERVAL</u>	<u>RETIREMENTS RATIOS</u>	<u>SURVIVOR RATIOS</u>	<u>PCT. SURVIVING AT BEGIN OF AGE INTERVAL</u>	<u>RETIREMENT FREQUENCY</u>
14.5	1,494,412	11,720	0.0078	0.9922	96.88	0.05
15.5	1,476,254	17,992	0.0122	0.9878	96.12	0.76
16.5	1,363,114	72,781	0.0534	0.9466	94.95	1.17
17.5	1,246,713	82,691	0.0663	0.9337	89.88	5.07
18.5	1,141,172	0	0.0000	1.0000	83.92	5.96
19.5	1,130,527	86,290	0.0763	0.9237	83.92	0.00
20.5	856,648	4,152	0.0048	0.9952	77.51	6.41
21.5	812,069	1,877	0.0023	0.9977	77.14	0.38
22.5	677,435	479	0.0007	0.9993	76.96	0.18
23.5	569,526	1,867	0.0033	0.9967	76.91	0.05
24.5	398,481	3,640	0.0091	0.9909	76.65	0.25
25.5	386,035	617	0.0016	0.9984	75.95	0.70
26.5	314,563	933	0.0030	0.9970	75.83	0.12
27.5	308,589	0	0.0000	1.0000	75.61	0.22
28.5	305,330	6,239	0.0204	0.9796	75.61	0.00
29.5	216,694	85	0.0004	0.9996	74.06	1.54
30.5	155,638	5,029	0.0323	0.9677	74.03	0.03
31.5	148,904	8,422	0.0568	0.9434	71.64	2.39
32.5	134,698	151	0.0011	0.9989	67.59	4.05
33.5	133,931	458	0.0034	0.9966	67.51	0.08
34.5	123,661	355	0.0029	0.9971	67.26	0.23
35.5	118,801	338	0.0028	0.9972	67.09	0.19
36.5	117,390	0	0.0000	1.0000	66.90	0.19
37.5	97,121	1,359	0.0140	0.9860	66.90	0.79
38.5	94,831	144	0.0015	0.9985	65.98	0.94
39.5	94,529	77	0.0008	0.9992	65.86	0.10
40.5	92,769	704	0.0076	0.9924	65.81	0.05
41.5	91,222	2,629	0.0288	0.9712	65.31	0.50
42.5	88,593	0	0.0000	1.0000	63.43	1.88
43.5	88,546	0	0.0000	1.0000	63.43	0.00
44.5	60,413	65	0.0011	0.9989	63.43	0.00
45.5	58,877	0	0.0000	1.0000	63.36	0.07
46.5	48,102	0	0.0000	1.0000	63.36	0.00
47.5	47,062	2	0.0000	1.0000	63.36	0.00

48

<u>AGE AT BEGINNING OF INTERVAL</u>	<u>EXPOSURES AT BEGINNING OF INTERVAL</u>	<u>RETIREMENTS DURING AGE INTERVAL</u>	<u>RETIREMENTS RATIOS</u>	<u>SURVIVOR RATIOS</u>	<u>PCT. SURVIVING AT BEGIN OF AGE INTERVAL</u>	<u>RETIREMENT FREQUENCY</u>
48.5	12,468	0	0.0000	1.0000	63.36	0.00
49.5	12,468	0	0.0000	1.0000	63.36	0.00
50.5	4,000	0	0.0000	1.0000	63.36	0.00
51.5	3,599	82	0.0228	0.9772	63.36	0.00
52.5	3,420	0	0.0000	1.0000	61.91	1.44
53.5	3,420	0	0.0000	1.0000	51.91	0.00
54.5	221	0	0.0000	1.0000	61.91	0.00
55.5	8	0	0.0000	1.0000	61.91	0.00
56.5	8	8	1.0000	0.0000	61.91	0.00
57.5	0	0	0.0000	1.0000	0.00	61.91
58.5	0	0	0.0000	1.0000	0.00	0.00
59.5	0	0	0.0000	1.0000	0.00	0.00
60.5	0	0	0.0000	1.0000	0.00	0.00
61.5	0	0	0.0000	1.0000	0.00	0.00
62.5	0	0	0.0000	1.0000	0.00	0.00
63.5	0	0	0.0000	1.0000	0.00	0.00
64.5	0	0	0.0000	1.0000	0.00	0.00
65.5	0	0	0.0000	1.0000	0.00	0.00
66.5	0	0	0.0000	1.0000	0.00	0.00
67.5	0	0	0.0000	1.0000	0.00	0.00
68.5	0	0	0.0000	1.0000	0.00	0.00
69.5	0	0	0.0000	1.0000	0.00	0.00
Sum of Retirements		<u>386,768</u>				

49

ACTUARIAL GRAPH Project Name: 353 1957-1997 E 5/5/97



ANALYSIS SUMMARY

Company Name: GULF POWER COMPANY
 Project Name: 354
 Experience Band: 1975 1998
 Avg Age of Rtmnts: 21.10

Account
 354 TOWERS & EQUIPMENT

Subaccount

51

AGE AT BEGINNING OF INTERVAL	EXPOSURES AT BEGINNING OF INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETIREMENTS RATIOS	SURVIVOR RATIOS	PCT SURVIVING AT BEGIN OF AGE INTERVAL	RETIREMENT FREQUENCY
0.0	6,611,210	0	0.0000	1.0000	100.00	0.00
0.5	13,268,372	0	0.0000	1.0000	100.00	0.00
1.5	14,774,877	0	0.0000	1.0000	100.00	0.00
2.5	14,947,788	0	0.0000	1.0000	100.00	0.00
3.5	16,004,222	0	0.0000	1.0000	100.00	0.00
4.5	16,094,827	0	0.0000	1.0000	100.00	0.00
5.5	16,094,827	0	0.0000	1.0000	100.00	0.00
6.5	17,342,481	0	0.0000	1.0000	100.00	0.00
7.5	19,283,393	5,444	0.0003	0.9997	100.00	0.00
8.5	20,408,887	8,588	0.0004	0.9996	99.97	0.03
9.5	20,281,576	0	0.0000	1.0000	99.93	0.04
10.5	20,684,432	0	0.0000	1.0000	99.93	0.00
11.5	20,685,121	0	0.0000	1.0000	99.93	0.00
12.5	20,894,136	0	0.0000	1.0000	99.93	0.00
13.5	21,302,742	1,149	0.0001	0.9999	99.93	0.00

<u>AGE AT BEGINNING OF INTERVAL</u>	<u>EXPOSURES AT BEGINNING OF INTERVAL</u>	<u>RETIREMENTS DURING AGE INTERVAL</u>	<u>RETIREMENTS RATIOS</u>	<u>SURVIVOR RATIOS</u>	<u>PCT. SURVIVING AT BEGIN OF AGE INTERVAL</u>	<u>RETIREMENT FREQUENCY</u>
14.5	21,236,190	15,562	0.0007	0.9993	99.92	0.01
15.5	21,017,376	39,904	0.0019	0.9981	99.85	0.07
16.5	21,404,839	16,268	0.0008	0.9992	99.66	0.19
17.5	21,388,601	69,368	0.0032	0.9968	99.59	0.08
18.5	20,841,938	3,891	0.0002	0.9998	99.26	0.32
19.5	18,641,503	0	0.0000	1.0000	99.24	0.02
20.5	18,560,640	17,438	0.0009	0.9991	99.24	0.00
21.5	15,874,948	0	0.0000	1.0000	99.15	0.09
22.5	9,257,175	8,003	0.0009	0.9991	99.15	0.00
23.5	7,766,545	13,195	0.0017	0.9983	99.07	0.09
24.5	7,511,701	17,344	0.0023	0.9977	98.90	0.17
25.5	6,060,376	1,444	0.0002	0.9998	98.67	0.23
26.5	5,950,803	0	0.0000	1.0000	98.65	0.02
27.5	5,950,803	0	0.0000	1.0000	98.65	0.00
28.5	4,683,364	0	0.0000	1.0000	98.65	0.00
29.5	2,745,883	44,775	0.0163	0.9837	98.65	0.00
30.5	1,562,302	15,532	0.0100	0.9900	97.04	1.61
31.5	1,537,947	0	0.0000	1.0000	96.07	0.97
32.5	1,101,388	0	0.0000	1.0000	96.07	0.00
33.5	1,100,703	0	0.0000	1.0000	96.07	0.00
34.5	891,688	0	0.0000	1.0000	96.07	0.00
35.5	528,931	0	0.0000	1.0000	96.07	0.00
36.5	528,924	0	0.0000	1.0000	96.07	0.00
37.5	528,115	0	0.0000	1.0000	96.07	0.00
38.5	54,981	0	0.0000	1.0000	96.07	0.00
39.5	54,981	0	0.0000	1.0000	96.07	0.00
40.5	54,981	0	0.0000	1.0000	96.07	0.00
41.5	54,916	0	0.0000	1.0000	96.07	0.00
42.5	28,344	0	0.0000	1.0000	96.07	0.00
43.5	28,344	0	0.0000	1.0000	96.07	0.00
44.5	4,517	0	0.0000	1.0000	96.07	0.00
45.5	6,982	0	0.0000	1.0000	96.07	0.00
46.5	9,644	0	0.0000	1.0000	96.07	0.00
47.5	9,389	0	0.0000	1.0000	96.07	0.00

52

<u>AGE AT BEGINNING OF INTERVAL</u>	<u>EXPOSURES AT BEGINNING OF INTERVAL</u>	<u>RETIREMENTS DURING AGE INTERVAL</u>	<u>RETIREMENTS RATIOS</u>	<u>SURVIVOR RATIOS</u>	<u>PCT. SURVIVING AT BEGIN OF AGE INTERVAL</u>	<u>RETIREMENT FREQUENCY</u>
48.5	9,389	0	0.0000	1.0000	98.07	0.00
49.5	9,389	0	0.0000	1.0000	98.07	0.00
50.5	9,389	0	0.0000	1.0000	98.07	0.00
51.5	9,389	0	0.0000	1.0000	98.07	0.00
52.5	9,389	0	0.0000	1.0000	98.07	0.00
53.5	5,977	846	0.1415	0.8585	98.07	0.00
54.5	5,131	4	0.0008	0.9992	82.47	13.60
55.5	5,127	0	0.0000	1.0000	82.40	0.08
56.5	5,127	0	0.0000	1.0000	82.40	0.00
57.5	5,127	0	0.0000	1.0000	82.40	0.00
58.5	5,127	0	0.0000	1.0000	82.40	0.00
59.5	5,127	0	0.0000	1.0000	82.40	0.00
60.5	5,127	0	0.0000	1.0000	82.40	0.00
61.5	5,127	0	0.0000	1.0000	82.40	0.00
62.5	5,127	0	0.0000	1.0000	82.40	0.00
63.5	5,127	0	0.0000	1.0000	82.40	0.00
64.5	5,127	0	0.0000	1.0000	82.40	0.00
65.5	5,127	0	0.0000	1.0000	82.40	0.00
66.5	5,127	2,184	0.4260	0.5740	82.40	0.00
67.5	2,092	2,409	0.9060	0.0960	47.30	35.10
68.5	0	0	0.0000	1.0000	4.50	42.81
Sum of Retirements:		<u>283,348</u>				

53

ANALYSIS SUMMARY

Company Name: GULF POWER COMPANY
 Project Name: 358
 Experience Band: 1939 1999
 Avg Age of Rmths: 23.00

Account
 356 OVERHEAD CONDUCTORS

Subaccount

AGE AT BEGINNING OF INTERVAL	EXPOSURES AT BEGINNING OF INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETIREMENTS RATIOS	SURVIVOR RATIOS	PCT SURVIVING AT BEGIN OF AGE INTERVAL	RETIREMENT FREQUENCY
0.0	27,995,659	69,101	0.0024	0.9976	100.00	0.00
0.5	27,142,692	11,959	0.0004	0.9996	99.76	0.24
1.5	27,009,695	32,144	0.0012	0.9988	99.72	0.34
2.5	26,555,161	20,361	0.0008	0.9982	99.60	0.12
3.5	25,672,518	9,016	0.0004	0.9986	99.52	0.08
4.5	24,438,059	21,268	0.0009	0.9991	99.49	0.03
5.5	23,999,047	43,039	0.0018	0.9982	99.40	0.09
6.5	23,424,534	15,832	0.0007	0.9993	99.22	0.18
7.5	21,688,381	38,934	0.0018	0.9982	99.16	0.07
8.5	20,771,376	46,553	0.0022	0.9978	98.98	0.18
9.5	20,478,759	21,854	0.0011	0.9989	98.78	0.22
10.5	20,230,651	34,724	0.0017	0.9983	98.65	0.11
11.5	19,694,090	33,238	0.0017	0.9983	98.48	0.17
12.5	19,674,901	7,528	0.0004	0.9996	98.32	0.17
13.5	19,299,772	63,684	0.0043	0.9957	98.26	0.04
14.5	18,711,510	50,614	0.0027	0.9973	97.85	0.43

AGE AT
BEGINNING
OF INTERVALEXPOSURES AT
BEGINNING OF
INTERVALRETIREMENTS
DURING AGE
INTERVALRETIREMENTS
RATIOSSURVIVOR
RATIOSPCT. SURVIVING
AT BEGIN OF
AGE INTERVALRETIREMENT
FREQUENCY

15.5	17,903,380	18,435	0.0010	0.9990	97.50	0.28
16.5	17,675,228	27,183	0.0015	0.9985	97.49	0.10
17.5	17,131,131	65,538	0.0038	0.9962	97.34	0.15
18.5	16,500,697	159,108	0.0098	0.9904	96.97	0.37
19.5	15,889,538	48,238	0.0031	0.9969	96.03	0.93
20.5	15,551,488	141,289	0.0091	0.9909	95.74	0.30
21.5	13,987,283	73,210	0.0052	0.9948	94.87	0.87
22.5	11,422,461	75,715	0.0066	0.9934	94.37	0.50
23.5	10,363,800	55,714	0.0054	0.9946	93.74	0.83
24.5	9,987,971	107,047	0.0107	0.9893	93.24	0.50
25.5	8,788,784	168,349	0.0189	0.9811	92.24	1.00
26.5	8,447,188	89,778	0.0106	0.9894	90.49	1.75
27.5	8,092,888	26,000	0.0032	0.9968	89.53	0.98
28.5	7,171,354	92,808	0.0130	0.9870	89.24	0.29
29.5	5,889,513	29,821	0.0052	0.9948	88.09	1.18
30.5	4,724,101	2,984	0.0006	0.9994	87.83	0.48
31.5	4,531,398	44,452	0.0098	0.9902	87.57	0.05
32.5	4,204,611	20,302	0.0048	0.9952	86.71	0.88
33.5	4,113,511	25,548	0.0062	0.9938	86.29	0.42
34.5	3,532,055	37,508	0.0108	0.9894	85.78	0.54
35.5	3,121,348	753	0.0002	0.9998	84.85	0.91
36.5	2,884,974	12,133	0.0041	0.9959	84.83	0.02
37.5	2,834,427	111,118	0.0079	0.9921	84.48	0.35
38.5	2,188,114	38,228	0.0176	0.9824	81.28	3.20
39.5	2,001,283	10,208	0.0051	0.9949	79.82	1.37
40.5	1,913,829	42,991	0.0225	0.9776	79.51	0.41
41.5	1,857,931	2,505	0.0013	0.9987	77.72	1.78
42.5	1,898,387	10,883	0.0057	0.9943	77.62	0.10
43.5	1,311,488	5,048	0.0038	0.9962	77.13	0.49
44.5	1,089,272	2,310	0.0022	0.9978	76.83	0.30
45.5	952,710	0	0.0000	1.0000	76.67	0.17
46.5	828,691	577	0.0007	0.9993	76.67	0.00
47.5	793,929	72,832	0.0091	0.9909	76.61	0.05
48.5	721,088	2,859	0.0040	0.9960	69.59	7.03
49.5	481,044	1,402	0.0029	0.9971	69.31	0.28

55

<u>AGE AT BEGINNING OF INTERVAL</u>	<u>EXPOSURES AT BEGINNING OF INTERVAL</u>	<u>RETIREMENTS DURING AGE INTERVAL</u>	<u>RETIREMENTS RATIO</u>	<u>SURVIVOR RATIO</u>	<u>PCT. SURVIVING AT BEGIN OF AGE INTERVAL</u>	<u>RETIREMENT FREQUENCY</u>
50.5	479,642	11,982	0.0250	0.9750	69.11	0.20
51.5	464,481	0	0.0000	1.0000	67.38	1.73
52.5	289,611	0	0.0000	1.0000	67.38	0.00
53.5	245,889	6,501	0.0264	0.9736	67.38	0.00
54.5	83,107	0	0.0000	1.0000	65.60	1.78
55.5	83,107	0	0.0000	1.0000	65.60	0.00
56.5	83,107	0	0.0000	1.0000	65.60	0.00
57.5	83,107	479	0.0058	0.9942	65.60	0.00
58.5	82,628	298	0.0036	0.9964	65.22	0.38
59.5	82,330	0	0.0000	1.0000	64.99	0.24
60.5	82,330	0	0.0000	1.0000	64.99	0.00
61.5	82,330	110	0.0013	0.9987	64.99	0.00
62.5	82,220	1,987	0.0242	0.9758	64.90	0.09
63.5	80,233	1,857	0.0231	0.9769	63.33	1.57
64.5	78,578	0	0.0000	1.0000	62.02	1.31
65.5	78,578	18,874	0.2402	0.7598	62.02	0.00
66.5	57,882	3,494	0.0060	0.9940	47.13	14.90
67.5	28,402	0	0.0000	1.0000	44.27	2.85
68.5	25,828	0	0.0000	1.0000	44.27	0.00
69.5	25,828	0	0.0000	1.0000	44.27	0.00
70.5	0	0	0.0000	1.0000	44.27	0.00
Sum of Retirements:		<u>2,291,002</u>				

95

Simulated Plan Record (Balance)

Company Name: GULF POWER COMPANY
 Project Name: 368
 Experience Band: 1967 - 1996
 Increment: 1

Account
 368 LINE TRANSFORMERS

Subaccount

BAUHAN SCALE	REL	CURVE	Top 5 Fits by EV/RES	ASL	EV	REL
Good	Excellent	S6		22.2	19.34	1.0000
Good	Excellent	S5		22.3	18.44	1.0000
Good	Excellent	R5		22.4	14.99	1.0000
Fair	Excellent	L5		22.6	27.64	1.0000
Fair	Excellent	S4		22.6	25.87	1.0000
Fair	Excellent	SQ		22.6	23.82	1.0000
Good	Excellent	R4		23.0	18.25	1.0000
Good	Excellent	L4		23.1	17.11	1.0000
Good	Excellent	S3		23.4	14.48	1.0000
Good	Excellent	R3		24.1	18.15	1.0000
Excellent	Excellent	L3		24.4	13.01	1.0000
Good	Excellent	S2		24.4	14.32	1.0000
Good	Excellent	R2		26.1	13.57	1.0000
Good	Excellent	S1		26.1	13.96	1.0000
Excellent	Excellent	L2	3	26.5	10.14	1.0000
Excellent	Excellent	S0	2	29.3	9.29	1.0000
Excellent	Excellent	R1	5	29.9	11.30	1.0000
Excellent	Excellent	L1	4	30.0	11.16	0.9976
Excellent	Excellent	L0	1	36.4	7.52	0.9387

Summary Data

Actual Balance:	118,670,955	Avg. ASL:	25.3
Gross Additions:	146,240,323	Min ASL:	22.2
Gross Retirements:	27,369,368	Max ASL:	36.4
Ratio Ret. to Add.:	0.19	Std Dev:	3.7

Simulated Plan 1 Record (Balance)

Company Name: GULF POWER COMPANY
 Project Name: 369.1 OH
 Experience Band: 1967 - 1995
 Increment: 1

Account
 369 SERVICES

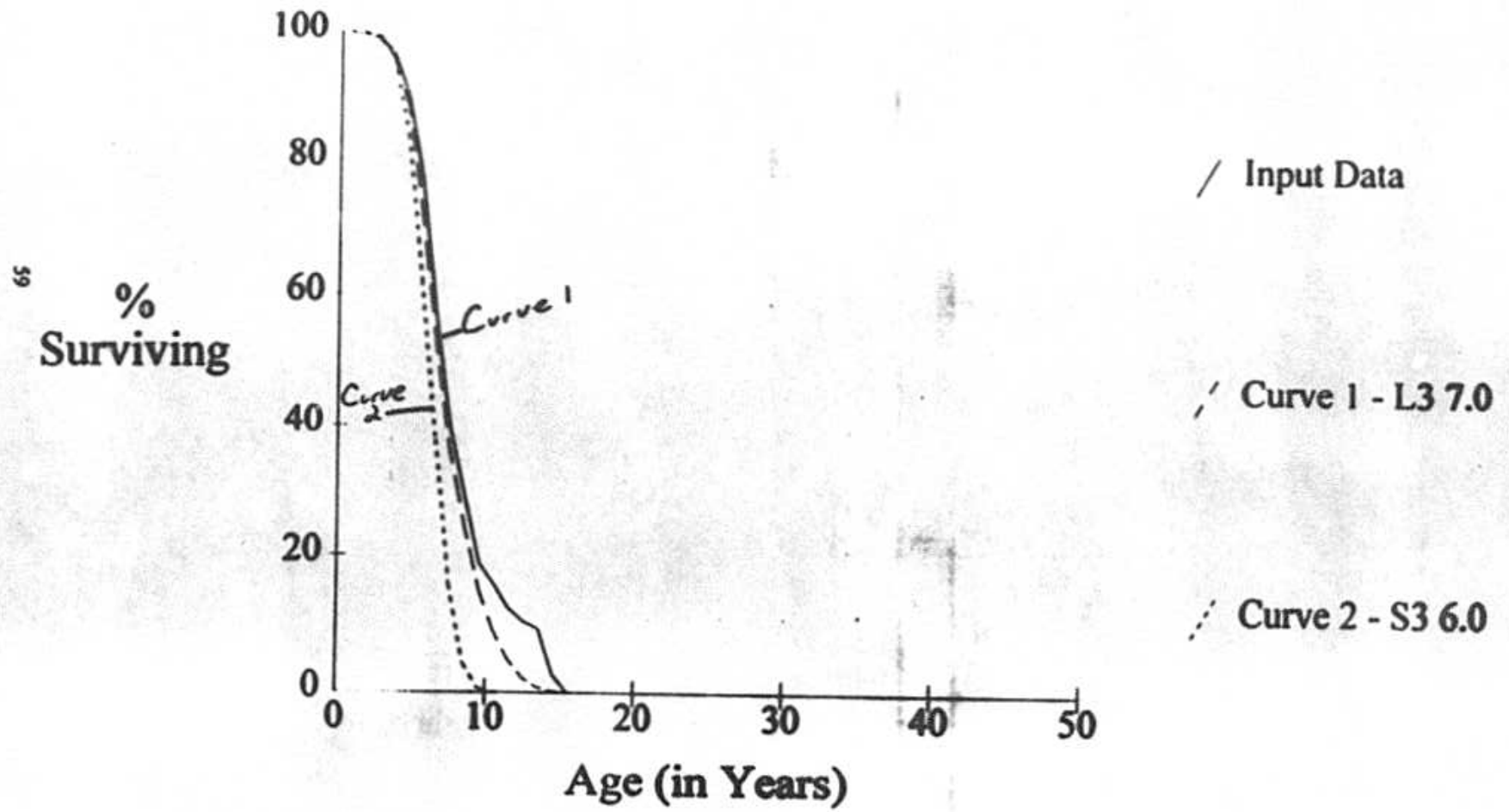
Subaccount
 0001 OVERHEAD SERVICES

BAUHAN SCALE		CURVE	Top 5 Fits by EV/RET	ASL	IV	REI
IV	REI					
Fair	Excellent	S6		24.0	31.28	1.0000
Fair	Excellent	R5		24.2	28.27	1.0000
Fair	Excellent	S5		24.2	28.18	1.0000
Fair	Excellent	L5		24.5	27.01	1.0000
Fair	Excellent	S4		24.6	32.59	1.0000
Fair	Excellent	SQ		24.6	33.23	1.0000
Fair	Excellent	R4		25.1	28.80	1.0000
Fair	Excellent	L4		25.2	27.88	1.0000
Fair	Excellent	S3		25.4	28.80	1.0000
Fair	Excellent	R3		28.4	27.09	1.0000
Fair	Excellent	S2		28.6	30.38	1.0000
Fair	Excellent	L3		28.7	28.44	1.0000
Fair	Excellent	S1		28.8	27.64	1.0000
Fair	Excellent	L2	4	29.0	25.70	1.0000
Fair	Excellent	R2		29.0	28.99	1.0000
Fair	Excellent	S0	4	32.8	25.68	1.0000
Fair	Excellent	L1	2	33.4	23.83	0.9999
Fair	Excellent	R1	3	33.7	24.65	1.0000
Fair	Excellent	L0	1	41.3	22.78	0.9982

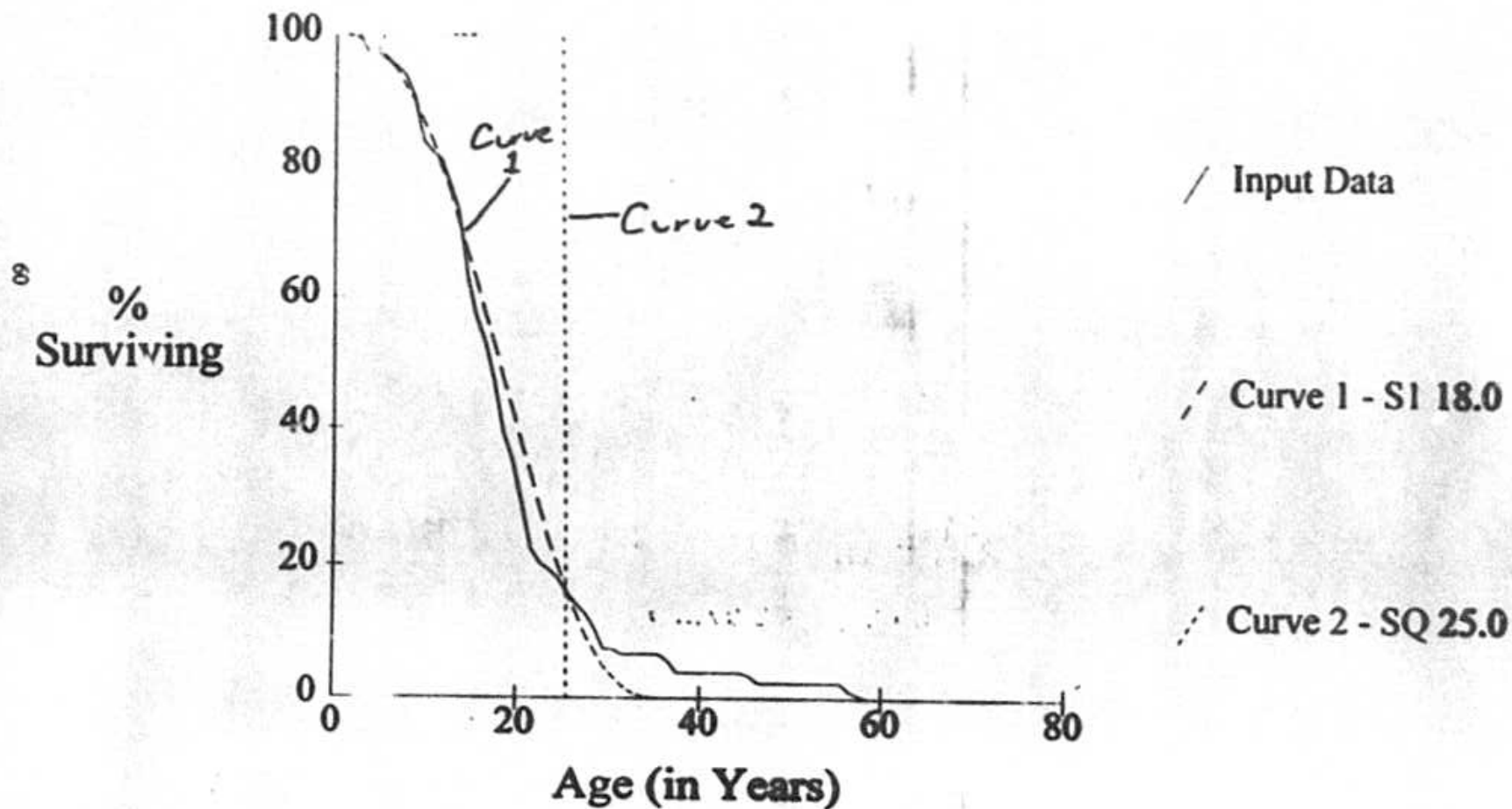
Summary Data

Actual Balance:	32,144,072	Avg. ASL:	27.9
Gross Additions:	38,026,603	Min ASL:	24.0
Gross Retirements:	5,882,531	Max ASL:	41.3
Ratio Ret. to Add.:	0.15	Std Dev:	4.8

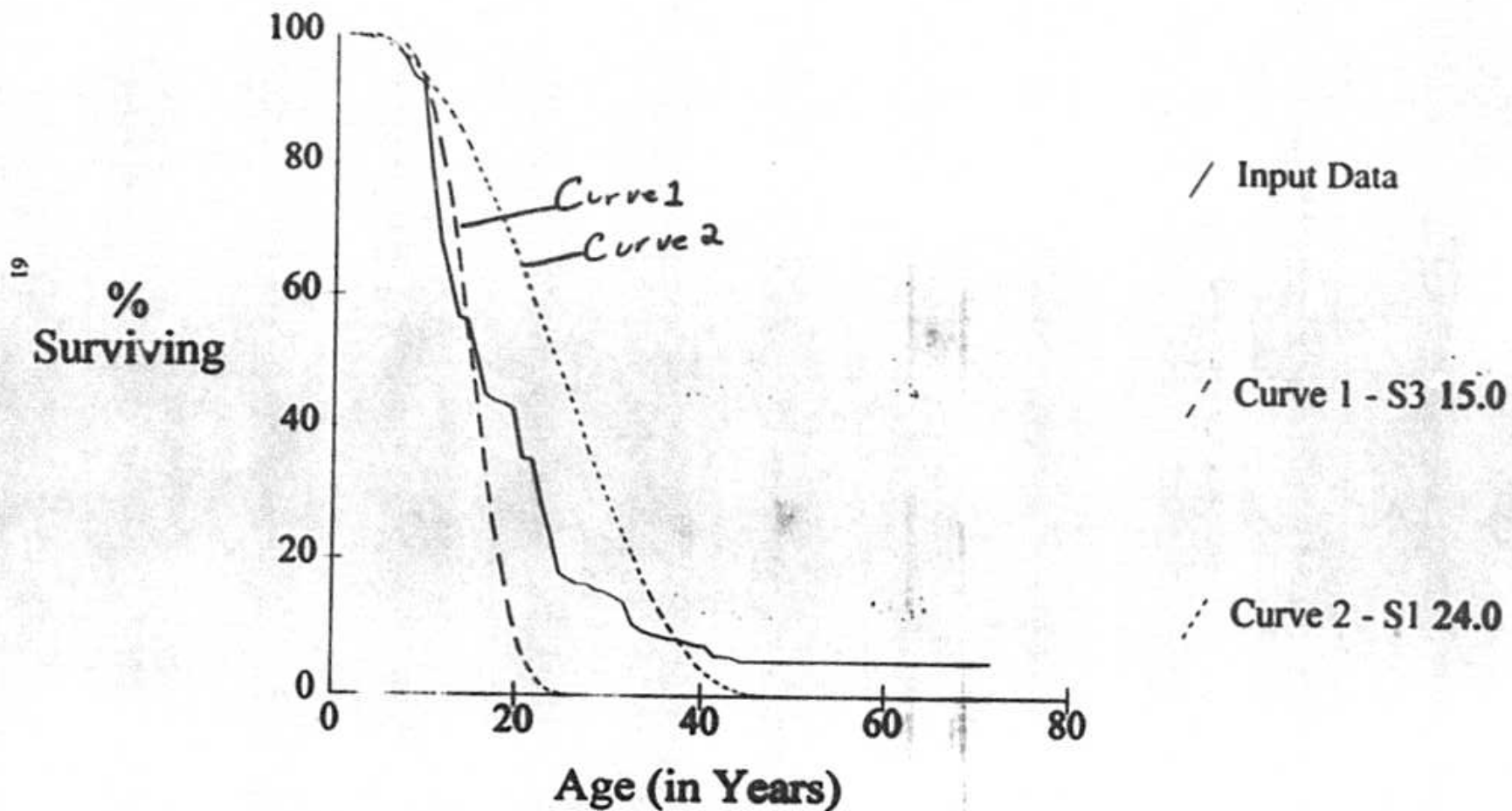
ACTUARIAL GRAPH Project Name: 392.2 1977-1997 E 5/5/97



ACTUARIAL GRAPH Project Name: 392.4 1977-1997 E 5/6/97



ACTUARIAL GRAPH Project Name: 397 1978-1997 E 5/6/97



FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D.C. 20426



NEWS MEDIA CONTACT:
Barbara A. Connors
(202) 208-0680

NEWS RELEASE

FOR IMMEDIATE RELEASE
March 28, 1997
Docket No. AI9-4-000

ACCOUNTING RELEASE NO. 15 ISSUED; FUTURE RELEASES TO BE ISSUED ELECTRONICALLY

The Federal Energy Regulatory Commission's Chief Accountant said today, in Accounting Release No. 15, that subject to certain requirements, companies regulated by the commission may adopt vintage year accounting for general plant property. This will simplify plant accounting requirements and ease the related record-keeping burden for low cost, high-volume items of general property.

Accounting Release No. 15 marks the last time the accounting releases will be issued in a hard copy format. All future accounting releases will only be issued electronically on the Commission Issuance Posting System (CIPS). CIPS, an electronic bulletin board, is available at no charge to the user and may be accessed using a personal computer with a modem by dialing (202) 208-1397. Long distance callers may dial 1-800-856-3920.

Accounting Releases are informal interpretations of the Uniform Systems of Accounts issued by the Commission's Chief Accountant under delegated authority. Interpretations express the view of the Chief Accountant as to the correct application of the Uniform Systems of Accounts--the prescribed financial rules and regulations established by the Commission for all jurisdictional public utilities, licensees, and natural gas and oil pipeline companies.

Copies of Accounting Release No. 15 have been sent to all jurisdictional public utilities, licensees, natural gas and oil pipeline companies and state regulatory commissions.

R-97-18

(30)

PUBLIC INFORMATION
DO NOT REMOVE
62

FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D.C. 20426

MAR 29 1997

In Reply Refer To:
Docket No. AI97-4-000

To All Jurisdictional Public Utilities, Licensees,
Natural Gas Companies, and Oil Pipeline Companies

Enclosed is Accounting Release No. 15 which grants permission to all companies subject to the Commission's jurisdiction to adopt vintage year accounting for their general plant accounts provided certain requirements are met as set forth in the Accounting Release. Adoption of vintage year accounting will relieve companies from maintaining extensive plant records and will generate efficiencies and cost savings without degrading the quality of plant records and the associated financial reporting.

This and all future Accounting Releases will be available on the Commission Issuance Posting System (CIPS), an electronic bulletin board service. CIPS provides access to the texts of formal documents issued by the Commission and is available at no charge to the user. CIPS may be accessed using a personal computer with a modem by dialing 202-208-1397 locally or 1-800-856-3920 long distance. To access CIPS, set your communications software to 19200, 14400, 12000, 9600, 7200, 4800, 2400 or 1200 bps, full duplex, no parity, 8 data bits and 1 stop bit. The full text of this document will be available on CIPS indefinitely in ASCII and Wordperfect 5.1 format for one year. The complete text on diskette in Wordperfect format may also be purchased from the Commission's copy contractor, La Dorn Systems Corporation, also located in Room 2A, 888 First Street, NE., Washington, DC 20426.

In light of the availability of formal Commission documents on CIPS, I do not intend to make separate mailings of Accounting Releases in the future.

Authority to act on this matter is delegated to the Chief Accountant pursuant to § 375.303 of the Commission's regulations. This Accounting Release constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this letter order, pursuant to 18 C.F.R. § 385.713.

FROM: 
PUBLIC RELATIONS DEPARTMENT
Debbie L. Clark
Chief Accountant

Enclosure

DO NOT REMOVE

FEDERAL ENERGY REGULATORY COMMISSION

ACCOUNTING RELEASE NUMBER AR-15

Question:

Is it permissible for a public utility, licensee, natural gas company, or oil pipeline company to adopt a vintage year accounting method for the general plant accounts listed below which would eliminate the unitization and record keeping requirements associated with individual items of property and allow such companies to record only the total cost of plant additions for the year as a vintage group for each account?

For Public Utilities, Licensees, Natural Gas Companies

Account 391, Office Furniture and Equipment;
Account 392, Transportation Equipment;
Account 393, Stores Equipment;
Account 394, Tools, Shop and Garage Equipment;
Account 395, Laboratory Equipment;
Account 396, Power Operated Equipment;
Account 397, Communication Equipment;
Account 398, Miscellaneous Equipment; and
Account 399, Other Tangible Property.

For Oil Pipeline Companies

Account 179, Machine Tools and Machinery;
Account 183, Communication Systems;
Account 184, Office Furniture and Equipment; and
Account 185, Vehicles and Other Work Equipment.

Answer:

Yes, provided the following requirements are met:

1. the individual classes of assets for which vintage year accounting is followed are high volume, low value items;
2. there is no change in existing retirement unit designations, for purposes of determining when expenditures are capital or expense;
3. the cost of the vintage groups is amortized to depreciation expense over their useful lives and there is no change in depreciation rates resulting from the adoption of the vintage year accounting;
4. interim retirements are not recognized;

5. salvage and removal cost relative to items in the vintage categories are included in the accumulated depreciation account and assigned to the oldest vintage first; and
6. properties are retired from the affected accounts that, at the date of the adoption of vintage year accounting, meet or exceed the average service life of properties in that account.

A vintage year method of accounting for the general plant accounts that meets all of the foregoing requirements may be implemented without obtaining specific authorization from the Commission to do so.



Debbie L. Clark
Chief Accountant

Effective:

January 1, 1997



**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	12/31/97 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	THEO. RESERVE	12/31/97 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
STEAM PRODUCTION PLANT										
PLANT CRIST COMMON										
311 - Structures and Improvements										
	36 Year Life to Life of Plant	57,949,923	0	0	37.9	26,637,804	24,431,911	33,518,012	20.5	1,635,025
	35 Year Life	0	0	0		0	0	0	0.0	0
	20 Year Life	0	0	0		0	0	0	0.0	0
		<u>57,949,923</u>		<u>0</u>		<u>26,637,804</u>	<u>24,431,911</u>	<u>33,518,012</u>		<u>1,635,025</u>
312 - Boiler Plant Equipment										
	36 Year Life to Life of Plant	28,217,824	0	0	31.3	9,792,780	8,983,718	19,234,106	20.5	938,249
	35 Year Life	28,877,313	2	577,546	27.9	8,426,393	7,732,018	21,722,841	20.0	1,086,142
	20 Year Life	4,237,459	15	635,619	20.0	2,884,163	2,645,998	2,227,080	8.7	255,986
		<u>61,332,596</u>		<u>1,213,165</u>		<u>21,103,336</u>	<u>19,361,735</u>	<u>43,184,026</u>		<u>2,280,377</u>
314 - Turbogenerator Units										
	36 Year Life to Life of Plant	14,755,187	0	0	42.9	7,680,432	7,050,714	7,704,474	20.5	375,828
	35 Year Life	3,790,624	11	416,969	33.4	2,369,052	2,170,669	2,036,924	14.6	139,515
	20 Year Life	474,973	15	71,246	20.0	386,573	348,575	197,644	8.3	23,813
		<u>19,020,784</u>		<u>488,215</u>		<u>10,436,057</u>	<u>9,569,957</u>	<u>9,939,042</u>		<u>539,156</u>
315 - Accessory Electric Equipment										
	36 Year Life to Life of Plant	3,464,102	0	0	36.5	1,519,040	1,394,298	2,069,804	20.5	100,966
	35 Year Life	6,328,574	6	379,714	32.7	2,970,727	2,725,220	3,983,068	18.1	220,059
	20 Year Life	838,286	15	125,743	20.0	754,203	697,149	266,880	8.2	32,546
		<u>10,630,962</u>		<u>505,457</u>		<u>5,243,970</u>	<u>4,816,667</u>	<u>6,319,752</u>		<u>353,571</u>
316 - Miscellaneous Power Plant Equipment										
	36 Year Life to Life of Plant	51,078	0	0	16.2	(30,517)	(31,689)	82,767	20.5	4,037
	35 Year Life	1,513,398	5	75,670	31.4	738,759	681,305	907,763	18.7	48,543
	20 Year Life	1,206,998	15	181,050	20.0	793,121	728,838	659,210	8.8	74,910
		<u>2,771,474</u>		<u>256,720</u>		<u>1,501,363</u>	<u>1,378,454</u>	<u>1,649,740</u>		<u>127,490</u>
Total Crist Common		<u>151,705,739</u>		<u>2,463,557</u>		<u>64,922,530</u>	<u>59,558,724</u>	<u>94,610,572</u>		<u>4,935,619</u>

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	12/31/97 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	THEO. RESERVE	12/31/97 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
PLANT CRIST UNIT 1										
312 -	Boiler Plant Equipment									
	36 Year Life to Life of Plant	400,035	0	0	59.5	309,297	285,197	114,838	13.5	8,506
	35 Year Life	560,812	6	33,649	25.9	335,749	301,042	293,419	13.1	22,398
	20 Year Life	18,336	15	2,750	20.0	19,000	15,844	5,242	2.7	1,941
		<u>979,183</u>		<u>36,399</u>		<u>664,046</u>	<u>602,083</u>	<u>413,499</u>		<u>32,845</u>
314 -	Turbogenerator Units									
	36 Year Life to Life of Plant	676,398	0	0	64.5	534,859	491,173	185,225	13.5	13,720
	35 Year Life	216,200	1	2,162	22.7	91,656	79,222	139,141	13.5	10,307
	20 Year Life	3,166	15	475	19.9	3,586	0	3,641	1.5	2,427
		<u>895,764</u>		<u>2,637</u>		<u>630,101</u>	<u>570,395</u>	<u>328,006</u>		<u>26,454</u>
315 -	Accessory Electric Equipment									
	36 Year Life to Life of Plant	30,971	0	0	61.6	24,171	15,844	15,127	13.5	1,120
	35 Year Life	102,072	14	14,290	34.8	112,504	110,910	5,452	13.5	404
	20 Year Life	204,060	15	30,609	20.0	206,458	190,132	44,537	5.8	7,679
		<u>337,103</u>		<u>44,899</u>		<u>343,133</u>	<u>316,886</u>	<u>65,116</u>		<u>9,203</u>
Total Crist One		<u>2,212,050</u>		<u>83,935</u>		<u>1,637,280</u>	<u>1,489,364</u>	<u>806,621</u>		<u>68,502</u>

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	12/31/97 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	THEO. RESERVE	12/31/97 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
PLANT CRIST UNIT 2										
312 - Boiler Plant Equipment										
	36 Year Life to Life of Plant	559,771	0	0	58.7	430,966	396,108	163,664	13.5	12,123
	35 Year Life	584,504	8	46,760	27.5	409,827	380,263	251,001	13.0	19,308
	20 Year Life	28,132	15	4,220	20.0	30,266	31,689	663	2.7	246
		<u>1,172,407</u>		<u>50,980</u>		<u>871,059</u>	<u>808,059</u>	<u>415,328</u>		<u>31,677</u>
314 - Turbogenerator Units										
	36 Year Life to Life of Plant	1,039,812	0	0	28.3	544,414	507,018	532,794	13.5	39,466
	35 Year Life	221,784	2	4,436	22.8	101,573	95,066	131,154	13.5	9,715
	20 Year Life	739	15	111	19.4	795	0	850	1.5	567
		<u>1,262,335</u>		<u>4,547</u>		<u>646,782</u>	<u>602,083</u>	<u>664,799</u>		<u>49,748</u>
315 - Accessory Electric Equipment										
	36 Year Life to Life of Plant	39,193	0	0	59.3	30,260	31,689	7,504	13.5	556
	35 Year Life	233,261	8	18,661	32.6	199,857	190,132	61,790	13.5	4,577
	20 Year Life	77,139	15	11,571	19.9	80,980	79,222	9,489	3.8	2,497
		<u>349,593</u>		<u>30,232</u>		<u>311,097</u>	<u>301,042</u>	<u>78,783</u>		<u>7,630</u>
Total Crist Two		<u>2,784,335</u>		<u>85,759</u>		<u>1,828,938</u>	<u>1,711,184</u>	<u>1,158,910</u>		<u>89,055</u>

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	12/31/97 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	THEO. RESERVE	12/31/97 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
PLANT CRIST UNIT 3										
312 - Boiler Plant Equipment										
	36 Year Life to Life of Plant	917,604	0	0	55.5	694,455	633,772	283,832	13.5	21,025
	35 Year Life	1,001,807	5	50,090	30.6	712,760	649,616	402,281	13.4	30,021
	20 Year Life	117,415	15	17,612	20.0	124,236	110,910	24,117	1.6	15,073
		<u>2,036,826</u>		<u>67,702</u>		<u>1,531,451</u>	<u>1,394,298</u>	<u>710,230</u>		<u>66,119</u>
314 - Turbogenerator Units										
	36 Year Life to Life of Plant	3,091,435	0	0	38.8	2,016,167	1,853,783	1,237,652	13.5	91,678
	35 Year Life	267,420	2	5,348	24.1	137,556	126,754	146,014	13.5	10,816
	20 Year Life	4,853	15	728	19.9	5,473	0	5,581	1.5	3,721
		<u>3,363,708</u>		<u>6,076</u>		<u>2,159,196</u>	<u>1,980,538</u>	<u>1,389,247</u>		<u>106,215</u>
315 - Accessory Electric Equipment										
	36 Year Life to Life of Plant	38,086	0	0	57.4	29,120	31,689	6,397	13.5	474
	35 Year Life	294,333	8	23,547	29.5	235,196	221,820	96,060	13.1	7,333
	20 Year Life	200,788	15	30,118	20.0	222,454	205,976	24,930	3.4	7,332
		<u>533,207</u>		<u>53,665</u>		<u>486,770</u>	<u>459,485</u>	<u>127,387</u>		<u>15,139</u>
Total Crist Three		<u>5,933,741</u>		<u>127,443</u>		<u>4,177,417</u>	<u>3,834,321</u>	<u>2,226,863</u>		<u>187,473</u>

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	12/31/97 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	THEO. RESERVE	12/31/97 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
PLANT CRIST UNIT 4										
312 - Boiler Plant Equipment										
	36 Year Life to Life of Plant	7,199,282	0	0	42.4	4,395,224	4,024,452	3,174,830	16.5	192,414
	35 Year Life	10,057,927	9	905,213	28.5	5,369,350	4,927,577	6,035,563	15.4	391,920
	20 Year Life	1,131,277	14	158,379	20.0	656,834	602,083	687,573	10.0	68,757
		<u>18,388,486</u>		<u>1,063,592</u>		<u>10,421,408</u>	<u>9,554,113</u>	<u>9,897,965</u>		<u>653,091</u>
314 - Turbogenerator Units										
	36 Year Life to Life of Plant	3,905,504	0	0	46.2	2,512,072	2,297,424	1,608,081	16.5	97,459
	35 Year Life	581,969	4	23,279	27.0	304,605	285,197	320,051	16.5	19,397
	20 Year Life	13,159	15	1,974	20.0	15,133	15,844	(711)		0
		<u>4,500,632</u>		<u>25,253</u>		<u>2,831,810</u>	<u>2,598,465</u>	<u>1,927,420</u>		<u>116,855</u>
315 - Accessory Electric Equipment										
	36 Year Life to Life of Plant	181,499	0	0	54.3	126,353	110,910	70,589	16.5	4,278
	35 Year Life	3,196,542	4	127,862	31.9	2,009,654	1,837,939	1,486,465	16.5	90,089
	20 Year Life	242,926	15	36,439	20.0	257,140	237,665	41,701	3.4	12,265
		<u>3,620,967</u>		<u>164,301</u>		<u>2,393,147</u>	<u>2,186,513</u>	<u>1,598,755</u>		<u>106,632</u>
Total Cris' Four		<u>26,510,085</u>		<u>1,253,146</u>		<u>15,646,365</u>	<u>14,339,092</u>	<u>13,424,140</u>		<u>876,579</u>

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	12/31/97 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	THEO. RESERVE	12/31/97 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
PLANT CRIST UNIT 5										
312 - Boiler Plant Equipment										
	36 Year Life to Life of Plant	6,548,652	0	0	43.7	3,779,149	3,469,902	3,078,750	18.5	166,419
	35 Year Life	9,963,619	8	797,090	29.3	4,828,820	4,436,404	6,324,305	16.7	378,701
	20 Year Life	2,135,201	15	320,280	20.0	662,310	602,083	1,853,398	13.8	134,304
		<u>18,647,472</u>		<u>1,117,370</u>		<u>9,270,279</u>	<u>8,508,389</u>	<u>11,256,453</u>		<u>679,424</u>
314 - Turbine Generator Units										
	36 Year Life to Life of Plant	4,758,719	0	0	43.3	2,724,599	2,503,399	2,255,320	18.5	121,909
	35 Year Life	516,779	3	15,503	27.0	230,754	205,976	326,306	18.5	17,638
	20 Year Life	3,785	15	568	20.0	4,353	0	4,353		0
		<u>5,279,283</u>		<u>16,071</u>		<u>2,959,706</u>	<u>2,709,375</u>	<u>2,585,979</u>		<u>139,547</u>
315 - Accessory Electric Equipment										
	36 Year Life to Life of Plant	157,566	0	0	53.6	103,213	95,066	62,500	18.5	3,378
	35 Year Life	522,886	13	67,975	34.0	512,044	475,329	115,532	14.8	7,806
	20 Year Life	486,755	15	73,013	20.0	442,713	411,952	147,816	9.2	16,067
		<u>1,167,207</u>	12%	<u>140,988</u>	27.4	<u>1,057,970</u>	<u>982,347</u>	<u>325,848</u>	12.0	<u>27,251</u>
Total Crist Five		<u>25,093,962</u>		<u>1,274,429</u>		<u>13,287,955</u>	<u>12,200,111</u>	<u>14,168,280</u>		<u>846,222</u>

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	12/31/97 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	THEO. RESERVE	12/31/97 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
PLANT CRIST UNIT 6										
312 - Boiler Plant Equipment										
	36 Year Life to Life of Plant	11,850,503	0	0	26.4	3,995,072	3,660,033	8,190,470	17.5	468,027
	35 Year Life	37,701,147	3	1,131,034	24.9	13,461,785	12,342,710	26,489,471	16.3	1,625,121
	20 Year Life	2,998,508	12	359,821	19.8	886,601	868,059	2,550,270	15.8	161,409
		<u>52,550,158</u>		<u>1,490,855</u>		<u>18,343,458</u>	<u>16,810,802</u>	<u>37,230,211</u>		<u>2,254,557</u>
314 - Turbogenerator Units										
	36 Year Life to Life of Plant	11,201,279	0	0	39.4	6,222,812	5,703,948	5,497,331	17.5	314,133
	35 Year Life	1,138,515	11	125,237	30.7	811,260	744,682	519,070	11.0	47,188
	20 Year Life	197,092	15	29,564	20.0	136,548	126,754	99,902	11.0	9,082
		<u>12,536,886</u>		<u>154,801</u>		<u>7,170,620</u>	<u>6,575,385</u>	<u>6,116,303</u>		<u>370,403</u>
315 - Accessory Electric Equipment										
	36 Year Life to Life of Plant	1,365,046	0	0	44.3	825,674	760,526	604,520	17.5	34,544
	35 Year Life	1,965,187	12	235,822	32.9	1,491,208	1,362,610	838,399	10.6	79,094
	20 Year Life	441,693	15	66,254	20.0	339,624	316,886	191,061	8.1	23,588
		<u>3,771,926</u>		<u>302,076</u>		<u>2,656,506</u>	<u>2,440,022</u>	<u>1,633,980</u>		<u>137,226</u>
Total Crist Six		<u>68,858,970</u>		<u>1,947,732</u>		<u>28,170,584</u>	<u>25,826,209</u>	<u>44,980,493</u>		<u>2,762,186</u>

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	12/31/97 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	THEO. RESERVE	12/31/97 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
PLANT CRIST UNIT 7										
312 -	Boiler Plant Equipment									
	36 Year Life to Life of Plant	14,441,921	0	0	37.3	6,513,137	5,973,301	8,468,620	20.5	413,103
	35 Year Life	44,203,514	5	2,210,176	30.1	18,797,963	17,238,598	29,175,092	17.9	1,629,893
	20 Year Life	8,271,963	15	1,240,794	20.0	3,947,249	3,612,500	5,900,257	13.0	453,866
		<u>66,917,398</u>		<u>3,450,970</u>		<u>29,258,349</u>	<u>26,824,400</u>	<u>43,543,968</u>		<u>2,496,862</u>
314 -	Turbogenerator Units									
	36 Year Life to Life of Plant	18,343,986	0	0	36.5	8,047,624	7,383,444	10,960,542	20.5	534,661
	35 Year Life	5,425,589	4	217,024	27.7	1,835,631	1,679,496	3,963,117	18.7	211,931
	20 Year Life	227,673	15	34,151	20.0	178,946	158,443	103,381	8.9	11,616
		<u>23,997,248</u>		<u>251,175</u>		<u>10,062,201</u>	<u>9,221,383</u>	<u>15,027,040</u>		<u>758,208</u>
315 -	Accessory Electric Equipment									
	36 Year Life to Life of Plant	2,260,393	0	0	44.8	1,225,841	1,124,945	1,135,448	20.5	55,388
	35 Year Life	8,697,038	3	260,911	24.1	1,832,094	1,679,496	7,278,453	19.2	379,086
	20 Year Life	752,041	15	112,806	20.0	702,825	633,772	231,075	6.8	33,982
		<u>11,709,472</u>		<u>373,717</u>		<u>3,760,760</u>	<u>3,438,213</u>	<u>8,644,976</u>		<u>468,456</u>
	Total Crist Seven	<u>102,624,118</u>		<u>4,075,862</u>		<u>43,081,310</u>	<u>39,483,996</u>	<u>67,215,984</u>		<u>3,723,526</u>
	Total Plant Crist Depreciable excl Easements	<u>385,723,000</u>	<u>3%</u>	<u>11,311,863</u>	30.9	<u>172,752,379</u>	<u>158,443,000</u>	<u>238,591,863</u>	17.7	<u>13,489,162</u>
	310.2 Easements	20,000	0	0	37.0	8,988	9,000	11,000	21.0	524
	Other Recovery/Non-Depreciable									
	310.0 Land	1,771,000					0			
	312.0 Base Coal	142,000					142,000			
	316.0 Amortization Property (5 yr.)	98,000					58,000			
	316.0 Amortization Property (7 yr.)	1,009,000					541,000			
	Dismantlement						27,059,000			
	TOTAL PLANT CRIST	<u>388,763,000</u>					<u>186,252,000</u>			

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	12/31/97 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	THEO. RESERVE	12/31/97 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
PLANT SCHOLZ COMMON										
311 -	Structures and Improvements									
	36 Year Life to Life of Plant	5,935,740	0	0	36.2	3,724,571	3,813,643	2,122,097	13.5	157,192
	35 Year Life	0	0	0		0	0	0	0.0	0
	20 Year Life	0	0	0		0	0	0	0.0	0
		<u>5,935,740</u>		<u>0</u>		<u>3,724,571</u>	<u>3,813,643</u>	<u>2,122,097</u>		<u>157,192</u>
312 -	Boiler Plant Equipment									
	36 Year Life to Life of Plant	1,827,858	0	0	33.8	1,141,271	1,168,564	659,294	13.5	48,837
	35 Year Life	2,581,941	5	129,097	28.7	1,608,325	1,646,788	1,064,250	13.2	80,625
	20 Year Life	659,769	14	92,368	19.8	599,698	614,040	138,097	7.6	18,171
		<u>5,069,568</u>		<u>221,465</u>		<u>3,349,294</u>	<u>3,429,391</u>	<u>1,861,642</u>		<u>147,633</u>
314 -	Turbogenerator Units									
	36 Year Life to Life of Plant	383,577	0	0	53.3	286,375	293,224	90,353	13.5	6,693
	35 Year Life	499,578	14	69,941	34.6	557,215	570,541	(1,022)	13.5	(76)
	20 Year Life	1,304	15	196	20.1	1,012	1,036	464	6.5	71
		<u>884,459</u>		<u>70,137</u>		<u>844,602</u>	<u>864,800</u>	<u>89,796</u>		<u>6,688</u>
315 -	Accessory Electric Equipment									
	36 Year Life to Life of Plant	740,936	0	0	41.7	501,286	513,274	227,662	13.5	16,864
	35 Year Life	1,700,853	9	153,077	29.6	1,284,974	1,315,704	538,226	13.0	41,402
	20 Year Life	660,732	15	99,110	20.0	672,262	688,339	71,503	7.1	10,071
		<u>3,102,521</u>		<u>252,187</u>		<u>2,458,522</u>	<u>2,517,317</u>	<u>837,391</u>		<u>68,337</u>
316 -	Miscellaneous Power Plant Equipment									
	36 Year Life to Life of Plant	123,111	5	6,156	25.5	124,794	127,778	1,489	13.5	110
	35 Year Life	99,612	14	13,946	19.9	72,577	74,313	39,245	7.7	5,097
		<u>222,723</u>		<u>20,102</u>		<u>197,371</u>	<u>202,091</u>	<u>40,734</u>		<u>5,207</u>
Total Scholz Common		<u>15,215,011</u>		<u>563,891</u>		<u>10,574,360</u>	<u>10,827,242</u>	<u>4,951,660</u>		<u>385,057</u>

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	12/31/97 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	THEO. RESERVE	12/31/97 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
PLANT SCHOLZ UNIT 1										
312 -	Boiler Plant Equipment									
	36 Year Life to Life of Plant	2,953,352	0	0	43.9	2,044,374	2,093,265	860,087	13.5	63,710
	35 Year Life	1,974,583	4	78,983	25.2	1,089,377	1,115,429	938,137	13.4	70,010
	20 Year Life	77,771	3	2,333	16.7	24,295	24,876	55,228	12.8	4,315
		<u>5,005,706</u>		<u>81,316</u>		<u>3,158,046</u>	<u>3,233,570</u>	<u>1,853,452</u>		<u>138,035</u>
314 -	Turbogenerator Units									
	36 Year Life to Life of Plant	2,057,364	0	0	41.5	1,388,408	1,421,611	635,753	13.5	47,093
	35 Year Life	271,290	0	0	28.8	141,733	145,122	126,168	13.5	9,346
	20 Year Life	3,271	15	491	19.9	3,762	3,852	(90)		0
		<u>2,331,925</u>		<u>491</u>		<u>1,533,903</u>	<u>1,570,586</u>	<u>761,830</u>		<u>56,439</u>
315 -	Accessory Electric Equipment									
	36 Year Life to Life of Plant	64,342	0	0	22.2	25,190	25,792	38,550	13.5	2,856
	35 Year Life	4,147	9	373	18.3	1,446	1,481	3,039	12.1	251
		<u>68,489</u>		<u>373</u>		<u>26,636</u>	<u>27,273</u>	<u>41,589</u>		<u>3,107</u>
Total Scholz One		<u>7,406,120</u>		<u>82,180</u>		<u>4,718,585</u>	<u>4,831,428</u>	<u>2,656,872</u>		<u>197,581</u>

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	12/31/97 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	THEO. RESERVE	12/31/97 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
PLANT SCHOLZ UNIT 2										
312 -	Boiler Plant Equipment									
	36 Year Life to Life of Plant	2,735,401	0	0	43.0	1,876,542	1,921,419	813,982	13.5	60,295
	35 Year Life	1,554,403	4	62,176	24.9	876,789	897,757	718,822	13.4	53,643
	20 Year Life	59,956	2	1,199	16.5	16,907	17,311	43,844	13.5	3,248
		<u>4,349,760</u>		<u>63,375</u>		<u>2,770,238</u>	<u>2,836,488</u>	<u>1,576,647</u>		<u>117,186</u>
314 -	Turbogenerator Units									
	36 Year Life to Life of Plant	1,576,044	0	0	56.5	1,199,180	1,227,858	348,186	13.5	25,792
	35 Year Life	243,668	1	2,437	29.7	137,352	140,637	105,468	13.5	7,812
	20 Year Life	4,348	15	652	20.0	4,598	4,708	292	6.5	45
		<u>1,824,060</u>		<u>3,089</u>		<u>1,341,130</u>	<u>1,373,203</u>	<u>453,946</u>		<u>33,649</u>
315 -	Accessory Electric Equipment									
	35 Year Life	53,835	0	0	19.7	16,873	17,277	36,558	13.5	0
	20 Year Life	55,214	15	8,282	19.9	35,513	36,362	27,134	8.7	3,119
		<u>109,049</u>		<u>8,282</u>		<u>52,386</u>	<u>53,639</u>	<u>63,692</u>		<u>3,119</u>
	Total Scholz Two	<u>6,282,869</u>		<u>74,746</u>		<u>4,163,754</u>	<u>4,263,329</u>	<u>2,094,286</u>		<u>153,954</u>
	Total Scholz Depreciable	<u>28,904,000</u>	<u>2%</u>	<u>720,817</u>	<u>33.4</u>	<u>19,456,699</u>	<u>19,922,000</u>	<u>9,702,817</u>	<u>13.2</u>	<u>736,592</u>
	Other Recovery/Non-Depreciable									
	310 Land	45,000					0			
	312 Base Coal	71,000					71,000			
	316 Amortization (5 yr.)	20,000					14,000			
	316 Amortization (7 yr.)	174,000					117,000			
	Dismantlement						6,045,000			
	Total Plant Scholz	<u>29,214,000</u>					<u>26,169,000</u>			

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	12/31/97 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	THEO. RESERVE	12/31/97 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
PLANT SMITH COMMON										
311 -	Structures and Improvements									
	36 Year Life to Life of Plant	26,905,377	0	0	30.5	9,715,193	9,837,984	17,067,393	19.5	875,251
	35 Year Life	0	0	0		0	0	0	0.0	0
	20 Year Life	0	0	0		0	0	0	0.0	0
		<u>26,905,377</u>		<u>0</u>		<u>9,715,193</u>	<u>9,837,984</u>	<u>17,067,393</u>		<u>875,251</u>
312 -	Boiler Plant Equipment									
	36 Year Life to Life of Plant	2,375,564	0	0	37.7	1,197,858	1,212,998	1,162,566	19.5	59,619
	35 Year Life	7,175,750	11	789,333	32.3	4,194,653	4,247,670	3,717,413	15.3	242,968
	20 Year Life	1,872,780	15	280,917	20.0	1,760,472	1,782,723	370,974	9.1	40,766
		<u>11,424,094</u>		<u>1,070,250</u>		<u>7,152,983</u>	<u>7,243,390</u>	<u>5,250,954</u>		<u>343,353</u>
314 -	Turbogenerator Units									
	36 Year Life to Life of Plant	960,807	0	0	49.5	582,240	589,599	371,208	19.5	19,036
	35 Year Life	1,233,673	2	24,673	32.6	556,128	563,157	695,189	18.2	38,197
	20 Year Life	68,003	15	10,200	20.0	42,680	43,219	34,984	9.1	3,844
		<u>2,262,483</u>		<u>34,873</u>		<u>1,181,048</u>	<u>1,195,976</u>	<u>1,101,380</u>		<u>61,077</u>
315 -	Accessory Electric Equipment									
	36 Year Life to Life of Plant	902,569	0	0	40.3	465,406	471,288	431,281	19.5	22,117
	35 Year Life	2,103,247	8	168,260	30.3	959,609	971,738	1,299,769	17.2	75,568
	20 Year Life	667,633	15	100,145	20.0	480,906	486,984	280,794	12.6	22,285
		<u>3,673,449</u>		<u>268,405</u>		<u>1,905,921</u>	<u>1,930,011</u>	<u>2,011,843</u>		<u>119,970</u>
316 -	Miscellaneous Power Plant Equipment									
	35 Year Life	356,282	6	21,377	29.3	230,531	233,445	144,214	14.5	9,946
	20 Year Life	439,870	15	65,981	20.0	230,258	233,168	272,683	10.9	25,017
		<u>796,152</u>		<u>87,358</u>		<u>460,789</u>	<u>466,613</u>	<u>416,897</u>		<u>34,963</u>
Total Smith Common		<u>45,061,555</u>		<u>1,460,886</u>		<u>20,415,934</u>	<u>20,673,973</u>	<u>25,848,468</u>		<u>1,434,614</u>

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	12/31/97 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	THEO. RESERVE	12/31/97 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
PLANT SMITH UNIT 1										
312 -	Boiler Plant Equipment									
	36 Year Life to Life of Plant	9,832,148	0	0	32.2	4,494,456	4,551,262	5,280,886	17.5	301,765
	35 Year Life	7,313,781	10	731,378	30.0	5,004,751	5,068,007	2,977,152	11.3	263,465
	20 Year Life	643,747	15	96,562	20.0	225,704	228,557	511,752	16.0	31,985
		<u>17,789,676</u>		<u>827,940</u>		<u>9,724,911</u>	<u>9,847,826</u>	<u>8,769,790</u>		<u>597,215</u>
314 -	Turbogenerator Units									
	36 Year Life to Life of Plant	8,912,511	0	0	30.8	3,853,102	3,901,802	5,010,709	17.5	286,326
	35 Year Life	1,368,858	5	68,443	30.4	830,444	840,940	596,361	12.8	46,591
	20 Year Life	48,214	15	7,232	20.0	55,446	56,147	(701)		0
		<u>10,329,583</u>		<u>75,675</u>		<u>4,738,992</u>	<u>4,798,889</u>	<u>5,606,369</u>		<u>332,917</u>
315 -	Accessory Electric Equipment									
	36 Year Life to Life of Plant	402,768	0	0	49.5	260,501	263,794	138,974	17.5	7,941
	35 Year Life	1,286,338	14	180,087	34.3	1,156,775	1,171,396	295,029	7.2	40,976
	20 Year Life	499,349	14	69,909	10.9	377,162	381,929	187,329	12.6	14,867
		<u>2,188,455</u>		<u>249,996</u>		<u>1,794,438</u>	<u>1,817,118</u>	<u>621,333</u>		<u>63,784</u>
Total Smith One		<u>30,307,714</u>		<u>1,153,611</u>		<u>16,258,341</u>	<u>16,463,833</u>	<u>14,997,492</u>		<u>993,916</u>

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	12/31/97 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	THEO. RESERVE	12/31/97 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
PLANT SMITH UNIT 2										
312 -	Boiler Plant Equipment									
	36 Year Life to Life of Plant	8,188,014	0	0	40.2	4,214,513	4,267,781	3,920,233	19.5	201,038
	35 Year Life	10,471,745	7	733,022	30.0	5,653,279	5,724,731	5,480,036	14.9	367,788
	20 Year Life	1,382,167	15	207,325	20.0	884,427	895,605	693,887	9.3	74,611
		<u>20,041,926</u>		<u>940,347</u>		<u>10,752,219</u>	<u>10,888,117</u>	<u>10,094,156</u>		<u>643,437</u>
314 -	Turbogenerator Units									
	36 Year Life to Life of Plant	6,807,875	0	0	38.4	3,347,504	3,389,813	3,418,062	19.5	175,285
	35 Year Life	870,292	12	104,435	33.8	740,627	749,988	224,739	8.1	27,746
	20 Year Life	56,741	15	8,511	20.0	65,252	66,077	(825)		0
		<u>7,734,908</u>		<u>112,946</u>		<u>4,153,383</u>	<u>4,205,878</u>	<u>3,641,976</u>		<u>203,031</u>
315 -	Accessory Electric Equipment									
	36 Year Life to Life of Plant	330,889	0	0	49.6	200,933	203,473	127,416	19.5	6,534
	35 Year Life	2,801,797	4	112,072	33.3	1,502,028	1,521,012	1,392,857	16.1	86,513
	20 Year Life	344,211	15	51,632	20.0	218,947	221,714	174,129	13.0	12,610
		<u>3,476,897</u>		<u>163,704</u>		<u>1,921,908</u>	<u>1,946,199</u>	<u>1,694,402</u>		<u>105,665</u>
	Total Smith Two	<u>31,253,731</u>		<u>1,216,997</u>		<u>16,827,510</u>	<u>17,040,194</u>	<u>15,430,534</u>		<u>952,133</u>
	Total Smith Depreciable	106,623,000	4%	<u>3,831,494</u>	31.5	<u>53,501,785</u>	54,178,000	<u>56,276,494</u>	16.6	<u>3,380,663</u>
Other Recovery/Non-Depreciable										
	310 Land	612,000					0			
	312 Base Coal	108,000					108,000			
	316 Amortization (5 yr.)	26,000					14,000			
	316 Amortization (7 yr.)	554,000					250,000			
	Dismantlement						10,136,000			
	Total Plant Smith	<u>107,923,000</u>					<u>64,686,000</u>			

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	12/31/97 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	THEO. RESERVE	12/31/97 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
PLANT DANIEL COMMON										
311 -	Structures and Improvements									
	36 Year Life to Life of Plant	17,523,783	0	0	46.1	5,493,867	6,061,245	11,462,538	33.5	342,165
	35 Year Life	0	0	0		0	0	0	0.0	0
	20 Year Life	0	0	0		0	0	0	0.0	0
		<u>17,523,783</u>		<u>0</u>		<u>5,493,867</u>	<u>6,061,245</u>	<u>11,462,538</u>		<u>342,165</u>
312 -	Boiler Plant Equipment									
	36 Year Life to Life of Plant	5,235,129	0	0	71.8	(644,017)	(710,528)	5,945,657	33.5	177,482
	35 Year Life	24,562,762	15	3,684,414	35.0	6,637,587	7,323,081	20,924,095	26.8	780,750
	20 Year Life	3,385,376	15	507,806	20.0	3,457,726	3,814,821	78,361	6.7	11,696
		<u>33,183,267</u>		<u>4,192,220</u>		<u>9,451,296</u>	<u>10,427,375</u>	<u>26,948,112</u>		<u>969,928</u>
314 -	Turbogenerator Units									
	36 Year Life to Life of Plant	2,758,299	0	0	52.1	983,106	1,084,636	1,673,663	33.5	49,960
	35 Year Life	246,714	15	37,007	35.0	146,247	161,350	122,371	17.0	7,198
		<u>3,005,013</u>		<u>37,007</u>		<u>1,129,353</u>	<u>1,245,986</u>	<u>1,796,034</u>		<u>57,158</u>
315 -	Accessory Electric Equipment									
	36 Year Life to Life of Plant	227,171	0	0	53.3	84,358	93,070	134,101	33.5	4,003
	35 Year Life	378,421	15	56,763	35.0	138,294	152,577	282,607	23.9	11,825
	20 Year Life	164,676	15	24,701	20.0	107,104	118,165	71,212	8.7	8,185
		<u>770,268</u>		<u>81,464</u>		<u>329,756</u>	<u>363,812</u>	<u>487,920</u>		<u>24,013</u>
316 -	Miscellaneous Power Plant Equipment									
	36 Year Life to Life of Plant	1,972,034	0	0	53.8	726,273	801,279	1,170,755	33.5	34,948
	35 Year Life	413,559	15	62,034	35.0	212,195	234,110	241,483	19.4	12,448
	20 Year Life	174,857	15	26,229	20.0	97,741	107,835	93,251	8.9	10,478
		<u>2,560,450</u>	<u>3%</u>	<u>88,263</u>	<u>44.8</u>	<u>1,036,209</u>	<u>1,143,224</u>	<u>1,505,489</u>	<u>26.0</u>	<u>57,874</u>
Total Daniel Common		<u>57,042,781</u>		<u>4,398,954</u>		<u>17,440,481</u>	<u>19,241,641</u>	<u>42,200,094</u>		<u>1,451,138</u>

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	12/31/97 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	THEO. RESERVE	12/31/97 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
PLANT DANIEL UNIT 1										
311 -	Structures and Improvements									
	36 Year Life to Life of Plant	8,539,986	0	0	49.6	3,459,695	3,816,994	4,722,992	29.5	160,101
	35 Year Life	0	0	0		0	0	0	0.0	0
	20 Year Life	0	0	0		0	0	0	0.0	0
		<u>8,539,986</u>		<u>0</u>		<u>3,459,695</u>	<u>3,816,994</u>	<u>4,722,992</u>		<u>160,101</u>
312 -	Boiler Plant Equipment									
	36 Year Life to Life of Plant	12,425,770	0	0	49.4	5,001,946	5,518,520	6,907,250	29.5	234,144
	35 Year Life	22,163,435	14	3,102,881	34.9	13,954,729	15,395,900	9,870,416	15.6	632,719
	20 Year Life	536,833	15	80,525	20.0	313,998	346,426	270,932	13.3	20,371
		<u>35,126,038</u>		<u>3,183,406</u>		<u>19,270,673</u>	<u>21,260,846</u>	<u>17,048,598</u>		<u>887,234</u>
314 -	Turbogenerator Units									
	36 Year Life to Life of Plant	10,687,682	0	0	48.6	4,197,685	4,631,200	6,056,482	29.5	205,304
	35 Year Life	4,254,176	5	212,709	32.9	697,206	769,210	3,697,675	27.8	133,010
	20 Year Life	49,412	15	7,412	20.0	19,628	21,655	35,169	12.1	2,907
		<u>14,991,270</u>		<u>220,121</u>		<u>4,914,519</u>	<u>5,422,064</u>	<u>9,789,327</u>		<u>341,221</u>
315 -	Accessory Electric Equipment									
	36 Year Life to Life of Plant	5,044,044	0	0	49.8	2,057,779	2,270,295	2,773,749	29.5	94,025
	35 Year Life	3,860,503	14	540,470	35.0	1,792,202	1,977,291	2,423,682	20.7	117,086
	20 Year Life	593,280	15	88,992	20.0	431,662	476,242	206,030	9.7	21,240
		<u>9,497,827</u>		<u>629,462</u>		<u>4,281,643</u>	<u>4,723,828</u>	<u>5,403,461</u>		<u>232,351</u>
316 -	Miscellaneous Power Plant Equipment									
	36 Year Life to Life of Plant	5,674	0	0	45.9	13,221	14,587	(8,913)	27.5	(302)
		<u>5,674</u>		<u>0</u>		<u>13,221</u>	<u>14,587</u>	<u>(8,913)</u>		<u>(302)</u>
Total Daniel One		<u>68,160,795</u>		<u>4,032,989</u>		<u>31,939,751</u>	<u>35,238,319</u>	<u>36,955,465</u>		<u>1,620,605</u>

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	12/31/97 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	THEO. RESERVE	12/31/97 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
PLANT DANIEL UNIT 2										
311 -	Structures and Improvements									
	36 Year Life to Life of Plant	9,002,200	0	0	49.9	2,960,125	3,265,831	5,736,369	33.5	171,235
	35 Year Life	0	0	0		0	0	0	0.0	0
	20 Year Life	0	0	0		0	0	0	0.0	0
		<u>9,002,200</u>		<u>0</u>		<u>2,960,125</u>	<u>3,265,831</u>	<u>5,736,369</u>		<u>171,235</u>
312 -	Boiler Plant Equipment									
	36 Year Life to Life of Plant	20,500,019	0	0	49.9	6,603,703	7,285,699	13,214,320	33.5	394,457
	35 Year Life	25,617,822	15	3,842,673	35.0	13,383,361	14,765,523	14,694,972	19.1	769,370
	20 Year Life	399,048	15	59,857	20.0	79,519	87,731	371,174	14.5	25,598
		<u>46,516,889</u>		<u>3,902,530</u>		<u>20,066,583</u>	<u>22,138,953</u>	<u>28,280,466</u>		<u>1,189,425</u>
314 -	Turbogenerator Units									
	36 Year Life to Life of Plant	14,016,699	0	0	50.0	4,618,977	5,096,000	8,920,699	33.5	266,290
	35 Year Life	2,119,077	14	295,671	35.0	850,161	937,961	1,477,787	22.7	65,101
	20 Year Life	304,120	15	53,118	20.0	163,098	179,942	227,296	12.0	18,941
		<u>16,489,896</u>		<u>349,789</u>		<u>5,632,236</u>	<u>6,213,903</u>	<u>10,625,782</u>		<u>350,332</u>
315 -	Accessory Electric Equipment									
	36 Year Life to Life of Plant	3,893,615	0	0	50.0	1,276,861	1,408,729	2,484,886	33.5	74,176
	35 Year Life	4,170,393	15	625,559	35.0	1,703,801	1,879,760	2,916,192	22.6	129,035
	20 Year Life	703,049	15	105,457	20.0	555,152	612,485	196,021	6.3	31,114
		<u>8,767,057</u>		<u>731,016</u>		<u>3,535,814</u>	<u>3,900,974</u>	<u>5,597,099</u>		<u>234,325</u>
316 -	Miscellaneous Power Plant Equipment									
	35 Year Life	43,382	15	6,507	34.9	3,062	3,378	46,511	20.5	2,269
		<u>43,382</u>		<u>6,507</u>		<u>3,062</u>	<u>3,378</u>	<u>46,511</u>		<u>2,269</u>
Total Daniel Two		<u>80,819,424</u>		<u>4,989,842</u>		<u>32,197,820</u>	<u>35,523,039</u>	<u>50,286,227</u>		<u>1,947,586</u>

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	12/31/97 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	THEO. RESERVE	12/31/97 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
Total Daniel Depreciable		206,023,000	7%	<u>13,421,785</u>	40.6	<u>81,578,052</u>	90,003,000	<u>129,441,785</u>	25.8	<u>5,019,329</u>
310	Easements	77,000	0	<u>0</u>	54.0	<u>29,290</u>	41,000	<u>36,000</u>	34.0	<u>1,059</u>
311	Rail Track	2,742,000	0	<u>0</u>	52.9	<u>1,006,917</u>	1,546,000	<u>1,196,000</u>	33.5	<u>35,201</u>
Other Recovery/Non-Depreciable										
310	Land	967,000					0			
310	Cooling Lake	2,622,000					1,966,000			
311	Cooling Lake	6,331,000					4,730,000			
316	Cooling Lake Dismantlement	1,000					1,000			
							<u>8,672,000</u>			
Total Plant Daniel		<u>218,763,000</u>					<u>106,959,000</u>			

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	12/31/97 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	THEO. RESERVE	12/31/97 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
PLANT SCHERER COMMON A										
311 -	Structures and Improvements									
	36 Year Life to Life of Plant	683,928	0	0	55.0	130,489	170,682	513,246	44.5	11,534
	35 Year Life	0	0	0		0	0	0	0.0	0
	20 Year Life	0	0	0		0	0	0	0.0	0
		<u>683,928</u>		<u>0</u>		<u>130,489</u>	<u>170,682</u>	<u>513,246</u>		<u>11,534</u>
312 -	Boiler Plant Equipment									
	36 Year Life to Life of Plant	3,382,066	0	0	55.0	645,667	844,544	2,537,522	44.5	57,023
	35 Year Life	720,835	15	108,125	35.0	217,284	284,211	544,749	25.8	21,114
	20 Year Life	270,834	15	40,625	20.0	161,158	210,798	100,661	9.7	10,377
		<u>4,373,735</u>		<u>148,750</u>		<u>1,024,109</u>	<u>1,339,553</u>	<u>3,182,932</u>		<u>88,514</u>
314 -	Turbogenerator Units									
	36 Year Life to Life of Plant	63,153	0	0	55.0	12,056	15,769	47,384	44.5	1,065
	35 Year Life	17,344	15	2,602	35.0	5,983	7,826	12,120	24.5	495
	20 Year Life	14,315	15	2,147	20.0	8,642	11,304	5,158	9.5	543
		<u>94,812</u>		<u>4,749</u>		<u>26,681</u>	<u>34,899</u>	<u>64,662</u>		<u>2,103</u>
315 -	Accessory Electric Equipment									
	36 Year Life to Life of Plant	71,476	0	0	55.0	13,645	17,848	53,628	44.5	1,205
		<u>71,476</u>		<u>0</u>		<u>13,645</u>	<u>17,848</u>	<u>53,628</u>		<u>1,205</u>
	Total Scherer A Common	<u>5,223,951</u>		<u>153,499</u>		<u>1,194,924</u>	<u>1,562,982</u>	<u>3,814,468</u>		<u>103,356</u>

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	12/31/97 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	THEO. RESERVE	12/31/97 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
PLANT SCHERER COMMON B										
311 -	Structures and Improvements									
	36 Year Life to Life of Plant	10,056,646	0	0	59.2	2,464,127	3,223,124	6,833,522	44.5	153,562
	35 Year Life	0	0	0		0	0	0	0.0	0
	20 Year Life	0	0	0		0	0	0	0.0	0
		<u>10,056,646</u>		<u>0</u>		<u>2,464,127</u>	<u>3,223,124</u>	<u>6,833,522</u>		<u>153,562</u>
312 -	Boiler Plant Equipment									
	36 Year Life to Life of Plant	3,535,528	0	0	57.4	794,847	1,039,675	2,495,853	44.5	56,087
	35 Year Life	3,315,626	15	497,344	35.0	1,554,383	2,033,162	1,779,808	20.7	85,981
	20 Year Life	540,467	15	81,070	20.0	439,953	575,466	46,071	5.8	7,943
		<u>7,391,621</u>		<u>578,414</u>		<u>2,789,183</u>	<u>3,648,303</u>	<u>4,321,732</u>		<u>150,011</u>
314 -	Turbogenerator Units									
	36 Year Life to Life of Plant	585,519	0	0	60.0	90,183	117,961	467,558	44.5	10,507
	35 Year Life	668,562	15	100,284	35.0	324,236	424,107	344,739	20.2	17,066
		<u>1,254,081</u>		<u>100,284</u>		<u>414,419</u>	<u>542,068</u>	<u>812,297</u>		<u>27,573</u>
315 -	Accessory Electric Equipment									
	36 Year Life to Life of Plant	367,624	0	0	59.0	90,304	118,120	249,504	44.5	5,607
	35 Year Life	12,485	15	1,873	34.8	(312,140)	(408,285)	422,643	28.4	14,882
		<u>380,109</u>		<u>1,873</u>		<u>(221,836)</u>	<u>(290,165)</u>	<u>672,147</u>		<u>20,489</u>
316 -	Miscellaneous Power Plant Equipment									
	35 Year Life	3,949,746	15	592,462	35.0	(261,543)	(342,103)	4,884,311	21.2	230,392
	20 Year Life	395,953	15	59,393	20.0	317,229	414,942	40,404	6.0	6,734
		<u>4,345,699</u>		<u>651,855</u>		<u>55,686</u>	<u>72,838</u>	<u>4,924,716</u>		<u>237,126</u>
Total Scherer B Common		<u>23,428,156</u>		<u>1,332,426</u>		<u>5,501,579</u>	<u>7,196,168</u>	<u>17,564,414</u>		<u>588,761</u>

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	12/31/97 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	THEO. RESERVE	12/31/97 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
PLANT SCHERER UNIT 3										
311 -	Structures and Improvements									
	36 Year Life to Life of Plant	19,899,438	0	0	55.0	3,798,959	4,969,108	14,930,330	44.5	335,513
	35 Year Life	0	0	0		0	0	0	0.0	0
	20 Year Life	0	0	0		0	0	0	0.0	0
		<u>19,899,438</u>		<u>0</u>		<u>3,798,959</u>	<u>4,969,108</u>	<u>14,930,330</u>		<u>335,513</u>
312 -	Boiler Plant Equipment									
	36 Year Life to Life of Plant	58,807,533	0	0	54.9	10,898,200	14,255,047	44,552,486	44.5	1,001,179
	35 Year Life	19,850,538	15	2,977,581	35.0	6,748,680	8,827,398	14,000,721	24.7	566,831
	20 Year Life	4,433,407	15	665,011	20.0	2,676,670	3,501,134	1,597,284	9.5	168,135
		<u>83,091,478</u>		<u>3,642,592</u>		<u>20,323,550</u>	<u>26,583,580</u>	<u>60,150,490</u>		<u>1,736,145</u>
314 -	Turbogenerator Units									
	36 Year Life to Life of Plant	32,070,577	0	0	55.0	6,122,565	8,008,428	24,062,149	44.5	540,722
	35 Year Life	1,773,054	15	265,958	35.0	611,703	800,119	1,238,893	24.5	50,567
	20 Year Life	427,073	15	64,061	20.0	257,845	337,266	153,868	9.5	16,197
		<u>34,270,704</u>		<u>330,019</u>		<u>6,992,113</u>	<u>9,145,813</u>	<u>25,454,910</u>		<u>607,486</u>
315 -	Accessory Electric Equipment									
	36 Year Life to Life of Plant	1,541,736	0	0	55.0	294,322	384,979	1,156,757	44.5	25,995
	35 Year Life	5,539,977	15	830,997	35.0	1,908,748	2,496,678	3,874,296	24.5	158,135
	20 Year Life	831,421	15	124,713	20.0	499,713	653,634	302,500	9.5	31,842
		<u>7,913,134</u>		<u>955,710</u>		<u>2,702,783</u>	<u>3,535,290</u>	<u>5,333,554</u>		<u>215,972</u>
316 -	Miscellaneous Power Plant Equipment									
	36 Year Life to Life of Plant	80,903	0	0	53.5	13,668	17,878	63,025	44.5	1,416
	35 Year Life	834,171	15	125,126	35.0	287,789	376,433	582,864	24.5	23,790
	20 Year Life	49,065	15	7,360	20.0	29,623	38,747	17,678	9.5	1,861
		<u>964,139</u>		<u>132,486</u>		<u>331,080</u>	<u>433,058</u>	<u>663,567</u>		<u>27,067</u>
Total Scherer Three		<u>146,138,893</u>		<u>5,060,807</u>		<u>34,148,485</u>	<u>44,666,850</u>	<u>106,532,850</u>		<u>2,922,183</u>

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	12/31/97 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	THEO. RESERVE	12/31/97 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
	Total Scherer Depreciable	174,791,000	4%	<u>6,546,732</u>	<u>46.4</u>	<u>40,844,988</u>	53,426,000	<u>127,911,732</u>	35.4	<u>3,614,300</u>
	Other Recovery/Non-Depreciable									
	310 Land	807,000					0			
	Dismantlement						<u>3,326,000</u>			
	Total Plant Scherer	<u>175,598,000</u>					<u>56,752,000</u>			

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	12/31/97 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	THEO. RESERVE	12/31/97 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
OTHER PRODUCTION PLANT										
PLANT SMITH										
341	Structures and Improvements 36 Year Life to Life of Plant	697,000	0	0	25.0	459,305	583,000	114,000	8.5	13,412
342	Fuel Holders, Producers & Access 36 Year Life to Life of Plant	283,000	0	0	25.5	188,920	215,000	68,000	8.5	8,000
343	Prime Movers 36 Year Life to Life of Plant	77,000	0	0	24.9	50,515	62,000	15,000	8.5	1,765
344	Generators 36 Year Life to Life of Plant	3,063,000	0	0	35.0	2,319,466	2,941,000	122,000	8.5	14,353
345	Accessory Electric Equipment 36 Year Life to Life of Plant	127,000	0	0	30.5	91,410	109,000	18,000	8.5	2,118
346	Misc. Power Plant Equipment 36 Year Life to Life of Plant	4,000	0	0	34.9	3,277	4,000	0	8.5	0
Total Smith CT Depreciable		4,251,000	0%	0	31.8	3,112,893	3,914,000	337,000	8.5	39,648
Other Recovery/Non-Depreciable										
Dismantlement							59,000			
Total Plant Smith CT		4,251,000					3,973,000			

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	BALANCE 12/31/97	CURVE	ASL	NET REMOVAL COST		THEO. RESERVE	RESERVE 12/31/97	BAL TO RECOVER	ARL
					%	AMT.				
TRANSMISSION PLANT										
350	Easements	9,520,000	SQ	40.0	0	0	5,580,204	3,482,000	6,038,000	16.6
352	Structures & Improvements	5,221,000	R4	45.0	10	522,100	1,278,844	1,166,000	4,577,100	35.0
353	Station Equipment	56,457,000	R2	45.0	10	5,645,700	17,494,546	20,487,000	41,615,700	32.0
354	Towers & Fixtures	22,294,000	R5	45.0	20	4,458,800	14,705,460	15,889,000	10,863,800	20.0
355	Poles & Fixtures	31,651,000	S1	37.0	45	14,242,950	12,987,881	10,481,000	35,412,950	27.0
356	Overhead Conductors & Devices	25,929,000	S3	40.0	20	5,185,800	15,056,106	15,726,000	15,388,800	21.0
358	UG Conductors & Devices	13,612,000	SQ	40.0	5	680,600	3,185,901	2,411,000	11,881,600	31.0
359	Roads & Trails	52,000	SQ	40.0	0	0	29,980	16,000	36,000	17.0
Sub-Total Excluding Easements		<u>155,216,000</u>		41.8	20	<u>30,735,950</u>	<u>64,738,718</u>	<u>66,176,000</u>	<u>119,775,950</u>	
Sub-Total Including Easements		164,736,000		41.7	19	30,735,950	70,318,922	69,658,000	125,813,950	
350	Land	<u>1,175,000</u>								
TOTAL TRANSMISSION PLANT		<u><u>165,911,000</u></u>				<u><u>30,735,950</u></u>	<u><u>70,318,922</u></u>	<u><u>69,658,000</u></u>	<u><u>125,813,950</u></u>	

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	BALANCE 12/31/97	CURVE	ASL	NET REMOVAL COST		THEO. RESERVE	RESERVE 12/31/97	BAL TO RECOVER	ARL
					%	AMT.				
DISTRIBUTION PLANT										
361.0	Structures & Improvements	9,866,000	S3	40.0	10	986,600	3,614,380	3,108,000	7,744,600	27.0
362.0	Station Equipment	102,756,000	R2	38.0	10	10,275,600	31,958,031	28,796,000	84,235,600	27.0
364.0	Poles & Fixtures	74,111,000	S0	32.0	60	44,466,600	29,410,467	25,549,000	93,028,600	24.0
365.0	Overhead Conductors	91,060,000	S1	32.0	10	9,106,000	29,392,761	32,088,000	68,078,000	23.0
366.0	Underground Conduit	1,190,000	L4	50.0	0	0	576,132	598,000	592,000	26.0
367.0	UG Conductors & Devices	41,465,000	R3	28.0	0	0	10,813,430	11,893,000	29,572,000	21.0
368.0	Line Transformers	125,622,000	S0	29.0	25	31,405,500	42,030,481	45,796,000	111,231,500	21.0
369.1	Overhead Services	33,965,000	L2	29.0	5	1,698,250	11,537,909	17,768,000	17,895,250	19.6
369.2	Underground Services	15,440,000	S3	30.0	5	772,000	4,780,038	4,176,000	12,036,000	21.0
369.3	Service Entrances	6,329,000	R3	27.0	0	0	4,350,373	4,631,000	1,698,000	8.4
370.0	Meters	31,275,000	S1	27.0	3	938,250	9,549,264	11,600,000	20,613,250	19.0
373.0	Street Lights	30,905,000	R1	15.0	10	3,090,500	9,712,137	9,215,000	24,780,500	10.7
Sub-Total		563,984,000		29.5	18	102,739,300	187,725,403	195,218,000	471,505,300	
369.0	Land	1,512,000								
TOTAL DISTRIBUTION PLANT		565,496,000				102,739,300	187,725,403	195,218,000	471,505,300	

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	BALANCE 12/31/97	CURVE	ASL	NET REMOVAL COST		THEO RESERVE	RESERVE 12/31/97	BAL TO RECOVER	ARL
					%	AMOUNT				
GENERAL PLANT										
390.0	Structures & Improvements	49,390,000	R4	43.0	0.0	0	14,728,830	15,658,000	33,732,000	30.0
396.0	Power Operated Equipment	392,000	SQ	20.0	-15.0	(58,800)	228,459	253,000	80,200	6.3
397.0	Communications Equipment	12,777,000	S3	15.0	2.0	255,540	4,317,447	1,853,000	11,179,540	10.0
Transportation Equipment										
392.1	Automobiles	277,000	L4	6.0				277,000	0	
392.2	Light Trucks	3,765,000	L3	7.0	-20.0	(753,000)	1,508,328	2,407,000	605,000	3.5
392.3	Heavy Trucks	16,478,000	L2	11.0	-20.0	(3,295,600)	4,560,326	4,997,000	8,185,400	7.2
392.4	Trailers	1,272,000	S1	18.0	-15.0	(190,800)	370,235	271,000	810,200	11.8
Total Transportation Equipment (1)		<u>21,515,000</u>		10.2	-20.0	<u>(4,239,400)</u>	<u>6,438,889</u>	<u>7,675,000</u>	<u>9,600,600</u>	7.0
Total Depreciable General Plant (1)		<u>84,074,000</u>			-5.0	<u>(4,042,660)</u>	<u>25,713,625</u>	<u>25,439,000</u>	<u>54,592,340</u>	

(1) Automobiles were fully depreciated by April 1997; therefore excluded from depreciable totals.

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/97
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	BALANCE 12/31/97	CURVE	ASL	NET REMOVAL COST %	AMOUNT	THEO RESERVE	RESERVE 12/31/97	BAL TO RECOVER	ARL
GENERAL PLANT AMORTIZATION (Accruals based on estimated 1998 Accrual)										
Office Furniture & Equipment										
391.1	Furniture/Non-Computer	631,000	AMORT	7.0	0.0	0		107,000	524,000	
391.2	Computer Equipment	4,942,000	AMORT	5.0	0.0	0		2,610,000	2,332,000	
Total Office Furniture & Equipment		<u>5,573,000</u>			0.0	<u>0</u>		<u>2,717,000</u>	<u>2,856,000</u>	
Auxiliary General Equipment										
392.5	Marine Equipment	164,000	AMORT	5.0	0.0	0		70,000	94,000	
393.0	Stores Equipment	290,000	AMORT	7.0	0.0	0		(97,000)	387,000	
394.0	Tools, Shop & Garage Equipment	1,841,000	AMORT	7.0	0.0	0		140,000	1,701,000	
395.0	Laboratory Equipment	2,074,000	AMORT	7.0	0.0	0		721,000	1,353,000	
397.0	Communication Equip	3,191,000	AMORT	7.0	0.0	0		875,000	2,316,000	
398.0	Miscellaneous Equipment	8,200,000	AMORT	7.0	0.0	0		737,000	7,463,000	
Total Auxiliary General Equipment		<u>15,760,000</u>			0.0	<u>0</u>		<u>2,446,000</u>	<u>13,220,000</u>	
Total Amortizable General Plant		<u>21,333,000</u>						<u>5,163,000</u>		
Total Depreciable & Amortizable General Plant		<u>105,407,000</u>						<u>30,602,000</u>		
NON-DEPRECIABLE GENERAL PROPERTY										
389.0	Land	6,960,000								
390.0	3rd Floor - Corporate Headquarter	3,841,000								
		<u>10,801,000</u>								
TOTAL GENERAL PLANT (including fully depreciated automobiles)		<u>116,485,000</u>						<u>30,879,000</u>		



NET REMOVAL COST STUDY
GULF POWER COMPANY
1987 Through 1996

This report represents an analysis of historical salvage and removal costs during the period January 1, 1987 through December 31, 1996, relative to Gulf Power Company. The purpose of this report is to provide sufficient data to facilitate determination of applied net removal cost percentages used in calculating depreciation rates.

A net removal cost study entails identification of all retirements, removal costs and salvage. The report schedules, segregated by depreciable category (or functional group in the case of production plant), reflect activity for the period 1987 to 1996. The data reflects only items included as normal retirements, removal costs and salvage. Any abnormal activity is reconciled on page 16 of this section. Results by depreciable category or functional group are summarized in two groups -- last ten years (1987 to 1996), and last five years (1992 to 1996).

**NET REMOVAL COST
SUMMARY OF HISTORICAL ANALYSIS
GULF POWER COMPANY**

Account	Net Removal Factor	
	1993 % Approved	1997 % Proposed
Steam Production	N/A	15
Other Production	0	0
<u>Transmission Plant</u>		
352	5	10
353	5	10
354	20	20
355	35	45
356	20	20
358	5	5
359	0	0
Easements & Clearing	0	0
<u>Distribution Plant</u>		
361	5	10
362	5	10
364	50	60
365	10	10
366	0	0
367	0	0
368	15	25
369.1	30	5
369.2	10	5
369.3	0	0
370	3	3
373	10	10
<u>General Plant</u>		
390	0	0
391	(1) N/A	N/A
392 - Autos	-20	-25
392 - Light Trucks	-20	-20
392 - Heavy Trucks	-15	-20
392 - Trailers	-15	-15
392 - Marine	(1) N/A	N/A
393	(2) 0	N/A
394	(2) 0	N/A
395	(2) 0	N/A
396	-15	-15
397	3	2
398	(1) N/A	N/A

(1) Net removal cost factor not applicable; account is 100% amortization property.

(2) Proposed treatment of these accounts is 100% amortization; past treatment is both amortization and depreciation

**NET REMOVAL COST
HISTORICAL ANALYSIS
GULF POWER COMPANY**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Assigned Year	Retirements	Cost of Removal	Cost of Removal % (C)-(D)	Gross Salvage	Gross Salvage % (E)-(F)	Net Removal (G)-(E)	% Net Removal To Rets (H)-(B)
STEAM PRODUCTION							
1987	3,501,713	845,803	24.15	15,162	0.43	830,641	23.72
1988	5,455,544	476,385	8.73	64,801	1.19	411,583	7.54
1989	6,100,196	870,732	14.27	469,085	7.69	401,646	6.58
1990	8,386,850	1,826,975	21.78	188,856	2.25	1,638,119	19.53
1991	7,624,035	997,523	13.08	106,113	1.39	891,410	11.69
1992	1,033,681	413,900	40.04	195,148	18.88	218,752	21.16
1993	7,078,262	2,862,980	40.45	393,496	5.56	2,469,485	34.89
1994	10,885,104	3,268,697	30.03	113,349	1.04	3,155,348	28.99
1995	8,420,567	1,596,005	18.95	35,825	0.43	1,560,180	18.53
1996	10,162,352	1,441,516	14.18	216,671	2.13	1,224,845	12.05
10 Yr.	68,648,303	14,600,517	21.27	1,798,507	2.62	12,802,009	18.65
5 Yr.	37,579,965	9,583,099	25.50	954,489	2.54	8,628,610	22.96
Average excluding 1993 & 1994							
1987 - 96	50,684,937	8,468,839	16.71	1,291,662	2.55	7,177,177	14.16
1992 - 96	19,616,599	3,451,421	17.59	447,644	2.28	3,003,777	15.31

Based on averages excluding 1993 and 1994, we propose a 15% net removal estimate for steam production interim retirements.

The last page of this tab reconciles the 1993 to 1996 analysis values to yearly activity reported in this study.

OTHER PRODUCTION

1987	0	0	0.00	0	0.00	0	0.00
1988	0	0	0.00	0	0.00	0	0.00
1989	0	0	0.00	0	0.00	0	0.00
1990	10,228	200	1.96	0	0.00	200	1.96
1991	7,923	0	0.00	0	0.00	0	0.00
1992	(7,923)	0	0.00	0	0.00	0	0.00
1993	13,446	2,981	22.17	0	0.00	2,981	22.17
1994	683	96	14.02	0	0.00	96	14.02
1995	2,074	(1)	(0.03)	0	0.00	(1)	(0.03)
1996	0	0	0.00	0	0.00	0	0.00
10 Yr.	26,430	3,276	12.40	0	0.00	3,276	12.40
5 Yr.	8,279	3,076	37.16	0	0.00	3,076	37.16

Interim retirements are a rare occurrence for this type property. Therefore, we recommend a 0% net removal estimate for interim retirements.

All data for 1993 to 1996 analysis reconciles to yearly activity reported in this study.

**NET REMOVAL COST
HISTORICAL ANALYSIS
GULF POWER COMPANY**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Assigned Year	Retirements	Cost of Removal	Cost of Removal % (C)-(B)	Gross Salvage	Gross Salvage % (E)-(B)	Net Removal (C)-(E)	% Net Removal To Rets (G)-(B)

ACCOUNT 352

1987	2,896	36	1.23	0	0.00	36	1.23
1988	23,456	2,762	11.77	0	0.00	2,762	11.77
1989	1,589	1,480	93.16	63	3.96	1,417	89.19
1990	2,032	5,333	262.45	0	0.00	5,333	262.45
1991	23,866	78	0.33	4	0.02	74	0.31
1992	17,216	2,502	14.53	0	0.00	2,502	14.53
1993	21,328	292	1.37	0	0.00	292	1.37
1994	12,877	1,258	9.77	0	0.00	1,258	9.77
1995	4,194	1,079	25.73	0	0.00	1,079	25.73
1996	6,620	176	2.66	0	0.00	176	2.66
10 Yr.	116,074	14,997	12.92	67	0.06	14,930	12.86
5 Yr.	62,235	5,308	8.53	0	0.00	5,308	8.53

Net Removal Cost as approved by FPSC in 1993: 5%
Proposed for 1997 Study: 10%

The few retirements indicate removal cost exceeds gross salvage. However, since removal of structural property is labor intensive and the property does not lend itself to time-saving removal techniques for the future, we propose increasing to the averages indicated. The 5% estimate has been in effect at least 10 years; this adjustment reflects increasing labor costs.

All data for 1993 to 1996 analysis reconciles to yearly activity reported in this study.

ACCOUNT 362

1987	193,039	9,127	4.73	0	0.00	9,127	4.73
1988	409,973	306	0.07	0	0.00	306	0.07
1989	275,414	10,735	3.90	0	0.00	10,735	3.90
1990	193,478	4,085	2.11	0	0.00	4,085	2.11
1991	432,431	96,928	22.41	1,861	0.43	95,067	21.98
1992	704,088	101,527	14.42	4,023	0.57	97,504	13.85
1993	476,445	143,775	30.18	1,468	0.31	142,307	29.87
1994	534,600	88,859	16.62	1,048	0.20	87,811	16.43
1995	633,381	14,137	2.23	105,268	16.62	(91,132)	(14.39)
1996	80,399	8,660	10.77	23,930	29.76	(15,270)	(18.99)
10 Yr.	3,933,247	478,139	12.16	137,598	3.50	340,541	8.66
5 Yr.	2,428,913	356,957	14.70	135,737	5.59	221,220	9.11

Net Removal Cost as approved by FPSC in 1993: 5%
Proposed for 1997 Study: 10%

Although net removal cost fluctuates, the history since 1990 is larger and more indicative of greater net removal. Additionally, account 362, an account with similar equipment and greater retirement history, has a history indicative of increased net removal. An increase to 10% net removal is proposed.

All data for 1993 to 1996 analysis reconciles to yearly activity reported in this study.

**NET REMOVAL COST
HISTORICAL ANALYSIS
GULF POWER COMPANY**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Assigned Year	Retirements	Cost of Removal	Cost of Removal %	Gross Salvage	Gross Salvage %	Net Removal	% Net Removal To Rets
			(C)-(D)		(E)-(F)	(G)-(H)	(G)-(H)

ACCOUNT 354

1987	0	0	0.00	0	0.00	0	0.00
1988	0	0	0.00	0	0.00	0	0.00
1989	16,711	11,516	68.91	0	0.00	11,516	68.91
1990	30,576	5,775	18.89	8,023	26.24	(2,248)	(7.35)
1991	16,595	(5,934)	(35.76)	1,067	6.43	(7,001)	(42.19)
1992	18,196	9,150	50.29	0	0.00	9,150	50.29
1993	69,368	(109)	(0.16)	0	0.00	(109)	(0.16)
1994	45,152	9,859	21.83	0	0.00	9,859	21.83
1995	0	547	N/C	0	0.00	547	N/C
1996	50,383	(3)	(0.01)	0	0.00	(3)	(0.01)

10 Yr.	246,981	30,800	12.47	9,090	3.68	21,710	8.79
5 Yr.	183,099	19,443	10.62	0	0.00	19,443	10.62

Net Removal Cost as approved by FPSC in 1993: 20%
Proposed for 1997 Study: 20%

As noted in last study retirement history is very minimal. Until we have more specific history, continue to use 20% net removal.

All data for 1993 to 1996 analysis reconciles to yearly activity reported in this study.

ACCOUNT 355

1987	239,739	206,391	86.09	1,456	0.61	204,934	85.48
1988	177,291	172,984	97.57	0	0.00	172,984	97.57
1989	113,224	245,740	217.04	1,246	1.10	244,494	215.94
1990	124,449	255,862	205.60	0	0.00	255,862	205.60
1991	234,629	166,779	71.08	0	0.00	166,779	71.08
1992	155,498	273,856	176.12	12,225	7.86	261,631	168.25
1993	430,661	253,660	58.90	(3,283)	(0.76)	256,943	59.66
1994	136,901	192,328	140.49	947	0.69	191,380	139.79
1995	97,998	116,877	119.26	0	0.00	116,877	119.26
1996	1,664,590	76,421	4.59	0	0.00	76,421	4.59

10 Yr.	3,374,980	1,960,898	58.10	12,592	0.37	1,948,307	57.73
5 Yr.	2,485,648	913,143	36.74	9,889	0.40	903,253	36.34

Net Removal Cost as approved by FPSC in 1993: 35%
Proposed for 1997 Study: 45%

In 1996, Gulf Power Company retired \$1.47 million as a result of a physical inventory. A physical inventory had not been performed in ten years. Salvage and removal for these items were recorded when incurred. Including these retirements in 1996 ensures that the ten year average matches ten year net removal to ten year retirements. Although this average is 58% net removal, a moderate increase to 45% net removal is proposed.

All data for 1993 to 1996 analysis reconciles to yearly activity reported in this study.

**NET REMOVAL COST
HISTORICAL ANALYSIS
GULF POWER COMPANY**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Assigned Year	Retirements	Cost of Removal	Cost of Removal % (C)-(B)	Gross Salvage	Gross Salvage % (E)-(B)	Net Removal (C)-(E)	% Net Removal To Rets (G)-(B)

ACCOUNT 356

1987	14,810	16,065	108.47	104	0.70	15,961	107.77
1988	5,865	7,436	126.80	0	0.00	7,436	126.80
1989	11,138	6,070	54.50	2,011	18.06	4,059	36.44
1990	52,779	138,194	261.83	1,992	3.77	136,202	258.06
1991	117,581	22,810	19.40	5,740	4.88	17,070	14.52
1992	25,251	127,481	504.86	0	0.00	127,481	504.86
1993	216,323	77,657	35.90	0	0.00	77,657	35.90
1994	13,431	(7,945)	(59.16)	0	0.00	(7,945)	(59.16)
1995	95,314	53,384	56.01	0	0.00	53,384	56.01
1996	768,898	59,235	7.70	0	0.00	59,235	7.70
10 Yr.	1,321,390	500,386	37.87	9,847	0.75	490,539	37.12
5 Yr.	1,119,217	309,812	27.68	0	0.00	309,812	27.68

Net Removal Cost as approved by FPSC in 1993:

20%

Proposed for 1997 Study:

20%

49,140

Similar to Account 355, the transmission line inventory resulted in additional retirements of \$0.7 million. The retirement history is relatively small in relation to account 356 investment of \$26 million. Continue to use the current 20% net removal estimate.

All data for 1993 to 1996 analysis reconciles to yearly activity reported in this study.

ACCOUNT 358

Net Removal Cost as approved by FPSC in 1993:

5%

Proposed for 1997 Study:

5%

Since the majority of investment was added to this account in 1993 and 1989, no retirement history is available.

**NET REMOVAL COST
HISTORICAL ANALYSIS
GULF POWER COMPANY**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Assigned Year	Retirements	Cost of Removal	Cost of Removal %	Gross Salvage	Gross Salvage %	Net Removal	% Net Removal To Rets
			(C)-(D)		(F)-(E)	(G)-(E)	(H)-(B)

ACCOUNT 361

1987	54,502	10,754	19.73	752	1.38	10,002	18.35
1988	41,607	3,050	7.33	20	0.05	3,030	7.28
1989	14,862	2,578	17.34	48	0.32	2,530	17.02
1990	58,904	8,656	14.69	415	0.70	8,241	13.99
1991	207,417	13,044	6.29	502	0.24	12,542	6.05
1992	31,944	3,262	10.21	0	0.00	3,262	10.21
1993	86,776	3,649	4.21	0	0.00	3,649	4.21
1994	26,674	8,576	32.15	0	0.00	8,576	32.15
1995	25,393	456	1.79	723	2.85	(268)	(1.05)
1996	6,621	1,462	22.08	0	0.00	1,462	22.08

10 Yr.	554,698	55,487	10.00	2,461	0.44	53,026	9.56
5 Yr.	177,407	17,405	9.81	723	0.41	16,682	9.40

Net Removal Cost as approved by FPSC in 1993: 5%
Proposed for 1997 Study: 10%

Although retirement history is relatively small, it is indicative of increased net removal costs, similar to account 352. A change to 10% net removal is proposed.

All data for 1993 to 1996 analysis reconciles to yearly activity reported in this study.

ACCOUNT 362

1987	487,083	24,108	4.95	1,106	0.23	23,002	4.72
1988	860,201	19,767	2.30	759	0.09	19,008	2.21
1989	601,523	160,116	26.62	13,790	2.29	146,326	24.33
1990	630,557	71,269	11.30	9,044	1.43	62,225	9.87
1991	1,814,875	160,866	8.86	2,011	0.11	158,855	8.75
1992	1,422,788	268,476	18.87	10,023	0.70	258,453	18.17
1993	1,047,398	284,625	27.17	5,000	0.48	279,625	26.70
1994	453,480	210,094	46.33	2,440	0.54	207,654	45.79
1995	598,512	41,219	6.89	43,305	7.24	(2,086)	(0.35)
1996	494,356	28,894	5.84	0	0.00	28,894	5.84

10 Yr.	8,410,773	1,269,434	15.09	87,478	1.04	1,181,957	14.05
5 Yr.	4,016,534	833,308	20.75	60,768	1.51	772,541	19.23

Averages Excluding 1994

10 Yr.	7,957,293	1,059,340	13.31	85,038	1.07	974,302	12.24
5 Yr.	3,563,054	623,214	17.49	58,328	1.64	564,886	15.85

Net Removal Cost as approved by FPSC in 1993: 5%
Proposed for 1997 Study: 10%

Although net removal cost fluctuates, the history is indicative of greater net removal. Similar to account 353, increased net removal of 10% is proposed.

Data for 1995 and 1996 reconciles to yearly activity reported in this study. The last page of this tab reconciles the 1993 and 1994 analysis values to yearly activity reported in this study.

**NET REMOVAL COST
HISTORICAL ANALYSIS
GULF POWER COMPANY**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Assigned Year	Retirements	Cost of Removal	Cost of Removal % (C)-(D)	Gross Salvage	Gross Salvage % (E)-(F)	Net Removal (C)-(E)	% Net Removal To Rets (G)-(B)

ACCOUNT 364

1987	445,889	869,993	195.11	222,448	49.89	647,545	145.23
1988	566,803	1,252,990	221.06	100,303	17.70	1,152,688	203.37
1989	657,446	944,145	143.61	245,865	37.40	698,280	106.21
1990	585,427	1,212,502	207.11	384,911	65.75	827,591	141.37
1991	722,082	1,498,194	207.48	56,981	7.89	1,441,213	199.59
1992	1,011,367	1,409,171	139.33	267,469	26.45	1,141,702	112.89
1993	1,267,929	1,259,065	99.30	682,844	53.86	576,221	45.45
1994	683,559	1,321,323	193.30	218,251	31.93	1,103,072	161.37
1995	951,753	1,383,841	145.40	377,808	39.70	1,006,033	105.70
1996	1,050,647	1,003,655	95.53	119,983	11.42	883,672	84.11
10 Yr.	7,942,902	12,154,880	153.03	2,676,864	33.70	9,478,016	119.33
5 Yr.	4,965,255	6,377,056	128.43	1,666,356	33.56	4,710,700	94.87

Net Removal Cost as approved by FPSC in 1993: 50%
Proposed for 1997 Study: 60%

Although not all of this account's investment is subject to such high COR levels, the last 10 years is indicative of higher costs. The prior analysis (1982 to 1991) showed this trend beginning in 1986. This analysis shows the trend continuing. Even the lowest net removal year (1996) indicates 45% net removal. We propose a moderate net removal estimate increase to 60%.

The last page of this tab reconciles the 1993 to 1996 analysis values to yearly activity reported in this study.

ACCOUNT 365

1987	461,841	161,218	34.91	377,278	81.69	(216,060)	(46.78)
1988	846,928	282,415	33.35	578,461	68.30	(296,046)	(34.96)
1989	566,595	140,319	24.77	514,213	90.75	(373,894)	(65.99)
1990	547,143	206,272	37.70	545,004	99.61	(338,732)	(61.91)
1991	853,717	269,571	31.58	395,944	46.38	(126,373)	(14.80)
1992	910,350	847,938	93.14	704,566	77.40	143,372	15.75
1993	962,049	949,996	98.75	330,194	34.32	619,802	64.43
1994	724,715	775,754	107.04	546,516	75.41	229,238	31.63
1995	973,550	632,539	64.97	590,316	60.64	42,223	4.34
1996	1,419,209	220,411	15.53	661,312	46.60	(440,900)	(31.07)
10 Yr.	8,266,098	4,486,434	54.28	5,243,804	63.44	(757,371)	(9.16)
5 Yr.	4,989,873	3,426,638	68.67	2,832,904	56.77	593,734	11.90

Average Excluding 1988-90

1987-96	6,305,432	3,857,428	61.18	3,606,127	57.19	251,301	3.99
---------	-----------	-----------	-------	-----------	-------	---------	------

Net Removal Cost as approved by FPSC in 1993: 10%
Proposed for 1997 Study: 10%

The averages reflect higher positive salvage than normal due to unusually large retirements and salvage related to oil circuit reclosers in 1988-1990. Discounting 1988-1990 provides no clear pattern, but the 10-year average does change to reflect net removal of 4%. This, coupled with the 12% last 5-year average leads to continued use of the current 10% net removal estimate.

All data for 1993 to 1996 analysis reconciles to yearly activity reported in this study.

**NET REMOVAL COST
HISTORICAL ANALYSIS
GULF POWER COMPANY**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Assigned Year	Retirements	Cost of Removal	Cost of Removal %	Gross Salvage	Gross Salvage %	Net Removal	% Net Removal To Rets
			(C)-(B)		(F)-(E)	(G)-(B)	(H)-(B)

ACCOUNT 366

1987	3,084	8,017	259.95	0	0.00	8,017	259.95
1988	1,423	4,698	330.06	0	0.00	4,698	330.06
1989	474	805	169.83	0	0.00	805	169.83
1990	7,592	7,728	101.79	0	0.00	7,728	101.79
1991	1,614	9,040	560.10	0	0.00	9,040	560.10
1992	270	(5)	(1.90)	0	0.00	(5)	(1.90)
1993	135	60	44.12	0	0.00	60	44.12
1994	0	0	0.00	0	0.00	0	0.00
1995	170	0	0.00	0	0.00	0	0.00
1996	0	0	0.00	0	0.00	0	0.00
10 Yr.	14,762	30,343	205.54	0	0.00	30,343	205.54
5 Yr.	575	54	9.46	0	0.00	54	9.46

Net Removal Cost as approved by FPSC in 1993: 0%
Proposed for 1997 Study: 0%

History is too small and erratic to justify any conclusion. Continue to use 0%.

All data for 1993 to 1996 analysis reconciles to yearly activity reported in this study.

ACCOUNT 367

1987	41,200	3,179	7.72	14,123	34.28	(10,944)	(26.56)
1988	84,370	16,870	20.00	31,705	37.58	(14,835)	(17.58)
1989	52,108	3,314	6.36	26,233	50.34	(22,919)	(43.98)
1990	29,823	9,847	33.02	12,056	40.43	(2,209)	(7.41)
1991	33,304	3,935	11.82	14,784	44.39	(10,849)	(32.58)
1992	92,797	10,439	11.25	1,780	1.92	8,659	9.33
1993	70,947	4,480	6.31	2,131	3.00	2,349	3.31
1994	141,689	25,910	18.29	4,162	2.94	21,748	15.35
1995	206,658	97,390	47.13	38,112	18.44	59,278	28.68
1996	165,154	23,578	14.28	58,246	35.27	(34,669)	(20.99)
10 Yr.	918,048	198,942	21.67	203,333	22.15	(4,391)	(0.48)
5 Yr.	677,244	161,796	23.89	104,431	15.42	57,365	8.47

Net Removal Cost as approved by FPSC in 1993: 0%
Proposed for 1997 Study: 0%

Over the past five years, retirements have increased with a net removal average of about 8%. However, the individual years in this period ranging from negative 21% net removal to positive 29% net removal. Until further evidence is available continued use of the current 0% net removal estimate is appropriate.

All data for 1993 to 1996 analysis reconciles to yearly activity reported in this study.

**NET REMOVAL COST
HISTORICAL ANALYSIS
GULF POWER COMPANY**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Assigned Year	Retirements	Cost of Removal	Cost of Removal % (C)/(B)	Gross Salvage	Gross Salvage % (E)/(B)	Net Removal (C)-(E)	% Net Removal To Rets (G)/(B)
ACCOUNT 368							
1987	1,132,102	301,787	26.66	103,233	9.12	198,554	17.54
1988	922,393	423,973	45.96	93,117	10.10	330,857	35.87
1989	806,303	347,108	43.05	134,907	16.73	212,201	26.32
1990	1,489,119	568,282	38.16	84,850	5.70	483,432	32.46
1991	1,633,172	815,800	49.95	102,119	6.25	713,681	43.70
1992	1,586,670	632,060	39.84	153,332	9.66	478,727	30.17
1993	2,068,219	924,443	44.70	167,374	8.09	757,069	36.60
1994	1,387,276	647,875	46.70	112,017	8.07	535,858	38.63
1995	2,539,858	982,748	38.69	204,291	8.04	778,457	30.65
1996	1,875,974	573,201	30.55	123,915	6.61	449,286	23.95
10 Yr.	15,441,087	6,217,278	40.26	1,279,157	8.28	4,938,121	31.98
5 Yr.	9,457,997	3,760,328	39.76	760,930	8.05	2,999,397	31.71

Net Removal Cost as approved by FPSC in 1993: 15%
Proposed for 1997 Study: 25%

The above averages are indicative of higher net removal costs. The prior analysis (1982 to 1991) showed this trend beginning and a moderate move from 5% to 15% was made. This analysis shows the trend continuing on increasing levels of annual retirements. A change to 25% net removal is proposed.

All data for 1993 to 1996 analysis reconciles to yearly activity reported in this study.

ACCOUNT 369.1							
1987	198,480	1,778	0.90	6,255	3.15	(4,476)	(2.26)
1988	232,466	3,463	1.49	3,555	1.53	(92)	(0.04)
1989	223,737	818	0.37	0	0.00	818	0.37
1990	205,017	1,610	0.79	0	0.00	1,610	0.79
1991	235,789	1,867	0.79	0	0.00	1,867	0.79
1992	421,505	2,026	0.48	0	0.00	2,026	0.48
1993	424,502	2,294	0.54	0	0.00	2,294	0.54
1994	374,403	2,770	0.74	0	0.00	2,770	0.74
1995	466,478	2,057	0.44	1,550	0.33	507	0.11
1996	258,426	2,932	1.13	0	0.00	2,932	1.13
10 Yr.	3,040,803	21,616	0.71	11,360	0.37	10,256	0.34
5 Yr.	1,945,314	12,079	0.62	1,550	0.08	10,529	0.54

Net Removal Cost as approved by FPSC in 1993: 30%
Proposed for 1997 Study: 5%

The prior analysis of net removal cost (1982 to 1991) showed the beginning of a trend of more negligible removal cost and salvage. This analysis clearly indicates the continuance of this trend. A change to 5% net removal is proposed.

All data for 1993 to 1996 analysis reconciles to yearly activity reported in this study.

**NET REMOVAL COST
HISTORICAL ANALYSIS
GULF POWER COMPANY**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Assigned Year	Retirements	Cost of Removal	Cost of Removal %	Gross Salvage	Gross Salvage %	Net Removal	% Net Removal To Rets
			(C)-(D)		(E)-(F)	(G)-(H)	(G)-(H)
ACCOUNT 369.2							
1987	37,711	0	0.00	0	0.00	0	0.00
1988	83,128	0	0.00	0	0.00	0	0.00
1989	62,454	11	0.02	1,238	1.98	(1,227)	(1.96)
1990	64,833	17	0.03	406	0.63	(389)	(0.60)
1991	41,254	25	0.06	499	1.21	(474)	(1.15)
1992	145,472	67	0.05	1,389	0.95	(1,322)	(0.91)
1993	69,530	338	0.49	1,009	1.45	(671)	(0.97)
1994	77,510	631	0.81	1,129	1.46	(497)	(0.64)
1995	81,505	601	0.74	3,579	4.39	(2,978)	(3.65)
1996	59,322	7,748	13.06	4,131	6.96	3,617	6.10
10 Yr.	722,718	9,438	1.31	13,380	1.85	(3,942)	(0.55)
5 Yr.	433,338	9,385	2.17	11,237	2.59	(1,852)	(0.43)

Net Removal Cost as approved by FPSC in 1993: 10%
Proposed for 1997 Study: 5%

Retirement history is not very large with only minimal associated salvage and removal costs. Although the history is small, we believe it is indicative of 10% net removal being too large an estimate and propose a moderate decrease to a 5% net removal estimate.

All data for 1993 to 1996 analysis reconciles to yearly activity reported in this study.

ACCOUNT 369.3

Net Removal Cost as approved by FPSC in 1993: 0%

This account is being systematically retired in place, with no removal cost or salvage incurred. Continue to use 0% net removal.

**NET REMOVAL COST
HISTORICAL ANALYSIS
GULF POWER COMPANY**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Assigned Year	Retirements	Cost of Removal	CoL. of Removal % (C)-(B)	Gross Salvage	Gross Salvage % (E)-(B)	Net Removal (C)-(E)	% Net Removal To Rets (G)-(B)

ACCOUNT 370

1987	224,580	12,457	5.55	2,467	1.10	9,989	4.45
1988	200,348	7,823	3.90	4,075	2.03	3,748	1.87
1989	481,584	15,293	3.18	9,636	2.00	5,657	1.17
1990	205,553	9,996	4.86	3,735	1.82	6,261	3.05
1991	384,949	13,589	3.53	5,750	1.49	7,839	2.04
1992	434,914	12,858	2.96	1,982	0.46	10,876	2.50
1993	202,527	10,578	5.22	14,984	7.40	(4,406)	(2.18)
1994	273,177	32,786	12.00	28,143	10.30	4,644	1.70
1995	199,107	25,948	13.03	4,777	2.40	21,171	10.63
1996	250,797	22,765	9.08	7,805	3.11	14,959	5.96
10 Yr.	2,857,536	164,093	5.74	83,354	2.92	80,739	2.83
5 Yr.	1,360,522	104,935	7.71	57,691	4.24	47,244	3.47

Net Removal Cost as approved by FPSC in 1993: 3%
Proposed for 1997 Study: 3%

History still clearly reflects the 3% estimate to be appropriate.

All data for 1993 to 1996 analysis reconciles to yearly activity reported in this study.

ACCOUNT 373

1987	275,197	65,752	23.89	10,690	3.88	55,062	20.01
1988	799,968	105,366	13.17	23,051	2.88	82,315	10.29
1989	417,541	33,443	8.01	14,214	3.40	19,229	4.61
1990	443,090	84,120	18.98	51,928	11.72	32,192	7.27
1991	964,016	249,126	25.84	41,727	4.33	207,399	21.51
1992	716,279	141,875	19.81	36,569	5.11	105,307	14.70
1993	770,698	111,391	14.45	27,647	3.59	83,744	10.87
1994	715,564	85,116	11.89	26,462	3.70	58,654	8.20
1995	620,344	157,282	25.35	51,509	8.30	105,773	17.05
1996	604,115	95,613	15.83	90,955	15.06	4,657	0.77
10 Yr.	6,326,812	1,129,083	17.85	374,751	5.92	754,332	11.92
5 Yr.	3,427,000	591,276	17.25	233,141	6.80	358,135	10.45

Net Removal Cost as approved by FPSC in 1993: 10%
Proposed for 1997 Study: 10%

Although there are some year to year fluctuations, the averages indicate continued use of the 10% net removal estimate.

All data for 1993 to 1996 analysis reconciles to yearly activity reported in this study.

**NET REMOVAL COST
HISTORICAL ANALYSIS
GULF POWER COMPANY**

(A) Assigned Year	(B) Retirements	(C) Cost of Removal	(D) Cost of Removal % (C)-(B)	(E) Gross Salvage	(F) Gross Salvage % (E)-(B)	(G) Net Removal (C)-(E)	(H) % Net Removal To Rets (G)-(B)
ACCOUNT 390							
1987	830,914	96,123	11.57	22,365	2.69	73,758	8.88
1988	36,365	1,327	3.65	0	0.00	1,327	3.65
1989	241,423	8,506	3.52	5,735	2.38	2,771	1.15
1990	83,793	233	0.28	6,900	8.23	(6,667)	(7.96)
1991	277,474	2,165	0.78	23	0.01	2,142	0.77
1992	234,464	15,109	6.44	73,332	31.28	(58,223)	(24.83)
1993	16,974	4,283	25.23	0	0.00	4,283	25.23
1994	1,690	5,397	319.27	0	0.00	5,397	319.27
1995	168,287	11,121	6.61	39,838	23.67	(28,717)	(17.06)
1996	310,396	2,462	0.79	54,469	17.55	(52,007)	(16.75)
10 Yr.	2,201,780	146,726	6.66	202,662	9.20	(55,935)	(2.54)
5 Yr.	731,811	38,372	5.24	167,638	22.91	(129,266)	(17.66)

Net Removal Cost as approved by FPSC in 1993: 0%
Proposed for 1997 Study: 0%

Except for 1987, retirement experience is not very large for this \$50 million investment. Generally, most 390 investment will last until the building and land is sold and gain/loss is determined. Continue to use 0% net removal.

All data for 1993 to 1996 analysis reconciles to yearly activity reported in this study.

ACCOUNT 392.1 - Automobiles

1986	239,940			53,561		(53,561)	(22.32)
1987	108,025			15,344		(15,344)	(14.20)
1988	301,672			35,885		(35,885)	(11.90)
1989	378,939			53,687		(53,687)	(14.17)
1990	336,830			53,689		(53,689)	(15.94)
1991	320,743			70,953		(70,953)	(22.12)
1992	176,695			40,895		(40,895)	(23.14)
1993	595,972			190,039		(190,039)	(31.89)
1994	105,926			31,703		(31,703)	(29.93)
1995	200,622			67,375		(67,375)	(33.58)
1996	859,435			283,116		(283,116)	(32.94)
10-Yr	3,384,859	0		842,686		(842,686)	(24.90)
5-Yr	1,938,650	0		613,128		(613,128)	(31.63)

Net Removal Cost as approved by FPSC in 1993: -20%
Proposed for 1997 Study: -25%

In 1996, a large portion of the auto fleet was sold and not replaced. During the last several years Gulf has implemented more aggressive method in vehicle disposal, leading to the increased salvage shown above. A net removal estimate of negative 25% is proposed. This estimate will apply only to new, if any, investment since this account is fully depreciated.

All data for 1993 to 1996 analysis reconciles to yearly activity reported in this study.

**NET REMOVAL COST
HISTORICAL ANALYSIS
GULF POWER COMPANY**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Assigned Year	Retirements	Cost of Removal	Cost of Removal % (C)-(B)	Gross Salvage	Gross Salvage % (E)-(B)	Net Removal (C)-(E)	% Net Removal To Rets (G)-(B)

ACCOUNT 392.2 - Light Trucks

1987	87,840			13,644		(13,644)	(15.53)
1988	305,428			59,909		(59,909)	(19.61)
1989	160,752			10,544		(10,544)	(6.56)
1990	516,101			109,653		(109,653)	(21.25)
1991	440,223			76,495		(76,495)	(17.38)
1992	186,796			32,995		(32,995)	(17.66)
1993	203,508			44,565		(44,565)	(21.90)
1994	108,196			27,467		(27,467)	(25.39)
1995	251,529			87,546		(87,546)	(34.81)
1996	603,822			78,431		(78,431)	(12.99)
10-Yr	2,864,194	0		541,248		(541,248)	(18.90)
5-Yr	1,353,851	0		271,004		(271,004)	(20.02)

Net Removal Cost as approved by FPSC in 1993: -20%
Proposed for 1997 Study: -20%

As stated for autos, Gulf has implemented sales methods to increase salvage proceeds. This does not show up as much in the light trucks as for autos because Gulf is generally keeping the trucks for a longer period. Continued use of the negative 20% net removal estimate is proposed.

All data for 1993 to 1996 analysis reconciles to yearly activity reported in this study.

ACCOUNT 392.3 - Heavy Trucks

1987	255,345			82,877		(82,877)	(32.46)
1988	61,215			24,641		(24,641)	(40.25)
1989	586,652			88,459		(88,459)	(15.08)
1990	79,400			2,526		(2,526)	(3.18)
1991	678,965			46,987		(46,987)	(6.92)
1992	1,043,543			190,387		(190,387)	(18.24)
1993	637,533			146,546		(146,546)	(22.99)
1994	1,686,569			395,055		(395,055)	(23.42)
1995	697,372			164,620		(164,620)	(23.61)
1996	1,261,198			267,893		(267,893)	(21.24)
10-Yr	6,987,793	0		1,409,991		(1,409,991)	(20.18)
5-Yr	5,326,216	0		1,164,502		(1,164,502)	(21.86)

Net Removal Cost as approved by FPSC in 1993: -15%
Proposed for 1997 Study: -20%

The lower salvage in 1989 to 1991 led to lowering the salvage estimate in current rates. However, 1992 through 1996 indicates the lower salvage to be a temporary fluctuation. A move back to -20% net removal is proposed.

All data for 1993 to 1996 analysis reconciles to yearly activity reported in this study.

**NET REMOVAL COST
HISTORICAL ANALYSIS
GULF POWER COMPANY**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
Assigned Year	Retirements	Cost of Removal	Cost of Removal %	Gross Salvage	Gross Salvage %	Net Removal	% Net Removal To Rets
			(C)/(B)		(E)/(B)	(G)/(B)	(H)/(B)

ACCOUNT 392.4 - Trailers

1987	0			0		0	N/A
1988	0			0		0	N/A
1989	20,547			1,803		(1,803)	(8.77)
1990	10,461			380		(380)	(3.63)
1991	24,155			2,690		(2,690)	(11.14)
1992	7,678			4,649		(4,649)	(60.55)
1993	68,640			4,129		(4,129)	(6.02)
1994	38,150			4,985		(4,985)	(13.07)
1995	31,259			3,530		(3,530)	(11.29)
1996	38,244			5,921		(5,921)	(15.48)
10-Yr	239,134	0		28,087		(28,087)	(11.75)
5-Yr	183,971	0		23,214		(23,214)	(12.62)

Net Removal Cost as approved by FPSC in 1993: 15%
Proposed for 1997 Study: 15%

Continued use of current -15% net salvage is proposed.
All data for 1993 to 1996 analysis reconciles to yearly activity reported in this study.

ACCOUNT 397

1987	54,550	3,310	6.07	0	0.00	3,310	6.07
1988	3,640	1,729	47.48	0	0.00	1,729	47.48
1989	157,545	1,727	1.10	2,050	1.30	(323)	(0.21)
1990	383,983	1,614	0.42	(950)	(0.25)	2,564	0.67
1991	35,982	5,504	15.30	0	0.00	5,504	15.30
1992	7,924	6,693	84.47	679	8.57	6,014	75.90
1993	53,165	(2,262)	(4.25)	0	0.00	(2,262)	(4.25)
1994	216,135	297	0.14	1,550	0.72	(1,253)	(0.58)
1995	42,306	658	1.56	0	0.00	658	1.56
1996	40,503	2,173	5.36	1,425	3.52	748	1.85
10 Yr.	995,733	21,443	2.15	4,754	0.48	16,689	1.68
5 Yr.	360,032	7,560	2.10	3,654	1.01	3,906	1.08

Net Removal Cost as approved by FPSC in 1993: 3%
Proposed for 1997 Study: 2%

Retirement experience has fluctuated. Based on the above averages 2% net removal is proposed.
All data for 1993 to 1996 analysis reconciles to yearly activity reported in this study.

Accounts 391, 392-396 & 398

391 & 398 100% amortization; a net removal/salvage estimate is not needed.
393, 394 & 395 Accounts were split between amortization & depreciable investments. Proposed treatment is to combine all of these accounts into amortization.

396 Little retirement history. Continue to use -15% net removal.

**1993 to 1996 Net Removal Cost
Reconciliation of Abnormal Adjustments
Gulf Power Company**

Year	RETIREMENTS			COST OF REMOVAL			GROSS SALVAGE		
	Per COR Study	Abnormal/ Adjs.	Per Activity (Tab 11)	Per COR Study	Abnormal/ Adjs.	Per Activity (Tab 11)	Per COR Study	Abnormal/ Adjs.	Per Activity (Tab 11)
STEAM PRODUCTION									
1993	7,078,262	406,952	7,485,214	2,862,980	0	2,862,980	393,496	1,550	395,046
1994	10,885,104	9,692,138	20,577,242	3,268,697	0	3,268,697	113,349	0	113,349
1995	8,420,567	392,983	8,813,550	1,596,005	0	1,596,005	35,825	0	35,825
1996	10,162,352	110,219	10,272,571	1,441,516	0	1,441,516	216,671	0	216,671

1993 to 1996 All Abnormal adjustments represent retirement of amortization property.

ACCOUNT 362

1993	1,047,398	98,290	1,145,688	284,625	71,260	355,885	5,000	0	5,000
1994	453,480	69,194	522,674	210,094	31,168	241,262	2,440	0	2,440

1993&1994 Abnormal adjustments for PCB removal

ACCOUNT 364

1993	1,267,929	494,839	1,762,768	1,259,065	0	1,259,065	682,844	457,689	1,140,533
1994	683,559	899,918	1,583,477	1,321,323	0	1,321,323	218,251	959,779	1,178,030
1995	951,753	1,002,040	1,953,793	1,383,841	0	1,383,841	377,808	675,871	1,053,679
1996	1,050,647	803,599	1,854,246	1,003,655	0	1,003,655	119,983	483,067	603,050

1993 to 1996 Abnormal adjustments for sale of poles to telephone company



ANNUAL FOSSIL DISMANTLEMENT COSTS

The "Proposed Expense" represented on Schedule 1 has been determined following the FPSC staff's guidelines resulting from Docket #890186-EI, Order # 24741. As prescribed in this docket, the proposed expense amounts are a level amount to be recovered over the life of each generating unit. The indices contained in the DRI/McGraw-Hill "Review of the U.S. Economy" February 1997 (Sch. 3) were used to escalate the total dismantlement cost estimates and to determine the level funding amounts. The following assumptions were used in determining this expense:

1. The labor cost estimates for each generating unit included in the company's dismantlement cost study include materials used in the removal process. The amount of materials included as labor cost, estimated at 40%, has been reclassified as scrap (col. E, Sch. 2) in order to escalate the materials cost using the appropriate index for Intermediate Materials, Supplies, and Components.
2. The actual dismantlement of Gulf Power Company's plants is expected to take three years (column D & E of Sch. 2). 85% of the total cost estimate will occur in the first two years after each unit's retirement date. The remaining 15% will occur during the year after the plant's retirement date (after all units are retired). This 15% represents the removal of turbine house and boiler house structures.
3. The accumulated reserve for dismantlement is currently maintained by total plant site. The estimated reserve at December 31, 1997 (col. H, Sch. 2) has been allocated to labor, disposal, and scrap based on the Future Cost Estimate (col G, Sch. 2).
4. Gulf Power Company will review the dismantlement cost estimates every four years when depreciation rates are studied. As these costs will not be revised during the interim periods between studies, an average expense for the next four years has been determined using the average inflation rate.

**Annual Fossil Dismantlement Cost
Summary of Current and Proposed Expense
Gulf Power Company**

Schedule 1

	<u>Current Expense (1)</u>	<u>Proposed Expense</u>	<u>Change</u>
Plant Crist	2,614,167	3,117,032	502,865
Plant Smith	898,662	1,330,500	431,838
Plant Scholz	564,889	570,830	5,941
Plant Daniel	550,457	862,564	312,107
Plant Scherer	<u>37,079</u>	<u>337,201</u>	<u>300,122</u>
Total Steam	<u>4,665,254</u>	<u>6,218,127</u>	<u>1,552,873</u>
Plant Smith CT	<u>14,667</u>	<u>10,512</u>	<u>(4,155)</u>
Total Gulf Power	<u>4,679,921</u>	<u>6,228,639</u>	<u>1,548,718</u>

(1) Current Expense was determined using the straight line method.

ANNUAL FOSSIL DISMANTLEMENT COST
LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY

SCHEDULE 2

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	
PLANT/UNIT	ITEM	COST ESTIMATE 12/31/97	EXPENDITURE		COMPOUND MULT. <small>Eq. 3</small>	FUTURE COST ESTIMATE <small>(E)(F)</small>	ALLOCATED RESERVE 12/31/97 <small>% of (G)</small>	UN- RECOVERED COST <small>(H)-(I)</small>	AVERAGE INFLATION RATE <small>0.07(1-(0.999)^1)</small>	1998 ANNUAL EXPENSE <small>156(0.999)^1</small>	AVG. MULT. <small>(J)</small>	FOUR YEAR AVERAGE EXPENSE <small>(K)(L)</small>
			DATE	AMOUNT								
Plant Crist												
Unit 1												
	Labor		2011	481,185	1.759	846,404						
			2012	481,185	1.842	886,343						
			2019	169,830	2.541	431,538						
	Total Labor	1,887,000	2011	1,132,200		2,164,285	844,921	1,319,364	4.74%	68,558	1.0733	73,583
	Disposal		2011	70,550	1.544	108,929						
			2012	70,550	1.600	112,880						
			2019	24,900	2.056	51,194						
	Total Disposal	166,000	2011	166,000		273,003	106,578	166,425	3.62%	9,340	1.0556	9,859
	Scrap <small>(incl. Materials @ 40% of Labor)</small>		2011	108,290	1.376	149,007						
			2012	108,290	1.413	153,014						
			2019	38,220	1.701	65,012						
	Total Scrap	(500,000)	2011	254,800		367,033	143,287	223,746	2.64%	13,417	1.0403	13,958
	Total Unit 1	1,553,000		1,553,000		2,804,321	1,094,786	1,709,535		91,315		97,400
Unit 2												
	Labor		2011	463,590	1.759	815,455						
			2012	463,590	1.842	853,933						
			2019	163,620	2.541	415,758						
	Total Labor	1,818,000	2011	1,090,800		2,085,146	821,084	1,264,062	4.74%	65,684	1.0733	70,499
	Disposal		2011	71,400	1.544	110,242						
			2012	71,400	1.600	114,240						
			2019	25,200	2.056	51,811						
	Total Disposal	168,000	2011	168,000		276,293	108,798	167,495	3.62%	9,400	1.0556	9,923
	Scrap <small>(incl. Materials @ 40% of Labor)</small>		2011	98,685	1.376	135,791						
			2012	98,685	1.413	139,442						
			2019	34,830	1.701	59,246						
	Total Scrap	(495,000)	2011	232,200		334,479	131,710	202,769	2.64%	12,159	1.0403	12,649
	Total Unit 2	1,491,000		1,491,000		2,695,918	1,061,593	1,634,326		87,243		93,071

ANNUAL FOSSIL DISMANTLEMENT COST
LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY

SCHEDULE 2

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
PLANT/UNIT	ITEM	COST ESTIMATE 12/31/97	EXPENDITURE		COMPOUND MULT. Bch. 3	FUTURE COST ESTIMATE (G)(F)	ALLOCATED RESERVE 12/31/97 % of (G)	UN- RECOVERED COST (I)-(H)	AVERAGE INFLATION RATE 0-6*(1-(D-1997)-1 1+(D-1997)-1 (A)	1998 ANNUAL EXPENSE	AVG. MULT.	FOUR YEAR AVERAGE EXPENSE (M)
			DATE	AMOUNT								
Unit 3												
	Labor		2011	451,095	1.759	793,476						
			2012	451,095	1.842	830,917						
			2019	159,210	2.541	404,553						
	Total Labor	1,769,000	2011	1,061,400		2,028,946	825,185	1,203,761	4.74%	62,551	1.0733	67,136
	Disposal		2011	59,075	1.544	91,212						
			2012	59,075	1.600	94,520						
			2019	20,850	2.056	42,868						
	Total Disposal	139,000	2011	139,000		228,600	92,973	135,627	3.62%	7,611	1.0555	8,033
	Scrap (incl. Materials @ 40% of Labor)		2011	78,030	1.376	107,369						
			2012	78,030	1.413	110,256						
			2019	27,540	1.701	46,846						
	Total Scrap	(524,000)	2011	183,600		264,471	107,562	156,909	2.64%	9,409	1.0404	9,789
	Total Unit 3	1,384,000		1,384,000		2,522,017	1,025,720	1,496,297		79,571		84,958
Unit 4												
	Labor		2014	1,157,445	2.020	2,338,039						
			2015	1,157,445	2.115	2,447,996						
			2019	408,510	2.541	1,038,024						
	Total Labor	4,539,000	2014	2,723,400		5,824,059	1,541,582	4,282,477	4.57%	172,000	1.0707	184,160
	Disposal		2014	78,200	1.716	134,191						
			2015	78,200	1.778	139,040						
			2019	27,600	2.056	56,746						
	Total Disposal	184,000	2014	184,000		329,977	87,342	242,635	3.50%	10,690	1.0537	11,264
	Scrap (incl. Materials @ 40% of Labor)		2014	417,180	1.489	621,181						
			2015	417,180	1.529	637,868						
			2019	147,240	1.701	250,455						
	Total Scrap	(834,000)	2014	981,600		1,509,504	399,554	1,109,950	2.56%	52,914	1.0391	54,983
	Total Unit 4	3,889,000		3,889,000		7,663,540	2,028,478	5,635,062		235,604		250,407

ANNUAL FOSSIL DISMANTLEMENT COST
LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY

SCHEDULE 2

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	
PLANT/UNIT	ITEM	COST ESTIMATE 12/31/97	EXPENDITURE		COMPOUND MULT. Bch 3	FUTURE COST ESTIMATE (E)(F)	ALLOCATED RESERVE 12/31/97 % of (G)	UN- RECOVERED COST (H)(I)	AVERAGE INFLATION RATE 0-2Y(1+D)-1000-1	1998 ANNUAL EXPENSE 1+(J)(D)-1000-1 (J)	AVG. MULT. (K)	FOUR YEAR AVERAGE EXPENSE (J)(K)
			DATE	AMOUNT								
Unit 5												
	Labor		2016	1,167,390	2.214	2,584,601						
			2017	1,167,390	2.318	2,706,010						
			2019	412,020	2.541	1,046,943						
	Total Labor	4,578,000	2016	2,746,800		6,337,554	1,575,985	4,761,569	4.50%	163,856	1.0695	175,244
	Disposal		2016	84,150	1.844	155,173						
			2017	84,150	1.912	160,895						
			2019	29,700	2.056	61,063						
	Total Disposal	198,000	2016	198,000		377,131	93,783	283,348	3.45%	10,803	1.0529	11,374
	Scrap (incl. Materials @ 40% of Labor)		2016	423,810	1.570	663,382						
			2017	423,810	1.612	683,182						
			2019	149,580	1.701	254,436						
	Total Scrap	(834,000)	2016	997,200		1,603,000	398,624	1,204,376	2.53%	50,153	1.0386	52,089
Total Unit 5		3,942,000		3,942,000		8,317,685	2,068,392	6,249,293		224,812		238,707
Unit 6												
	Labor		2015	2,850,900	2.115	6,029,654						
			2016	2,850,900	2.214	6,311,893						
			2019	1,006,200	2.541	2,556,734						
	Total Labor	11,180,000	2015	6,708,000		14,898,301	3,522,056	11,376,245	4.53%	422,333	1.0701	451,939
	Disposal		2015	164,900	1.778	293,192						
			2016	164,900	1.844	304,076						
			2019	58,200	2.056	119,659						
	Total Disposal	383,000	2015	383,000		716,927	169,486	547,441	3.47%	22,406	1.0532	23,598
	Scrap (incl. Materials @ 40% of Labor)		2015	1,068,025	1.529	1,633,010						
			2016	1,068,025	1.570	1,676,799						
			2019	376,950	1.701	641,192						
	Total Scrap	(1,959,000)	2015	2,513,000		3,951,001	934,043	3,016,958	2.55%	134,218	1.0388	139,426
Total Unit 6		9,609,000		9,609,000		19,566,229	4,625,585	14,940,644		578,957		614,963

ANNUAL FOSSIL DISMANTLEMENT COST
LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY

SCHEDULE 2

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)		
PLANT/UNIT	ITEM	COST ESTIMATE 12/31/97	EXPENDITURE			COMPOUND MULT.	FUTURE COST ESTIMATE	ALLOCATED RESERVE 12/31/97	UN- RECOVERED COST	AVERAGE INFLATION RATE	1998 ANNUAL EXPENSE	AVG. MULT.	FOUR YEAR AVERAGE EXPENSE
			DATE	AMOUNT									
Unit 7													
	Labor		2018	3,347,895		2.427	8,125,341						
			2019	3,347,895		2.541	8,507,001						
			2020	1,181,610		2.660	3,143,083						
	Total Labor	13,129,000	2018	7,877,400			19,775,425	4,657,845	15,117,580	4.48%	448,456	1.0692	479,489
	Disposal		2018	222,275		1.983	440,771						
			2019	222,275		2.056	456,997						
			2020	78,450		2.132	167,255						
	Total Disposal	523,000	2018	523,000			1,065,023	250,852	814,171	3.44%	27,060	1.0529	28,491
	Scrap (incl. Materials @ 40% of Labor)		2018	1,098,880		1.656	1,819,745						
			2019	1,098,880		1.701	1,869,195						
			2020	387,840		1.747	677,556						
	Total Scrap	(2,666,000)	2018	2,585,600			4,366,496	1,028,472	3,338,024	2.53%	122,449	1.0385	127,163
	Total Unit 7	10,986,000		10,986,000			25,206,944	5,937,169	19,269,775		597,965		635,143
Common													
	Labor		2018	4,904,160		2.427	11,902,396						
			2019	4,904,160		2.541	12,461,471						
			2020	1,730,880		2.660	4,604,141						
	Total Labor	19,232,000	2018	11,539,200			28,968,008	6,358,544	22,609,464	4.48%	670,699	1.0692	717,111
	Disposal		2018	169,575		1.983	336,267						
			2019	169,575		2.056	348,646						
			2020	59,850		2.132	127,600						
	Total Disposal	399,000	2018	399,000			812,513	178,348	634,165	3.44%	21,077	1.0529	22,192
	Scrap (incl. Materials @ 40% of Labor)		2018	3,073,090		1.656	5,089,037						
			2019	3,073,090		1.701	5,227,326						
			2020	1,084,620		1.747	1,894,831						
	Total Scrap	(462,000)	2018	7,230,800			12,211,194	2,680,385	9,530,809	2.53%	349,620	1.0385	363,080
	Total Common	19,169,000		19,169,000			41,991,715	9,217,277	32,774,438		1,041,396		1,102,383

**ANNUAL FOSSIL DISMANTLEMENT COST
LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

SCHEDULE 2

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
PLANT/UNIT	ITEM	COST	EXPENDITURE		COMPOUND MULT.	FUTURE	ALLOCATED	UN-	AVERAGE	1998	AVG.	FOUR YEAR
		ESTIMATE	DATE	AMOUNT		COST	RESERVE	RECOVERED	INFLATION	ANNUAL		MULT.
		12/31/97			Sec. 2	ESTIMATE	12/31/97	COST	RATE	EXPENSE		EXPENSE
						(1)(F)	% of (G)	(I)(H)	0-0*(1)-(D)-1000)-1	1+(D)*(D)-1000)-1		(M)
Total Plant Crist												
	Labor			14,823,660		33,435,366						
				14,823,660		35,005,564						
				5,231,880		13,640,794						
	Total Labor	58,132,000		34,879,200		82,081,724	20,147,202	61,934,522		2,074,137		2,219,161
	Disposal			920,125		1,669,977						
				920,125		1,731,294						
				324,750		678,196						
	Total Disposal	2,165,000		2,165,000		4,079,467	1,088,160	2,991,307		118,387		124,734
	Scrap			6,365,990		10,220,522						
	(incl. Material @ 40% of Labor)			6,365,990		10,497,082						
				2,346,820		3,889,574						
	Total Scrap	(8,274,000)		14,978,800		24,607,178	5,823,637	18,783,541		744,339		773,137
Total Plant Crist												
		52,023,000		52,023,000		110,768,369	27,058,999	83,709,370		2,936,863		3,117,032

ANNUAL FOSSIL DISMANTLEMENT COST
LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY

SCHEDULE 2

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
PLANT/UNIT	ITEM	COST ESTIMATE 12/31/97	EXPENDITURE		COMPOUND MULT. Sch. 3	FUTURE COST ESTIMATE (E)(F)	ALLOCATED RESERVE 12/31/97 % of (G)	UN- RECOVERED COST (H)-(I)	AVERAGE INFLATION RATE 0-0711-(D-1997)-1	1998 ANNUAL EXPENSE 156210-1882-1 (J)	AVG. MULT.	FOUR YEAR AVERAGE EXPENSE (K)(L)
			DATE	AMOUNT								
Plant Smith												
Unit 1												
	Labor		2015	1,182,690	2.115	2,501,389						
			2016	1,182,690	2.214	2,618,476						
			2018	417,420	2.427	1,013,078						
	Total Labor	4,638,000	2015	2,782,800		6,132,943	1,663,973	4,468,970	4.49%	166,597	1.0694	178,159
	Disposal		2015	169,150	1.778	300,749						
			2016	169,150	1.844	311,913						
			2018	59,700	1.983	118,385						
	Total Disposal	398,000	2015	398,000		731,047	198,346	532,701	3.44%	21,871	1.0327	23,024
	Scrap (incl. Materials @ 40% of Labor)		2015	433,160	1.529	662,302						
			2016	433,160	1.570	680,061						
			2018	152,880	1.656	253,169						
	Total Scrap	(836,000)	2015	1,019,200		1,995,532	432,895	1,162,637	2.52%	51,837	1.0385	53,833
	Total Unit 1	4,200,000		4,200,000		8,459,522	2,295,214	6,164,308		240,305		255,016
Unit 2												
	Labor		2017	1,279,845	2.318	2,966,681						
			2018	1,279,845	2.427	3,106,184						
			2019	451,710	2.541	1,147,795						
	Total Labor	5,019,000	2017	3,011,400		7,220,660	1,795,087	5,425,573	4.47%	173,496	1.0691	185,485
	Disposal		2017	207,400	1.912	396,549						
			2018	207,400	1.983	411,274						
			2019	73,200	2.056	150,499						
	Total Disposal	488,000	2017	488,000		938,322	238,243	720,079	3.43%	25,641	1.0527	26,992
	Scrap (incl. Materials @ 40% of Labor)		2017	480,505	1.612	774,574						
			2018	480,505	1.656	795,716						
			2019	169,590	1.701	288,473						
	Total Scrap	(877,000)	2017	1,130,600		1,858,763	462,097	1,396,666	2.52%	54,582	1.0384	56,678
	Total Unit 2	4,630,000		4,630,000		10,037,745	2,495,427	7,542,318		253,719		269,155

ANNUAL FOSSIL DISMANTLEMENT COST
LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY

SCHEDULE 2

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	
PLANT/UNIT	ITEM	COST ESTIMATE 12/31/97	EXPENDITURE		COMPOUND MULT. Rch. 3	FUTURE COST ESTIMATE (E)(F)	ALLOCATED RESERVE 12/31/97 % of (G)	UN- RECOVERED COST (I)-(H)	AVERAGE INFLATION RATE 0.6*(1+(D-1998)-1)	1998 ANNUAL EXPENSE 156*(D-1997)-1 (J)	AVG. MULT.	FOUR YEAR AVERAGE EXPENSE (K)(L)
			DATE	AMOUNT								
Common												
	Labor		2017	3,405,270	2.318	7,893,416						
			2018	3,405,270	2.427	8,264,590						
			2019	1,201,860	2.541	3,053,926						
	Total Labor	13,354,000	2017	8,012,400		19,211,932	3,712,707	15,499,225	4.47%	495,625	1.0691	529,873
	Disposal		2017	11,050	1.912	21,128						
			2018	11,050	1.983	21,912						
			2019	3,900	2.056	8,018						
	Total Disposal	26,000	2017	26,000		51,058	9,867	41,191	3.43%	1,467	1.0525	1,544
	Scrap (incl. Mat. @ 40% of Labor)		2017	2,170,730	1.612	3,499,217						
			2018	2,170,730	1.656	3,594,729						
			2019	766,140	1.701	1,303,204						
	Total Scrap	(234,000)	2017	3,107,600		8,397,150	1,622,750	6,774,400	2.52%	264,746	1.0384	274,912
	Total Common	13,146,000		13,146,000		27,660,140	5,345,324	22,314,816		761,838		806,329
Total Plant Smith												
	Labor			5,867,805		13,361,486						
				5,867,805		13,989,250						
				2,070,990		5,214,799						
	Total Labor	23,011,000		13,806,600		32,565,535	7,171,767	25,393,768		835,718		893,117
	Disposal			387,600		718,426						
				387,600		745,099						
				136,800		276,902						
	Total Disposal	912,000		912,000		1,740,427	446,456	1,293,971		48,979		51,560
	Scrap (incl. Materials @ 40% of Labor)			3,084,395		4,936,093						
				3,084,395		5,070,506						
				1,088,610		1,844,846						
	Total Scrap	(1,947,000)		7,257,400		11,851,445	2,517,742	9,333,703		371,165		385,423
	Total Plant Smith	21,976,000		21,976,000		46,127,407	10,135,965	36,021,442		1,255,862		1,330,500

ANNUAL FOSSIL DISMANTLEMENT COST
LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY

SCHEDULE 2

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	
PLANT/UNIT	ITEM	COST ESTIMATE 12/31/97	EXPENDITURE		COMPOUND MULT. Sch. 2	FUTURE COST ESTIMATE (E)(F)	ALLOCATED RESERVE 12/31/97 % of (G)	UN- RECOVERED COST (H)-(I)	AVERAGE INFLATION RATE 0-2Y1-(D-1998)-1	1998 ANNUAL EXPENSE 1-(D)(D-1998)-1 (J)	AVG. MULT. (K)	FOUR YEAR AVERAGE EXPENSE (L)(K)
			DATE	AMOUNT								
Plant Scholz												
Unit 1												
	Labor		2011	646,170	1.739	1,136,613						
			2012	646,170	1.842	1,190,245						
			2013	228,060	1.929	439,928						
	Total Labor	2,534,000	2011	1,520,400		2,766,786	1,168,885	1,597,901	4.37%	85,166	1.0675	90,915
	Disposal		2011	66,725	1.544	103,023						
			2012	66,725	1.600	106,760						
			2013	23,550	1.656	38,999						
	Total Disposal	157,000	2011	157,000		248,782	105,103	143,679	3.34%	8,216	1.0513	8,637
	Scrap (incl. Materials @ 40% of Labor)		2011	200,855	1.376	276,376						
			2012	200,855	1.413	283,808						
			2013	70,890	1.450	102,791						
	Total Scrap	(541,000)	2011	472,600		662,975	280,087	382,888	2.45%	23,261	1.0373	24,129
	Total Unit 1	2,150,000		2,150,000		3,678,543	1,554,075	2,124,468		116,643		123,681
Unit 2												
	Labor		2011	630,615	1.739	1,109,252						
			2012	630,615	1.842	1,161,593						
			2013	222,570	1.929	429,338						
	Total Labor	2,473,000	2011	1,483,800		2,700,183	1,149,634	1,550,549	4.37%	82,642	1.0675	88,220
	Disposal		2011	70,125	1.544	108,273						
			2012	70,125	1.600	112,300						
			2013	24,750	1.656	40,986						
	Total Disposal	165,000	2011	165,000		261,459	111,319	150,140	3.34%	8,585	1.0513	9,025
	Scrap (incl. Materials @ 40% of Labor)		2011	196,010	1.376	269,710						
			2012	196,010	1.413	276,962						
			2013	69,180	1.450	100,311						
	Total Scrap	(528,000)	2011	461,200		646,983	275,461	371,522	2.45%	22,571	1.0373	23,413
	Total Unit 2	2,110,000		2,110,000		3,608,625	1,536,414	2,072,211		113,798		120,658

**ANNUAL FOSSIL DISMANTLEMENT COST
LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

SCHEDULE 2

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	
PLANT/UNIT	ITEM	COST ESTIMATE 12/31/97	EXPENDITURE		COMPOUND MULT. Bch. 3	FUTURE COST ESTIMATE (B)(F)	ALLOCATED RESERVE 12/31/97 % of (G)	UN- RECOVERED COST (H)(I)	AVERAGE INFLATION RATE 0-0*(1-0-1000)-1	1998 ANNUAL EXPENSE 1/(2*(0-100)-1 (J)	AVG. MULT. (K)	FOUR YEAR AVERAGE EXPENSE (L)(M)	
			DATE	AMOUNT									
Common													
	Labor		2011	1,330,080	1.759	2,339,611							
			2012	1,330,080	1.842	2,450,007							
			2013	469,440	1.979	905,550							
	Total Labor	5,216,000	2011	3,129,600		5,695,168	1,980,157	3,715,011		4.37%	198,005	1.0675	211,370
	Disposal		2011	5,100	1.544	7,874							
			2012	5,100	1.600	8,160							
			2013	1,800	1.656	2,981							
	Total Disposal	12,000	2011	12,000		19,015	6,611	12,404		3.34%	709	1.0518	746
	Scrap (incl. Materials @ 40% of Labor)		2011	842,945	1.376	1,159,892							
			2012	842,945	1.413	1,191,081							
			2013	297,510	1.450	431,390							
	Total Scrap	(103,000)	2011	1,983,400		2,782,363	967,402	1,814,961		2.43%	110,262	1.0373	114,375
	Total Common	5,125,000		5,125,000		8,496,546	2,954,170	5,542,376			308,976		326,491
Total Plant Scholz													
	Labor			2,606,865		4,585,476							
				2,606,865		4,801,845							
				930,070		1,774,816							
	Total Labor	10,223,000		6,133,800		11,162,137	4,298,676	6,863,461			365,813		390,505
	Disposal			141,950		219,170							
				141,950		227,120							
				50,100		82,966							
	Total Disposal	334,000		334,000		529,256	223,033	306,223			17,510		18,408
	Scrap (incl. Materials @ 40% of Labor)			1,239,810		1,785,978							
				1,239,810		1,751,851							
				437,580		634,492							
	Total Scrap	(1,172,000)		2,917,200		4,892,321	1,522,950	2,569,371			156,094		161,917
	Total Plant Scholz	9,385,000		9,385,000		15,783,714	6,044,659	9,739,055			539,417		570,830

ANNUAL FOSSIL DISMANTLEMENT COST
LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY

SCHEDULE 2

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
PLANT/UNIT	ITEM	COST ESTIMATE	EXPENDITURE		COMPOUND MULT.	FUTURE COST	ALLOCATED RESERVE	UN-RECOVERED COST	AVERAGE INFLATION RATE	1998 ANNUAL EXPENSE	AVG. MULT.	FOUR YEAR AVERAGE EXPENSE
		12/31/97	DATE	AMOUNT		ESTIMATE	12/31/97	COST	RATE	EXPENSE	MULT.	EXPENSE
					Eq. 3	(E)(F)	% of (I)	(I)-(J)	0-0% (1-1980)-1	16.1% (1987)-1		(M)
Plant Daniel (Gulf %)												
Unit 1												
	Labor		2027	1,295,655	3.668	4,752,463						
			2028	1,295,655	3.840	4,975,315						
			2029	457,290	4.020	1,838,306						
	Total Labor	5,081,000	2027	3,048,600		11,566,084	2,138,951	9,427,133	4.54%	153,353	1.0703	164,134
	Disposal		2027	0	2.768	0						
			2028	0	2.873	0						
			2029	0	2.982	0						
	Total Disposal	0	2027	0		0	0	0	0.00%	0	0.0000	0
	Scrap		2027	302,558	2.120	641,423						
	(incl. Materials @ 40% of Labor)		2028	302,558	2.179	659,274						
			2029	106,785	2.240	239,198						
	Total Scrap	(1,320,500)	2027	711,901		1,539,895	284,777	1,255,118	2.61%	28,113	1.0397	29,229
	Total Unit 1	3,760,500		3,760,501		13,105,979	2,423,728	10,682,251		181,466		193,363
Unit 2												
	Labor		2031	1,321,410	4.407	5,823,454						
			2032	1,321,410	4.614	6,096,986						
			2033	466,380	4.831	2,253,082						
	Total Labor	5,182,000	2031	3,109,200		14,173,522	2,373,898	11,799,624	4.56%	151,296	1.0705	161,962
	Disposal		2031	0	3.213	0						
			2032	0	3.335	0						
			2033	0	3.462	0						
	Total Disposal	0	2031	0		0	0	0	0.00%	0	0.0000	0
	Scrap		2031	305,490	2.367	723,095						
	(incl. Materials @ 40% of Labor)		2032	305,490	2.433	743,257						
			2033	107,820	2.501	269,658						
	Total Scrap	(1,354,000)	2031	718,800		1,736,010	290,761	1,445,249	2.63%	26,832	1.0401	27,908
	Total Unit 2	3,828,000		3,828,000		15,909,532	2,664,659	13,244,873		178,128		189,870

**ANNUAL FOSSIL DISMANTLEMENT COST
LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

SCHEDULE 2

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
PLANT/UNIT	ITEM	COST ESTIMATE	EXPENDITURE	COMPOUND MULT.	FUTURE COST	ALLOCATED RESERVE	UN-RECOVERED COST	AVERAGE INFLATION RATE	1998 ANNUAL EXPENSE	AVG. MULT.	FOUR YEAR AVERAGE EXPENSE	
		12/31/97	DATE AMOUNT		ESTIMATE	12/31/97	12/31/97	(I)-(J)	0-0*(1-(0-1998)-1	1998*(0-1997)-1	(K)	(L)
				Doc. 3	(G)(F)	% of (G)	(I)-(J)	0-0*(1-(0-1998)-1	1998*(0-1997)-1	(K)	(L)	
Common												
	Labor		2031 2,487,908	4.407	10,964,211							
			2032 2,487,908	4.614	11,479,208							
			2033 878,085	4.831	4,242,029							
	Total Labor	9,756,500	2031 5,833,901		26,685,448	2,702,057	23,983,391	4.56%	307,517	1.0705	329,197	
	Disposal		2031 48,450	3.213	155,670							
			2032 48,450	3.335	161,581							
			2033 17,100	3.462	59,200							
	Total Disposal	114,000	2031 114,000		376,451	38,118	338,333	3.58%	5,255	1.0550	5,544	
	Scrap (net. Materials @ 40% of Labor)		2031 1,466,080	2.317	3,470,211							
			2032 1,466,080	2.433	3,566,973							
			2033 517,440	2.501	1,294,117							
	Total Scrap	(453,000)	2031 3,449,600		8,331,301	843,593	7,487,708	2.63%	139,015	1.0401	144,590	
	Total Common	9,417,500	9,417,501		35,393,200	3,583,767	31,809,432		451,787		479,331	
Total Plant Daniel												
	Labor		5,104,973		21,540,128							
			5,104,973		22,551,509							
			1,801,755		8,333,417							
	Total Labor	20,019,500	12,011,701		52,425,054	7,214,906	45,210,148		612,166		655,293	
	Disposal		48,450		155,670							
			48,450		161,581							
			17,100		59,200							
	Total Disposal	114,000	114,000		376,451	38,118	338,333		5,255		5,544	
	Scrap (net. Materials @ 40% of Labor)		2,074,128		4,834,729							
			2,074,128		4,969,504							
			732,045		1,802,973							
	Total Scrap	(3,127,500)	4,880,301		11,607,206	1,419,131	10,188,075		193,960		201,727	
	Total Plant Daniel	17,006,000	17,006,002		64,408,711	8,672,155	55,736,556		811,381		862,564	

**ANNUAL FOSSIL DISMANTLEMENT COST
LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

SCHEDULE 2

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
PLANT/UNIT	ITEM	COST ESTIMATE	EXPENDITURE		COMPOUND MULT.	FUTURE COST	ALLOCATED RESERVE	UN- RECOVERED	AVERAGE INFLATION RATE	1998 ANNUAL EXPENSE	AVG. MULT.	FOUR YEAR AVERAGE EXPENSE
		12/31/97	DATE	AMOUNT		ESTIMATE	12/31/97	COST		EXPENSE		1998
					Sch. 3	(G)(F)	% of (G)	(I)(J)(K)	0-071-(0-1988)-1	146,070,1887:1		(9)(L)
										(L)		
Plant Scherer												
Unit 3												
	Labor		2042	1,251,349	7.305	9,141,104						
			2043	1,251,349	7.648	9,570,317						
			2045	401,653	8.383	3,702,377						
	Total Labor	4,907,250	2042	2,944,351		22,413,798	2,072,699	20,341,099	4.61%	141,932	1.0714	152,066
	Disposal		2042	0	4.845	0						
			2043	0	5.029	0						
			2045	0	5.418	0						
	Total Disposal	0	2042	0		0	0	0	0.00%	0	0.0000	0
	Scrap		2042	301,601	3.206	966,933						
	(incl. Materials @ 40% of Labor)		2043	301,601	3.296	994,077						
			2045	106,448	3.483	370,758						
	Total Scrap	(1,253,250)	2042	709,650		2,331,768	215,629	2,116,139	2.68%	24,800	1.0409	25,814
	Total Unit 3	3,654,000		3,654,001		24,745,566	2,288,328	22,457,238		166,732		177,880
Common												
	Labor		2044	818,121	8.007	6,550,695						
			2045	818,121	8.383	6,858,308						
			2046	288,749	8.777	2,534,350						
	Total Labor	3,208,317	2042	1,924,991		15,943,353	802,286	15,141,067	4.81%	100,011	1.0745	107,462
	Disposal		2044	26,187	5.220	136,696						
			2045	26,187	5.418	141,881						
			2046	9,243	5.624	51,983						
	Total Disposal	61,617	2042	61,617		330,560	16,634	313,926	3.80%	2,736	1.0585	2,896
	Scrap		2044	534,392	3.388	1,810,520						
	(incl. Materials @ 40% of Labor)		2045	534,392	3.483	1,861,287						
			2046	188,609	3.581	675,409						
	Total Scrap	(25,934)	2042	1,257,393		4,347,216	218,757	4,128,459	2.80%	46,958	1.0427	48,963
	Total Common	3,244,000		3,244,001		20,621,129	1,037,677	19,583,452		149,705		159,321

**ANNUAL FOSSIL DISMANTLEMENT COST
LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

SCHEDULE 2

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	
PLANT/UNIT	ITEM	COST	EXPENDITURE		COMPOUND MULT.	FUTURE	ALLOCATED	UN-	AVERAGE	1998	FOUR YEAR	
		ESTIMATE	DATE	AMOUNT		COST	RESERVE	RECOVERED				INFLATION
		12/31/97			Sub. 2	ESTIMATE	12/31/97	COST	0-8% (1-10-1986) 1	EXPENSE	MULT.	EXPENSE
						(D)(F)	% of (G)	(I)-(J)		(K)(L)(M)		(O)(N)
Total Plant Scherer												
	Labor			2,069,470		15,691,799						
				2,069,470		16,428,625						
				730,402		6,236,727						
	Total Labor	8,115,567		4,869,342		38,357,151	2,874,985	35,482,166		241,943		259,528
	Disposal			26,187		136,696						
				26,187		141,881						
				9,243		51,983						
	Total Disposal	61,617		61,617		330,560	16,634	313,926		2,736		2,896
	Scrap			835,993		2,777,453						
	(incl. Materials @ 40% of Labor)			835,993		2,855,364						
				295,057		1,046,167						
	Total Scrap	(1,279,184)		1,967,043		6,678,984	434,386	6,244,598		71,758		74,777
Total Plant Scherer												
		6,898,000		6,898,002		45,366,695	3,326,005	42,040,690		316,437		337,201

**ANNUAL FOSSIL DISMANTLEMENT COST
LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

SCHEDULE 2

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
PLANT/UNIT	ITEM	COST ESTIMATE 12/31/97	EXPENDITURE DATE	AMOUNT	COMPOUND MULT. Sch. 3	FUTURE COST ESTIMATE (E)(F)	ALLOCATED RESERVE 12/31/97 % of (G)	UN- RECOVERED COST (G)-(H)	AVERAGE INFLATION RATE 0-6*(1-(D-1996)-1)	1998 ANNUAL EXPENSE 1+(K)(D-1997)-1	AVG. MULT.	FOUR YEAR AVERAGE EXPENSE (M)
Plant Smith Combustion Turbine												
	Labor	132,000	2006	79,200	1.406	111,355	40,438	70,917	3.86%	6,740	1.0594	7,140
	Disposal	0	2006	0	1.297	0	0	0	0.00%	0	0.0000	0
	Scrap (incl. Materials @ 40% of Labor)	(11,000)	2006	41,800	1.201	50,202	18,230	31,972	2.06%	3,270	1.0313	3,372
	Total Smith CT	<u>121,000</u>		<u>121,000</u>		<u>161,557</u>	<u>58,668</u>	<u>102,889</u>		<u>10,010</u>		<u>10,512</u>
	Total Dismantlement Costs	<u>107,409,000</u>		<u>107,409,004</u>		<u>282,646,453</u>	<u>55,296,451</u>	<u>227,350,002</u>		<u>5,869,970</u>		<u>6,228,639</u>

ESCALATION RATES
 "REVIEW OF THE U.S. ECONOMY"
 February, 1997 - 25 Year Forecast

SCHEDULE 3

(A) PERIODS	(B) RET YEAR	(C) COMPENSATION PER HOUR (Labor)		(E) GNP DEFLATOR (Disposal)		(G) INTERMEDIATE MATERIALS, SUPPLIES, AND COMPONENTS (Scrap)	
		ANNUAL RATE OF CHANGE	COMPOUNDED MULTIPLIER	ANNUAL RATE OF CHANGE	COMPOUNDED MULTIPLIER ²	ANNUAL RATE OF CHANGE	COMPOUNDED MULTIPLIER
0	1997		1.000		1.000		1.000
1	1998	3.7	1.037	2.3	1.023	0.4	1.004
2	1999	3.6	1.074	2.5	1.049	1.2	1.016
3	2000	3.7	1.114	2.7	1.077	1.9	1.035
4	2001	3.8	1.156	2.9	1.108	2.0	1.056
5	2002	3.8	1.200	2.9	1.140	2.2	1.079
6	2003	3.8	1.246	3.0	1.174	2.3	1.106
7	2004	4.0	1.296	3.2	1.212	2.7	1.136
8	2005	4.1	1.349	3.4	1.253	2.8	1.168
9	2006	4.2	1.406	3.5	1.297	2.8	1.201
10	2007	4.3	1.468	3.5	1.342	2.8	1.235
11	2008	4.6	1.533	3.6	1.390	2.8	1.271
12	2009	4.7	1.605	3.6	1.440	2.7	1.305
13	2010	4.7	1.680	3.6	1.490	2.7	1.340
14	2011	4.7	1.759	3.6	1.544	2.7	1.378
15	2012	4.7	1.842	3.6	1.600	2.7	1.413
16	2013	4.7	1.929	3.5	1.658	2.6	1.450
17	2014	4.7	2.020	3.6	1.718	2.7	1.489
18	2015	4.7	2.115	3.6	1.778	2.7	1.529
19	2016	4.7	2.214	3.7	1.844	2.7	1.570
20	2017	4.7	2.318	3.7	1.912	2.7	1.612
21	2018	4.7	2.427	3.7	1.983	2.7	1.656
22	2019	4.7	2.541	3.7	2.056	2.7	1.701
23	2020	4.7	2.660	3.7	2.132	2.7	1.747
24	2021	4.7	2.785	3.8	2.213	2.8	1.796
25	2022	4.7	2.916	3.8	2.297	2.8	1.846
26	2023	4.7	3.053	3.8	2.384	2.8	1.898
27	2024	4.7	3.196	3.8	2.475	2.8	1.951
28	2025	4.7	3.346	3.8	2.569	2.8	2.006
29	2026	4.7	3.503	3.8	2.667	2.8	2.062
30	2027	4.7	3.668	3.8	2.768	2.8	2.120
31	2028	4.7	3.840	3.8	2.873	2.8	2.179
32	2029	4.7	4.020	3.8	2.982	2.8	2.240
33	2030	4.7	4.209	3.8	3.095	2.8	2.303
34	2031	4.7	4.407	3.8	3.213	2.8	2.367
35	2032	4.7	4.614	3.8	3.335	2.8	2.433
36	2033	4.7	4.831	3.8	3.462	2.8	2.501
37	2034	4.7	5.058	3.8	3.594	2.8	2.571
38	2035	4.7	5.296	3.8	3.731	2.8	2.643
39	2036	4.7	5.545	3.8	3.873	2.8	2.717
40	2037	4.7	5.806	3.8	4.020	2.8	2.793
41	2038	4.7	6.079	3.8	4.173	2.8	2.871
42	2039	4.7	6.365	3.8	4.332	2.8	2.951
43	2040	4.7	6.664	3.8	4.497	2.8	3.034
44	2041	4.7	6.977	3.8	4.668	2.8	3.119
45	2042	4.7	7.305	3.8	4.845	2.8	3.206
46	2043	4.7	7.648	3.8	5.029	2.8	3.296
47	2044	4.7	8.007	3.8	5.220	2.8	3.388
48	2045	4.7	8.383	3.8	5.418	2.8	3.483
49	2046	4.7	8.777	3.8	5.624	2.8	3.581
50	2047	4.7	9.190	3.8	5.838	2.8	3.681
51	2048	4.7	9.622	3.8	6.060	2.8	3.784
52	2049	4.7	10.074	3.8	6.290	2.8	3.890
53	2050	4.7	10.547	3.8	6.529	2.8	3.999
54	2051	4.7	11.043	3.8	6.777	2.8	4.111
55	2052	4.7	11.562	3.8	7.035	2.8	4.226
56		4.7	12.105	3.8	7.302	2.8	4.344
57		4.7	12.674	3.8	7.579	2.6	4.466
58		4.7	13.270	3.8	7.867	2.8	4.591
59		4.7	13.894	3.8	8.166	2.6	4.720



GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
DECEMBER, 1993

Sheet 1 of 3

		Current Year					Balance End of Year
		Balance First of Year	Additions	Retirements	Adjustments	Reclass	
INTANGIBLE:							
Organization	301	7,417.45	0.00	0.00	0.00	0.00	7,417.45
Franchises and Consents	302	594.15	0.00	0.00	0.00	0.10	594.15
Total Intangible:		8,011.60	0.00	0.00	0.00	0.00	8,011.60
STEAM PRODUCTION:							
DANIEL PLANT:							
Plant		190,084,148.48	1,451,491.83	487,791.54	0.00	0.00	191,067,848.77
Land		967,300.94	0.00	0.00	0.00	0.00	967,300.94
Easements		77,160.27	0.00	0.00	0.00	0.00	77,160.27
Cooling Lake, 23 Year		8,954,191.92	0.00	0.00	0.00	0.00	8,954,191.92
Rail Track System		2,741,818.37	0.00	0.00	0.00	0.00	2,741,818.37
5 Year		114,944.36	0.00	114,944.36	0.00	0.00	0.00
7 Year		1,318,223.18	0.00	0.00	0.00	0.00	1,318,223.18
Total Daniel Plant:		204,257,587.52	1,451,491.83	582,735.90	0.00	0.00	205,128,343.45
CRIST PLANT:							
Plant		331,412,104.71	19,100,720.08	4,253,399.98	147,807.17	(32,100.89)	348,375,131.29
Land		1,771,449.90	0.00	0.00	0.00	0.00	1,771,449.90
Easements		20,377.91	0.00	0.00	0.00	0.00	20,377.91
Base Coal, 5 Year		141,840.00	0.00	0.00	0.00	0.00	141,840.00
5 Year		307,874.79	49,950.93	95,913.10	0.00	0.00	281,712.62
7 Year		5,676,705.77	521,039.95	24,585.72	0.00	24,909.89	6,198,069.89
Total Crist Plant:		339,330,153.08	19,671,710.94	4,373,898.78	147,807.17	(7,190.80)	354,768,581.81
SCHOLZ PLANT:							
Plant		27,719,272.70	901,088.14	18,918.38	0.00	0.00	28,603,442.48
Land		44,578.61	0.00	0.00	0.00	0.00	44,578.61
Base Coal, 5 Year		71,300.00	0.00	0.00	0.00	0.00	71,300.00
5 Year		141,124.54	13,253.58	62,699.80	0.00	0.00	91,678.32
7 Year		1,888,932.54	33,238.20	845.93	0.00	0.00	1,719,524.81
Total Scholz Plant:		29,663,208.39	947,579.92	80,264.09	0.00	0.00	30,530,524.22
SMITH PLANT:							
Plant		86,668,266.77	6,803,418.49	2,320,847.61	0.00	0.00	91,151,057.65
Land		611,758.56	0.00	0.00	0.00	0.00	611,758.56
Base Coal, 5 Year		108,300.00	0.00	0.00	0.00	0.00	108,300.00
5 Year		228,391.25	18,821.31	64,843.42	0.00	0.00	180,369.14
7 Year		1,862,748.02	76,264.88	9,738.63	0.00	1,534.17	1,930,808.44
Total Smith Plant:		89,479,482.60	6,896,504.68	2,395,229.66	0.00	1,534.17	93,982,291.79
SCHERER PLANT:							
Plant		173,404,113.00	79,074.96	19,504.67	(11,045.33)	0.00	173,452,637.96
Land		793,154.20	0.00	0.00	0.00	0.00	793,154.20
5 Year		33,580.61	0.00	33,580.61	0.00	0.00	0.00
7 Year		318,255.42	0.00	0.00	0.00	0.00	318,255.42
Total Scherer Plant:		174,549,103.23	79,074.96	53,085.28	(11,045.33)	0.00	174,564,047.58
TOTAL STEAM PRODUCTION:		837,279,534.82	29,046,362.33	7,485,213.71	136,761.84	(5,656.63)	858,971,788.65

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
DECEMBER, 1993

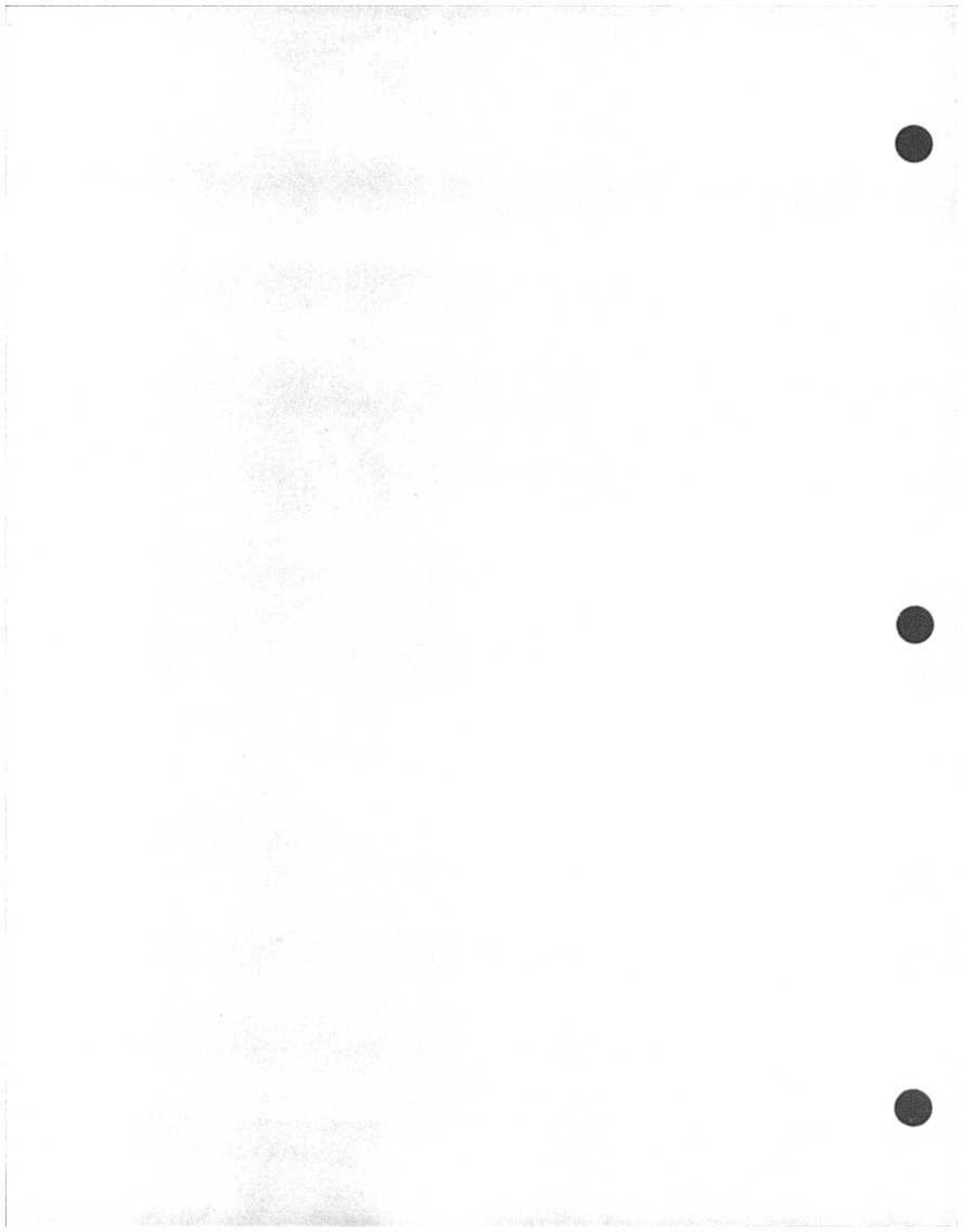
Sheet 2 of 3

		Balance First of Year	Current Year				Balance End of Year
			Additions	Retirements	Adjustments	Reclass	
OTHER PRODUCTION:							
Structures and Improvements	341	696,944.46	0.00	0.00	0.00	0.00	696,944.46
Fuel Holders and Accessories	342	240,802.44	56,117.07	13,445.96	0.00	0.00	283,273.55
Prime Movers	343	78,854.92	0.00	0.00	0.00	0.00	78,854.92
Generators	344	3,063,475.80	0.00	0.00	0.00	0.00	3,063,475.80
Accessory Electric Equipment	345	126,764.86	0.00	0.00	0.00	0.00	126,764.86
Miscellaneous Equipment	346	4,331.80	0.00	0.00	0.00	0.00	4,331.80
TOTAL OTHER PRODUCTION:		4,208,774.28	56,117.07	13,445.96	0.00	0.00	4,251,445.39
TOTAL PRODUCTION:		841,488,309.10	29,102,479.40	7,488,859.67	136,761.84	(5,856.63)	863,223,234.04
TRANSMISSION:							
Land	350.0	1,129,062.20	430.41	0.00	(124.00)	0.00	1,129,368.61
Easements	350.2	8,780,936.55	52,970.00	0.00	0.00	0.00	8,833,906.55
Structures and Improvements	352	4,077,161.04	2,185.96	21,326.31	0.00	0.00	4,058,018.69
Station Equipment	353	48,025,636.33	1,891,239.39	476,445.34	26,792.86	69,560.39	49,536,803.83
Towers and Fixtures	354	22,006,928.69	454,859.28	69,367.70	0.00	0.00	22,392,220.25
Poles and Fixtures	355	26,363,177.33	3,263,512.65	430,660.82	11,624.96	12,862.25	29,340,538.37
Overhead Conductors & Devices	356	24,754,066.28	919,034.78	216,322.88	4,241.92	(12,862.25)	25,448,157.83
Underground Conductors & Devices	358	13,612,933.20	0.00	0.00	0.00	0.00	13,612,933.20
Roads and Trails	359	52,176.42	0.00	0.00	0.00	0.00	52,176.42
TOTAL TRANSMISSION:		148,822,098.04	6,584,032.43	1,214,125.05	42,535.74	69,560.39	154,304,121.55
DISTRIBUTION:							
Land	360.0	1,380,372.34	7,479.39	0.00	(3,753.47)	0.00	1,384,098.26
Easements	360.2	0.00	0.00	0.00	0.00	0.00	0.00
Structures and Improvements	361	9,492,844.75	244,030.67	86,776.08	(4,416.66)	2,948.84	9,648,629.59
Station Equipment	362	67,312,979.12	4,948,784.49	1,145,667.96	12,287.13	(47,199.06)	61,081,163.72
Poles, Towers & Fixtures	364	58,497,622.66	4,483,540.93	1,762,767.75	(15,222.80)	(123,072.22)	61,080,100.84
Overhead Conductors & Devices	365	74,833,548.04	5,623,923.91	962,049.13	(4,300.71)	(2,000,730.03)	77,490,292.08
Underground Conduit	366	1,068,104.20	0.00	134.96	0.00	0.00	1,067,969.24
Underground Conductors & Devices	367	24,177,524.03	1,479,573.23	70,946.71	(18,509.16)	62,649.40	25,630,290.77
Line Transformers	368	99,430,000.41	6,394,884.67	2,068,219.36	(60,864.96)	(23,863.95)	103,671,936.81
Services:							
- Overhead	369.1	28,882,626.59	1,361,066.23	424,501.53	0.00	0.00	29,819,213.29
- Underground	369.2	11,112,551.71	1,130,725.21	69,529.71	0.00	0.00	12,173,747.21
- House Power Panel	369.3	7,890,434.90	0.00	257,301.61	0.00	0.00	7,633,133.29
Meters	370	21,015,816.30	1,023,404.49	202,527.03	(6,907.53)	0.00	21,829,796.23
Street Lighting & Signal Systems	373	18,236,044.45	2,130,397.63	770,697.80	(7,250.75)	2,061,152.85	21,651,646.38
TOTAL DISTRIBUTION:		443,352,471.52	28,827,630.85	7,821,139.63	(109,038.95)	(68,116.17)	464,162,007.62

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
DECEMBER, 1993

Sheet 3 of 3

		Balance First of Year	Current Year				Balance End of Year
			Additions	Retirements	Adjustments	Reclass	
GENERAL PLANT:							
Land	389.0	8,646,407.44	0.00	0.00	(25,818.83)	0.00	8,620,588.61
Structures and Improvements:							
- Corporate Office, 3rd Floor	390	3,840,807.00	0.00	0.00	0.00	0.00	3,840,807.00
- Other	390	47,414,744.86	591,438.34	16,973.78	0.00	0.00	47,999,207.22
Office Furniture & Equipment:							
- Computer, 5 Year	391	7,938,515.21	1,477,712.89	4,507,475.18	0.00	0.00	4,908,752.72
- Non-Computer, 7 Year	391	11,135,397.02	339,128.53	393,583.21	0.00	(4,914.07)	11,078,028.27
Transportation Equipment:							
- Automobiles	392.1	1,870,364.87	324,315.68	595,971.56	0.00	0.00	1,598,708.00
- Light Trucks	392.2	3,294,737.18	261,682.64	203,508.00	0.00	0.00	3,352,921.82
- Heavy Trucks	392.3	11,609,190.72	3,495,407.49	637,533.29	0.00	0.00	14,437,084.92
- Trailers	392.4	1,023,019.83	118,851.49	68,840.21	0.00	0.00	1,073,031.11
- Marine, 5 Year	392	67,993.70	0.00	55,849.82	0.00	0.00	12,143.88
Stores Equipment:							
- Other	393	1,314,809.41	5,932.47	0.00	0.00	9,108.48	1,329,848.36
- 7 Year	393	1,075,085.56	2,590.49	0.00	0.00	0.00	1,077,676.05
Tools Shop & Garage Equipment:							
- Other	394	728,131.70	128,107.44	34,352.71	0.00	0.00	821,886.43
- 7 Year	394	2,081,247.92	395,534.25	0.00	2,581.20	0.00	2,429,383.37
Laboratory Equipment:							
- Other	395	558,957.95	6,590.64	195.00	0.00	0.00	563,353.59
- 7 Year	395	2,843,498.51	173,582.64	0.00	0.00	0.00	3,017,091.15
Power Operated Equipment	396	364,883.48	28,262.45	0.00	0.00	0.00	411,145.93
Communication Equipment:							
- Other	397	7,403,481.80	1,108,558.22	53,164.82	0.00	0.00	8,458,675.20
- 7 Year	397	2,378,209.92	109,242.82	0.00	0.00	0.00	2,487,452.74
Miscellaneous Equipment - 7 Year	398	2,150,908.84	518,077.92	12,427.51	0.00	0.00	2,654,557.25
TOTAL GENERAL:		<u>115,738,390.62</u>	<u>9,020,834.20</u>	<u>8,579,674.89</u>	<u>(23,237.43)</u>	<u>4,192.41</u>	<u>118,160,504.91</u>
TOTAL ELECTRIC PLANT-IN-SERVICE:		<u>1,549,409,280.88</u>	<u>73,535,178.88</u>	<u>23,113,599.24</u>	<u>47,021.20</u>	<u>0.00</u>	<u>1,599,877,879.72</u>



GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
DECEMBER, 1994

Sheet 1 of 3

		Current Year					Balance End of Year
		Balance First of Year	Additions	Retirements	Adjustments	Reclass	
INTANGIBLE:							
Organization	301	7,417.45	0.00	0.00	0.00	0.00	7,417.45
Franchises and Consents	302	594.15	0.00	0.00	0.00	0.00	594.15
Total Intangible:		8,011.60	0.00	0.00	0.00	0.00	8,011.60
STEAM PRODUCTION:							
DANIEL PLANT:							
Plant		190,821,997.78	14,806,140.82	2,077,471.33	0.00	0.00	203,550,867.27
Land		967,300.94	0.00	0.00	0.00	0.00	967,300.94
Easements		77,180.27	0.00	0.00	0.00	0.00	77,180.27
Cooling Lake, 23 Year		8,954,191.92	0.00	0.00	0.00	0.00	8,954,191.92
Old Fly Ash Pond, 4 Year		245,850.99	0.00	245,850.99	0.00	0.00	0.00
Rail Track System 7 Year		2,741,818.37	0.00	0.00	0.00	0.00	2,741,818.37
		1,318,223.18	0.00	1,318,223.18	0.00	0.00	0.00
Total Daniel Plant:		205,126,343.45	14,806,140.82	3,641,545.50	0.00	0.00	216,290,938.77
CRIST PLANT:							
Plant		341,093,605.98	28,314,935.99	2,334,023.33	0.00	0.00	367,074,518.64
Land		1,771,449.90	0.00	0.00	0.00	0.00	1,771,449.90
Easements		20,377.91	0.00	0.00	0.00	0.00	20,377.91
DOE Project, 2 Year		568,761.31	(22,903.39)	0.00	0.00	0.00	543,857.92
Unit 6 Old Precipitator, 4 Year		4,714,764.00	0.00	4,548,804.29	0.00	0.00	165,959.71
Base Coal, 5 Year		141,840.00	0.00	0.00	0.00	0.00	141,840.00
5 Year		261,712.62	15,947.04	48,378.81	0.00	0.00	229,282.85
7 Year		6,198,069.89	95,749.38	4,920,527.44	0.00	0.00	1,373,291.83
Total Crist Plant:		354,768,581.61	28,403,729.02	11,851,731.67	0.00	0.00	371,320,578.78
SCHOLZ PLANT:							
Plant		26,603,442.48	232,787.90	74,699.35	56,003.40	0.00	28,817,534.43
Land		44,578.91	0.00	0.00	0.00	0.00	44,578.91
Base Coal, 5 Year		71,300.00	0.00	0.00	0.00	0.00	71,300.00
5 Year		91,678.32	4,927.94	20,772.05	0.00	0.00	75,834.21
7 Year		1,719,524.81	0.00	1,238,882.83	0.00	0.00	482,641.98
Total Scholz Plant:		30,530,524.22	237,715.84	1,332,354.23	56,003.40	0.00	29,491,889.23
SMITH PLANT:							
Plant		91,151,057.65	8,444,401.28	1,584,776.05	3,332,079.60	0.00	99,342,762.48
Land		611,758.56	0.00	0.00	0.00	0.00	611,758.56
Base Coal, 5 Year		108,300.00	0.00	0.00	0.00	0.00	108,300.00
5 Year		180,369.14	0.00	37,465.33	0.00	0.00	142,903.81
7 Year		1,930,806.44	103,743.65	1,791,835.13	0.00	0.00	242,914.96
Total Smith Plant:		93,982,291.79	8,548,144.93	3,413,876.51	3,332,079.60	0.00	100,448,639.81
SCHERER PLANT:							
Plant		173,452,837.96	289,329.88	19,478.45	(82,858.33)	0.00	173,639,631.06
Land		793,154.20	0.00	0.00	(66.67)	0.00	793,087.53
7 Year		318,255.42	0.00	318,255.42	0.00	0.00	0.00
Total Scherer Plant:		174,564,047.58	289,329.88	337,733.87	(82,925.00)	0.00	174,432,718.59
TOTAL STEAM PRODUCTION:		858,971,788.65	50,285,060.49	20,577,241.98	3,305,158.00	0.00	891,984,765.16

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
DECEMBER, 1994

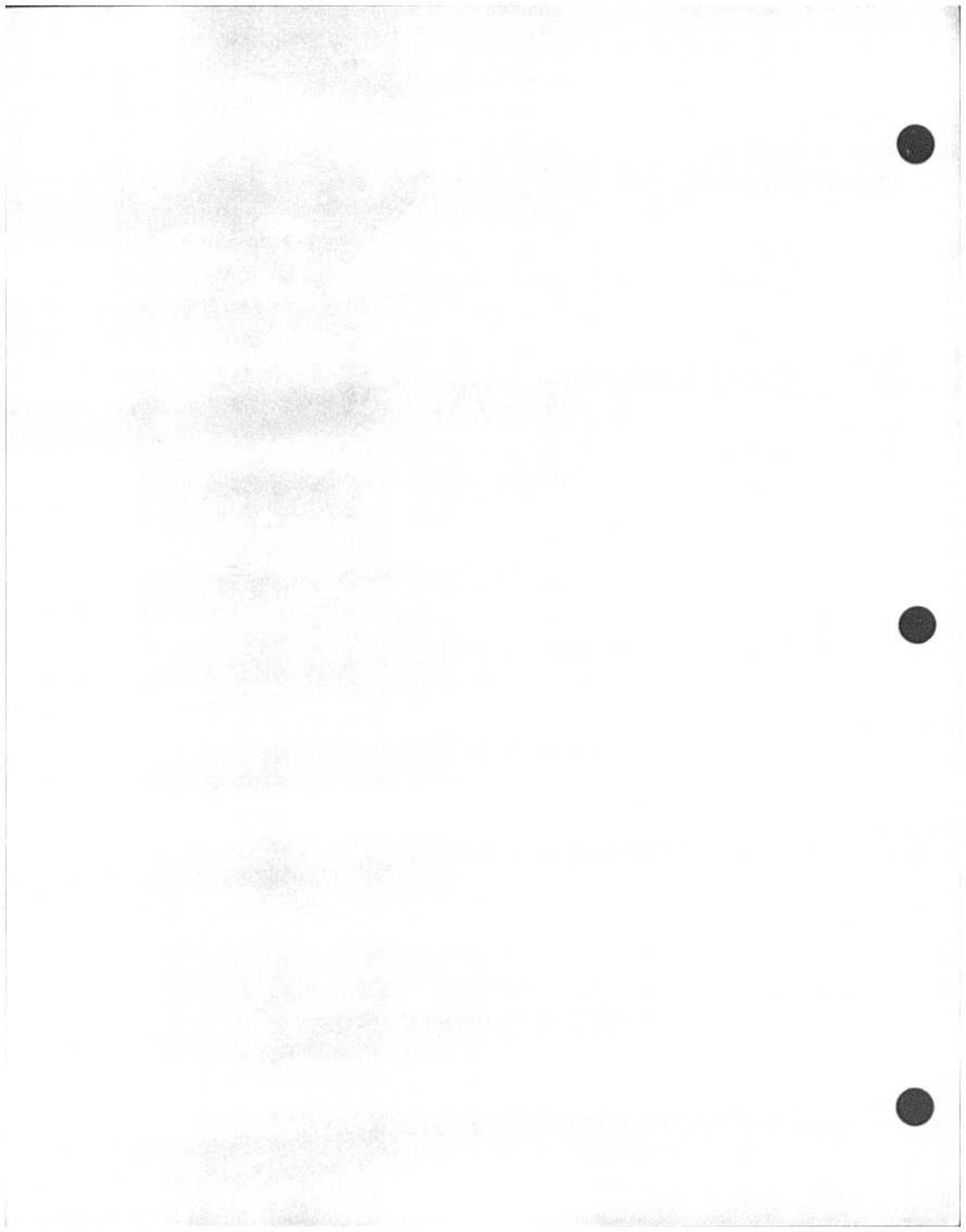
Sheet 2 of 3

		Balance First of Year	Current Year				Balance End of Year
			Additions	Retirements	Adjustments	Reclass	
OTHER PRODUCTION:							
Structures and Improvements	341	696,944.48	1,236.21	682.50	0.00	0.00	697,498.17
Fuel Holders and Accessories	342	283,273.55	0.00	0.00	0.00	0.00	283,273.55
Prime Movers	343	78,654.82	0.00	0.00	0.00	0.00	78,654.82
Generators	344	3,083,475.80	0.00	0.00	0.00	0.00	3,083,475.80
Accessory Electric Equipment	345	128,764.88	0.00	0.00	0.00	0.00	128,764.88
Miscellaneous Equipment	346	4,331.80	0.00	0.00	0.00	0.00	4,331.80
TOTAL OTHER PRODUCTION:		4,251,445.39	1,236.21	682.50	0.00	0.00	4,251,999.10
TOTAL PRODUCTION:		863,223,234.04	50,286,296.70	20,577,924.48	3,305,158.00	0.00	898,236,764.28
TRANSMISSION:							
Land	350.0	1,129,368.61	0.00	0.00	0.00	0.00	1,129,368.61
Easements	350.2	8,833,908.55	225.12	0.00	0.00	0.00	8,834,131.67
Structures and Improvements	352	4,058,018.69	57,718.74	12,877.43	0.00	0.00	4,102,860.00
Station Equipment	353	49,538,803.83	743,422.01	534,600.00	0.00	(58,670.40)	49,886,955.24
Towers and Fittings	354	22,392,220.25	89,012.92	45,152.38	0.00	0.00	22,418,082.79
Poles and Fittings	355	29,240,536.37	1,318,838.49	138,901.09	25,956.83	(27,727.94)	30,418,702.88
Overhead Conductors & Devices	356	25,448,157.83	254,244.50	13,430.70	(2,638.39)	27,727.94	25,714,081.18
Underground Conductors & Devices	358	13,612,933.20	0.00	0.00	0.00	0.00	13,612,933.20
Roads and Trails	359	52,176.42	0.00	0.00	0.00	0.00	52,176.42
TOTAL TRANSMISSION:		154,304,121.55	2,441,481.78	742,981.60	23,318.44	(58,670.40)	155,967,269.77
DISTRIBUTION:							
Land	360.0	1,384,098.28	218,184.75	0.00	(88,979.62)	0.00	1,513,303.39
Easements	360.2	0.00	0.00	0.00	0.00	0.00	0.00
Structures and Improvements	361	9,648,829.50	92,922.85	28,674.25	(1,854.67)	188.78	9,713,392.01
Station Equipment	362	91,081,163.72	2,247,123.80	522,674.41	23,896.59	58,501.62	92,887,813.32
Poles, Towers & Fittings	364	61,080,100.84	4,775,844.94	1,583,477.08	(39.68)	0.00	64,272,429.02
Overhead Conductors & Devices	365	77,480,292.08	5,480,790.88	724,715.33	0.00	(83,881.48)	82,142,458.15
Underground Conduit	366	1,087,969.24	0.00	0.00	0.00	0.00	1,087,969.24
Underground Conductors & Devices	367	25,630,290.77	3,233,480.37	141,888.59	0.00	85,748.58	28,807,811.13
Line Transformers	368	103,671,938.81	7,737,893.77	1,387,275.90	0.00	(1,867.10)	110,020,487.58
Services:							
- Overhead	369.1	29,819,213.29	1,381,970.48	374,403.44	0.00	0.00	30,828,780.33
- Underground	369.2	12,173,747.21	1,240,965.94	77,509.50	0.00	0.00	13,337,203.55
- House Power Panel	369.3	7,833,133.29	0.00	284,801.01	0.00	0.00	7,348,332.28
Meters	370	21,829,768.23	1,299,374.18	273,176.88	0.00	0.00	22,855,983.51
Street Lighting & Signal Systems	373	21,651,648.38	2,235,863.97	715,563.92	0.00	0.00	23,171,946.43
TOTAL DISTRIBUTION:		484,182,007.62	29,924,185.61	6,111,960.31	(88,975.38)	58,670.40	487,885,907.94

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
DECEMBER, 1994

Sheet 3 of 3

		Current Year					Balance End of Year
		Balance First of Year	Additions	Retirements	Adjustments	Reclass	
GENERAL PLANT:							
Land	389.0	8,620,588.81	0.00	0.00	0.00	0.00	8,620,588.81
Structures and Improvements:							
- Corporate Office, 3rd Floor	390	3,840,807.00	0.00	0.00	0.00	0.00	3,840,807.00
- Other	390	47,869,207.22	382,461.78	1,890.46	0.00	0.00	48,369,978.54
Office Furniture & Equipment:							
- Computer, 5 Year	391	4,908,752.72	1,536,964.24	1,732,983.03	0.00	0.00	4,714,723.93
- Non-Computer, 7 Year	391	11,078,028.27	3,738.05	7,897,488.39	0.00	0.00	3,382,278.93
Transportation Equipment:							
- Automobiles	392.1	1,598,709.09	0.00	105,025.95	0.00	0.00	1,492,783.14
- Light Trucks	392.2	3,352,921.82	375,745.24	108,196.24	0.00	0.00	3,620,470.82
- Heavy Trucks	392.3	14,437,084.92	1,054,634.82	1,686,569.44	0.00	0.00	17,805,130.30
- Trailers	392.4	1,073,031.11	123,368.86	38,150.07	0.00	0.00	1,158,247.90
- Marine, 5 Year	392	12,143.88	28,273.30	12,143.88	0.00	0.00	28,273.30
Stores Equipment:							
- Other	393	1,329,848.36	10,725.85	80,977.50	0.00	0.00	1,259,596.71
- 7 Year	393	1,077,676.05	37,546.08	932,924.73	0.00	0.00	182,297.38
Tools Shop & Garage Equipment:							
- Other	394	821,886.43	257,288.50	54,216.81	0.00	0.00	1,024,958.12
- 7 Year	394	2,429,363.37	349,160.29	1,782,763.09	0.00	0.00	1,015,760.57
Laboratory Equipment:							
- Other	395	563,353.59	0.00	0.00	0.00	0.00	563,353.59
- 7 Year	395	3,017,091.15	298,828.13	1,954,913.67	0.00	0.00	1,361,003.61
Power Operated Equipment	396	411,145.93	0.00	19,445.98	0.00	0.00	391,699.95
Communication Equipment:							
- Other	397	8,458,875.20	694,559.08	216,134.80	0.00	0.00	8,937,299.48
- 7 Year	397	2,487,452.74	1,182,647.44	1,853,457.21	0.00	0.00	1,796,642.97
Miscellaneous Equipment - 7 Year	398	2,654,557.25	203,123.34	1,880,147.19	0.00	0.00	967,533.40
TOTAL GENERAL:		<u>118,180,504.91</u>	<u>6,521,059.98</u>	<u>20,168,138.44</u>	<u>0.00</u>	<u>0.00</u>	<u>104,513,426.45</u>
TOTAL ELECTRIC PLANT-IN-SERVICE:		<u>1,599,877,079.72</u>	<u>89,172,984.07</u>	<u>47,600,984.83</u>	<u>3,261,501.06</u>	<u>0.00</u>	<u>1,644,711,380.02</u>



GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
DECEMBER, 1995

Sheet 1 of 3

		Current Year					Balance End of Year
		Balance First of Year	Additions	Retirements	Adjustments	Reclass	
INTANGIBLE:							
Organization	301	7,417.45	0.00	0.00	0.00	0.00	7,417.45
Franchises and Consents	302	594.15	0.00	0.00	0.00	0.00	594.15
Total Intangible:		8,011.60	0.00	0.00	0.00	0.00	8,011.60
STEAM PRODUCTION:							
DANIEL PLANT:							
Plant		203,550,887.27	4,927,233.64	2,535,419.35	0.00	0.00	205,942,481.56
Land		987,300.94	0.00	0.00	0.00	0.00	987,300.94
Easements		77,180.27	0.00	0.00	0.00	0.00	77,180.27
Cooling Lake, 23 Year		8,954,191.92	0.00	0.00	0.00	0.00	8,954,191.92
Old Fly Ash Pond, 4 Year		0.00	0.00	0.00	0.00	0.00	0.00
Rail Track System		2,741,618.37	0.00	0.00	0.00	0.00	2,741,618.37
Total Daniel Plant:		216,290,938.77	4,927,233.64	2,535,419.35	0.00	0.00	218,682,753.06
CRIST PLANT:							
Plant		367,074,518.64	7,005,041.95	5,485,269.22	1,687,041.97	47,799.52	370,329,132.86
Land		1,771,449.90	0.00	0.00	0.00	0.00	1,771,449.90
Easements		20,377.91	0.00	0.00	0.00	0.00	20,377.91
DOE Project, 2 Year		543,857.92	0.00	0.00	0.00	0.00	543,857.92
Unit 6 Old Precipitator, 4 Year		185,959.71	0.00	125,339.11	0.00	(40,620.80)	0.00
Base Coal, 5 Year		141,840.00	0.00	0.00	0.00	0.00	141,840.00
5 Year		229,282.85	20,976.55	732.60	0.00	0.00	249,526.80
7 Year		1,373,291.83	83,629.01	194,038.25	0.00	0.00	1,262,882.59
Total Crist Plant:		371,320,578.78	7,109,647.51	5,805,379.18	1,687,041.97	7,178.92	374,319,087.98
SCHOLZ PLANT:							
Plant		28,817,534.43	249,796.21	140,112.81	0.00	3,076.68	28,930,294.51
Land		44,578.61	0.00	0.00	0.00	0.00	44,578.61
Base Coal, 5 Year		71,300.00	0.00	0.00	0.00	0.00	71,300.00
5 Year		75,834.21	0.00	0.00	0.00	0.00	75,834.21
7 Year		482,641.98	0.00	83,081.07	0.00	0.00	399,560.91
Total Scholz Plant:		29,491,889.23	249,796.21	223,193.88	0.00	3,076.68	29,521,568.24
SMITH PLANT:							
Plant		99,342,782.48	3,581,899.20	244,878.87	0.00	4,102.24	102,683,885.05
Land		611,758.56	0.00	0.00	0.00	0.00	611,758.56
Base Coal, 5 Year		108,300.00	0.00	0.00	0.00	0.00	108,300.00
5 Year		142,903.81	0.00	255.53	0.00	0.00	142,848.28
7 Year		242,914.98	159,689.05	114,875.28	0.00	0.00	287,728.73
Total Smith Plant:		100,448,639.81	3,741,588.25	360,009.68	0.00	4,102.24	103,834,320.62
SCHERER PLANT:							
Plant		173,639,631.06	745,432.64	14,886.61	0.00	0.00	174,370,177.09
Land		793,067.53	14,149.38	0.00	(324.67)	0.00	806,912.24
Total Scherer Plant:		174,432,718.59	759,582.02	14,886.61	(324.67)	0.00	175,177,089.33
TOTAL STEAM PRODUCTION:		891,984,765.16	16,787,847.63	8,938,885.70	1,686,717.30	14,357.84	901,534,799.23

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
DECEMBER, 1995

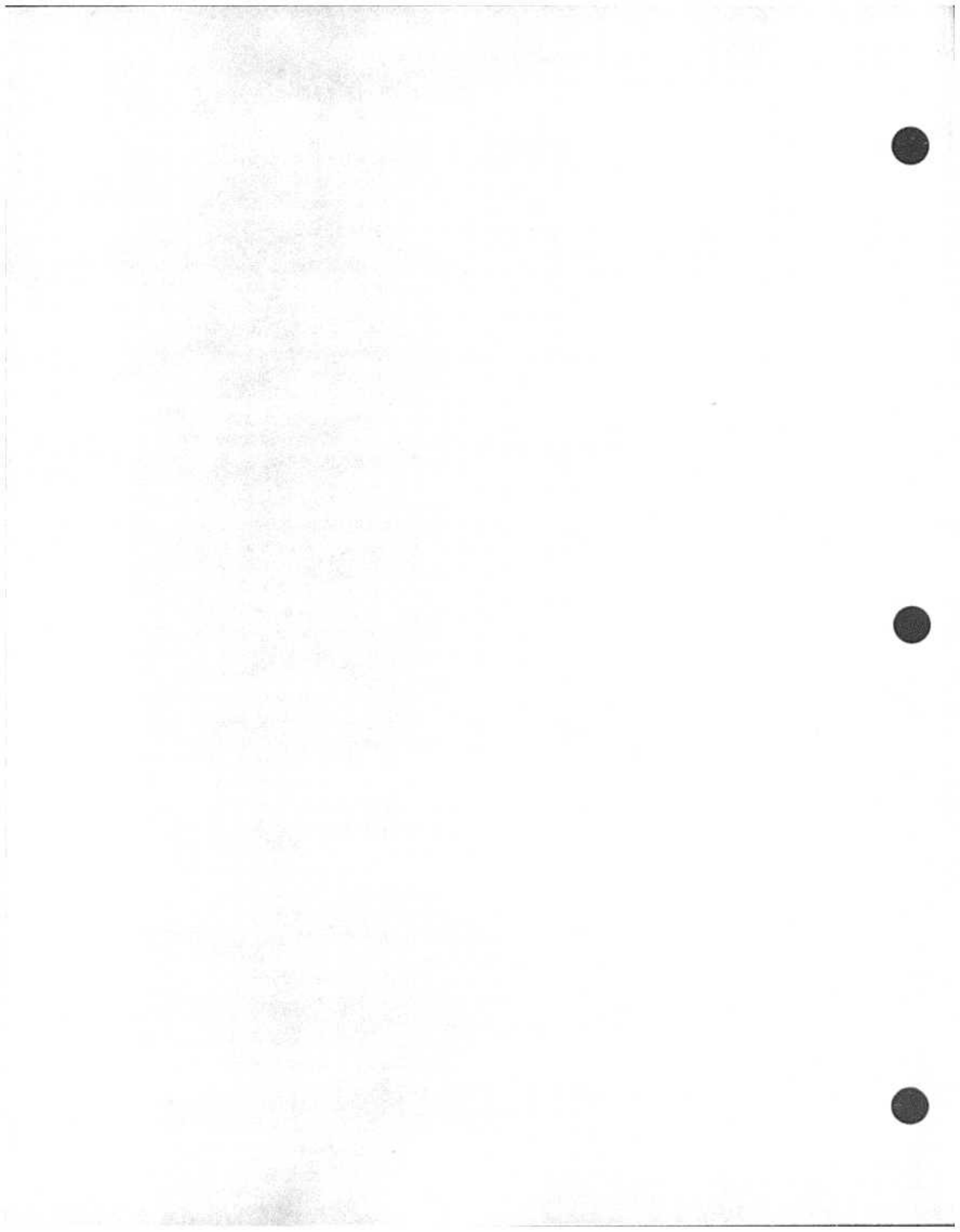
Sheet 2 of 3

		Balance First of Year	Current Year				Balance End of Year
			Additions	Retirements	Adjustments	Reclass	
OTHER PRODUCTION:							
Structures and Improvements	341	697,496.17	1,343.03	2,073.54	0.00	0.00	698,767.88
Fuel Holders and Accessories	342	283,273.55	0.00	0.00	0.00	0.00	283,273.55
Prime Movers	343	78,654.92	0.00	0.00	0.00	0.00	78,654.92
Generators	344	3,083,475.80	0.00	0.00	0.00	0.00	3,083,475.80
Accessory Electric Equipment	345	126,784.88	0.00	0.00	0.00	0.00	126,784.88
Miscellaneous Equipment	346	4,331.80	0.00	0.00	0.00	0.00	4,331.80
TOTAL OTHER PRODUCTION:		4,251,999.10	1,343.03	2,073.54	0.00	0.00	4,251,268.59
TOTAL PRODUCTION:		896,236,764.26	16,789,190.86	8,940,982.24	1,686,717.30	14,357.84	905,786,067.82
TRANSMISSION:							
Land	350.0	1,129,368.61	0.00	0.00	0.00	0.00	1,129,368.61
Easements	350.2	8,834,131.67	0.00	0.00	0.00	0.00	8,834,131.67
Structures and Improvements	352	4,102,860.00	18,918.00	4,194.00	0.00	0.00	4,117,584.00
Station Equipment	353	49,686,955.24	833,613.18	633,380.82	0.00	0.00	49,987,187.58
Towers and Fixtures	354	22,416,060.79	(55,639.95)	0.00	0.00	0.00	22,360,440.84
Poles and Fixtures	355	30,416,702.68	580,638.16	97,998.04	4,659.06	(89,935.73)	30,816,068.11
Overhead Conductors & Devices	356	25,714,061.18	181,406.12	95,314.42	8,895.01	67,011.14	25,878,059.03
Underground Conductors & Devices	358	13,612,933.20	0.00	0.00	0.00	0.00	13,612,933.20
Roads and Trails	359	52,176.42	0.00	0.00	0.00	0.00	52,176.42
TOTAL TRANSMISSION:		155,967,269.77	1,658,935.49	830,887.26	13,554.07	(22,924.59)	156,785,947.46
DISTRIBUTION:							
Land	360.0	1,513,303.39	0.00	0.00	(1,279.62)	0.00	1,512,023.77
Easements	360.2	0.00	0.00	0.00	0.00	0.00	0.00
Structures and Improvements	361	9,713,392.01	115,143.57	25,392.58	(2,429.47)	0.00	9,809,713.53
Station Equipment	362	92,887,813.32	2,757,592.73	598,512.20	9,247.12	0.00	95,056,140.97
Poles, Towers & Fixtures	364	64,272,429.02	5,336,979.21	1,953,792.62	0.00	19,285.06	67,676,900.89
Overhead Conductors & Devices	365	82,142,456.15	8,053,147.48	973,549.96	409.68	(254,158.14)	86,968,305.21
Underground Conduit	366	1,087,999.24	33,366.67	170.00	(544.00)	72,125.13	1,192,767.04
Underground Conductors & Devices	367	28,807,811.13	4,402,241.74	206,657.88	19,773.53	277,763.47	33,300,932.01
Line Transformers	368	110,020,467.56	7,396,772.43	2,539,857.92	(9,977.81)	140,573.05	114,877,997.33
Services:							
- Overhead	369.1	30,820,780.33	1,066,670.12	486,478.09	77,293.44	0.00	31,504,268.80
- Underground	369.2	13,337,203.55	1,033,899.91	81,505.27	42,294.94	(232,664.00)	14,099,229.13
- House Power Panel	369.3	7,348,332.28	0.00	313,033.67	0.00	0.00	7,035,298.61
Meters	370	22,855,963.51	1,096,824.24	199,107.32	(33,842.12)	(14,357.84)	23,705,300.47
Street Lighting & Signal Systems	373	23,171,946.43	2,799,472.46	620,344.10	2,667.45	0.00	25,353,742.24
TOTAL DISTRIBUTION:		467,965,907.94	32,063,930.56	7,978,401.59	103,613.14	8,568.75	512,163,616.80

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
DECEMBER, 1995

Sheet 3 of 3

		Balance First of Year	Current Year				Balance End of Year
			Additions	Retirements	Adjustments	Reclass	
GENERAL PLANT:							
Land	389.0	6,620,588.81	372,281.82	0.00	198,472.09	0.00	7,191,322.72
Structures and Improvements:							
- Corporate Office, 3rd Floor	390	3,840,807.00	0.00	0.00	0.00	0.00	3,840,807.00
- Other	390	48,369,978.54	600,773.44	168,267.08	74,935.97	0.00	48,877,400.89
Office Furniture & Equipment:							
- Computer, 5 Year	391	4,714,723.93	1,524,281.55	739,440.61	0.00	0.00	5,409,544.87
- Non-Computer, 7 Year	391	3,382,278.93	253,791.48	2,219,877.48	0.00	0.00	1,416,192.95
Transportation Equipment:							
- Automobiles	392.1	1,492,783.14	607.18	200,622.21	0.00	0.00	1,292,768.11
- Light Trucks	392.2	3,620,470.82	338,728.51	251,529.48	0.00	0.00	3,707,667.85
- Heavy Trucks	392.3	13,805,130.30	2,581,467.91	897,372.25	0.00	0.00	15,669,223.98
- Trailers	392.4	1,158,247.90	84,077.93	31,258.55	0.00	0.00	1,221,067.28
- Marine, 5 Year	392	28,273.30	128,683.68	0.00	0.00	0.00	158,956.98
Stores Equipment:							
- Other	393	1,259,598.71	52,457.90	0.00	0.00	0.00	1,312,054.61
- 7 Year	393	162,297.38	28,924.31	19,049.03	0.00	0.00	172,172.68
Tools Shop & Garage Equipment:							
- Other	394	1,024,958.12	0.00	0.00	0.00	0.00	1,024,958.12
- 7 Year	394	1,015,760.57	252,370.89	0.00	0.00	0.00	1,268,131.46
Laboratory Equipment:							
- Other	395	583,353.59	68,006.15	0.00	0.00	0.00	631,359.74
- 7 Year	395	1,361,003.61	172,444.67	222,780.89	0.00	0.00	1,310,667.39
Power Operated Equipment	396	391,699.95	0.00	0.00	0.00	0.00	391,699.95
Communication Equipment:							
- Other	397	8,937,299.48	2,278,621.90	42,308.43	171.90	0.00	11,173,786.85
- 7 Year	397	1,796,642.97	823,131.37	299,516.33	0.00	0.00	2,320,258.61
Miscellaneous Equipment - 7 Year	398	967,533.40	1,037,213.68	0.00	0.00	0.00	2,004,747.08
TOTAL GENERAL:		<u>104,513,428.45</u>	<u>10,587,822.37</u>	<u>4,892,020.30</u>	<u>273,579.98</u>	<u>0.00</u>	<u>110,482,808.48</u>
TOTAL ELECTRIC PLANT-IN-SERVICE:		<u>1,644,711,380.02</u>	<u>61,089,879.08</u>	<u>22,642,271.41</u>	<u>2,077,464.47</u>	<u>(0.00)</u>	<u>1,685,248,452.18</u>



GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
DECEMBER, 1986

Sheet 1 of 3

		Balance First of Year	Current Year				Balance End of Year
			Additions	Retirements	Adjustments	Reclass	
INTANGIBLE:							
Organizational	301	7,417.45	0.00	0.00	0.00	0.00	7,417.45
Franchise and Consents	302	594.15	0.00	0.00	0.00	0.00	594.15
Total Intangible:		8,011.60	0.00	0.00	0.00	0.00	8,011.60
STEAM PRODUCTION:							
DANIEL PLANT:							
Plant		205,942,481.58	1,543,686.73	1,651,010.26	44,290.73	0.00	205,879,448.78
Land		967,300.94	0.00	0.00	0.00	0.00	967,300.94
Easements		77,180.27	0.00	0.00	0.00	0.00	77,180.27
Cooling Lake, 23 Year		8,954,191.92	0.00	0.00	0.00	0.00	8,954,191.92
Old Fly Ash Pond, 4 Year		0.00	0.00	0.00	0.00	0.00	0.00
Rail Track System		2,741,618.37	0.00	0.00	0.00	0.00	2,741,618.37
Total Daniel Plant:		218,682,753.08	1,543,686.73	1,651,010.26	44,290.73	0.00	218,619,720.26
CRIST PLANT:							
Plant		370,329,132.88	22,538,379.03	7,610,459.54	(434,531.25)	0.00	384,822,521.10
Land		1,771,449.90	0.00	0.00	0.00	0.00	1,771,449.90
Easements		20,377.91	0.00	0.00	0.00	0.00	20,377.91
DOE Project, 2 Year		543,857.92	0.00	543,857.92	0.00	0.00	0.00
Unit 6 Old Precipitator, 4 Year		0.00	0.00	0.00	0.00	0.00	0.00
Base Coal, 5 Year		141,840.00	0.00	0.00	0.00	0.00	141,840.00
5 Year		249,526.80	3,501.99	(12,264.88)	0.00	0.00	265,293.88
7 Year		1,262,882.59	27,394.54	220,797.49	0.00	0.00	1,089,479.84
Total Crist Plant:		374,319,067.98	22,569,275.55	8,362,850.07	(434,531.25)	0.00	388,089,982.21
SCHOLZ PLANT:							
Plant		28,930,294.51	26,513.70	52,246.14	0.00	0.00	28,904,562.07
Land		44,578.61	0.00	0.00	0.00	0.00	44,578.61
Base Coal, 5 Year		71,300.00	0.00	0.00	0.00	0.00	71,300.00
5 Year		75,834.21	0.00	(12,018.88)	0.00	0.00	87,853.09
7 Year		389,580.91	20,130.29	218,892.78	0.00	0.00	200,798.42
Total Scholz Plant:		29,521,588.24	46,643.99	259,120.04	0.00	0.00	29,309,082.19
SMITH PLANT:							
Plant		102,683,685.05	1,769,757.71	141,858.14	0.00	0.00	104,341,784.62
Land		611,758.58	0.00	0.00	0.00	0.00	611,758.58
Base Coal, 5 Year		108,300.00	0.00	0.00	0.00	0.00	108,300.00
5 Year		142,648.28	0.00	13,474.22	0.00	0.00	129,174.06
7 Year		287,728.73	26,140.60	(318,681.39)	0.00	0.00	632,530.71
Total Smith Plant:		103,634,320.82	1,825,698.31	(163,329.02)	0.00	0.00	105,823,547.95
SCHERER PLANT:							
Plant		174,370,177.09	185,604.57	162,919.74	0.00	0.00	174,393,081.92
Land		808,912.24	218.95	0.00	0.00	0.00	807,131.19
Total Scherer Plant:		175,177,089.33	186,023.52	162,919.74	0.00	0.00	175,200,193.11
TOTAL STEAM PRODUCTION:		901,534,799.23	26,171,528.10	10,272,571.09	(390,240.52)	0.00	917,043,515.72

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
DECEMBER, 1988

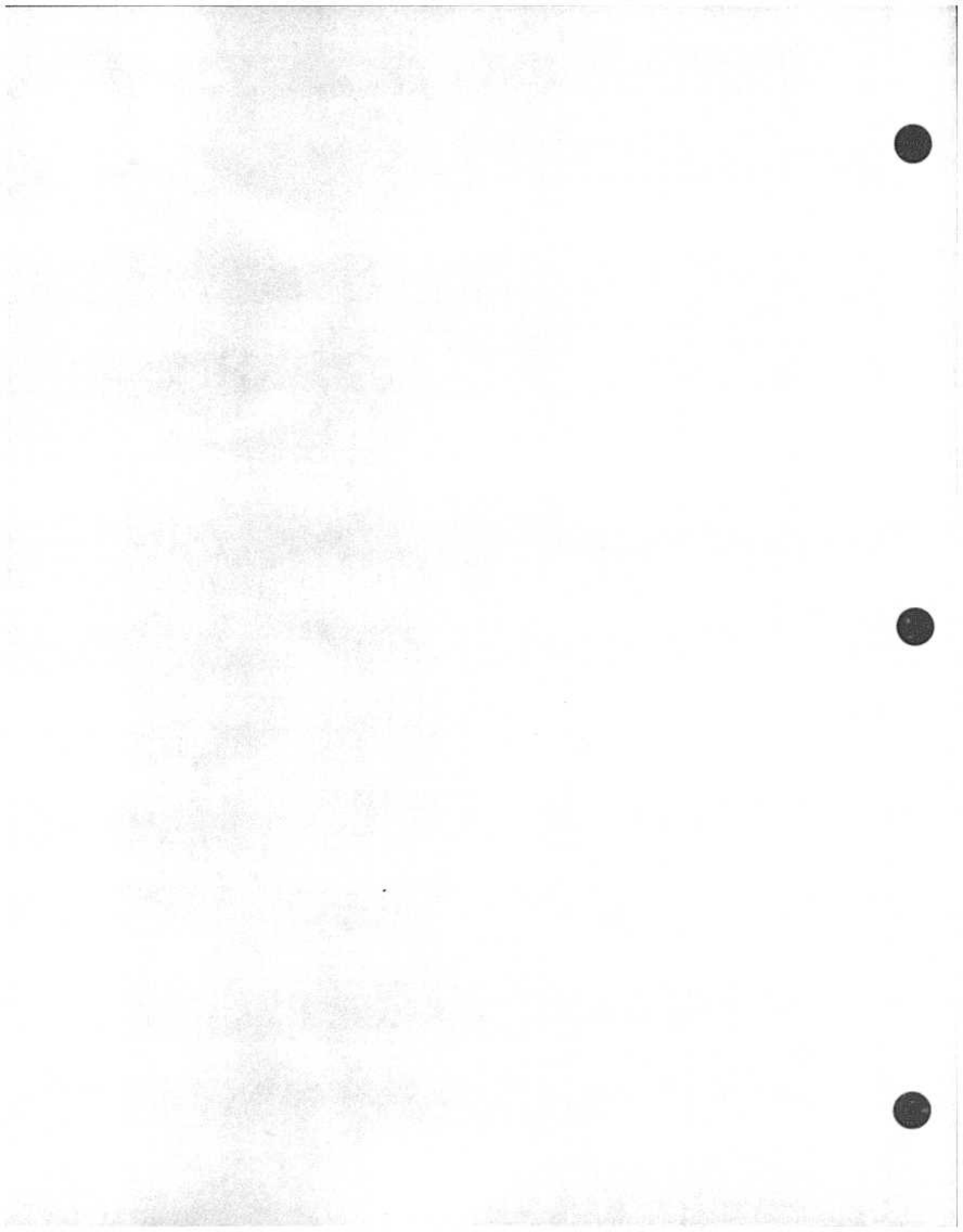
Sheet 2 of 3

		Current Year					Balance End of Year
		Balance First of Year	Additions	Retirements	Adjustments	Reclass	
OTHER PRODUCTION:							
Structures and Improvements	341	698,767.88	0.00	0.00	0.00	0.00	698,767.88
Fuel Holders and Accessories	342	283,273.55	0.00	0.00	0.00	0.00	283,273.55
Prime Movers	343	78,854.82	0.00	0.00	0.00	0.00	78,854.82
Generators	344	3,063,475.80	0.00	0.00	0.00	0.00	3,063,475.80
Accessory Electric Equipment	345	128,764.88	0.00	0.00	0.00	0.00	128,764.88
Miscellaneous Equipment	348	4,331.80	0.00	0.00	0.00	0.00	4,331.80
TOTAL OTHER PRODUCTION:		4,251,268.59	0.00	0.00	0.00	0.00	4,251,268.59
TOTAL PRODUCTION:		905,788,067.82	26,171,528.10	10,272,571.08	(390,240.52)	0.00	921,294,784.31
TRANSMISSION:							
Land	350.0	1,129,368.81	45,948.32	0.00	(233.83)	0.00	1,175,081.10
Easements	350.2	8,834,131.87	685,818.84	0.00	0.00	0.00	9,519,950.51
Structures and Improvements	352	4,117,584.00	6,288.95	8,819.52	0.00	0.00	4,117,253.43
Station Equipment	353	49,987,187.58	4,387,313.54	80,399.12	0.00	4,127.84	54,298,229.84
Towers and Fixtures	354	22,360,440.84	0.00	50,382.85	0.00	(16,414.55)	22,293,843.84
Poles and Fixtures	355	30,818,098.11	1,380,011.37	1,864,590.13	114,694.32	(10,585.41)	30,635,598.28
Overhead Conductors & Devices	358	25,878,059.03	789,368.15	789,897.79	5,081.14	27,535.91	25,929,144.44
Underground Conductors & Devices	358	13,612,833.20	0.00	0.00	0.00	(535.95)	13,612,297.25
Roads and Trails	359	52,176.42	0.00	0.00	0.00	0.00	52,176.42
TOTAL TRANSMISSION:		158,785,847.48	7,294,745.17	2,570,889.21	119,541.63	4,127.84	161,633,472.89
DISTRIBUTION:							
Land	360.0	1,512,023.77	0.00	0.00	0.00	0.00	1,512,023.77
Easements	360.2	0.00	0.00	0.00	0.00	0.00	0.00
Structures and Improvements	361	9,800,713.53	71,777.44	6,620.53	0.00	0.00	9,885,870.44
Station Equipment	362	95,058,140.97	3,431,601.05	494,355.95	28,542.89	80,284.85	98,102,213.61
Poles, Towers & Fixtures	364	67,678,625.42	3,808,985.83	1,854,567.70	0.00	0.00	69,631,043.55
Overhead Conductors & Devices	365	88,972,089.11	3,589,838.53	1,419,208.82	0.00	(520,817.67)	88,622,081.15
Underground Conduit	366	1,182,787.04	0.00	0.00	0.00	(2,729.40)	1,180,057.64
Underground Conductors & Devices	367	33,300,932.49	3,362,283.05	165,153.63	0.00	736,752.07	37,234,813.98
Line Transformers	368	114,977,998.88	5,853,360.50	1,875,974.06	(13.98)	(84,412.49)	118,870,958.83
Services:							
- Overhead	369.1	31,500,288.78	902,210.93	258,425.88	0.00	0.00	32,144,073.85
- Underground	369.2	14,099,229.13	785,380.70	59,321.57	0.00	(213,405.00)	14,611,883.28
- House Power Panel	369.3	7,035,298.61	0.00	340,632.81	0.00	0.00	8,694,885.80
Meters	370	23,705,308.17	1,138,712.10	250,796.82	3,552.00	0.00	24,597,775.65
Street Lighting & Signal Systems	373	25,354,222.92	2,638,983.39	804,115.12	0.00	0.00	27,398,101.19
TOTAL DISTRIBUTION:		512,183,818.80	25,584,143.52	7,329,172.67	32,080.71	(4,127.84)	530,468,540.72

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
DECEMBER, 1998

Sheet 3 of 3

		Current Year					Balance End of Year
		Balance First of Year	Additions	Retirements	Adjustments	Reclass	
GENERAL PLANT:							
Land	389.0	7,191,322.72	482.84	0.00	(231,460.09)	0.00	6,960,325.27
Structures and Improvements:							
- Corporate Office, 3rd Floor	390	3,840,807.00	0.00	0.00	0.00	0.00	3,840,807.00
- Other	390	48,677,400.89	231,318.93	310,395.83	0.00	0.00	48,798,321.89
Office Furniture & Equipment:							
- Computer, 5 Year	391	5,499,544.87	632,957.93	632,928.19	0.00	0.00	5,499,574.61
- Non-Computer, 7 Year	391	1,416,192.95	50,060.44	402,981.71	0.00	0.00	1,063,271.68
Transportation Equipment:							
- Automobiles	392.1	1,292,788.11	0.00	959,434.72	0.00	0.00	433,333.39
- Light Trucks	392.2	3,707,867.85	297,542.82	603,821.63	0.00	0.00	3,401,369.04
- Heavy Trucks	392.3	15,069,225.96	930,298.33	1,261,197.62	(49,714.05)	0.00	15,298,610.62
- Trailers	392.4	1,221,067.28	16,070.87	38,243.99	0.00	0.00	1,198,894.16
- Marine, 5 Year	392	158,958.98	7,441.77	0.00	0.00	0.00	164,398.75
Stores Equipment:							
- Other	393	1,312,054.81	13,729.22	0.00	0.00	0.00	1,325,783.83
- 7 Year	393	172,172.88	4,280.00	0.00	0.00	0.00	176,452.88
Tools Shop & Garage Equipment:							
- Other	394	1,024,958.12	0.00	13,798.45	0.00	0.00	1,011,159.67
- 7 Year	394	1,268,131.48	120,188.72	47,771.04	0.00	0.00	1,340,547.14
Laboratory Equipment:							
- Other	395	631,359.74	0.00	0.00	0.00	0.00	631,359.74
- 7 Year	395	1,310,687.39	139,988.20	189,544.87	0.00	0.00	1,291,110.72
Power Operated Equipment	396	391,899.95	0.00	0.00	0.00	0.00	391,899.95
Communication Equipment:							
- Other	397	11,173,788.85	2,489,219.98	40,502.62	0.00	0.00	13,602,504.19
- 7 Year	397	2,320,258.01	99,913.98	27,509.95	0.00	0.00	2,392,682.04
Miscellaneous Equipment - 7 Year	398	2,004,747.08	157,440.37	148,192.88	0.00	0.00	2,015,994.57
TOTAL GENERAL:		<u>110,482,808.48</u>	<u>5,170,888.18</u>	<u>4,574,321.50</u>	<u>(281,174.14)</u>	<u>0.00</u>	<u>110,798,201.02</u>
TOTAL ELECTRIC PLANT-IN-SERVICE:		<u>1,685,246,452.16</u>	<u>64,221,304.97</u>	<u>24,746,954.47</u>	<u>(519,792.32)</u>	<u>(0.00)</u>	<u>1,724,201,010.34</u>



GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
PROJECTED IN THOUSANDS: DECEMBER, 1997

Sheet 1 of 3

	Balance First of Year	Current Year				Balance End of Year
		Additions	Retirements	Adjustments	Reclass	
INTANGIBLE:						
Organization	301 7	0	0	0	0	7
Franchises and Consents	302 1	0	0	0	0	1
Total Intangible:	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
STEAM PRODUCTION:						
DANIEL PLANT:						
Plant	205,880	222	79	0	0	206,023
Land	967	0	0	0	0	967
Easements	77	0	0	0	0	77
Cooling Lakes, 23 Year	8,954	0	0	0	0	8,954
Rail Track System	2,742	0	0	0	0	2,742
Total Daniel Plant:	<u>218,620</u>	<u>222</u>	<u>79</u>	<u>0</u>	<u>0</u>	<u>218,763</u>
CRIST PLANT:						
Plant	384,823	1,158	258	0	0	385,723
Land	1,771	0	0	0	0	1,771
Easements	20	0	0	0	0	20
Base Coal, 5 Year	142	0	0	0	0	142
5 Year	265	8	175	0	0	98
7 Year	1,070	28	87	0	0	1,099
Total Crist Plant:	<u>388,091</u>	<u>1,192</u>	<u>520</u>	<u>0</u>	<u>0</u>	<u>388,763</u>
SCHOLZ PLANT:						
Plant	28,804	48	48	0	0	28,904
Land	45	0	0	0	0	45
Base Coal, 5 Year	71	0	0	0	0	71
5 Year	88	2	70	0	0	20
7 Year	201	4	31	0	0	174
Total Scholz Plant:	<u>29,309</u>	<u>54</u>	<u>149</u>	<u>0</u>	<u>0</u>	<u>29,214</u>
SMITH PLANT:						
Plant	104,342	2,407	126	0	0	106,823
Land	612	0	0	0	0	612
Base Coal, 5 Year	108	0	0	0	0	108
5 Year	129	9	112	0	0	28
7 Year	633	34	113	0	0	554
Total Smith Plant:	<u>105,824</u>	<u>2,450</u>	<u>351</u>	<u>0</u>	<u>0</u>	<u>107,923</u>
SCHERER PLANT:						
Plant	174,393	448	50	0	0	174,791
Land	807	0	0	0	0	807
Total Scherer Plant:	<u>175,200</u>	<u>448</u>	<u>50</u>	<u>0</u>	<u>0</u>	<u>175,598</u>
TOTAL STEAM PRODUCTION:	<u>917,044</u>	<u>4,366</u>	<u>1,149</u>	<u>0</u>	<u>0</u>	<u>920,261</u>

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
PROJECTED IN THOUSANDS: DECEMBER, 1997

Sheet 2 of 3

		Current Year					Balance End of Year
		Balance First of Year	Additions	Retirements	Adjustments	Reclass	
OTHER PRODUCTION:							
Structures and Improvements	341	697	0	0	0	0	697
Fuel Holders and Accessories	342	283	0	0	0	0	283
Prime Movers	343	77	0	0	0	0	77
Generators	344	3,063	0	0	0	0	3,063
Accessory Electric Equipment	345	127	0	0	0	0	127
Miscellaneous Equipment	346	4	0	0	0	0	4
TOTAL OTHER PRODUCTION:		<u>4,251</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,251</u>
TOTAL PRODUCTION:		<u>921,295</u>	<u>4,366</u>	<u>1,149</u>	<u>0</u>	<u>0</u>	<u>924,512</u>
TRANSMISSION:							
Land	350	1,175	0	0	0	0	1,175
Easements	350	9,520	0	0	0	0	9,520
Structures and Improvements	352	4,117	1,334	230	0	0	5,221
Station Equipment	353	54,298	2,577	418	0	0	58,457
Towers and Fixtures	354	22,294	0	0	0	0	22,294
Poles and Fixtures	355	30,636	1,075	60	0	0	31,651
Overhead Conductors & Devices	356	25,929	0	0	0	0	25,929
Underground Conductors & Devices	358	13,612	0	0	0	0	13,612
Roads and Trails	359	52	0	0	0	0	52
TOTAL TRANSMISSION:		<u>161,633</u>	<u>4,966</u>	<u>708</u>	<u>0</u>	<u>0</u>	<u>165,911</u>
DISTRIBUTION:							
Land	360.0	1,512	0	0	0	0	1,512
Easements	360.2	0	0	0	0	0	0
Structures and Improvements	361	9,866	0	0	0	0	9,866
Station Equipment	362	98,102	5,115	461	0	0	102,756
Poles, Towers & Fixtures	364	69,631	5,706	1,226	0	0	74,111
Overhead Conductors & Devices	365	68,622	3,573	1,135	0	0	91,080
Underground Conduit	366	1,190	0	0	0	0	1,190
Underground Conductors & Devices	367	37,235	4,630	400	0	0	41,465
Line Transformers	368	118,871	8,427	1,676	0	0	125,622
Services:							
- Overhead	369.1	32,144	1,958	137	0	0	33,965
- Underground	369.2	14,612	890	62	0	0	15,440
- House Power Panel	369.3	6,695	0	368	0	0	6,329
Meters	370	24,598	8,857	180	0	0	31,275
Street Lighting & Signal Systems	373	27,389	4,182	666	0	0	30,805
TOTAL DISTRIBUTION:		<u>530,467</u>	<u>41,338</u>	<u>6,309</u>	<u>0</u>	<u>0</u>	<u>565,496</u>

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
PROJECTED IN THOUSANDS: DECEMBER, 1997

Sheet 3 of 3

		Balance First of Year	Current Year				Balance End of Year
			Additions	Retirements	Adjustments	Reclass	
GENERAL PLANT:							
Land	389.0	6,960	0	0	0	0	6,960
Structures and Improvements:							
- Corporate Office, 3rd Floor	390	3,841	0	0	0	0	3,841
- Other	390	48,798	592	0	0	0	49,390
Office Furniture & Equipment:							
- Computer, 5 Year	391	5,500	0	558	0	0	4,942
- Non-Computer, 7 Year	391	1,063	64	496	0	0	631
Transportation Equipment:							
- Automobiles	392.1	433	0	158	0	0	277
- Light Trucks	392.2	3,401	677	313	0	0	3,785
- Heavy Trucks	392.3	15,289	2,214	1,025	0	0	16,478
- Trailers	392.4	1,199	135	62	0	0	1,272
- Marine, 5 Year	392	164	0	0	0	0	164
Stores Equipment:							
- Other	393	1,328	0	0	0	(1,328)	0
- 7 Year	393	178	40	1,252	0	1,328	290
Tools Shop & Garage Equipment:							
- Other	394	1,011	0	0	0	(1,011)	0
- 7 Year	394	1,341	158	669	0	1,011	1,841
Laboratory Equipment:							
- Other	395	631	0	0	0	(631)	0
- 7 Year	395	1,261	403	221	0	631	2,074
Power Operated Equipment	396	392	0	0	0	0	392
Communication Equipment:							
- Other	397	13,603	1,405	2,231	0	0	12,777
- 7 Year	397	2,393	901	103	0	0	3,191
Miscellaneous Equipment - 7 Year	398	2,016	6,216	32	0	0	8,200
TOTAL GENERAL:		<u>110,798</u>	<u>12,805</u>	<u>7,118</u>	<u>0</u>	<u>0</u>	<u>116,485</u>
TOTAL ELECTRIC PLANT-IN-SERVICE:		<u>1,724,201</u>	<u>63,495</u>	<u>15,284</u>	<u>0</u>	<u>0</u>	<u>1,772,412</u>





GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
DECEMBER, 1993

Sheet 1 of 3

	Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage	Adjustments	Balance Close of Period
STEAM PRODUCTION:							
DANIEL PLANT:							
Plant	71,212,733.74	5,947,426.65	467,791.54	172,222.95	18,248.50	0.00	76,538,394.40
Essements	33,465.52	1,851.84	0.00	0.00	0.00	0.00	35,317.36
Cooling Lake, 23 Year	4,762,426.10	386,660.56	0.00	0.00	0.00	0.00	5,149,286.66
Rail Track System	1,289,035.28	93,204.00	0.00	0.00	0.00	0.00	1,382,239.28
5 Year	114,944.36	0.00	114,944.36	0.00	0.00	0.00	0.00
7 Year	995,332.44	161,445.84	0.00	0.00	0.00	0.00	1,156,778.28
Dismantlement - Fixed	5,931,229.00	539,097.00	0.00	0.00	0.00	0.00	6,470,326.00
Total Daniel Plant:	84,339,166.44	7,129,865.80	582,735.90	172,222.95	18,248.50	0.00	90,732,341.98
CRIST PLANT:							
Plant	133,251,464.77	10,432,234.61	4,253,399.96	1,840,826.96	365,967.90	149,147.05	138,104,587.41
Essements	7,605.10	489.00	0.00	0.00	0.00	0.00	8,094.10
Base Coal, 5 Year	141,840.00	0.00	0.00	0.00	0.00	0.00	141,840.00
5 Year	126,508.32	42,851.97	95,913.10	0.00	0.00	0.00	73,447.19
7 Year	4,078,383.13	642,566.04	24,585.72	0.00	20.00	0.00	4,696,383.45
Dismantlement - Fixed	14,902,387.20	1,699,946.04	0.00	0.00	0.00	0.00	16,602,333.24
Total Crist Plant:	152,508,188.52	12,818,087.66	4,373,898.78	1,840,826.96	365,967.90	149,147.05	159,626,685.39
SCHOLZ PLANT:							
Plant	17,653,825.52	588,677.17	16,918.36	0.00	0.00	0.00	18,225,584.33
Base Coal, 5 Year	71,300.00	0.00	0.00	0.00	0.00	0.00	71,300.00
5 Year	74,062.92	15,803.30	62,699.80	0.00	0.00	0.00	27,166.42
7 Year	1,121,470.67	200,431.68	645.93	0.00	1,470.00	0.00	1,322,726.42
Dismantlement - Fixed	3,346,144.80	438,957.96	0.00	0.00	0.00	0.00	3,785,102.76
Total Scholz Plant:	22,266,803.91	1,243,870.11	80,264.09	0.00	1,470.00	0.00	23,431,879.93
SMITH PLANT:							
Plant	42,434,767.94	2,856,918.97	2,320,647.61	849,867.12	9,279.50	0.00	42,130,451.68
Base Coal, 5 Year	108,300.00	0.00	0.00	0.00	0.00	0.00	108,300.00
5 Year	90,097.16	33,353.85	64,843.42	0.00	0.00	0.00	58,607.59
7 Year	1,241,624.90	236,179.44	9,738.63	100.00	60.00	0.00	1,468,025.71
Dismantlement - Fixed	5,870,819.00	670,497.00	0.00	0.00	0.00	0.00	6,541,316.00
Total Smith Plant:	49,745,609.00	3,796,949.26	2,395,229.66	849,967.12	9,339.50	0.00	50,306,700.98
SCHERER PLANT:							
Plant	32,569,818.91	5,032,499.71	19,504.67	(36.57)	0.00	(2,855.86)	37,579,994.66
5 Year	33,580.61	0.00	33,580.61	0.00	0.00	0.00	0.00
7 Year	231,144.49	43,555.56	0.00	0.00	0.00	0.00	274,700.05
Dismantlement - Fixed	2,659,738.00	517,950.00	0.00	0.00	0.00	0.00	3,177,688.00
Total Scherer Plant:	35,494,282.01	5,594,005.27	53,085.28	(36.57)	0.00	(2,855.86)	41,032,382.71
TOTAL STEAM PRODUCTION:	344,354,049.88	30,582,798.19	7,485,213.71	2,862,980.46	395,045.90	146,291.19	365,129,990.99

GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
DECEMBER, 1993

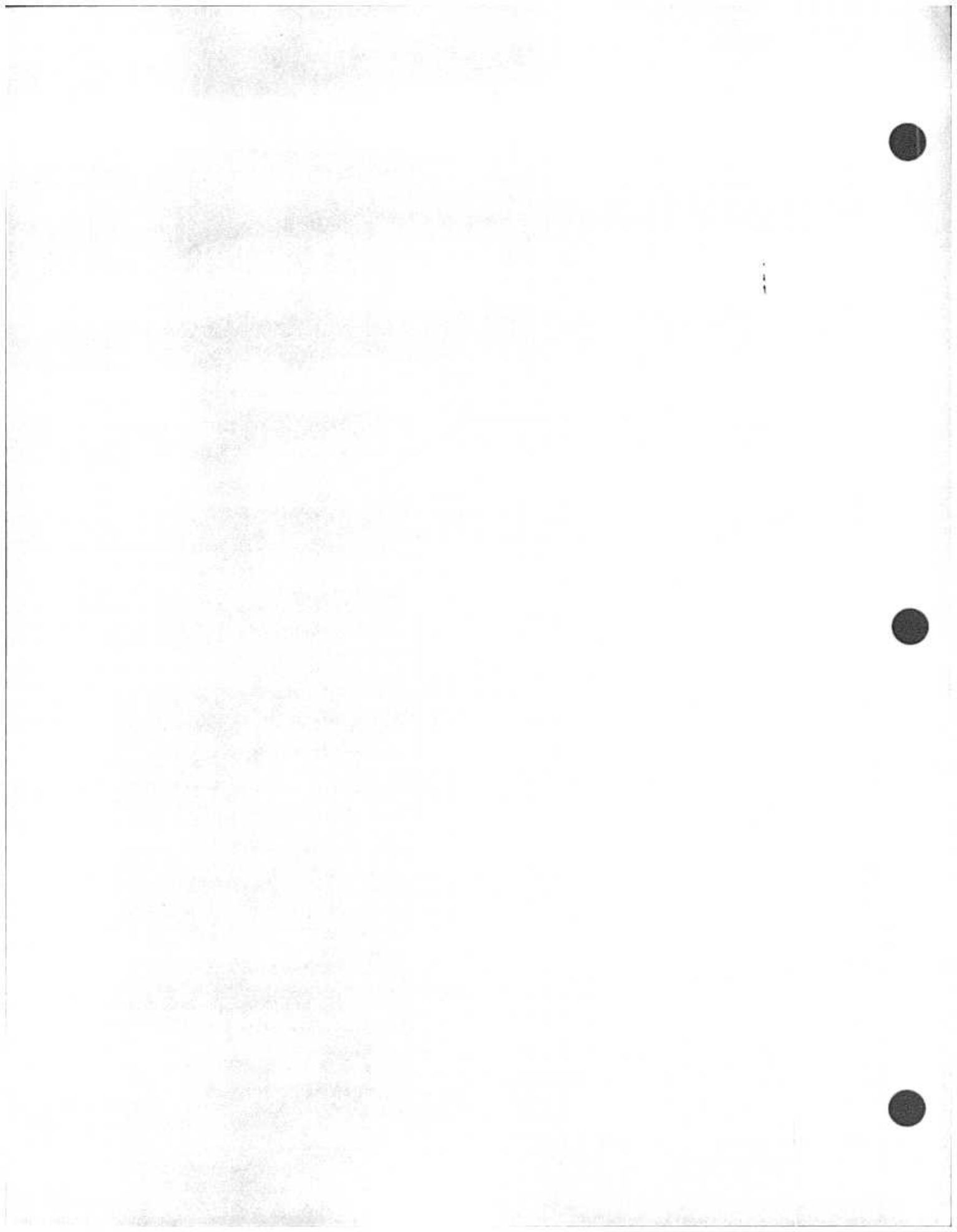
Sheet 2 of 3

		Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage	Adjustments	Balance Close of Period
OTHER PRODUCTION:								
Structures and Improvements	341	507,851.93	22,305.00	0.00	0.00	0.00	0.00	530,156.93
Fuel Holders and Accessories	342	204,610.02	4,167.92	13,445.96	2,980.91	0.00	0.00	192,351.07
Prime Movers	343	53,233.04	1,609.68	0.00	0.00	0.00	0.00	54,842.72
Generators	344	2,646,918.82	49,003.32	0.00	0.00	0.00	0.00	2,695,922.14
Accessory Electric Equipment	345	96,477.17	1,775.16	0.00	0.00	0.00	0.00	98,252.33
Miscellaneous Equipment	346	3,790.66	60.60	0.00	0.00	0.00	0.00	3,851.26
		<u>3,512,881.64</u>	<u>78,921.68</u>	<u>13,445.96</u>	<u>2,980.91</u>	<u>0.00</u>	<u>0.00</u>	<u>3,575,376.45</u>
TOTAL OTHER PRODUCTION:		<u>3,512,881.64</u>	<u>78,921.68</u>	<u>13,445.96</u>	<u>2,980.91</u>	<u>0.00</u>	<u>0.00</u>	<u>3,575,376.45</u>
TOTAL PRODUCTION:		<u>347,866,931.52</u>	<u>30,661,719.87</u>	<u>7,498,659.67</u>	<u>2,865,961.37</u>	<u>395,045.90</u>	<u>146,291.19</u>	<u>368,705,367.44</u>
TRANSMISSION:								
Easements	350.2	2,925,345.56	123,214.62	0.00	0.00	0.00	0.00	3,048,560.18
Structures and Improvements	352	884,927.94	105,986.33	21,328.31	291.86	0.00	0.00	989,294.10
Station Equipment	353	15,818,911.10	1,599,722.57	476,445.34	143,774.97	1,467.77	26,792.86	16,826,673.99
Towers and Fixtures	354	12,615,887.27	688,832.90	69,367.70	(108.80)	0.00	0.00	13,233,461.27
Poles and Fixtures	355	8,081,617.40	932,275.59	430,660.82	253,660.37	(3,282.88)	11,624.26	8,337,913.88
Overhead Conductors & Devices	356	12,331,901.29	799,871.57	216,322.88	77,657.24	0.00	4,241.92	12,842,034.66
Underground Conductors & Devices	358	723,561.63	163,360.44	0.00	0.00	0.00	0.00	886,922.07
Roads and Trails	359	12,451.79	782.64	0.00	0.00	0.00	0.00	13,234.43
		<u>53,394,603.98</u>	<u>4,412,046.66</u>	<u>1,214,125.05</u>	<u>475,275.64</u>	<u>(1,815.11)</u>	<u>42,659.74</u>	<u>56,158,094.58</u>
TOTAL TRANSMISSION:		<u>53,394,603.98</u>	<u>4,412,046.66</u>	<u>1,214,125.05</u>	<u>475,275.64</u>	<u>(1,815.11)</u>	<u>42,659.74</u>	<u>56,158,094.58</u>
DISTRIBUTION:								
Easements	360.2	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Structures and Improvements	361	1,956,049.81	258,869.08	86,776.08	3,649.09	0.00	(852.27)	2,123,641.45
Station Equipment	362	19,338,067.24	2,471,573.20	1,145,687.96	355,885.43	5,000.00	12,287.13	20,325,354.18
Poles, Towers & Fixtures	364	19,923,779.51	2,689,444.89	1,762,767.75	1,259,064.95	1,140,533.27	(78,590.39)	20,633,334.58
Overhead Conductors & Devices	365	25,251,643.15	2,562,405.85	962,049.13	949,996.14	330,194.42	(514,810.88)	25,717,387.27
Underground Conduit	366	470,118.44	20,668.00	134.96	59.54	0.00	0.00	490,592.94
Underground Conductors & Devices	367	7,231,581.25	935,599.65	70,946.71	4,479.83	2,130.51	(37,959.35)	8,055,925.52
Line Transformers	368	31,640,887.62	4,228,507.36	2,068,219.36	924,443.42	167,373.97	(22,228.88)	33,021,877.29
Services:								
- Overhead	369.1	12,355,500.03	1,342,163.74	424,501.53	2,293.84	0.00	(211.57)	13,270,656.83
- Underground	369.2	2,062,071.33	449,274.05	69,529.71	338.07	1,009.29	(257.14)	2,442,229.75
- House Power Panel	369.3	5,009,381.62	244,870.25	257,301.61	0.00	0.00	0.00	4,996,950.26
Meters	370	8,725,329.72	786,493.77	202,527.03	10,577.96	14,983.51	(5,494.05)	9,308,207.96
Street Lighting & Signal Systems	373	3,577,904.49	1,224,831.93	770,697.80	111,390.85	27,646.80	588,421.77	4,536,716.34
		<u>137,542,314.21</u>	<u>17,194,702.77</u>	<u>7,821,139.63</u>	<u>3,622,179.12</u>	<u>1,688,871.77</u>	<u>(59,695.63)</u>	<u>144,922,874.37</u>
TOTAL DISTRIBUTION:		<u>137,542,314.21</u>	<u>17,194,702.77</u>	<u>7,821,139.63</u>	<u>3,622,179.12</u>	<u>1,688,871.77</u>	<u>(59,695.63)</u>	<u>144,922,874.37</u>

GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
DECEMBER, 1993

Sheet 3 of 3

	Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage	Adjustments	Balance Close of Period
GENERAL PLANT:							
Structures and Improvements:							
- Corporate Office, 3rd Floor	390	0.00	0.00	0.00	0.00	0.00	0.00
- Other	390	10,353,379.08	1,235,910.60	16,973.78	4,282.75	0.00	11,568,033.15
Office Furniture & Equipment:							
- Computer, 5 Year	391	5,542,869.82	818,867.70	4,507,475.18	0.00	61.00	1,854,323.34
- Non-Computer, 7 Year	391	7,299,446.31	1,438,713.32	393,583.21	6,608.13	1,328.00	8,339,546.80
Transportation Equipment:							
- Automobiles	392.1	934,901.67	321,122.45	595,971.56	0.00	190,039.12	850,091.68
- Light Trucks	392.2	1,006,728.50	393,672.46	203,508.00	0.00	44,584.89	1,241,457.85
- Heavy Trucks	392.3	3,684,188.50	708,461.24	637,533.29	0.00	146,546.41	3,901,662.86
- Trailers	392.4	301,036.49	21,632.55	68,640.21	0.00	4,129.76	258,158.59
- Marine, 5 Year	392	55,566.54	6,199.26	55,849.82	0.00	0.00	5,915.98
Stores Equipment:							
- Other	393	650,599.04	109,448.37	0.00	0.00	350.00	760,397.41
- 7 Year	393	757,245.54	132,305.27	0.00	0.00	0.00	889,550.81
Tools Shop & Garage Equipment:							
- Other	394	192,541.87	27,112.09	34,352.71	15,819.68	0.00	169,481.57
- 7 Year	394	1,347,866.61	260,846.04	0.00	0.00	2,581.20	1,611,293.85
Laboratory Equipment:							
- Other	395	107,693.56	32,373.82	195.00	0.00	0.00	139,872.38
- 7 Year	395	1,432,929.76	433,778.76	0.00	0.00	0.00	1,866,708.52
Power Operated Equipment	396	209,606.41	12,562.90	0.00	0.00	0.00	222,169.31
Communication Equipment:							
- Other	397	2,307,516.81	355,915.28	53,164.62	(2,261.65)	0.00	2,612,529.12
- 7 Year	397	1,526,897.32	335,405.88	0.00	0.00	0.00	1,862,303.20
Miscellaneous Equipment - 7 Year	398	1,720,215.97	279,371.88	12,427.51	0.00	35.00	1,986,944.83
TOTAL GENERAL:		<u>39,431,229.60</u>	<u>6,923,699.87</u>	<u>6,579,674.89</u>	<u>24,448.91</u>	<u>387,054.18</u>	<u>40,140,441.25</u>
JDIC FPSC 1984 Rate Case - Transmission		161,752.71	0.00	0.00	0.00	0.00	161,752.71
JDIC FPSC 1984 Rate Case - Distribution		422,394.00	0.00	0.00	0.00	0.00	422,394.00
JDIC FPSC 1984 Rate Case - General		31,530.78	0.00	0.00	0.00	0.00	31,530.78
TOTAL JDIC FPSC 1984 RATE CASE:		<u>615,677.49</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>615,677.49</u>
TOTAL ELECTRIC PLANT-IN-SERVICE:		<u>578,850,757.00</u>	<u>59,192,169.17</u>	<u>23,113,599.24</u>	<u>6,987,865.04</u>	<u>2,469,156.74</u>	<u>610,542,455.13</u>



GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
DECEMBER, 1994

Sheet 1 of 3

	Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage	Adjustments	Balance Close of Period
STEAM PRODUCTION:							
DANIEL PLANT:							
Plant	76,439,070.40	4,782,251.68	2,077,471.33	39,537.80	2,926.87	0.00	79,107,239.82
Easements	35,317.36	1,465.68	0.00	0.00	0.00	0.00	36,783.04
Cooling Lake, 23 Year	5,149,286.66	386,860.56	0.00	0.00	0.00	0.00	5,536,147.22
Old Fly Ash Pond, 4 Year	99,324.00	542,132.00	245,850.99	1,819,162.68	0.00	0.00	(1,423,557.67)
Rail Track System	1,382,239.28	41,124.24	0.00	0.00	0.00	0.00	1,423,363.52
7 Year	1,156,778.28	161,444.90	1,318,223.18	0.00	0.00	0.00	0.00
Dismantlement - Fixed	6,470,326.00	550,457.04	0.00	0.00	0.00	0.00	7,020,783.04
Total Daniel Plant:	90,732,341.98	6,465,736.10	3,641,545.50	1,858,700.48	2,926.87	0.00	91,700,758.97
CRIST PLANT:							
Plant	134,950,481.41	9,982,392.73	2,334,023.33	517,597.07	37,804.24	0.00	142,119,057.98
Easements	8,094.10	367.00	0.00	0.00	0.00	0.00	8,461.10
DOE Project, 2 Year	0.00	507,699.00	0.00	0.00	0.00	0.00	507,699.00
Unit 6 Old Precipitator, 4 Year	3,154,106.00	483,915.00	4,548,804.29	438,504.00	15,400.00	0.00	(1,333,887.29)
Base Coal, 5 Year	141,840.00	0.00	0.00	0.00	0.00	0.00	141,840.00
5 Year	73,447.19	47,781.81	48,376.81	0.00	0.00	0.00	72,852.19
7 Year	4,696,383.45	720,555.99	4,920,527.44	0.00	0.00	0.00	496,412.00
Dismantlement - Fixed	16,602,333.24	2,614,167.00	0.00	0.00	0.00	0.00	19,216,500.24
Total Crist Plant:	159,626,685.39	14,356,898.53	11,851,731.87	956,101.07	53,204.24	0.00	161,228,955.22
SCHOLZ PLANT:							
Plant	18,225,584.33	486,676.17	74,699.35	0.00	0.00	56,003.40	18,693,564.55
Base Coal, 5 Year	71,300.00	0.00	0.00	0.00	0.00	0.00	71,300.00
5 Year	27,166.42	16,913.09	20,772.05	0.00	0.00	0.00	23,307.46
7 Year	1,322,726.42	204,970.03	1,236,882.83	0.00	0.00	0.00	290,813.62
Dismantlement - Fixed	3,785,102.76	564,888.96	0.00	0.00	0.00	0.00	4,349,991.72
Total Scholz Plant:	23,431,879.93	1,273,448.25	1,332,354.23	0.00	0.00	56,003.40	23,428,977.35
SMITH PLANT:							
Plant	42,130,451.68	2,944,212.02	1,584,776.05	453,895.52	57,217.99	3,332,079.60	46,425,289.72
Base Coal, 5 Year	108,300.00	0.00	0.00	0.00	0.00	0.00	108,300.00
5 Year	58,607.59	34,118.28	37,465.33	0.00	0.00	0.00	55,260.54
7 Year	1,468,025.71	247,299.94	1,791,635.13	0.00	0.00	0.00	(76,309.48)
Dismantlement - Fixed	6,541,316.00	898,662.00	0.00	0.00	0.00	0.00	7,439,978.00
Total Smith Plant:	50,306,700.98	4,124,292.24	3,413,876.51	453,895.52	57,217.99	3,332,079.60	53,952,518.78
SCHERER PLANT:							
Plant	37,579,994.66	3,991,965.78	19,478.45	0.00	0.00	0.00	41,552,481.99
7 Year	274,700.05	43,555.37	318,255.42	0.00	0.00	0.00	0.00
Dismantlement - Fixed	3,177,688.00	37,079.04	0.00	0.00	0.00	0.00	3,214,767.04
Total Scherer Plant:	41,032,382.71	4,072,600.19	337,733.87	0.00	0.00	0.00	44,767,249.03
TOTAL STEAM PRODUCTION:	365,129,990.99	30,292,975.31	20,577,241.98	3,268,697.07	113,349.10	3,388,083.00	375,078,459.35

GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
DECEMBER, 1994

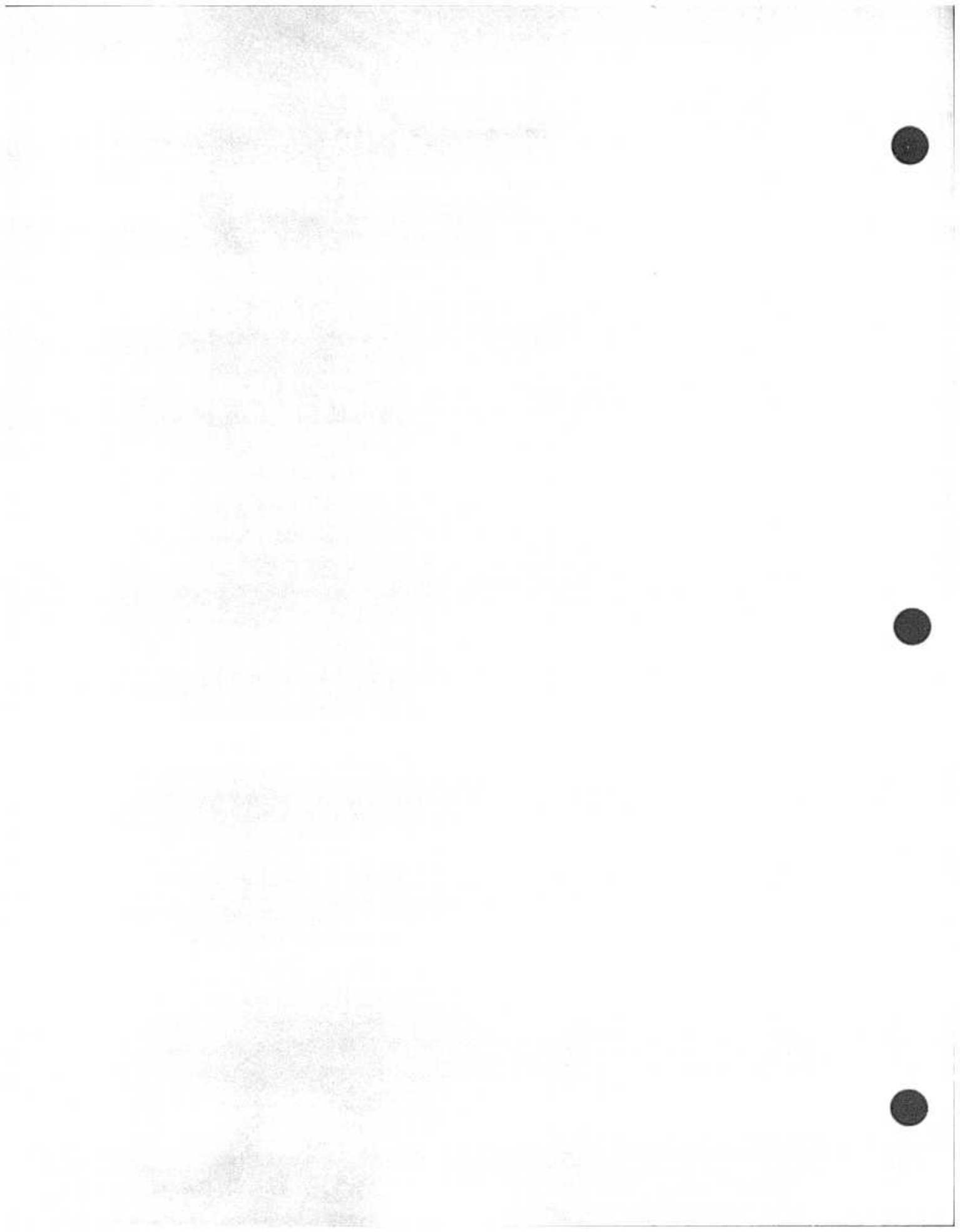
Sheet 2 of 3

		Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage	Adjustments	Balance Close of Period
OTHER PRODUCTION:								
Structures and Improvements	341	530,156.93	13,943.80	682.50	0.00	0.00	0.00	543,418.23
Fuel Holders and Accessories	342	192,351.07	5,668.52	0.00	95.72	0.00	0.00	197,921.87
Prime Movers	343	54,842.72	1,533.36	0.00	0.00	0.00	0.00	56,376.08
Generators	344	2,695,922.14	61,281.72	0.00	0.00	0.00	0.00	2,757,203.86
Accessory Electric Equipment	345	98,252.33	2,535.72	0.00	0.00	0.00	0.00	100,788.05
Miscellaneous Equipment	346	3,851.28	88.64	0.00	0.00	0.00	0.00	3,937.90
Smith C.T. Dismantlement - Fixed		0.00	14,667.00	0.00	0.00	0.00	0.00	14,667.00
TOTAL OTHER PRODUCTION:		<u>3,575,376.45</u>	<u>99,714.76</u>	<u>682.50</u>	<u>95.72</u>	<u>0.00</u>	<u>0.00</u>	<u>3,674,312.99</u>
TOTAL PRODUCTION:		<u>368,705,367.44</u>	<u>30,392,690.07</u>	<u>20,577,924.48</u>	<u>3,268,792.79</u>	<u>113,349.10</u>	<u>3,388,083.00</u>	<u>378,752,772.34</u>
TRANSMISSION:								
Easements	350.2	3,048,560.18	105,975.65	0.00	0.00	0.00	0.00	3,154,535.83
Structures and Improvements	352	989,294.10	114,378.10	12,877.43	1,258.44	0.00	0.00	1,069,536.33
Station Equipment	353	16,826,673.99	1,335,562.08	534,600.00	88,859.16	1,047.81	(30,690.84)	17,508,133.88
Towers and Fixtures	354	13,233,461.27	694,476.70	45,152.38	9,858.94	0.00	0.00	13,872,926.65
Poles and Fixtures	355	8,337,913.88	1,064,339.66	136,901.09	192,327.63	947.30	20,044.75	9,094,016.87
Overhead Conductors & Devices	356	12,842,034.66	939,765.87	13,430.70	(7,945.37)	0.00	10,801.56	13,787,116.76
Underground Conductors & Devices	358	886,922.07	381,107.64	0.00	0.00	0.00	0.00	1,268,029.71
Roads and Trails	359	13,234.43	730.56	0.00	0.00	0.00	0.00	13,964.99
TOTAL TRANSMISSION:		<u>58,158,094.58</u>	<u>4,636,336.26</u>	<u>742,961.60</u>	<u>284,358.80</u>	<u>1,995.11</u>	<u>155.47</u>	<u>59,769,261.02</u>
DISTRIBUTION:								
Easements	360.2	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Structures and Improvements	361	2,123,641.45	260,783.03	26,674.25	8,576.42	0.00	(730.47)	2,348,423.34
Station Equipment	362	20,325,354.18	2,561,539.46	522,674.41	241,262.01	2,439.52	49,197.73	22,174,594.47
Poles, Towers & Fixtures	364	20,633,334.58	2,986,099.60	1,583,477.08	1,321,323.33	1,178,030.26	(16,140.04)	21,876,523.99
Overhead Conductors & Devices	365	25,717,387.27	2,547,286.71	724,715.33	775,754.37	546,516.46	13,606.27	27,324,327.01
Underground Conduit	366	490,892.94	20,667.00	0.00	0.00	0.00	0.00	511,259.94
Underground Conductors & Devices	367	8,055,925.52	935,576.66	141,688.59	25,910.18	4,162.06	1,176.86	8,829,242.33
Line Transformers	368	33,021,877.29	5,209,122.57	1,387,275.90	647,875.44	112,017.40	4,559.36	36,312,425.28
Services:								
- Overhead	369.1	13,270,656.83	1,360,187.63	374,403.44	2,770.14	0.00	0.00	14,253,670.88
- Underground	369.2	2,442,229.75	481,225.95	77,509.50	631.13	1,128.57	0.00	2,846,443.64
- House Power Panel	369.3	4,996,950.26	252,247.11	284,801.01	0.00	0.00	0.00	4,964,396.36
Meters	370	9,308,207.96	758,893.62	273,176.88	32,786.27	28,142.59	706.20	9,789,987.22
Street Lighting & Signal Systems	373	4,536,716.34	1,643,014.90	715,563.92	85,115.52	26,461.78	1,205.70	5,406,719.28
TOTAL DISTRIBUTION:		<u>144,922,874.37</u>	<u>19,016,624.24</u>	<u>6,111,960.31</u>	<u>3,142,004.81</u>	<u>1,898,898.64</u>	<u>53,581.61</u>	<u>156,638,013.74</u>

GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
DECEMBER, 1994

Sheet 3 of 3

	Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage	Adjustments	Balance Close of Period
GENERAL PLANT:							
Structures and Improvements:							
- Corporate Office, 3rd Floor	390	0.00	0.00	0.00	0.00	0.00	0.00
- Other	390	11,568,033.15	1,105,080.80	1,890.46	5,397.07	0.00	12,666,026.42
Office Furniture & Equipment:							
- Computer, 5 Year	391	1,854,323.34	901,206.47	1,732,993.03	0.00	0.00	1,022,536.78
- Non-Computer, 7 Year	391	8,339,546.80	1,484,898.79	7,697,488.39	0.00	0.00	2,126,957.20
Transportation Equipment:							
- Automobiles	392.1	850,091.88	136,953.24	105,925.95	0.00	31,702.78	912,821.75
- Light Trucks	392.2	1,241,457.85	523,984.40	108,196.24	0.00	27,467.01	1,684,713.02
- Heavy Trucks	392.3	3,901,662.86	1,085,557.74	1,686,569.44	0.00	395,055.08	3,695,706.24
- Trailers	392.4	258,158.59	35,833.06	38,150.07	0.00	4,985.00	260,826.58
- Marine, 5 Year	392	5,915.98	6,227.90	12,143.88	0.00	0.00	0.00
Stores Equipment:							
- Other	393	760,397.41	82,376.90	80,977.50	0.00	18,200.00	779,996.81
- 7 Year	393	889,550.81	132,675.23	952,924.73	0.00	0.00	69,301.31
Tools Shop & Garage Equipment:							
- Other	394	169,481.57	33,554.73	54,216.81	98,018.67	0.00	50,800.82
- 7 Year	394	1,611,293.85	313,065.34	1,762,763.09	0.00	0.00	161,596.10
Laboratory Equipment:							
- Other	395	139,872.38	33,240.00	0.00	0.00	0.00	173,112.38
- 7 Year	395	1,866,708.52	458,577.70	1,954,913.67	0.00	0.00	370,372.55
Power Operated Equipment	396	222,169.31	12,066.91	19,445.98	0.00	2,500.00	217,290.24
Communication Equipment:							
- Other	397	2,612,529.12	350,947.53	216,134.80	296.88	1,550.00	2,748,594.97
- 7 Year	397	1,862,303.20	351,012.20	1,853,457.21	0.00	0.00	369,858.19
Miscellaneous Equipment - 7 Year	398	1,986,944.83	353,790.29	1,890,147.19	0.00	0.00	450,567.93
TOTAL GENERAL:		<u>40,140,441.25</u>	<u>7,401,049.23</u>	<u>20,168,138.44</u>	<u>103,712.62</u>	<u>481,459.67</u>	<u>27,751,099.29</u>
JDIC FPSC 1984 Rate Case - Transmission		161,752.71	(161,752.71)	0.00	0.00	0.00	0.00
JDIC FPSC 1984 Rate Case - Distribution		422,394.00	(422,394.00)	0.00	0.00	0.00	0.00
JDIC FPSC 1984 Rate Case - General		31,530.78	(31,530.78)	0.00	0.00	0.00	0.00
TOTAL JDIC FPSC 1984 RATE CASE:		<u>615,677.49</u>	<u>(615,677.49)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL ELECTRIC PLANT-IN-SERVICE:		<u>610,542,455.13</u>	<u>60,831,022.31</u>	<u>47,600,984.83</u>	<u>6,798,869.02</u>	<u>2,495,702.72</u>	<u>622,911,146.39</u>



GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
DECEMBER, 1995

Sheet 1 of 3

	Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage	Adjustments	Balance Close of Period
STEAM PRODUCTION:							
DANIEL PLANT:							
Plant	79,107,239.82	5,079,771.21	2,535,419.35	227,566.22	21,275.88	0.00	81,445,301.34
Easements	36,783.04	1,465.68	0.00	0.00	0.00	0.00	38,248.72
Cooling Lake, 23 Year	5,536,147.22	366,860.56	0.00	0.00	0.00	0.00	5,923,007.78
Old Fly Ash Pond, 4 Year	(1,423,557.67)	542,132.00	0.00	40,438.45	0.00	0.00	(921,864.12)
Rail Track System	1,423,363.52	41,124.24	0.00	0.00	0.00	0.00	1,464,487.76
Dismantlement - Fixed	7,020,783.04	550,457.04	0.00	0.00	0.00	0.00	7,571,240.08
Total Daniel Plant:	91,700,758.97	6,601,810.73	2,535,419.35	268,004.67	21,275.88	0.00	95,520,421.56
CRIST PLANT:							
Plant	142,119,057.98	9,914,295.73	5,359,930.11	1,288,797.93	13,549.54	1,564,777.59	146,962,952.80
Easements	8,481.10	387.00	0.00	0.00	0.00	0.00	8,868.10
DOE Project, 2 Year	507,699.00	133,601.00	0.00	0.00	0.00	0.00	641,300.00
Unit 6 Old Precipitator, 4 Year	(1,333,887.29)	483,915.00	125,339.11	0.00	0.00	0.00	(975,311.40)
Base Coal, 5 Year	141,840.00	0.00	0.00	0.00	0.00	0.00	141,840.00
5 Year	72,852.19	45,966.96	732.60	0.00	0.00	0.00	118,086.55
7 Year	496,412.00	203,503.89	194,038.25	0.00	0.00	0.00	505,877.64
Dismantlement - Fixed	19,216,500.24	2,614,167.00	0.00	0.00	0.00	0.00	21,830,667.24
Total Crist Plant:	161,228,955.22	13,395,836.58	5,680,040.07	1,288,797.93	13,549.54	1,564,777.59	169,234,280.93
SCHOLZ PLANT:							
Plant	18,693,564.55	489,528.07	140,112.81	7,000.00	0.00	1,317.74	19,037,297.55
Base Coal, 5 Year	71,300.00	0.00	0.00	0.00	0.00	0.00	71,300.00
5 Year	23,307.46	15,166.65	0.00	0.00	0.00	0.00	38,474.11
7 Year	290,813.62	71,268.48	83,081.07	0.00	0.00	0.00	278,991.03
Dismantlement - Fixed	4,349,991.72	564,888.96	0.00	0.00	0.00	0.00	4,914,880.68
Total Scholz Plant:	23,428,977.35	1,140,842.16	223,193.88	7,000.00	0.00	1,317.74	24,340,943.37
SMITH PLANT:							
Plant	46,425,289.72	2,706,929.63	244,878.87	31,937.83	1,000.00	1,756.98	48,858,159.63
Base Coal, 5 Year	108,300.00	0.00	0.00	0.00	0.00	0.00	108,300.00
5 Year	55,260.54	29,024.98	255.53	0.00	0.00	0.00	84,029.99
7 Year	(76,309.48)	69,109.16	114,875.28	0.00	0.00	0.00	(122,075.60)
Dismantlement - Fixed	7,439,978.00	898,662.00	0.00	0.00	0.00	0.00	8,338,640.00
Total Smith Plant:	53,952,518.78	3,703,725.77	360,009.68	31,937.83	1,000.00	1,756.98	57,267,054.02
SCHERER PLANT:							
Plant	41,552,481.99	4,005,290.07	14,886.61	264.85	0.00	0.00	45,542,620.60
Dismantlement - Fixed	3,214,767.04	37,079.04	0.00	0.00	0.00	0.00	3,251,846.08
Total Scherer Plant:	44,767,249.03	4,042,369.11	14,886.61	264.85	0.00	0.00	48,794,466.68
TOTAL STEAM PRODUCTION:	375,078,459.35	28,884,584.35	8,813,549.59	1,596,005.28	35,825.42	1,567,852.31	395,157,166.56

GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
DECEMBER, 1995

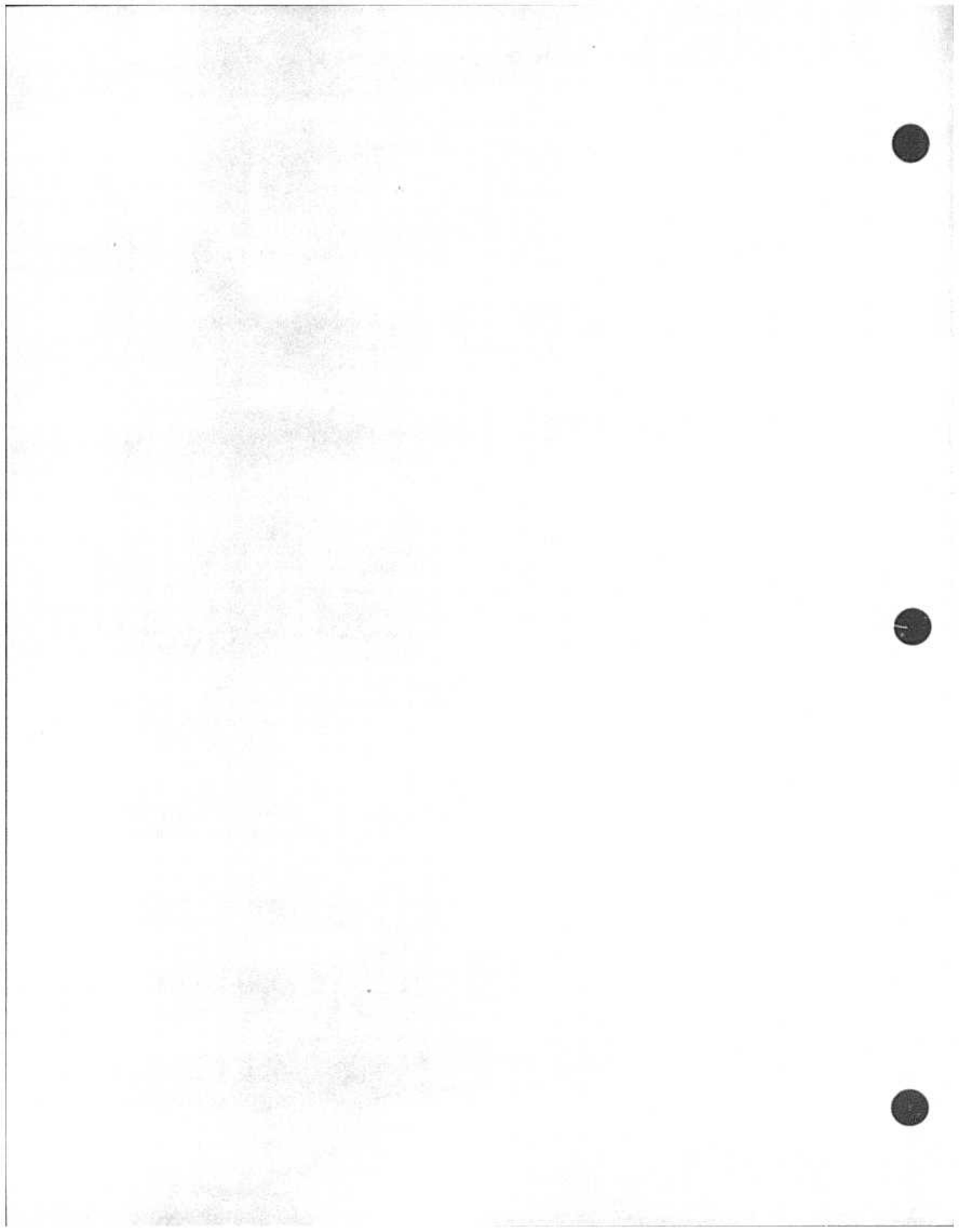
Sheet 2 of 3

		Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage	Adjustments	Balance Close of Period
OTHER PRODUCTION:								
Structures and Improvements	341	543,418.23	13,946.11	2,073.54	0.00	0.00	0.00	555,290.80
Fuel Holders and Accessories	342	15,921.87	5,666.52	0.00	(0.59)	0.00	0.00	203,588.98
Prime Movers	343	56,376.08	1,533.36	0.00	0.00	0.00	0.00	57,909.44
Generators	344	2,757,203.86	61,281.72	0.00	0.00	0.00	0.00	2,818,485.58
Accessory Electric Equipment	345	100,788.05	2,535.72	0.00	0.00	0.00	0.00	103,323.77
Miscellaneous Equipment	346	3,937.90	86.64	0.00	0.00	0.00	0.00	4,024.54
Smith C.T. Dismantlement - Fixed		14,667.00	14,667.00	0.00	0.00	0.00	0.00	29,334.00
TOTAL OTHER PRODUCTION:		<u>3,674,312.99</u>	<u>99,717.07</u>	<u>2,073.54</u>	<u>(0.59)</u>	<u>0.00</u>	<u>0.00</u>	<u>3,771,957.11</u>
TOTAL PRODUCTION:		<u>378,752,772.34</u>	<u>28,984,301.42</u>	<u>8,815,623.13</u>	<u>1,596,004.69</u>	<u>35,825.42</u>	<u>1,567,852.31</u>	<u>398,929,123.67</u>
TRANSMISSION:								
Easements	350.2	3,154,535.83	106,009.44	0.00	0.00	0.00	0.00	3,260,545.27
Structures and Improvements	352	1,069,536.33	115,250.81	4,194.00	1,079.30	0.00	0.00	1,179,513.84
Station Equipment	353	17,509,133.88	1,344,425.46	633,380.82	14,136.59	105,268.26	2,692.15	18,314,002.34
Towers and Fixtures	354	13,872,926.65	693,874.58	0.00	546.83	0.00	0.00	14,566,254.40
Poles and Fixtures	355	9,094,016.87	1,100,189.54	97,998.04	116,877.11	0.00	(21,795.16)	9,957,536.08
Overhead Conductors & Devices	356	13,787,116.76	954,453.31	95,314.42	53,383.99	0.00	29,834.56	14,622,706.22
Underground Conductors & Devices	358	1,268,029.71	381,107.64	0.00	0.00	0.00	0.00	1,649,137.35
Roads and Trails	359	13,954.99	730.56	0.00	0.00	0.00	0.00	14,695.55
TOTAL TRANSMISSION:		<u>59,769,261.02</u>	<u>4,696,041.34</u>	<u>830,887.28</u>	<u>186,023.82</u>	<u>105,268.26</u>	<u>10,731.53</u>	<u>63,564,391.05</u>
DISTRIBUTION:								
Easements	360.2	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Structures and Improvements	361	2,348,423.34	262,061.47	25,392.58	455.69	723.43	(587.44)	2,584,772.53
Station Equipment	362	22,174,594.47	2,611,213.50	598,512.20	41,218.93	43,305.06	6,033.14	24,195,415.04
Poles, Towers & Fixtures	364	21,876,523.99	3,122,928.29	1,953,792.62	1,383,841.33	1,053,678.86	(5,679.90)	22,708,817.29
Overhead Conductors & Devices	365	27,324,327.01	2,673,181.10	973,549.96	632,536.69	590,315.80	(70,765.20)	28,910,970.06
Underground Conduit	366	511,259.94	21,421.05	170.00	0.00	0.00	21,562.35	554,073.34
Underground Conductors & Devices	367	8,829,242.33	1,057,963.65	206,657.86	97,389.90	38,112.35	65,863.52	9,687,134.09
Line Transformers	368	36,312,425.28	5,474,374.68	2,539,857.92	982,748.25	204,291.47	23,553.35	38,492,038.61
Services:								
- Overhead	369.1	14,253,670.88	1,396,918.74	466,478.09	2,057.40	1,550.00	77,409.65	15,261,013.78
- Underground	369.2	2,846,443.64	521,607.41	81,505.27	600.65	3,579.13	(50,107.72)	3,239,416.54
- House Power Panel	369.3	4,954,396.36	240,734.42	313,033.67	0.00	0.00	0.00	4,892,097.11
Meters	370	9,789,987.22	787,944.89	199,107.32	25,948.14	4,777.23	(39,618.43)	10,318,035.45
Street Lighting & Signal Systems	373	5,406,719.28	1,764,323.73	620,344.10	157,281.54	51,508.55	5,942.05	6,450,867.97
TOTAL DISTRIBUTION:		<u>156,638,013.74</u>	<u>19,934,672.93</u>	<u>7,978,401.59</u>	<u>3,324,080.52</u>	<u>1,991,841.88</u>	<u>33,605.37</u>	<u>167,295,651.81</u>

GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
DECEMBER, 1995

Sheet 3 of 3

	Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage	Adjustments	Balance Close of Period
GENERAL PLANT:							
Structures and Improvements:							
- Corporate Office, 3rd Floor	390	0.00	0.00	0.00	0.00	0.00	0.00
- Other	390	12,666,026.42	1,137,098.07	168,287.06	11,121.04	39,837.56	13,863,553.95
Office Furniture & Equipment:							
- Computer, 5 Year	391	1,022,536.78	1,080,212.10	739,440.61	0.00	0.00	1,363,308.27
- Non-Computer, 7 Year	391	2,126,957.20	583,534.24	2,219,877.46	0.00	0.00	490,613.98
Transportation Equipment:							
- Automobiles	392.1	912,821.75	125,581.20	200,622.21	0.00	67,374.82	905,155.56
- Light Trucks	392.2	1,684,713.02	552,671.12	251,529.48	0.00	87,546.13	2,073,400.79
- Heavy Trucks	392.3	3,695,706.24	1,182,249.44	697,372.25	0.00	164,619.88	4,345,203.31
- Trailers	392.4	260,826.58	39,437.08	31,258.55	0.00	3,529.75	272,534.86
- Marine, 5 Year	392	0.00	5,654.66	0.00	0.00	0.00	5,654.66
Stores Equipment:							
- Other	393	779,996.81	80,180.10	0.00	0.00	0.00	860,176.91
- 7 Year	393	69,301.31	24,975.80	19,049.03	0.00	0.00	75,228.08
Tools Shop & Garage Equipment:							
- Other	394	50,800.82	38,954.75	0.00	(1,161.73)	0.00	90,917.30
- 7 Year	394	161,596.10	150,507.42	0.00	0.00	0.00	312,103.52
Laboratory Equipment:							
- Other	395	173,112.38	36,082.32	0.00	0.00	0.00	209,194.70
- 7 Year	395	370,372.55	242,348.51	222,760.89	0.00	0.00	389,960.17
Power Operated Equipment	396	217,290.24	11,750.88	0.00	0.00	0.00	229,041.12
Communication Equipment:							
- Other	397	2,748,594.97	388,533.73	42,306.43	658.48	171.90	3,094,335.69
- 7 Year	397	359,858.19	264,110.87	299,516.33	0.00	0.00	324,452.73
Miscellaneous Equipment - 7 Year	398	450,587.93	(138,105.92)	0.00	0.00	0.00	312,482.01
TOTAL GENERAL:		<u>27,751,099.29</u>	<u>5,805,776.37</u>	<u>4,892,020.30</u>	<u>10,617.79</u>	<u>362,908.14</u>	<u>29,017,317.61</u>
TOTAL ELECTRIC PLANT-IN-SERVICE:		<u>622,911,146.39</u>	<u>59,420,792.06</u>	<u>22,516,932.30</u>	<u>5,116,726.82</u>	<u>1,612,361.11</u>	<u>658,806,484.14</u>



GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
DECEMBER, 1996

Sheet 1 of 3

	Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage	Adjustments	Balance Close of Period
STEAM PRODUCTION:							
DANIEL PLANT:							
Plant	81,445,301.34	5,127,046.80	1,651,010.26	170,449.81	81,947.38	33,940.59	84,868,776.04
Easements	38,248.72	1,465.68	0.00	0.00	0.00	0.00	39,714.40
Cooling Lake, 23 Year	5,923,007.78	386,860.56	0.00	0.00	0.00	0.00	6,309,868.34
Old Fly Ash Pond, 4 Year	(921,864.12)	487,998.72	0.00	0.00	0.00	0.00	(433,865.40)
Rail Track System	1,484,487.76	41,124.24	0.00	0.00	0.00	0.00	1,505,612.00
Dismantlement - Fixed	7,571,240.08	550,457.04	0.00	0.00	0.00	0.00	8,121,697.12
Total Daniel Plant:	95,520,421.56	6,594,953.04	1,651,010.26	170,449.81	81,947.38	33,940.59	100,409,802.50
CRIST PLANT:							
Plant	146,962,952.80	10,104,875.78	7,610,459.54	1,196,331.06	53,850.00	0.00	148,314,887.98
Easements	8,868.10	387.00	0.00	0.00	0.00	0.00	9,255.10
DOE Project, 2 Year	641,300.00	(61,517.80)	543,857.92	35,924.28	0.00	0.00	(0.00)
Unit 6 Old Precipitator, 4 Year	(975,311.40)	486,115.40	0.00	0.00	0.00	0.00	(489,196.00)
Base Coal, 5 Year	141,840.00	0.00	0.00	0.00	0.00	0.00	141,840.00
5 Year	118,086.55	50,016.47	(12,264.86)	0.00	0.00	0.00	180,367.90
7 Year	505,877.84	185,853.13	220,797.49	0.00	0.00	0.00	470,733.28
Dismantlement - Fixed	21,830,667.24	2,614,167.00	0.00	0.00	0.00	0.00	24,444,834.24
Total Crist Plant:	169,234,280.93	13,379,896.98	8,362,850.07	1,232,255.34	53,850.00	0.00	173,072,722.50
SCHOLZ PLANT:							
Plant	19,037,297.55	491,449.01	52,246.14	0.00	0.00	0.00	19,476,500.42
Base Coal, 5 Year	71,300.00	0.00	0.00	0.00	0.00	0.00	71,300.00
5 Year	38,474.11	15,167.47	(12,018.88)	0.00	0.00	0.00	65,660.46
7 Year	278,991.03	58,400.79	218,892.78	0.00	0.00	0.00	118,499.04
Dismantlement - Fixed	4,914,880.68	564,888.96	0.00	0.00	0.00	0.00	5,479,769.64
Total Scholz Plant:	24,340,943.37	1,129,906.23	259,120.04	0.00	0.00	0.00	25,211,729.58
SMITH PLANT:							
Plant	48,858,159.63	2,778,541.88	141,858.14	37,853.91	0.00	0.00	51,456,989.46
Base Coal, 5 Year	108,300.00	0.00	0.00	0.00	0.00	0.00	108,300.00
5 Year	84,029.99	28,974.60	13,474.22	0.00	0.00	0.00	99,530.37
7 Year	(122,075.60)	74,143.50	(318,661.38)	0.00	0.00	0.00	270,729.28
Dismantlement - Fixed	8,338,640.00	898,652.00	0.00	0.00	0.00	0.00	9,237,302.00
Total Smith Plant:	57,267,054.02	3,780,321.98	(163,329.02)	37,853.91	0.00	0.00	61,172,851.11
SCHERER PLANT:							
Plant	45,542,620.60	4,012,337.76	162,919.74	956.92	80,873.22	0.00	49,471,954.92
Dismantlement - Fixed	3,251,846.08	37,079.04	0.00	0.00	0.00	0.00	3,288,925.12
Total Scherer Plant:	48,794,466.68	4,049,416.80	162,919.74	956.92	80,873.22	0.00	52,760,880.04
TOTAL STEAM PRODUCTION:	395,157,166.56	28,934,295.03	10,272,571.09	1,441,515.98	216,670.60	33,940.59	412,627,985.71

GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
DECEMBER, 1996

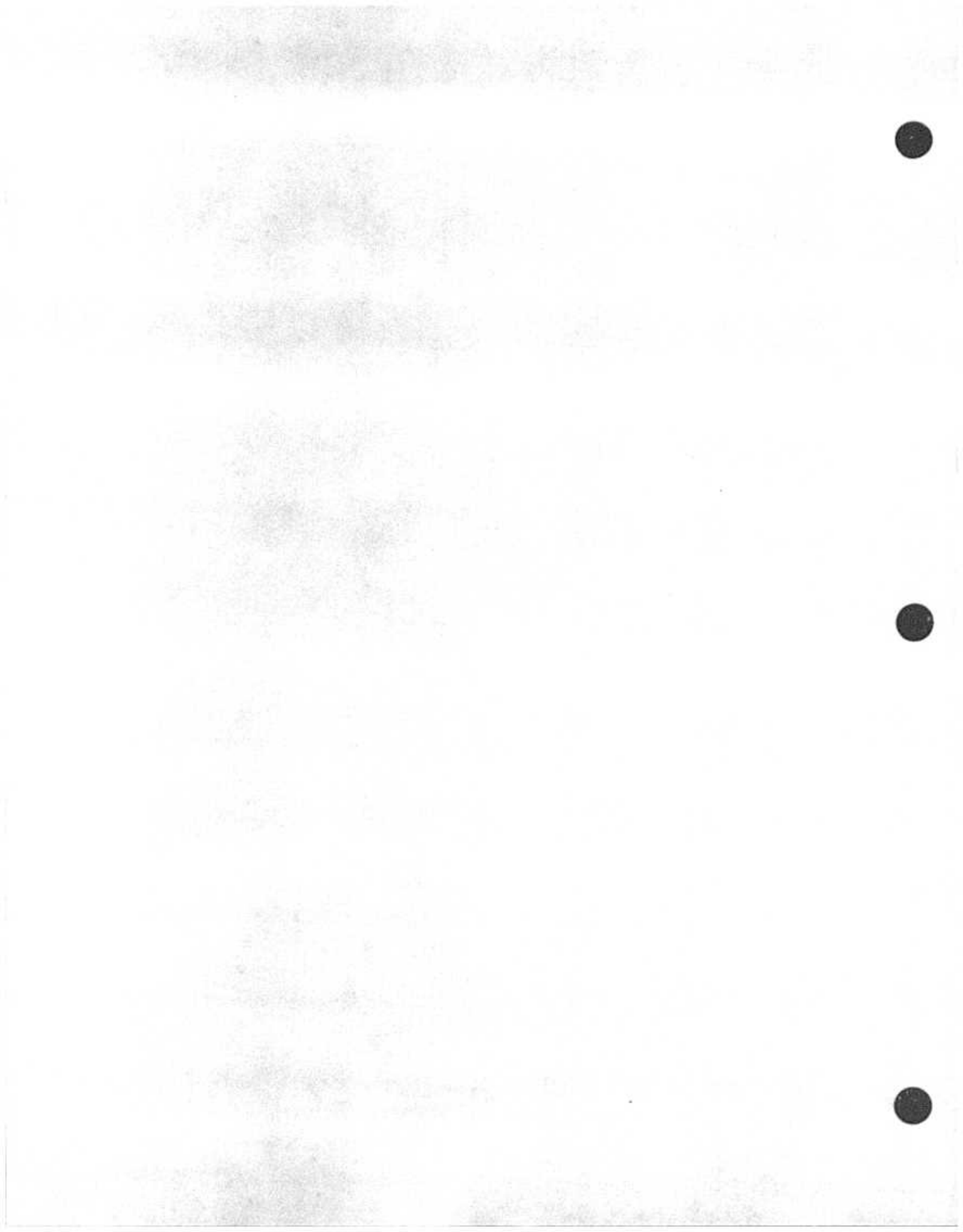
Sheet 2 of 3

		Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage	Adjustments	Balance Close of Period
OTHER PRODUCTION:								
Structures and Improvements	341	555,290.80	13,938.12	0.00	0.00	0.00	0.00	569,228.92
Fuel Holders and Accessories	342	203,588.98	5,666.52	0.00	0.03	0.00	0.00	209,255.47
Prime Movers	343	57,909.44	1,533.36	0.00	0.00	0.00	0.00	59,442.80
Generators	344	2,818,485.58	61,281.72	0.00	0.00	0.00	0.00	2,879,767.30
Accessory Electric Equipment	345	103,323.77	2,535.72	0.00	0.00	0.00	0.00	105,859.49
Miscellaneous Equipment	346	4,024.54	86.64	0.00	0.00	0.00	0.00	4,111.18
Smith C.T. Dismantlement - Fixed		29,334.00	14,667.00	0.00	0.00	0.00	0.00	44,001.00
TOTAL OTHER PRODUCTION:		<u>3,771,957.11</u>	<u>99,709.08</u>	<u>0.00</u>	<u>0.03</u>	<u>0.00</u>	<u>0.00</u>	<u>3,871,666.16</u>
TOTAL PRODUCTION:		<u>398,929,123.67</u>	<u>29,034,004.11</u>	<u>10,272,571.09</u>	<u>1,441,516.01</u>	<u>216,670.60</u>	<u>33,940.59</u>	<u>416,499,651.87</u>
TRANSMISSION:								
Easements	350.2	3,260,545.27	107,037.03	0.00	0.00	0.00	0.00	3,367,582.30
Structures and Improvements	352	1,179,513.84	115,375.69	6,619.52	176.18	0.00	0.00	1,288,093.83
Station Equipment	353	18,314,002.34	1,407,997.08	80,399.12	8,659.89	23,930.07	(63,126.58)	19,593,743.90
Towers and Fixtures	354	14,566,254.40	692,568.00	50,382.65	(3.45)	0.00	(10,692.44)	15,197,750.76
Poles and Fixtures	355	9,957,536.08	1,104,637.55	1,664,590.13	76,421.19	0.00	116,744.42	9,437,906.73
Overhead Conductors & Devices	356	14,622,706.22	958,764.21	768,897.79	59,234.92	0.00	13,788.38	14,767,126.10
Underground Conductors & Devices	358	1,649,137.35	381,100.76	0.00	0.00	0.00	(64.90)	2,030,173.21
Roads and Trails	359	14,695.55	730.56	0.00	0.00	0.00	0.00	15,426.11
TOTAL TRANSMISSION:		<u>63,564,391.05</u>	<u>4,768,210.88</u>	<u>2,570,889.21</u>	<u>144,488.73</u>	<u>23,930.07</u>	<u>56,648.88</u>	<u>65,697,802.94</u>
DISTRIBUTION:								
Easements	360.2	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Structures and Improvements	361	2,584,772.53	265,084.47	6,620.53	1,461.86	0.00	0.00	2,841,774.61
Station Equipment	362	24,195,415.04	2,682,679.80	494,355.95	28,893.94	0.00	125,087.05	26,479,932.00
Poles, Towers & Fixtures	364	22,709,817.29	3,272,564.58	1,854,245.87	1,003,655.03	603,049.98	(22,819.09)	23,704,711.84
Overhead Conductors & Devices	365	28,910,970.06	2,802,349.45	1,419,208.82	220,411.38	661,311.69	(156,167.59)	30,578,843.41
Underground Conduit	366	554,073.34	22,629.78	0.00	0.00	0.00	(1,267.81)	575,435.31
Underground Conductors & Devices	367	9,687,134.09	1,212,975.35	165,153.63	23,577.57	58,246.48	224,905.67	10,994,530.39
Line Transformers	368	38,492,038.61	5,740,673.34	1,875,974.06	573,200.93	123,915.38	(34,028.15)	41,873,424.19
Services:								
- Overhead	369.1	15,261,013.78	1,429,407.13	258,425.86	2,931.85	0.00	0.00	16,429,063.20
- Underground	369.2	3,239,416.54	548,221.12	59,321.57	7,748.49	4,131.29	(50,426.96)	3,672,271.93
- House Power Panel	369.3	4,892,097.11	230,759.73	340,632.81	0.00	0.00	0.00	4,782,224.03
Meters	370	10,318,035.45	820,498.14	250,796.62	22,764.84	7,805.40	98.84	10,872,874.57
Street Lighting & Signal Systems	373	6,450,867.97	1,944,973.87	604,115.12	95,612.85	90,955.39	5,226.80	7,792,296.06
TOTAL DISTRIBUTION:		<u>167,295,651.81</u>	<u>20,970,816.76</u>	<u>7,328,850.84</u>	<u>1,980,258.54</u>	<u>1,549,415.59</u>	<u>90,606.76</u>	<u>180,597,381.54</u>

GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
DECEMBER, 1996

Sheet 3 of 3

		Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage	Adjustments	Balance Close of Period
GENERAL PLANT:								
Structures and Improvements:								
- Corporate Office, 3rd Floor	390	0.00	0.00	0.00	0.00	0.00	0.00	0.00
- Other	390	13,663,553.95	1,123,594.60	310,395.83	2,462.28	54,469.04	0.00	14,528,759.48
Office Furniture & Equipment:								
- Computer, 5 Year	391	1,363,308.27	1,230,542.89	632,923.19	0.00	0.00	0.00	1,960,922.97
- Non-Computer, 7 Year	391	490,613.98	281,570.01	402,961.71	0.00	0.00	0.00	369,202.28
Transportation Equipment:								
- Automobiles	392.1	905,155.56	85,050.21	859,434.72	0.00	283,116.04	0.00	413,887.09
- Light Trucks	392.2	2,073,400.79	561,515.47	603,821.63	0.00	78,430.76	0.00	2,109,525.39
- Heavy Trucks	392.3	4,345,203.31	1,209,604.09	1,261,197.62	0.00	267,892.99	0.00	4,561,502.77
- Trailers	392.4	272,534.86	39,761.17	38,243.99	0.00	5,921.28	0.00	279,973.32
- Marine, 5 Year	392	5,654.66	31,391.40	0.00	0.00	0.00	0.00	37,046.06
Stores Equipment:								
- Other	393	860,176.91	83,055.80	0.00	0.00	0.00	0.00	943,232.71
- 7 Year	393	75,228.08	26,159.80	0.00	0.00	0.00	0.00	101,387.88
Tools Shop & Garage Equipment:								
- Other	394	90,917.30	38,930.51	13,796.45	7,370.22	0.00	0.00	108,681.14
- 7 Year	394	312,103.52	198,192.88	47,771.04	0.00	0.00	0.00	462,525.36
Laboratory Equipment:								
- Other	395	209,194.70	37,252.68	0.00	0.00	0.00	0.00	246,447.38
- 7 Year	395	389,960.17	232,263.98	189,544.87	0.00	0.00	0.00	432,679.28
Power Operated Equipment	396	229,041.12	11,750.88	0.00	0.00	0.00	0.00	240,792.00
Communication Equipment:								
- Other	397	3,094,335.69	501,677.56	40,502.62	2,172.94	1,425.00	0.00	3,554,762.69
- 7 Year	397	324,452.73	335,347.38	27,509.95	0.00	0.00	0.00	632,290.16
Miscellaneous Equipment - 7 Year	398	312,482.01	299,950.56	146,192.88	0.00	0.00	0.00	468,239.69
TOTAL GENERAL:		<u>29,017,317.61</u>	<u>6,327,611.87</u>	<u>4,574,321.50</u>	<u>12,005.44</u>	<u>691,255.11</u>	<u>0.00</u>	<u>31,449,857.65</u>
TOTAL ELECTRIC PLANT-IN-SERVICE:		<u>658,606,484.14</u>	<u>61,100,643.62</u>	<u>24,746,632.64</u>	<u>3,578,268.72</u>	<u>2,481,271.37</u>	<u>181,196.23</u>	<u>694,244,694.00</u>



GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
PROJECTED IN THOUSANDS: DECEMBER, 1997

Sheet 1 of 3

	Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage	Adjustments	Balance Close of Period
STEAM PRODUCTION:							
DANIEL PLANT:							
Plant	84,867	5,148	79	13	80	0	90,003
Essements	40	1	0	0	0	0	41
Cooling Lake, 23 Year	8,310	387	0	0	0	0	6,697
Old Fly Ash Pond, 4 Year	(434)	434	0	0	0	0	0
Rail Track System	1,505	41	0	0	0	0	1,546
Dismantlement - Fixed	8,122	550	0	0	0	0	8,672
Total Daniel Plant:	100,410	6,561	79	13	80	0	106,959
CRIST PLANT:							
Plant	148,315	10,401	258	15	0	0	158,443
Essements	9	0	0	0	0	0	9
DOE Project, 2 Year	0	0	0	0	0	0	0
Unit 6 Old Precipitator, 4 Year	(489)	489	0	0	0	0	0
Base Coal, 5 Year	142	0	0	0	0	0	142
5 Year	180	53	175	0	0	0	58
7 Year	470	158	87	0	0	0	541
Dismantlement - Fixed	24,445	2,614	0	0	0	0	27,059
Total Crist Plant:	173,072	13,715	520	15	0	0	186,252
SCHOLZ PLANT:							
Plant	19,477	493	48	0	0	0	19,922
Base Coal, 5 Year	71	0	0	0	0	0	71
5 Year	66	18	70	0	0	0	14
7 Year	118	30	31	0	0	0	117
Dismantlement - Fixed	5,480	565	0	0	0	0	6,045
Total Scholz Plant:	25,212	1,106	149	0	0	0	26,169
SMITH PLANT:							
Plant	51,457	2,852	126	5	0	0	54,178
Base Coal, 5 Year	108	0	0	0	0	0	108
5 Year	100	26	112	0	0	0	14
7 Year	271	92	113	0	0	0	250
Dismantlement - Fixed	9,237	899	0	0	0	0	10,136
Total Smith Plant:	61,173	3,869	351	5	0	0	64,886
SCHERER PLANT:							
Plant	49,472	4,015	50	12	1	0	53,426
Dismantlement - Fixed	3,289	37	0	0	0	0	3,326
Total Scherer Plant:	52,761	4,052	50	12	1	0	56,752
TOTAL STEAM PRODUCTION:	412,628	29,303	1,149	45	81	0	440,818

GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
PROJECTED IN THOUSANDS: DECEMBER, 1997

Sheet 2 of 3

	Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage	Adjustments	Balance Close of Period
OTHER PRODUCTION:							
Structures and Improvements	341	569	14	0	0	0	583
Fuel Holders and Accessories	342	209	6	0	0	0	215
Prime Movers	343	60	2	0	0	0	62
Generators	344	2,880	61	0	0	0	2,941
Accessory Electric Equipment	345	106	3	0	0	0	109
Miscellaneous Equipment	346	4	0	0	0	0	4
Smith C.T. Dismantlement - Fixed		44	15	0	0	0	59
TOTAL OTHER PRODUCTION:		<u>3,872</u>	<u>101</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,973</u>
TOTAL PRODUCTION:		<u>416,500</u>	<u>23,404</u>	<u>1,149</u>	<u>45</u>	<u>81</u>	<u>444,791</u>
TRANSMISSION:							
Easements	350.2	3,368	114	0	0	0	3,482
Structures and Improvements	352	1,288	120	230	14	2	1,166
Station Equipment	353	19,594	1,475	418	185	21	20,487
Towers and Fixtures	354	15,198	691	0	0	0	15,889
Poles and Fixtures	355	9,438	1,106	60	3	0	10,481
Overhead Conductors & Devices	356	14,767	959	0	0	0	15,726
Underground Conductors & Devices	358	2,030	381	0	0	0	2,411
Roads and Trails	359	15	1	0	0	0	16
TOTAL TRANSMISSION:		<u>65,698</u>	<u>4,847</u>	<u>708</u>	<u>202</u>	<u>23</u>	<u>69,658</u>
DISTRIBUTION:							
Easements	360.2	0	0	0	0	0	0
Structures and Improvements	361	2,842	266	0	0	0	3,108
Station Equipment	362	26,480	2,800	461	28	5	28,796
Poles, Towers & Fixtures	364	23,705	3,466	1,226	898	502	25,549
Overhead Conductors & Devices	365	30,579	2,884	1,135	715	475	32,088
Underground Conduit	366	575	23	0	0	0	598
Underground Conductors & Devices	367	10,995	1,366	400	120	32	11,893
Line Transformers	368	41,873	6,008	1,676	706	297	45,796
Services:							
- Overhead	369.1	16,429	1,492	137	30	14	17,768
- Underground	369.2	3,672	573	62	14	7	4,178
- House Power Panel	369.3	4,782	215	366	0	0	4,631
Meters	370	10,873	940	180	37	4	11,600
Street Lighting & Signal Systems	373	7,792	2,175	666	342	256	9,215
TOTAL DISTRIBUTION:		<u>180,597</u>	<u>22,228</u>	<u>6,309</u>	<u>2,890</u>	<u>1,592</u>	<u>195,218</u>

GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
PROJECTED IN THOUSANDS: DECEMBER, 1997

Sheet 3 of 3

	Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage	Adjustments	Balance Close of Period
GENERAL PLANT:							
Structures and Improvements:							
- Corporate Office, 3rd Floor	390	0	0	0	0	0	0
- Other	390	14,529	1,129	0	0	0	15,658
Office Furniture & Equipment:							
- Computer, 5 Year	391	1,961	1,207	558	0	0	2,610
- Non-Computer, 7 Year	391	369	234	496	0	0	107
Transportation Equipment:							
- Automobiles	392.1	414	4	156	0	15	277
- Light Trucks	392.2	2,110	543	313	0	67	2,407
- Heavy Trucks	392.3	4,561	1,241	1,025	0	220	4,997
- Trailers	392.4	280	40	62	0	13	271
- Marine, 5 Year	392	37	33	0	0	0	70
Stores Equipment:							
- Other	393	843	85	0	0	(1,028)	0
- 7 Year	393	101	26	1,252	0	1,028	(97)
Tools Shop & Garage Equipment:							
- Other	394	109	39	0	0	(148)	0
- 7 Year	394	463	198	669	0	148	140
Laboratory Equipment:							
- Other	395	246	39	0	0	(265)	0
- 7 Year	395	433	224	221	0	265	721
Power Operated Equipment	396	241	12	0	0	0	253
Communication Equipment:							
- Other	397	3,555	539	2,231	25	15	1,853
- 7 Year	397	632	346	103	0	0	875
Miscellaneous Equipment - 7 Year	398	466	303	32	0	0	737
TOTAL GENERAL:	<u>31,450</u>	<u>6,242</u>	<u>7,118</u>	<u>25</u>	<u>330</u>	<u>0</u>	<u>30,879</u>
TOTAL ELECTRIC PLANT-IN-SERVICE:	<u>694,245</u>	<u>62,721</u>	<u>15,284</u>	<u>3,162</u>	<u>2,026</u>	<u>0</u>	<u>740,546</u>

