amount of future coal generation to continue to become more uncertain. In addition, weather and economic conditions will continue to impact future coal burn requirements.

REDACTED

[redacted]

[redacted]

[redacted]

Pricing Risk and Strategy

Competing for energy market share with other utilities and power marketers requires competitive energy pricing. Because more than 50 percent of the cost

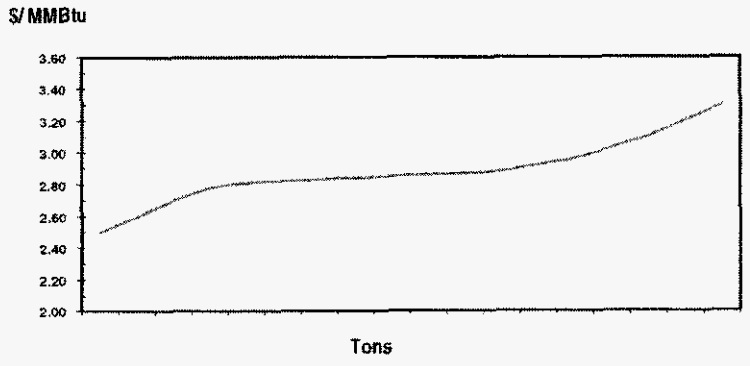
for coal-fired generation is fuel, competitively priced coal supplies should be maintained.

The objective is to have a portfolio of long-term contracts and spot coal supplies that provide pricing at or below market at any given point in time.
Where negotiations allow, mechanisms to achieve this objective include:

[redacted]

Due to the size of our system, the volume of purchases made at a particular time can impact the market. Ranking bid proposals in order of least cost and cumulative volume produces a price curve similar to the following:

Fuel Price Curve



[redacted]

[redacted]

Diversity of Supply Risk and Strategy

There is a risk in relying on one or two large producers from a single region to meet supply needs. Also, having the ability to burn coal from various regions will decrease the availability risk associated with lack of supply in a particular region. Diversifying will also keep the competition strong among the suppliers.

Close involvement with plant personnel will be required to actively pursue alternate sources, including testing and plant modifications if required.

[redacted]

Reliability Risk and Strategy

When a supply and demand imbalance occurs in the coal industry, reliability of supply poses a risk. Securing business with producers that have performed well during times of unreliable supply can mitigate that risk. Also, in addition to an economic evaluation, technical and financial evaluations of suppliers are now a required part of the coal procurement process.

[redacted]

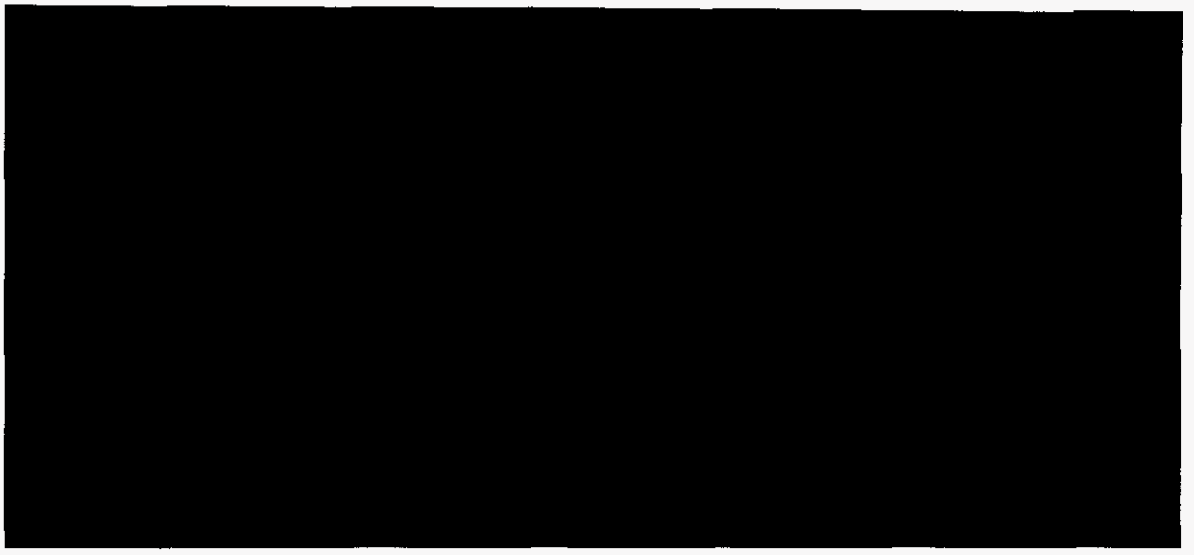
[redacted]

[redacted]

Environmental Risk and Strategy

When procuring coal for a term greater than 12 months, a major risk factor is the potential impact from future changes in environmental laws and regulations that may render the burning of coal as non-economic to our system.

[redacted]



Strategic Plan

As mentioned above, when procuring coal for Gulf, the Crist and Smith plants will be grouped together because of their common supply source and transportation mode. Diversity of supply and flexibility will be important aspects of their fuel supply strategy.

On the other hand, Scholz can burn similar quality coals, but its transportation mode differs because it is rail served. The co-owned plants, Daniel and Scherer, will be treated individually.

Crist – In 2011, Crist will be served by Marquette Barge Company. Crist burns between 1.5 and 2.5 million tons of coal a year and must comply with a state SO2 emission limit of 2.1 lbs SO2/MMBTU. For the past several years, Crist has burned low sulfur Illinois Basin coal from the Galatia mine. Crist can also burn Colombian import coals, as well as coals from Colorado, Utah and the Central Appalachian regions. Crist is considered an intermediate coal plant with a projected capacity factor of greater than 60 percent.

Smith – In 2011, Smith will also be served by Marquette Barge Company. It burns between 500,000 and 1 million tons of coal a year and must comply with the state SO2 emission limit of 2.1 lbs SO2/MMBTU. Smith can burn a variety of

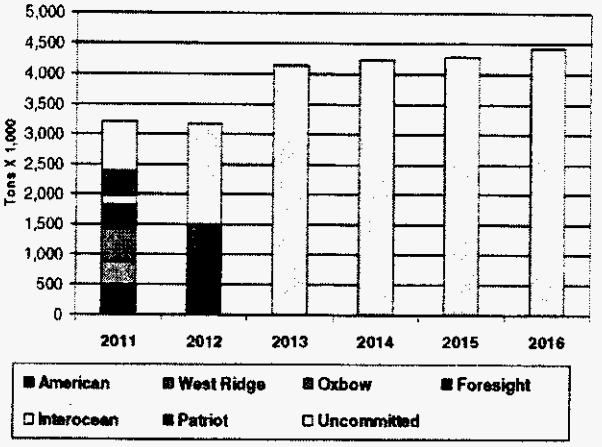
[redacted]

Tactical Plan

Crist and Smith

The chart below shows a breakdown of the current Crist and Smith suppliers and volume commitments, including options, through 2016.

Gulf Power Company – Crist & Smith
Fuel Program Status - Supplier Breakdown



Sources: 2011 & 2012 – GPIF Burn File
2013 Forward – July 2010 Burn Update

The strategy for the intermediate plants is to have a certain percentage of firm commitments established for the next several years. [redacted]

[redacted]

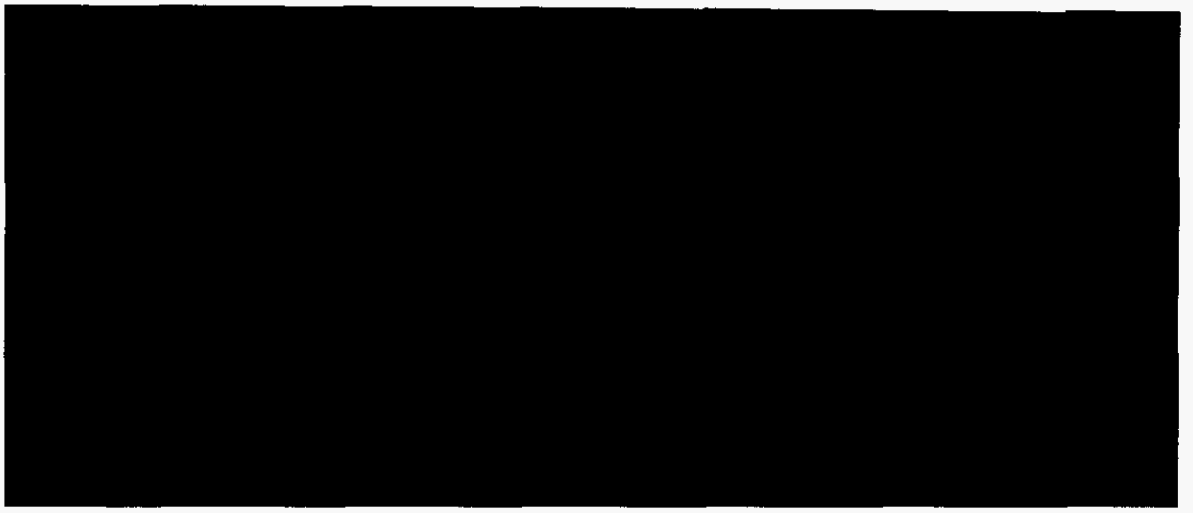
[redacted]

In recent years, Crist and Smith have undertaken a plan to blend Illinois Basin coal with Colombian coal in order to take advantage of an increased Btu content and decreased sulfur content of a blended coal. This practice of blending Illinois Basin coal with Colombian coal is scheduled to continue through mid-2011. However, beginning in 2011, this plan will change to an Illinois Basin - Central Appalachian coal blend or an Illinois Basin - Colorado/Utah coal blend as the Interocean contract is due to expire on May 31, 2011.

Both Crist and Smith's portfolio currently includes coals from other supply regions such as the Central Appalachian region and the Western bituminous regions of Colorado and Utah. These coals are being delivered by rail to the Alabama State Docks (ASD) in Mobile, Alabama.

In 2009, the ASD upgraded the rail unloading facility at the Bulk Terminal to allow for an increase in volume of rail coal at this facility. Shipments can also be delivered to various ports along the Mississippi River and transloaded into barges for ultimate delivery to Crist and Smith.

Crist and Smith have an uncommitted need of approximately 815,000 tons in 2011. The plan is to issue a spot coal solicitation in the fourth quarter of 2010 to fulfill a portion or, depending on pricing, all of this uncommitted need. Beginning in 2012, Crist and Smith have a combined uncommitted need of approximately 1.7 million tons. This uncommitted need increases to approximately 4.0 million tons for years 2013 through 2016. The plan will be to issue a long-term solicitation in the second quarter of 2011 to fulfill percentages of firm commitments that conform to Gulf's long-term procurement strategy through 2016



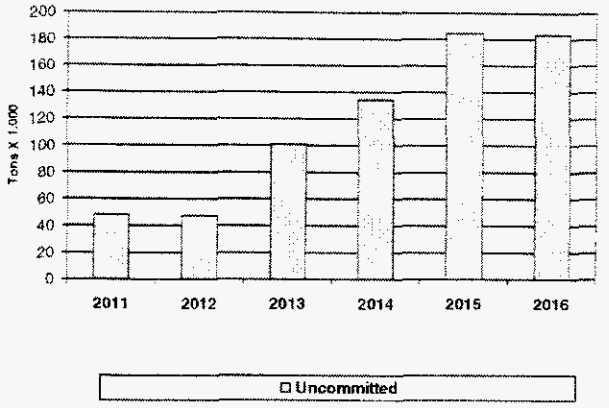
As mentioned above, Illinois Basin and Central Appalachian coals must be blended on a 50/50 basis before delivery to Crist and Smith. This is currently accomplished by railing both coals to the ASD, blending them for transloading into barges. This blending process could be performed at other off-site locations as economics permit.

Western bituminous coals can either be railed direct to ASD and transloaded into barges or railed to the Mississippi River and transloaded into barges for ultimate delivery to Crist and Smith. Currently, no transportation infrastructure improvements will be necessary for the movement of these coals to Gulf's plants. At this time, it is unknown whether the plant will need some time to acquire additional equipment for burning large volumes of the Illinois Basin coals.

Scholz

The chart below shows a breakdown of the current Scholz suppliers and volume commitment, including options, through 2016.

Gulf Power Company – Scholz
Fuel Program Status - Supplier Breakdown



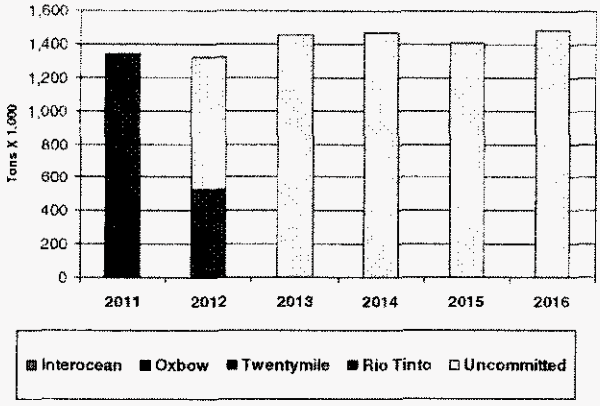
Sources: 2011 & 2012 – GPIF Burn File
2013 Forward – July 2010 Burn Update

As mentioned previously, Scholz is served by the CSX Railroad. Scholz's burn is projected to be 48,000 tons in 2011. These short-term requirements at Scholz will be satisfied with existing coal inventory on the ground at the plant. [redacted] Because Scholz is a peaking plant, its fuel supply will be based on limited-term, firm commitments and/or spot purchases depending on burn projections. Contract commitment terms will be two years or less. If commitments are made for more than 50 percent of projected burn requirements, the contract will match the maximum annual tonnage purchased to the plant burn requirements.

Daniel

The chart below shows a breakdown of the current Daniel suppliers and volume commitments, including options, through 2016.

Gulf Power Company – Daniel
Fuel Program Status - Supplier Breakdown



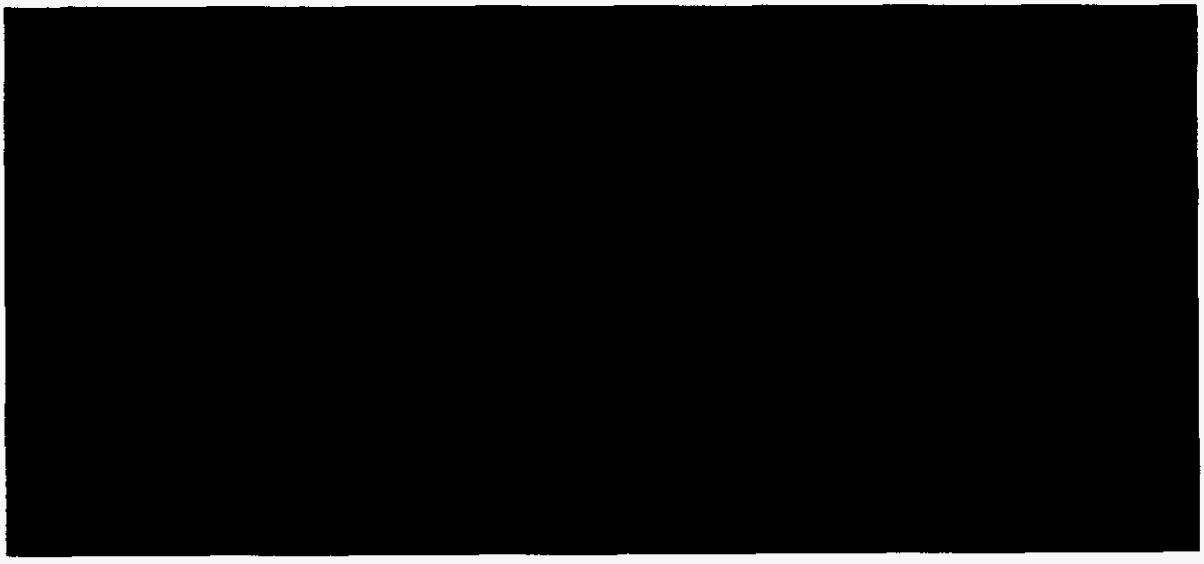
Sources: 2011 & 2012 – GPIF Burn File
2013 Forward – July 2010 Burn Update

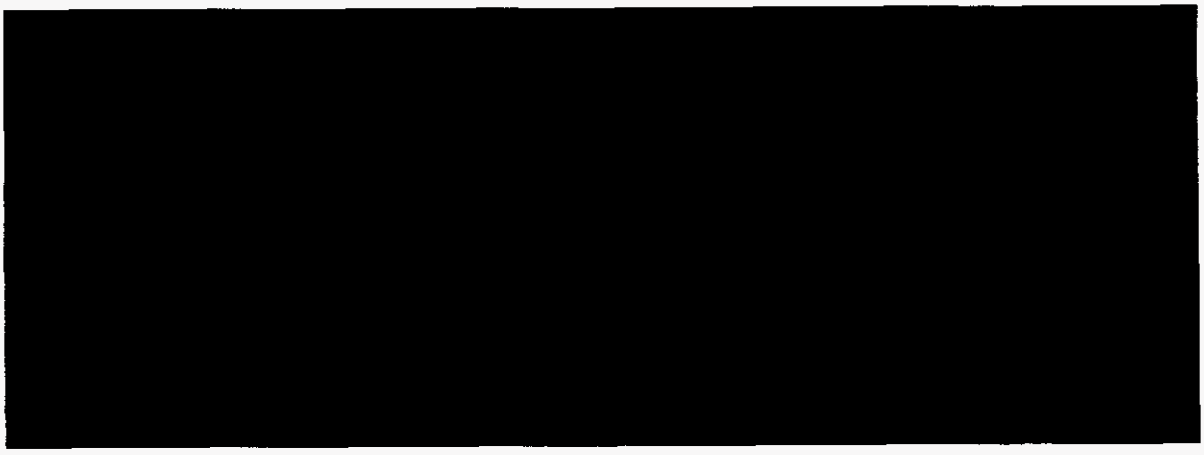
As mentioned earlier, the strategy for intermediate plants is to have a certain percentage of firm commitments established for the next several years. [redacted]

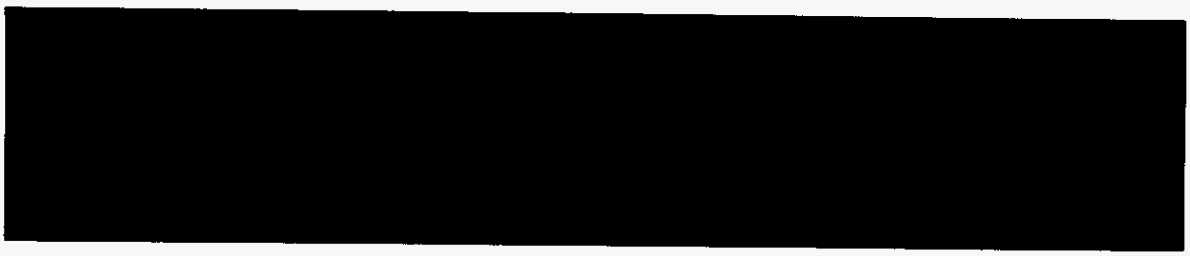
In 2011 (year one), Daniel is 100 percent committed based on current burn projections, 40 percent committed in year two and has no committed coal in years three and four. A long-term solicitation will be issued in 2011 for up to a four-year term (2012 to 2015) covering the requisite committed percentages for those years. These contracts will be negotiated using the strategies mentioned above.

For 2011 and forward, the tactical plan consists of continuing to diversify Daniel's coal supply into two or three regions with one supplier having no more than 30 percent of the plant's commitment. Daniel's portfolio has diversified its coal supply by taking coal from Colorado, import and PRB regions. For 2011, Daniel has committed to approximately two-thirds Colorado coal and one-third PRB

Both Illinois Basin and Central Appalachian coals can be railed directly to Daniel, although some infrastructure improvements would be necessary. At this time, it is uncertain if the plant will need some time to acquire additional plant equipment necessary for burning Illinois Basin coals. The procurement group will need to be cognizant of the environmental controls placed on the units and ensure that the coals purchased will meet the environmental requirements.







for shipment to the plant by the CN and interchange with the MSE. Daniel can also receive Central Appalachian coal via the CSXT and interchange with the MSE. Another potential source of Central Appalachian coal is via the NS railroad through an interchange agreement with the CN railroad. Currently, Daniel receives Colorado, PRB, and import coal.

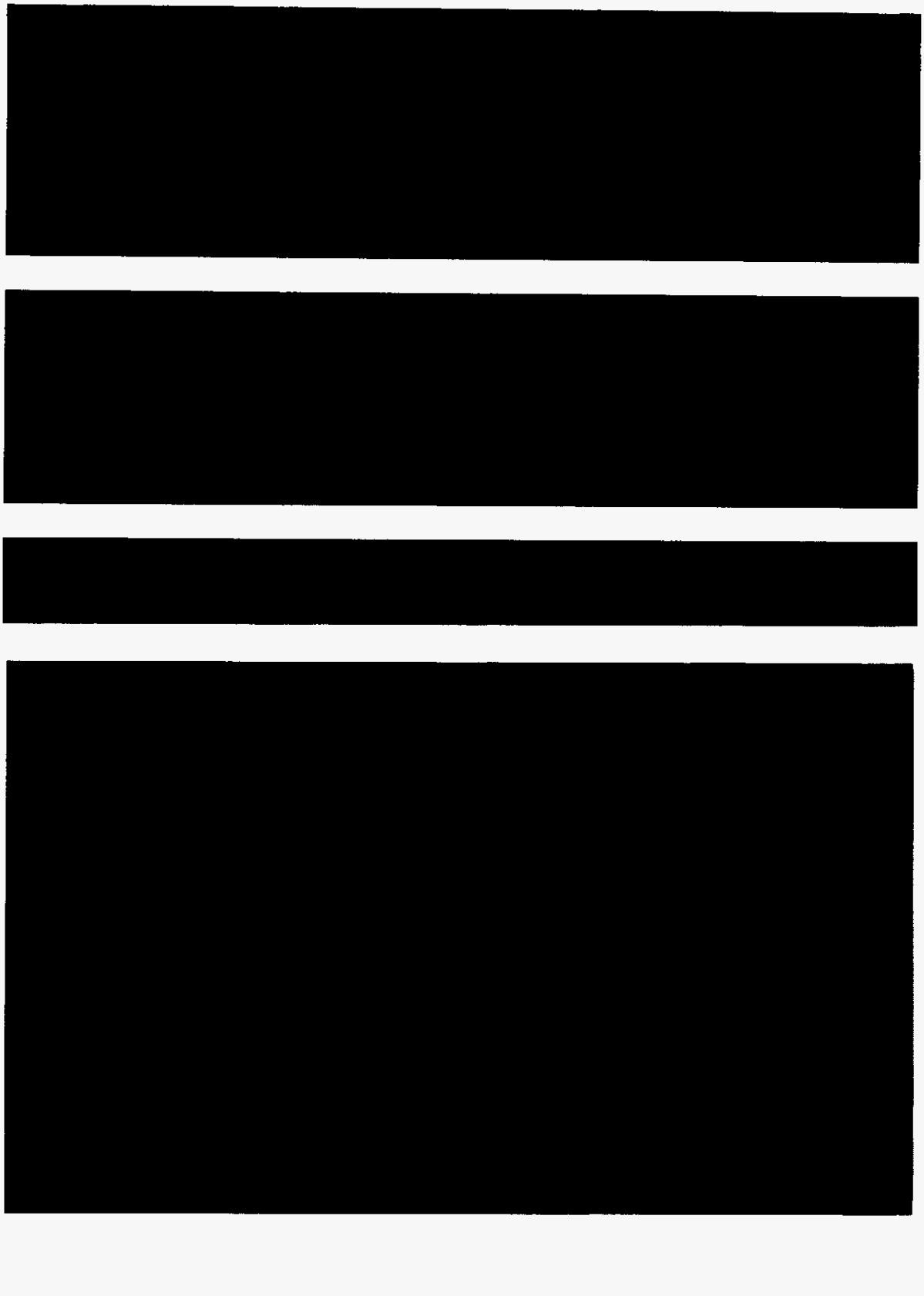
UP Agreement UP-52624 with UP/CN/MSE provides for rail transportation of Colorado coal to Daniel through Dec. 31, 2011. The agreement has an annual minimum volume requirement of 1 million tons and a maximum of 2.2 million tons of coal that can be shipped.

BNSF Agreement BNSF-12523 with BNSF/CN/MSE provides for rail transportation of PRB coal to Daniel through Dec. 31, 2011. The agreement has an annual minimum volume requirement of 1 million tons and a maximum of 1.3 million tons of coal that can be shipped.

CN/MSE Tariff Agreement CN-682227AB provides for rail transportation of import coal from the Alabama State Docks facility to Daniel. The tariff rate expires Dec. 31, 2010. The tariff has no minimum volume requirements.

Budget

[redacted]



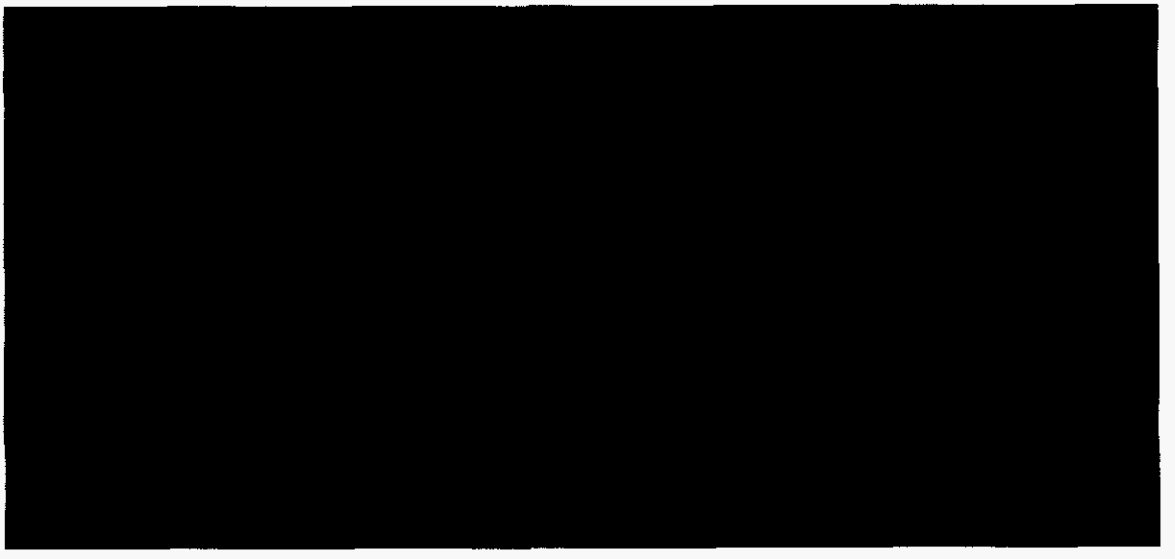
Coal Transportation Procurement Strategy

A transportation strategy must address reliability, competitive prices, flexibility in volume commitments, and the ability to adjust coal movements to changing coal supply sources. The following information will address the risks associated with each of these areas and identifies strategies to mitigate them.

RISKS AND RISK MITIGATION STRATEGIES

Reliability Risk and Strategy

Reliable delivery of coal ensures that fuel will be available to generate electricity. Term agreements will be negotiated and signed with the transportation carriers that ensure the barge and rail companies will have available infrastructure and resources in place to transport the required coal supply. The terms of the transportation agreements will coincide with the terms of single source coal supply agreements as closely as possible.



Communication between Gulf's coal operating personnel, each plant, Southern Company Generation Fuel Services, and the various carriers is vital in

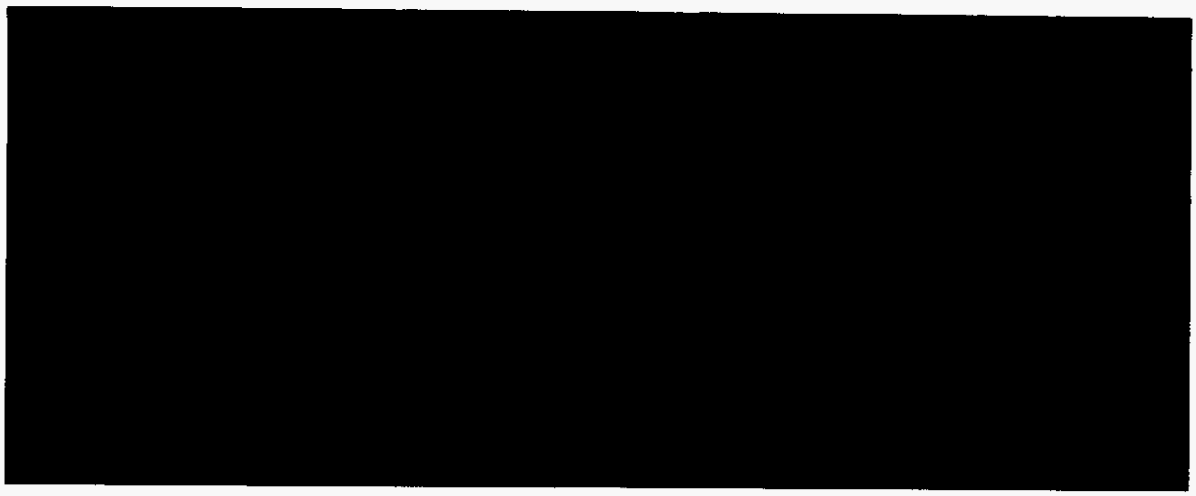
maintaining reliable and efficient operations. Effective and timely communication of transportation plans, orders, problems, and maintenance is critical.

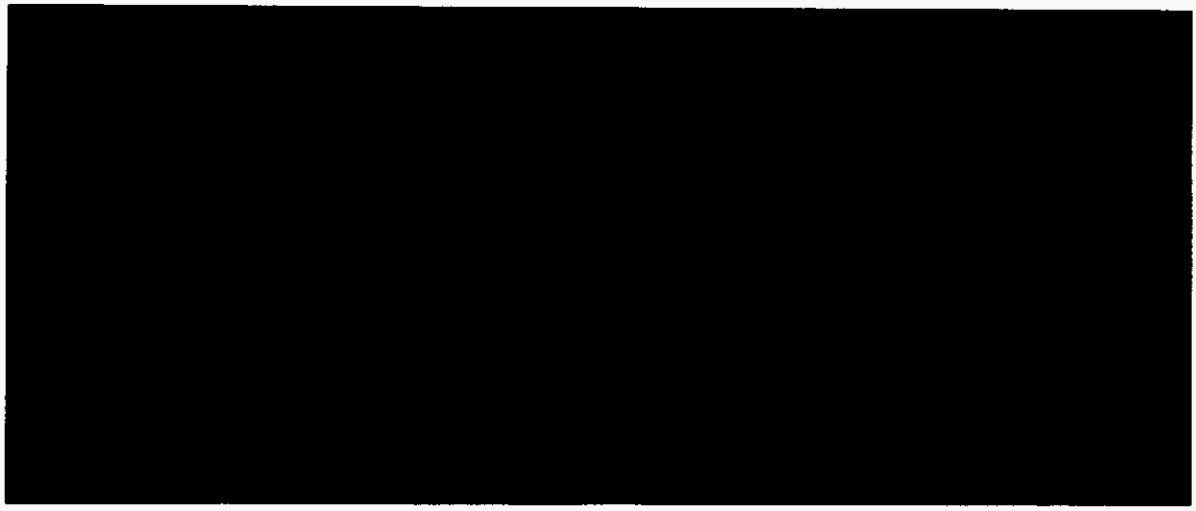
Pricing Risk and Strategy

Competition is created with diversity of coal supply sources and alternative transportation modes at each of the plants. Competition is achieved by periodically bidding transportation alternatives and educating carriers on the effects of marginal dispatch changes on unit load requirements.

Volume Risk and Strategy

The uncertainty in the amount of coal generation and transportation that will be needed in the future is still one of the most critical risks that must be addressed in developing a strategy for long-term transportation procurement. Weather, natural gas pricing, and economic growth will continue to impact future coal burn requirements, as will the addition of gas-fired capacity to the Southern Company system. Over the past two years, the coal industry has become more susceptible to the influences of the global commodities market. Given the global market dynamics that occurred during this time frame, the coal market has reacted by becoming more volatile from both a pricing and volume availability standpoint. This has, in turn, impacted the dynamics between natural gas and coal, leading to increased uncertainty in coal burn.





Supply Risk and Strategy

It is desirable to have multiple transportation modes and carriers in case there is a rail and/or barge accident that might disrupt the supply chain. Diversity of transportation modes and carriers is also vital because the location of coal supply sources changes as environmental laws and regulations evolve and as coal is depleted in established regions.

It is vital to the success of a coal and transportation program to ensure infrastructure is in place to move the coal from changing locations as this occurs.

This may include enhancements to existing facilities or the development of new facilities.

The Alabama State Docks' McDuffie Coal Terminal has the capacity to receive approximately 16 million tons of import coal per year. In addition, the Alabama State Docks recently completed the Bulk Unloader Railcar Project at the Alabama State Docks' Bulk Materials Handling Plant (Bulk Plant). Upgrade of railcar handling facilities provides the Bulk Plant with the ability to receive an additional 3 million tons of coal per year by rail.

Tactical Plan

Plants Crist and Smith

UP Agreement UP-53281 provides for rail transportation of Colorado coal to the Cora Dock terminal on the Mississippi River through Dec. 31, 2010. There are no annual minimum or maximum volume requirements in this agreement.

[redacted]

UP Agreement UP-53285 with Utah Railway/UP/CN provides for rail transportation of Utah coal from the Wild Cat loadout to the Alabama State Docks through Dec. 31, 2010. There is no annual minimum volume requirement in the agreement; however, the agreement includes a maximum of 600,000 tons of coal that can be shipped.

[redacted]

UP Agreement UP-53286 with UP/CN provides for rail transportation of Colorado and Utah coal to the Alabama State Docks through Dec. 31, 2011. The agreement has an annual minimum volume requirement of 1 million tons and a maximum of 1.8 million tons of coal that can be shipped in 2010. In 2011, the annual minimum volume requirement is 400,000 tons and the maximum volume is 1.2 million tons of coal that can be shipped. Per the agreement, tons that are shipped pursuant to UP-53285 shall count toward the minimum volume requirement in UP-53286 during the year in which they are shipped.

[redacted]

Gulf has entered into a contract to purchase Central Appalachian coal from Patriot Coal Sales beginning Jan.1, 2011. The coal will be transported by rail to the Alabama State Docks and transloaded to barges for shipment to Crist.

[redacted]

Gulf has entered into a contract to purchase Illinois Basin coal from Foresight Coal Sales beginning Jan.1, 2011. The coal will be transported by rail to the Alabama State Docks and transloaded to barges for shipment to Crist.

[redacted]

Marquette agreement (SC09005-T) provides primary barge transportation of coal from the Alabama State Docks to Crist and Smith. Marquette agreement (SC09006-T) and Heartland Barge Management agreement (SC09004-T) provide a supply of barges to move coal to Crist and Smith. These agreements expire Dec. 31, 2014.

[redacted]

The Crounse agreement (GU10002-B) provides barge transportation of Central Appalachian and Illinois Basin coals from river terminals located on the Kanawha and Ohio rivers to the Mobile, Ala area and to Plant Crist. This agreement expires Dec. 31, 2010.

[redacted]

Plant Scholz

Scholz has an agreement with the CSXT Railroad (CSXT-C-83791) that expires Dec. 31, 2011.

[redacted]

Plant Daniel

UP Agreement UP-52624 with UP/CN/MSE provides for rail transportation of Colorado coal to Daniel through Dec. 31, 2011. The agreement has an annual minimum volume requirement of 1 million tons and a maximum of 2.2 million tons of coal that can be shipped.

[redacted]

BNSF Agreement BNSF-12523 with BNSF/CN/MSE provides for rail transportation of PRB coal to Daniel through Dec. 31, 2011. The agreement has an annual minimum volume requirement of 1 million tons and a maximum of 1.3 million tons of coal that can be shipped.

[redacted]

CN/MSE Tariff Agreement CN-665098AB provides for rail transportation of import coal from the Alabama State Docks facility to Daniel. The tariff rate expires Dec. 31, 2010.

[redacted]

year. The following chart shows the total projected gas burn for 2010 through 2013 in MMBTU that these purchases will support:

PROJECTED NATURAL GAS BURN (MMBTU)

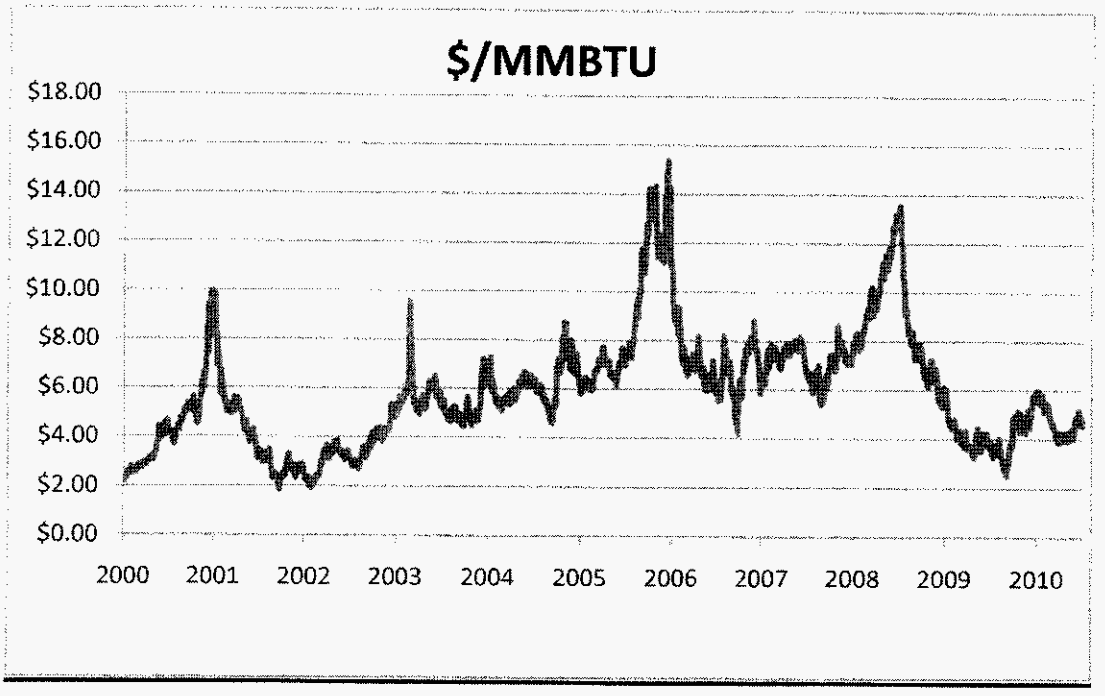
	Month	2010	A 2011	B 2012	C 2013
a	January	25678			
b	February	511248			
c	March	1151522			
d	April	1634771			
e	May	1627560			
f	June	1366728			
g	July	1520126			
h	August	1290826			
i	September	1118224			
j	October	1169487			
k	November	672369			
l	December	330826			
m	**TOTAL**	**12419365**			

Procurement Strategy

Gulf's strategy for gas procurement is to purchase the commodity using long term and spot agreements at market prices. Fuel purchased at market over a long period is a low cost option for customers. [redacted] For Gulf, spot-market contracts have a term of less than one year and long-term contracts have a term of 1 year or longer. All natural gas, regardless of whether it is bought under long-term contracts or spot-market contracts, is purchased at market based prices. While fuel purchased at market over long periods is a low cost option for customers, it does expose the customers to short-term price volatility. Since these price fluctuations can be severe, Gulf Power, at the direction of the Florida Public Service Commission, will attempt to protect its customers against short-term price volatility by utilizing hedging tools. It is understood that the cost of hedging will sometimes lead to fuel costs that are higher than market prices but that this is a reasonable trade-off for reducing the customers' exposure to fuel cost increases that would result if fuel prices actually settle at higher prices than when the hedges were placed.

The following graph of actual natural gas prices is an indication of price volatility in the gas commodity market:

Historical Natural Gas Prices - NYMEX



Pricing Strategy

Gulf Power will continue to purchase gas, both under long-term and spot contracts at market based prices. However, pursuant to Commission order, Gulf Power will financially hedge gas prices for some portion, generally between [redacted] percent of Gulf Power's projected annual gas burn for the current year, in order to protect against short-term price swings and to provide some level of price certainty. This [redacted] percent hedge range allows Gulf Power to provide a degree of price certainty and protection against short-term price swings while still allowing the customers to participate in markets where natural gas prices are

low. Gulf Power will secure natural gas hedges over a time period not to exceed [redacted] months, per the following schedule:

	Period	A Min. Hedge %	B Upper Target Hedge %
a	Prompt Year (2011)		
b	Year 2 (2012)		
c	Year 3 (2013)		
d	Year 4 (2014)		
e	Year 5 (2015)		

Note: The annual hedge percentage is based on the budgeted annual gas burn

Although SCS will target the levels shown in the table above, if extreme market conditions exist, SCS may accelerate or decelerate the plan accordingly. Gulf's hedging targets are expressed on an annual basis due to the potential for large variances in month to month gas consumption. The monthly variance in gas burn is due to Gulf's ownership of only one firm gas fired generating unit that is dispatched on an economic basis with the other generating units in the Southern electric system and the impact of unit outages on Gulf's total gas burn.

SCS, working in partnership with Gulf Power, develops short-term hedge strategies based on current and projected market conditions. [redacted] SCS will employ both technical and fundamental analysis to determine appropriate times to hedge.

However, the objective is not to speculate on market price or attempt to outguess or "beat the market". Gulf will utilize fixed priced swaps as its primary financial gas price hedging instrument but may also utilize options to a lesser degree when appropriate.

While the hedging program will protect the customer from short-term price spikes, hedges can also lead to higher costs when natural gas prices fall subsequent to entering hedges. Gulf Power will limit the amount of fixed-price hedges to a maximum of 100 percent of the projected fuel burn for the upcoming year. In addition, Gulf Power will limit option priced hedges to [redacted] percent of its projected burn. Finally, in order to protect its customers from market exposure in subsequent years, Gulf Power will take forward hedge positions for up to [redacted] months into the future.

System Hedges

Because Gulf Power is a part of the Southern Electric System (SES), it indirectly participates in gas hedging for fuel price indexed power related transactions done on behalf of the SES. These hedges are referred to as "system hedges." In these instances, Southern Company Services utilizes financial hedging instruments to mitigate fuel price risk related to individual power transactions. Gulf is allocated its portion of these gas hedges when they occur based on its peak period load ratio. All system hedges are matched to individual power transactions and are considered separate from Gulf's directed hedging program for gas burn at generating units where it directly purchases natural gas supply.

on capital at risk and established credit policies.

II. Purpose

[redacted]

III. Business Objectives

The Approved Business Objectives for the trading activities performed on the Trading Floors are defined in Appendix A.

III. Business Strategies

The business objectives are achieved by entering into transactions involving the approved commodities shown in Appendix B.

[redacted]

[redacted]

Various contract types or financial instruments will be used to achieve the Approved Business Objectives. The Approved Risk Management Instruments are listed in Appendix C.

IV. Authorizations

Appendix D contains the individuals, boards, and committees authorized to carry out various activities, reviews, and approvals.

V. Segregation of Duties

[redacted]

[redacted]

Appendix E represents the functional separation organizationally as specified in this RMP. The following is a summary of the responsibilities of the different functions:

Origination and Structuring: The functions of origination and structuring include the following responsibilities:

[redacted]

Confirmation, Monitoring, and Reporting: The functions of trade confirmation, risk monitoring, and risk reporting include the following responsibilities:

[redacted]

[redacted]

Settlement: The function of settlement includes the following responsibilities:

[redacted]

Cash Management: SCS Treasury is responsible for receiving and disbursing all funds from or to counterparties and for the delivery of margin / collateral requirements. SCS Treasury will also be responsible for investment of collateral provided by counterparties.

Accounting: SCS Accounting is responsible for posting transactions to the general ledger and reconciling the subledgers to the general ledger.

VII. Market Risk Identification

[redacted]

VIII. Market Risk Measurement and Valuation

[redacted]

IX. Market Risk Limits

Exposure Limits	The maximum exposure limits are shown in Appendix H. the maximum exposure limit for each business objective should not exceed the limits specified in Appendix H.

Notification	Certain notifications to management are required as defined in Appendix G.
Limit Excess Reporting	Irrespective of other provisions contained in this RMP, limit overages may occur. Each occurrence shall be promptly reported by the middle office to individuals identified in Appendix G.

X. Credit Risk

[redacted]

XI. New Products

[redacted]

[redacted]

XII. Funding Liquidity

[redacted]

XIII. Operating Procedures and Systems

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

XIV. Accounting and Tax

[redacted]

[redacted]

XV. Legal

[redacted]

XVI. Monitoring and Reporting

Middle Office personnel will calculate and report the following items on a daily basis:

[redacted]

The Portfolio Management group will prepare regular position reports. The back office will report preliminary gross margins or P&L on a daily basis.

XVII. Personal Trading

[redacted]

XVIII. Business Recovery

[redacted]

XIX. Compliance

[redacted]

[redacted]

XX. Independent Review

[redacted]

[redacted]

XXI. Policy Amendments

[redacted]

XXII. Terminology

Definitions of terminology used in this RMP are contained in appendix L.

APPENDIX A

APPROVED BUSINESS OBJECTIVES

ENERGY TRADING AND MARKETING

Fleet Operations and Trading

The primary objectives of Fleet Operations and Trading are to:

[redacted]

In addition to the primary objectives, Fleet Operations and Trading may execute secondary activities as limited by Appendix H to achieve the following secondary objectives to the extent permitted by all applicable policies and regulations:

[redacted]

Southern Power Company Trading & Asset Management

The primary objectives of the Southern Power Company Trading and Asset Management activities are the following:

[redacted]

FUEL SERVICES

Natural Gas Fulfillment Function

The primary objectives of the Natural Gas Fulfillment Function are to:

[redacted]

Secondary activities of the natural gas fulfillment function are restricted to positions intended to hedge secondary power positions, and which have been requested by Fleet Operations and Trading.

Emission Allowance Management Function

The primary objectives of the Emissions Allowance management function are to:

[redacted]

Secondary activities of the emission allowance management function are restricted to

positions intended to hedge secondary power positions, and which have been requested by Fleet Operations and Trading.

Coal Fulfillment Function

The primary objectives of the Coal fulfillment function are to:

[redacted]

Secondary activities of the coal fulfillment function are restricted to positions intended to hedge secondary power positions, and which have been requested by Fleet Operations and Trading.

Renewable Energy Credits (REC) Fulfillment Function

The primary objectives of the REC fulfillment function are to:

[redacted]

Secondary activities of the REC fulfillment function are restricted to positions intended to hedge secondary power positions, and which have been requested by Fleet Operations and Trading.

APPENDIX B

APPROVED COMMODITIES

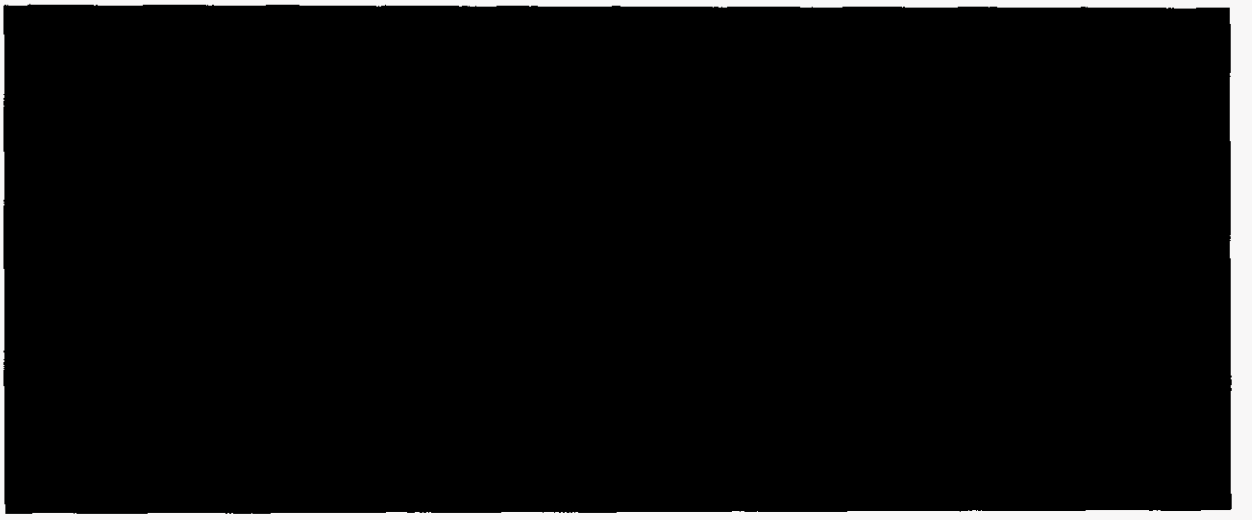
The approved commodities for this RMP are:

[redacted]

APPENDIX C

APPROVED INSTRUMENTS

The approved instruments are:

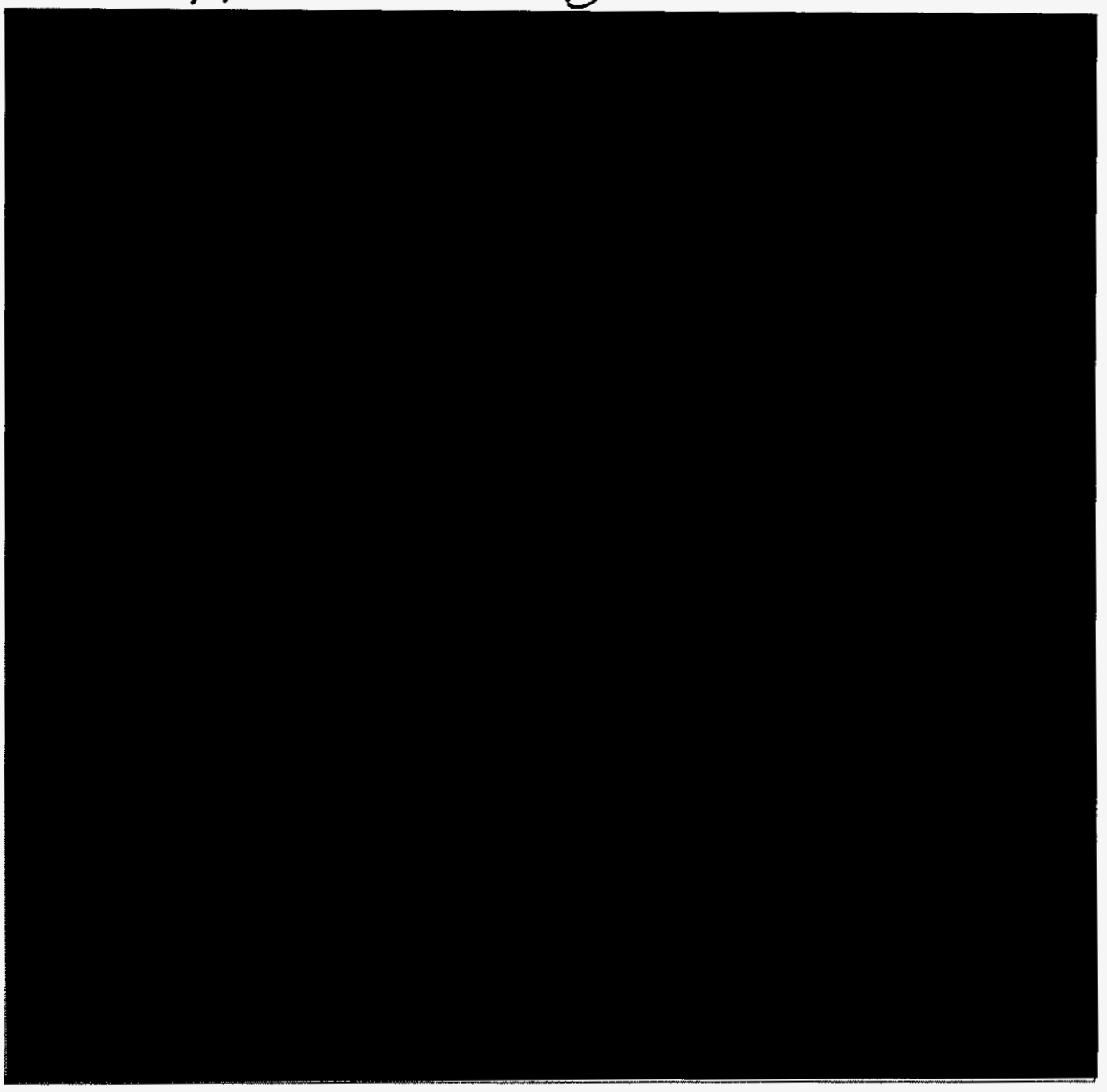


APPENDIX D

AUTHORIZATIONS

A B

Name	Authority
[redacted]	



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APPENDIX D

AUTHORIZATIONS (continued)

Energy Marketing

A B

Name	Authority
[redacted]	

5

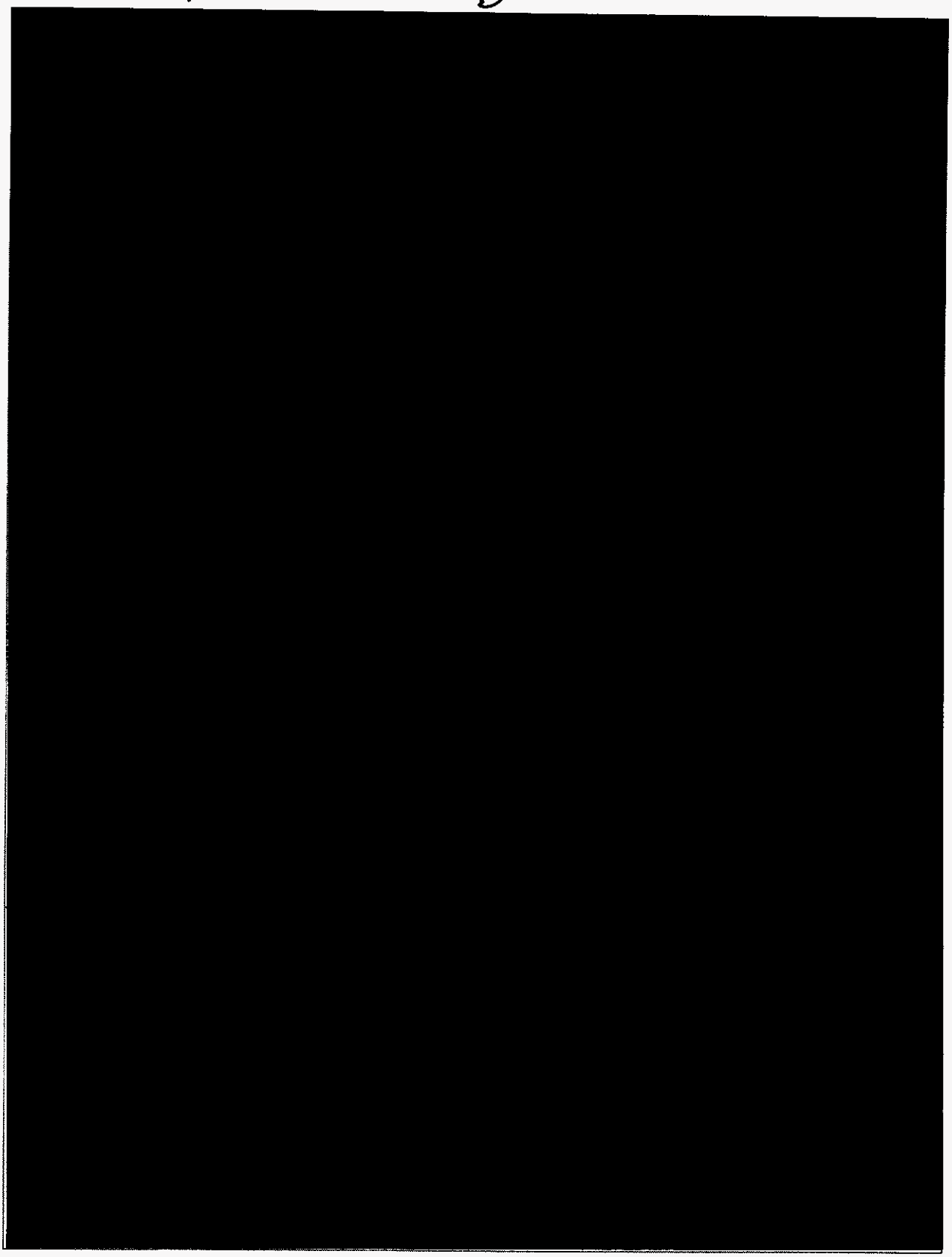
6

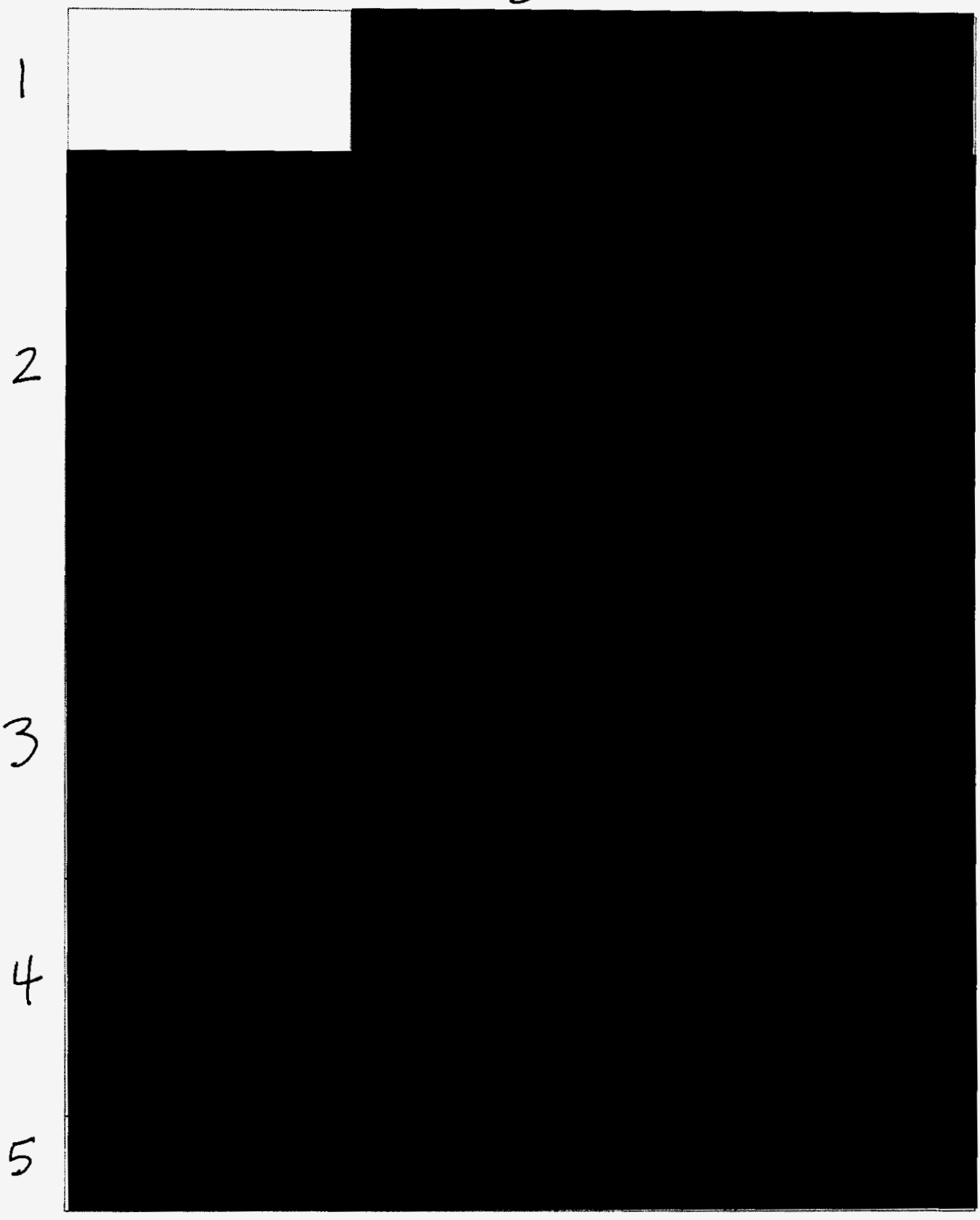
A B

1

2

3



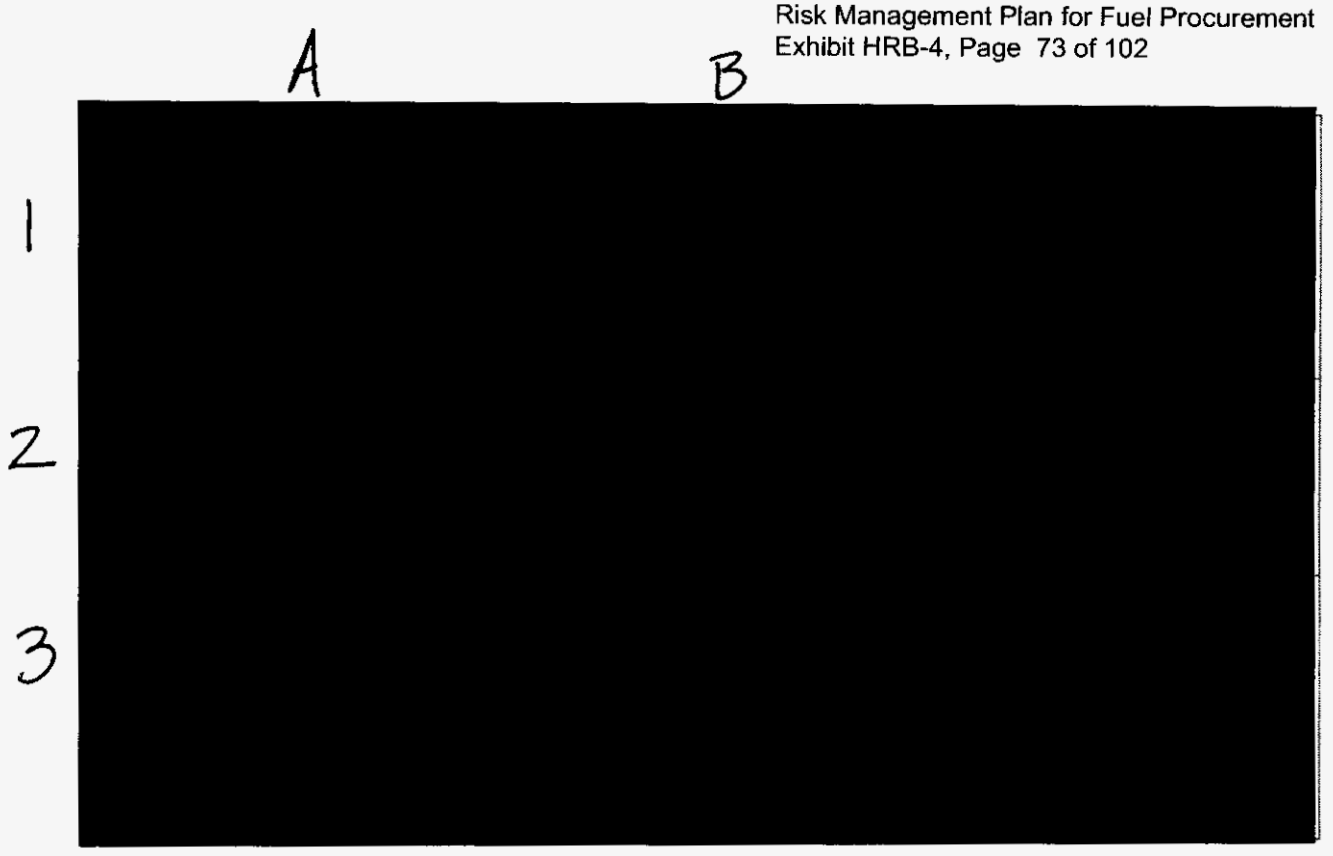

A
B
1
2
3
4
5

APPENDIX D

AUTHORIZATIONS (continued)

SCS Fuel Services

A Name	B Authority
[redacted]	


A
B
1
2
3

APPENDIX F

MARKET RISK MEASUREMENT

	A	B
	Approved Commodities	Value at Risk Method
1	[redacted]	
2		
3		

Parametric VaR Methodology

Formula Components

Component	Symbol	Comments
Value at Risk	VaR	See Equation Below
Position	PSN	Given in Agreed Measurement Units
Daily Standard Deviation of Price Change	ΔP	Given in $/Agreed Measurement Units
Holding Period – Business Days	HP	Taken From Parameters Table Shown Below
Confidence Interval Multiplier	CI	For Example: CI = 1.65 for 95-% Confidence Interval

$$VaR = PSN * \Delta P * \sqrt{HP} * CI$$

Equation

Parameters

	A Commodity	B Holding Period (HP)	C Multiplier (CI)
1	[redacted]		
2			

APPENDIX F

STRESS TESTING METHODOLOGY

The purpose of stress testing is to generate percentage price changes for the forward curve that answer this question:

> If an extreme event occurs, what can we expect to happen to prices and the portfolio value?

The stress test is designed to capture the expected value of an extreme event as defined by an extreme value distribution. To differentiate, there is a downward and an upward stress test.

Specifically, the expected downward stress is calculated as

$$E[\Delta p/p \mid \Delta p/p < \Theta] = \int_{-\infty}^{\Theta} f(x)xdx$$

and the expected upward stress is calculated as

$$E[\Delta p/p \mid \Delta p/p > \Theta] = \int_{\Theta}^{+\infty} f(x)xdx$$

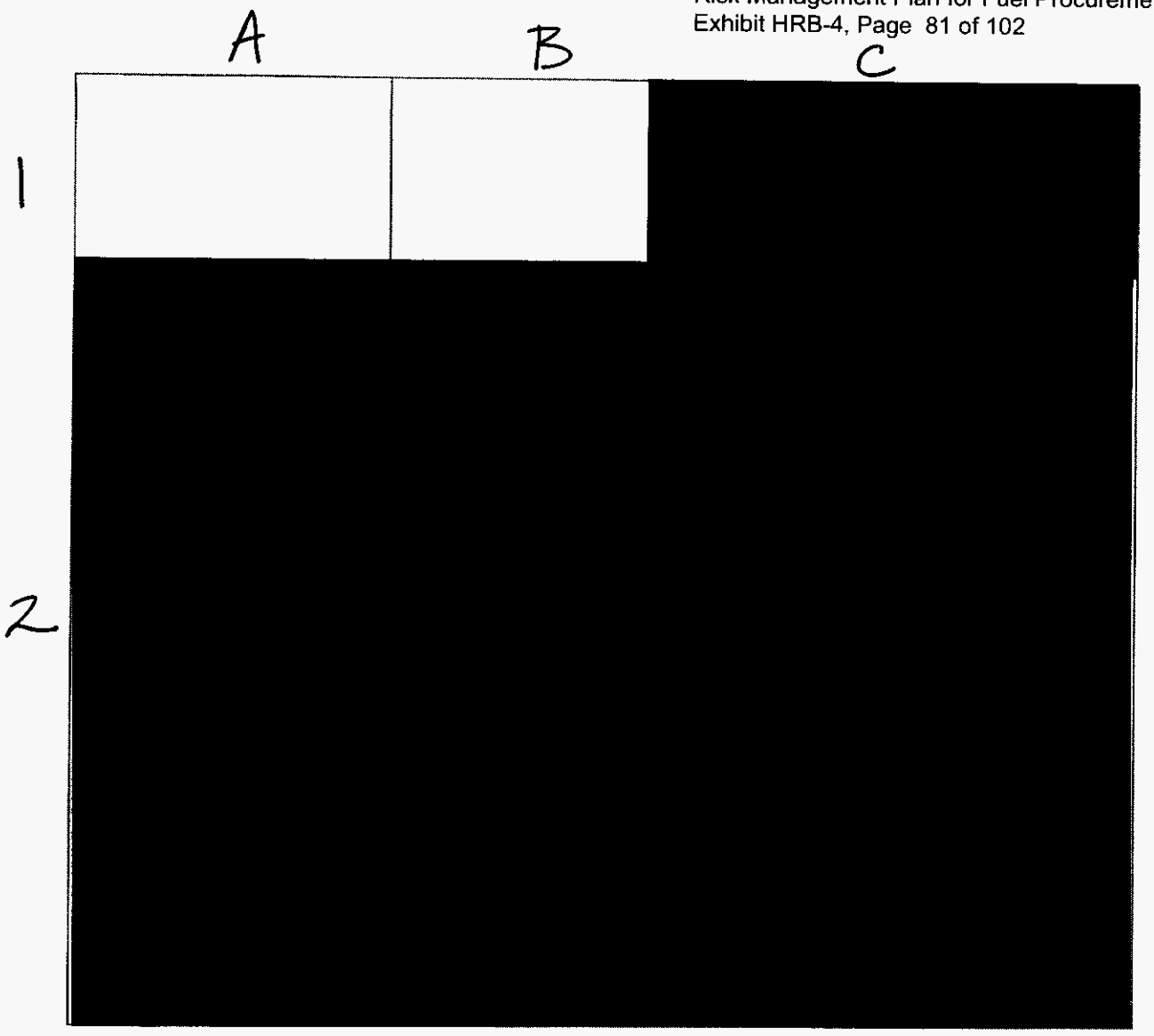
where theta is the threshold that defines classification as an extreme event, f(x) is an extreme value distribution fitted to a specific contract, and x is a percentage price change.

	A	B
1	[redacted]	
2		
3		

APPENDIX G

NOTIFICATION LEVELS

	A	B	C
	Position Classification	Income Change	Notify
1	[redacted]		
2			


A
B
C
1
2

APPENDIX G

NOTIFICATION LEVELS

A	B	C
Position Classification	Income Change	Notify
[redacted]		

APPENDIX G

NOTIFICATION LEVELS

A	B	C
Position Classification	Value-at-Risk	Notify
[redacted]		

NOTE: Recipients of notification events will only receive detailed information pertinent to their business needs, and any correspondence will be in compliance with the Separation Protocol.

APPENDIX G

NOTIFICATION LEVELS

A B C

Position Classification	Income Change	Notify
[redacted]		

1

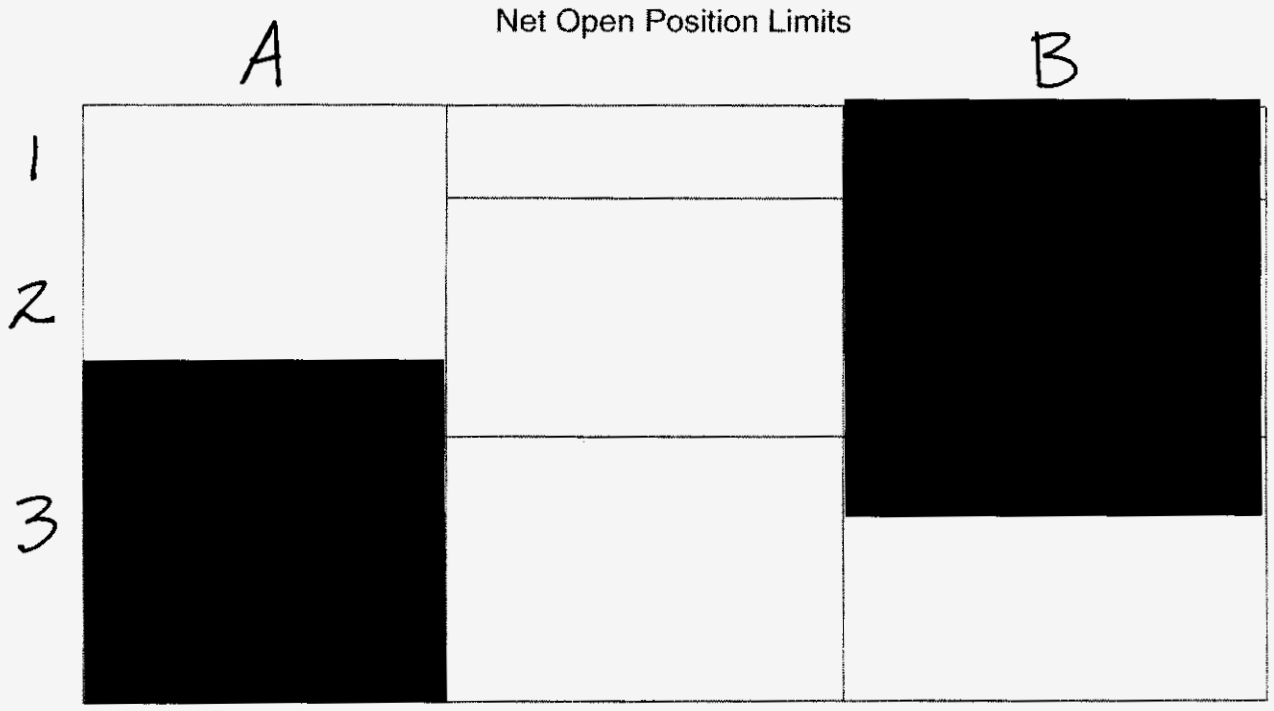
2

Position Classification	Value-at-Risk	Notify
[redacted]		

3

APPENDIX H

MARKET RISK LIMITS



NOTE: Although the value-at-risk limit applies to positions marked to market through income, VaR is calculated and monitored for all positions, and there are notification requirements as defined in Appendix G.

If such open position limits are exceeded, Risk Control will calculate and equitably allocate the responsibilities to bring the positions back into compliance.

APPENDIX J

ACCOUNTING AND TAX