Schedule D-1a

COST OF CAPITAL - 13-MONTH AVERAGE

Recalculated MFR in Response to OPC Interrogatory 263

Type of Data Shown:
_X_ Projected Test Year Ended 12/31/12
____ Prior Year Ended 12/31/11
____ Historical Year Ended 12/31/10
Witness: R. J. McMillan

(1) Line No.	(2) Class of Capital	(3) Company Total Per Books ($000's)	(4) Specific Adjustments ($000's)	(5) Pro Rata Adjustments ($000's)	(6) System Adjusted ($000's)	(7) Jurisdictional Factor %	(8) Jurisdictional Capital Structure ($000's)	(9) Ratio %	(10) Cost Rate %	(11) Weighted Cost Rate %
1	Long-Term Debt	1,243,391	(103,362)	(467,236)	672,793	0.9786954	658,459	39.29	5.26	2.07
2	Short-Term Debt	33,897	(2,811)	(12,740)	18,346	0.9786954	17,955	1.07	0.13	0.00
3	Preferred Stock	137,998	(11,475)	(51,855)	74,668	0.9786954	73,077	4.36	6.39	0.28
4	Common Equity	1,212,629	(95,520)	(457,842)	659,267	0.9786954	645,222	38.50	11.70	4.50
5	Customer Deposits	36,031	-	(14,767)	21,264	1.0000000	21,264	1.27	6.00	0.08
6	Deferred Taxes	493,296	(48,169)	(182,433)	262,694	0.9786954	257,098	15.34	0.00	0.00
7	Investment Credit - Zero Cost	6,108	(1,036)	(2,079)	2,993	0.9786954	2,929	0.17	8.34	0.01
8	Total	3,163,350	(262,373)	(1,188,952)	1,712,025		1,676,004	100.00		6.94

Schedule D-3 SHORT-TERM DEBT

Type of Data Shown:
X Projected Test Year Ended 12/31/12
X Prior Year Ended 12/31/11
X Historical Year Ended 12/31/10
Witness: R.J. McMillan

Recalculated MFR in Response to OPC Interrogatory 263

(1) Line No.	(2) Maturity Date	(3) Interest Rate	(4) Interest Expense	(5) 13-Month Average Amount Outstanding During the Year ($000's)	(6) Weighted Avg. Cost of Short-Term Debt
1	2010				
2	Various Dates	Various	152	47,884	0.32%
3	2011				
4	Various Dates	Various	178	50,601	0.35%
5	2012				
6	Various Dates	Various	43	33,897	0.13%

7 In determining the appropriate level of short-term debt to include in its capital structure, Gulf attempts to achieve the most cost-effective balance between interest rates and
8 liquidity. During the test year, Gulf's short-term debt as a percent of total capitalization (debt, preferred and common equity) is 1.5%. Most of the short-term borrowing is in the
9 form of commercial paper. Gulf has bank lines of credit totaling $240 million to support its commercial paper program, daily rate pollution control bonds and other borrowing needs.
10 Short-term debt is generally used for the ongoing operating needs of the Company, rather than being related to a specific project. Gulf's policy reflects the inclusion of some
11 short-term debt. The amount varies due to a number of factors including seasonality. The timing of long-term financing is dependent on several factors, including market conditions,
12 projected levels of short-term debt and projected capital needs.

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Recalculated MFR in Response to OPC Interrogatory 263

Type of Data Shown:
X Projected Test Year Ended 12/31/12
_ Prior Year Ended 12/31/11
_ Historical Year Ended 12/31/10
Witness: R.J. McMillan

Thirteen Month Average Long-Term Debt

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Maturity Date	(5) Principal Amount Sold- (Face Value)	(6) 13-Month Average Principal Amount Outstanding	(7) Discount (Premium) On Principal Amt. Sold	(8) Issuing Expense On Principal Amt Sold	(9) Life (Years)	(10) Annual Amortization (7+8)/9	(11) Interest Expense (Coupon Rate) (2) X (6)	(12) Total Annual Cost (10) + (11)	(13) Unamortized Discount (Premium) Assoc. with (6)	(14) Unamort. Issuing Expense & Loss on Reacquired Debt Assoc. with (6)
	Senior Notes and Other Long Term Debt												
1	4.35% Senior Note	7/22/2003	7/15/2013	60,000	60,000	390	3,520	10	391	2,610	3,001	41	353
2	4.9% Senior Note	9/22/2004	10/1/2014	75,000	75,000	488	225	10	71	3,675	3,746	119	41
3	5.25% Senior Note	7/22/2003	7/15/2033	60,000	60,000	1,890	1,235	30	104	3,150	3,254	1,327	865
4	5.3% Senior Note	12/6/2006	12/1/2016	110,000	110,000	715	5,672	10	639	5,830	6,469	327	2,501
5	5.6% Senior Note	3/26/2003	4/1/2033	65,000	61,971	2,047	1,185	30	108	3,470	3,578	1,349	883
6	5.65% Senior Note	8/30/2005	9/1/2035	60,000	60,000	525	457	30	33	3,390	3,423	206	552
7	5.1% Senior Note	9/17/2010	10/1/2040	125,000	125,000	1,094	185	30	43	6,325	6,368	1,104	98
8	5.9% Senior Note	6/12/2007	6/15/2017	85,000	85,000	552	(2,781)	10	(223)	5,015	4,792	294	(1,393)
9	4.75% Senior Note	4/13/2010	4/15/2020	175,000	175,000	1,137	(1,332)	10	(20)	8,313	8,293	907	(1,057)
10	6.03% Senior Note	4/1/2011	3/31/2041	120,000	120,000	0	0	30	0	7,236	7,236	0	0
11	7.30% Senior Note	12/1/2012	11/30/2042	40,000	3,077	0	0	30	0	225	225	0	0
12	6.10% Senior Note	3/1/2012	2/28/2042	40,000	30,769	0	0	30	0	1,877	1,877	0	0
	Pollution Control Bonds												
13	4.8% PCB	9/26/2002	9/1/2028	13,000	13,000	390	493	26	34	624	658	0	550
14	5.25% PCB	9/26/2002	9/1/2037	42,000	42,000	147	1,572	35	58	2,205	2,263	0	1,472
15	5.625% PCB	10/9/2002	7/1/2022	37,000	37,000	81	793	20	64	2,081	2,145	0	643
16	6.0% PCB	4/16/2003	2/1/2026	29,075	29,075	102	1,597	23	74	1,745	1,819	0	1,011
17	VAR% PCB	7/1/1997	7/1/2022	3,930	3,930	9	36	25	2	9	11	4	18
18	VAR% PCB	3/31/2009	4/1/2039	65,400	65,400	245	711	30	32	153	185	0	852
19	1.75% PCB *	4/15/2003	6/1/2023	32,550	32,550	114	692	20	53	1,003	1,056	0	580
20	2.0% PCB **	3/31/2009	4/1/2039	65,000	65,000	244	386	30	21	2,723	2,744	0	561
21	2.125% PCB	6/3/2010	6/1/2049	21,000	21,000	74	332	39	13	471	484	69	308
22	Unamortized Loss on Reacq. Debt								1,803	0	1,803	0	16,796
23	Total				1,274,772	10,244	14,978	508	3,300	62,129	65,429	5,747	25,634
24	Less: Unamortized Premium, Discount, and												
25	Issuance Expense (13) + (14)				31,381								
26													
27	Net				1,243,391								
28	Embedded Cost of Long-Term Debt												
29	(12) / Net				5.26%								

* Rate effective through 6/14/12
** Rate effective through 4/2/12

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_ Historical Year Ended 12/31/10
Witness: R.J. McMillan

Thirteen-Month Average Preference Stock for the Test Year Ended 12/31/12

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Call Provisions or Special Restrictions	(5) Principal Amount Sold	(6) 13-Month Avg. Principal Amount Outstanding	(7) (Discount) Premium on Principal Amount Sold	(8) (Discount) Premium Associated with (6)	(9) Issuing Expense on Principal Amount Sold	(10) Issuing Expense Associated with (6)	(11) Net Proceeds (6)+(8)-(10)	(12) Dollar Dividend on Face Value (2) x (6)	(13) Effective Cost Rate (12) / (11)
1	6.00%	11-15-05	Note 1	55,000	55,000	0	0	1,114	1,114	53,886	3,300	6.12%
2	6.45%	10-19-07	Note 2	45,000	45,000	0	0	888	888	44,112	2,903	6.58%
3	6.54%	11-01-11		40,000	40,000	0	0	0	0	40,000	2,616	6.54%

4 Note 1: The Company shall have the right to redeem Preference Stock, without premium, from time to time, on or after November 15, 2010, upon
5 notice, at a redemption price equal to $100.00 per share plus accrued and unpaid dividends.

6 Note 2: The Company shall have the right to redeem the Preference Stock, from time to time, per the calculation outlined in the prospectus
7 dated November 20, 2006.

8	Total	140,000	140,000	0	0	2,002	2,002	137,998	8,819	6.39%
9	Weighted Average Cost of Preferred Stock									6.39%

Recalculated MFR in Response to OPC Interrogatory 263

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X Projected Test Year Ended 12/31/12
_ Prior Year Ended 12/31/11
_ Historical Year Ended 12/31/10
Witness: R.J. McMillan

(1)	(2)	(3)	(4) Financing Plans for the Year Ended 12/31/12 For Bonds	(5)	(6)	(7) For Stock	(8)	(9)	(10)
Line No.	Type of Issue	Date of Issue/ Retirement	Capitalization ($000's)	Interest Rate	Life in Years	No. of Shares	Market Price	Issue Costs ($000's)	Principal Amount ($000's)
1	Senior Unsecured Notes	3/1/2012	40,000	6.10%	30				
2		12/1/2012	40,000	7.30%	30				
3	Pollution Control Bonds		NONE PROJECTED FOR PERIOD						
4	Preferred Stock		NONE PROJECTED FOR PERIOD						
5	Capital Contributions	1/1/2012	50,000						50,000
6		2/1/2012	20,000						20,000
7		12/1/2012	3,000						3,000

8 Capital Structure Objectives:
9 Gulf's objective is to maintain a balanced capital structure that will provide the utility with the financial flexibility and strength to attract the capital necessary to provide reliable
10 electric service to its customers. Gulf's long-term financing plans, which include equity contributions from Southern Company, are designed to support a strong credit profile
11 to meet the heavy capital requirements that are needed. Gulf focuses on maintaining its A credit rating. Gulf's current forecast supports a debt/preferred/equity ratio of 50%/5%/45%.

		1Q12	2Q12	3Q12	4Q12
12	Interest Rate Assumptions:	1Q12	2Q12	3Q12	4Q12
13		6.10%	6.45%	6.80%	7.30%

14 Interest rate assumptions are provided by Southern Company Services, Inc. based upon a market forecast by Moody's Analytics. The 30 year Treasury rates as forecasted by
15 Moody's Analytics are used as the basis for the interest rate assumptions. A risk premium of 150 basis points (including estimated underwriting costs), are added to the 30 year Treasury
16 rates to arrive at interest rates consistent with Gulf's "A" debt rating. Short-term rates are based on the Moody's Analytics forecast for 3 month LIBOR (London InterBank Offered Rate).
17 The interest rates developed consider the effect of debt related costs over the life of the debt issue. All issues are assumed to be sold at face value.

18 Company's Policy on the Timing of Entrance into Capital Markets:
19 The Company continuously monitors capital market conditions for opportunities to minimize its overall cost of capital. Each year a financing plan is developed based on current year debt
20 maturities, captial expenditure projections and forecasted internally generated funds. Gulf's participation in the commercial paper program through Southern Company Funding Corp.
21 and its existing committed credit facilities, provide sufficient liquidity and flexibility in determining the amount and timing of long-term debt issuances. With a goal of maintaining financial
22 flexibility and liquidity, the timing of the Company's entrance into the capital markets is based on actual and projected short-term debt balances and capital market conditions.