BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 130140-EI

GULF POWER
A SOUTHERN COMPANY

TESTIMONY AND EXHIBIT

OF

MICHAEL T. O'SHEASY

GULF POWER COMPANY
Before the Florida Public Service Commission
Prepared Direct Testimony of
Michael T. O'Sheasy
Docket No. 130140-EI
In Support of Rate Relief
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Q. Please state your name, business address and occupation.

A. My name is Mike O'Sheasy. My business address is 5001 Kingswood Drive, Roswell, Georgia 30075. I am a Vice President with Christensen Associates, Inc.

Q. State briefly your education background and experience.

A. I received a Bachelor's of Industrial Engineering from The Georgia Institute of Technology in 1970. In 1974, I earned a Master's in Business Administration from Georgia State University. From 1971 to 1975, I was employed by the John W. Eshelman Company—Division of the Carnation Company—as a plant superintendent in their Chamblee, Georgia operation. From 1975 to 1980, I worked for the John Harland Corporation, initially as an assistant plant manager and then as a plant manager in their Jacksonville, Florida plant, and finally as their plant manager in Miami, Florida. I joined Southern Company Services in 1980 as an engineering cost analyst and progressed through various positions to the position of supervisor, during which time I began serving as an expert witness in costing. I testified as Gulf Power Company's (Gulf or the Company) cost-of-service witness and provided other support to Gulf in matters before the Florida Public Service Commission (FPSC or the Commission).

In 1990, I became Manager of Product Design for Georgia Power Company and have testified before the Georgia Public Service Commission as an expert witness on rate design and pricing. I retired from Georgia Power Company on May 1, 2001 and became a consultant with Christensen Associates.

Q. Please identify the specific dockets in which you have previously testified before the FPSC.

A. I testified before the FPSC on behalf of Gulf as their cost-of-service witness in their last rate case filing, Docket No. 110138-EI, and in prior rate cases in Docket Nos. 010949-EI, 891345-EI and 881167-EI. I was extensively involved in the preparation of exhibits and Minimum Filing Requirements (MFRs) in those cases. Also, I was the back-up cost-of-service witness for Gulf in its 1984 rate case, Docket No. 840086-EI, where I helped prepare the related analyses. I also testified in Docket No. 850673-EU regarding standby back-up electric service.

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to support the development and results of the cost-of-service study for Gulf.

Q. Do you have any exhibits that contain information to which you will refer in your testimony?

A. Yes. My Exhibit MTO-1 (consisting of Schedules 1 through 3) and Exhibit MTO-2 (containing Schedules 1 through 6) were prepared under my supervision and direction by the Costing and Energy Analysis Team of SCS, which is the service company in the Southern electric system (SES), and the Costing and Load Research Engineer at Gulf. SCS provides engineering and other technical support for Gulf and the other SES operating companies. I have thoroughly reviewed the schedules in my exhibits and agree with their content.

Q. Are you the sponsor of certain MFRs?

A. Yes. The MFRs which I am sponsoring, in part or in whole, are listed on Schedule 1 of Exhibit MTO-1. To the best of my knowledge, the information contained in these MFRs is true and correct.

Q. Please describe the contents of your Exhibit MTO-2.

A. My Exhibit MTO-2 consists of a number of schedules that set forth the analyses and results of the cost-of-service study used as a basis for this case. Page 1 of MTO-2 provides an index to the Schedules contained in my exhibit. Each schedule was prepared in the manner approved by the Commission In its final order for Gulf's last retail rate case, Docket No. 110138-EI. That approved study utilized the Minimum Distribution System methodology, which Is designed to properly account for customer-related costs.

I. COST-OF-SERVICE METHODOLOGY

Q. What is a cost-of-service study?

A. A cost-of-service study is a tool used to separate a utility's total electric investments, revenues and expenses first among the regulatory jurisdictions which an electric utility serves (jurisdictional separation) and then among the rate classes within each jurisdiction.

Q. Why is a cost-of-service study necessary?

A. Gulf is regulated by the FPSC for retail sales and by the Federal Energy Regulatory Commission (FERC) for wholesale sales. Costs and revenues must be divided between the two jurisdictions using assignments and allocations so that each respective commission can evaluate the rates over which it has authority. In order for each regulatory commission to review the utility's earnings and to evaluate the contribution made by rate classes within its jurisdiction, it is also necessary to analyze the costs to serve the respective rate classes.

Gulf, like other electric utilities, maintains its books and records in accordance with the Uniform System of Accounts as directed by the FERC and this Commission. Although this system of accounting reveals company-wide information, it does not separate the Company's investments, revenues and expenses by jurisdiction or by rate classes within jurisdictions. The cost-of-service study that has been performed for Gulf accomplishes this objective.

Q. What is the goal of a cost-of-service study?

A. The goal of a cost-of-service study is to identify what costs are incurred to provide service to certain groups of customers. If it is performed well, it can be a useful (and often times the primary) tool for determining the adequacy of current rates. For those rate classes which the cost-of-service study reveals have inadequate returns at current rate levels, the cost-of-service study is an appropriate tool for helping determine what rate changes should be made. On the other hand, if a cost-of-service study is not performed well, erroneous conclusions can be drawn with resulting negative consequences if it influences subsequent rate design. Although there are other ways to allocate costs, the Company's proposed methodology is objective, consistent with the methodology used in numerous prior cases, and provides the most accurate information.

Q. How was the cost-of-service study used by Gulf in this retail rate filing?

A. The jurisdictional separations of rate base and net operating income resulting from the study were used by Gulf Witness Ritenour to determine the proposed jurisdictional revenue increase needed in order to achieve the requested rate of return. These jurisdictional separation factors were calculated according to accepted cost-of-service principles and followed the methodology accepted by the Commission in Gulf's previous filing, Docket No. 110138-EI, and prior Gulf filings. The retail jurisdiction was further divided into the respective rate classes using sound cost-causative methodologies. The resultant rate class information from the cost-of-service study was then considered by Gulf Witness Thompson as a basis for the design of proposed rates in this docket.

Q. In preparing a cost-of-service study, is there some overall guiding principle or concept that should be followed?

A. Yes. The overall objective of a cost-of-service study is to assign or allocate costs fairly and equitably to all customers. This objective is accomplished when the resulting cost-of-service study reflects "cost causation," i.e., those customers who caused a particular cost to be incurred by the Company in providing them service should be responsible for that cost.

When certain costs are readily identified with a particular customer group (rate class), the assignment of those costs to that group clearly reflects cost causation and is fair and equitable to all customers. However, most parts of an electric system are planned, designed, constructed, operated and maintained to serve all customers. Most of Gulf's costs have been incurred to serve all customers. These costs are referred to as joint or common costs. Joint or common costs must be allocated to customer groups based on the nature (i.e., drivers) of the costs incurred and the aggregate requirements and service characteristics of the customers that caused the costs to be incurred. By adhering to this fundamental and essential principle of cost causation, the results of the cost-of-service study will be fair and equitable to all customers.

Q. How is a cost-of-service analysis performed?

A. In order to determine the costs to serve each group of customers in a fair and equitable manner, the utility company's records are analyzed to determine how each group of customers influenced the actual incurrence of costs by the utility. This review discloses certain direct costs that should be assigned to the specific rate class for which these costs were directly incurred. This review also discloses costs which are incurred to perform a function within the electric system for multiple customer rate classes, referred to as common costs. These common costs are then allocated among those rate classes using an allocator that appropriately reflects the underlying cost causative relationship(s).

Q. Please elaborate on the distinctions between various types of direct and allocated costs.

A. Certain costs are directly associated with one particular group of customers and are, therefore, directly assigned to that group. An example is FERC Account 373 – Street Lighting. All costs associated with this account will be assigned to the outdoor service rate class OS.

The majority of costs, however, are incurred jointly to serve numerous customer rate classes. An example of common costs is FERC Account 312 – Boiler Plant Equipment, which serves all rate classes. In order to allocate the various common costs like Account 312 to the rate classes, consideration must be given to the type and classes of customers, their load characteristics, their number, and various other expense and investment relationships in order to find the cost causative link.

Research of cost causative relationships reveals that costs normally possess one or more of three attributes that identify the driving linkage between customer and company. This cost categorization or componentization can be viewed as: (1) customer-related, which are costs that vary with the number of customers or the fact that customers must be able to receive service; (2) energy-related, which pertain to costs that vary with energy consumption (kWh); and (3) demand-related, which are costs that are incurred to serve peak needs for electricity (kW). Each of these three "drivers" has its own separate and appropriate allocators to spread its respective costs to the associated rate class and jurisdiction.

Once the various common accounts have been analyzed to identify their appropriate cost component(s), the corresponding allocator(s) can be applied to apportion common costs to the area of responsibility. By summing the allocated common costs and the assigned direct costs by jurisdiction and rate class, the rate of return for each group can be determined. If conducted upon a sound basis of cost causation, the cost-of-service study can be the benchmark to determine the adequacy of current rates and how well rate groups are covering their costs.

Q. Please expand on the importance of accurate cost allocation.

A. The goal of a cost-of-service study is to identify what costs are incurred to provide service to certain groups of customers. It is based upon the principle of cost causation. As stated in the National Association of Regulatory Utility Commissioners (NARUC) *Electric Utility Cost Allocation Manual*, "The total revenue requirement of the utility is attributed to the various classes of customers in a fashion that reflects the cost of providing utility services to each class" (pg. 13).

Q. Please give an example of the consequences of proper and improper allocations in a cost-of-service study.

A. In general, a meter is necessary to measure the amount of electricity provided to a customer, but the meter can operate adequately regardless of the maximum demand or the overall quantity of electricity consumed. The cost of the meter incurred by the utility to serve the customer does not vary with the quantity of electricity consumed by the customer; it is driven by the fact that each customer needs a meter. As a result, utilities will usually consider meters to be customer-related, and allocate meter costs to the various rate classes using an allocator which reflects the number of customers in each rate class.

If meters were misclassified as kWh related, then the corresponding kWh allocator would spread more meter costs to large customers and less meter costs to small customers despite the fact that the large customers and the small customers both required the same meter and imposed the same costs on the utility. The large customers' overall cost responsibility would ultimately be overstated and that of the smaller customers would be understated.

II. GULF'S COST-OF-SERVICE STUDY

Q. Please explain Schedule 1 of your Exhibit MTO-2.

A. Schedule 1.00, pages 2-3, of Exhibit MTO-2 is the result of the cost-of-service study in summary form for the test year utilizing the Company's present rates. It shows the Company's total rate base, revenues, expenses, and net operating income, along with the corresponding responsibilities of the retail jurisdiction, as well as the rate classes within the retail jurisdiction. The column denoted "Wholesale" represents full requirements wholesale, which is under the jurisdiction of the FERC. Unit Power Sales (UPS) is a wholesale contract in which Gulf-owned pieces of Plant Scherer are sold to other electric utilities.

Schedule 1.01, pages 4-5, is similar to Schedule 1.00 except that it shows revenues by rate class that would produce equal rates of return by rate class at the present retail rate of return. Schedule 1.10, pages 6-7, is similar to Schedule 1.00 except that it is based upon the Company's proposed revenues and related expenses by rate class. Schedule 1.11, pages 8-9, states what would be the revenues and related expenses that enable each rate class to achieve the same rate of return as will the retail jurisdiction under the Company's total retail proposed revenues and related expenses.

Q. What are the rate classes in the retail jurisdictional cost-of-service study for Gulf?

A. The rate classes in Gulf's retail jurisdictional cost-of-service study are:

- Rate Class Residential
- Rate Class GS (Small Business)
- Rate Class GSD/GSDT (Medium Business)
- Rate Class LP/LPT (Large Business)
- Rate Class Major Accounts (Very Large Business)
- Rate Class Outdoor Service (OS)

Q. What is the purpose of Schedule 2 of Exhibit MTO-2?

A. Schedule 2 of Exhibit MTO-2 analyzes investment related accounts and either assigns or allocates them to the appropriate jurisdiction and then to rate class within the retail jurisdiction. It includes Gross Plant Schedule 2.10, pages 10-14, Accumulated Depreciation Reserve Schedule 2.20, pages 15-17, Materials and Supplies Schedule 2.30, pages 18-19, Other Working Capital Schedule 2.40, pages 20-23, and Other Rate Base Items Schedule 2.50, pages 24-26. Together these schedules flow to the summary Schedule 1 to provide rate base by jurisdiction and rate class.

Q. What is shown on the remaining schedules of Exhibit MTO-2?

A. Schedule 3.00, pages 27-28, provides the Analysis of Revenues.

Schedule 4 displays the Analysis of Expenses. Schedule 4.10, pages 29-40, details the allocation of Operations and Maintenance (O&M) expenses to jurisdiction and rate classes. Schedule 4.20, pages 41-43, describes the Depreciation expense allocation, and Schedule 4.30, pages 44-46, presents the Analysis of Taxes Other Than Income Taxes. Schedule 5.0, pages 47-49, contains the Table of Line Allocators and Percentages. The results of these various schedules are summarized in Schedule 1. Schedule 6 shows the development of the Minimum Distribution System.

Q. Please identify the steps that were undertaken in preparing the cost-of-service study shown in your Exhibit MTO-2.

A. The development began with the collection and analysis of load research data. This research provided the number of customers and their respective demand and energy sales by voltage level of service which were then used to produce the allocators.

The load research data for the test year was supplied by Mr. Thompson. He also provided total territorial supply and losses for annual energy and demand. In addition, Mr. Thompson provided annual energy sales, monthly coincident peak (MCP) demands, annual non-coincident peak (NCP) demands, and the average number of customers for the test year by rate class and voltage level. These inputs were then used to calculate the "12-MCP," "NCP", " "energy," and "number of customers" allocators.

Q. Please describe the 12-MCP and NCP concepts and why they are used.

A. The 12-MCP demand is the sum of the highest kilowatt load predicted to occur in each month of the test year divided by twelve. This 12-MCP concept recognizes the fact that Gulf's system is planned and operated for the purpose of meeting these demands for electricity every month of the year. It also reflects consideration of scheduled maintenance, firm sales and purchase commitments, and reliance on interconnections. In addition, 12-MCP has traditionally been the FERC's preferred allocation technique for determining the wholesale jurisdictional obligation. The 12-MCP demand allocator has been used to help make the split between retail and wholesale. Within the retail jurisdiction it is used to allocate generation level demand-related costs and costs for transmission step-up substations, transmission lines, and substations linking transmission with distribution.

The NCP demand for each retail rate class is the highest demand occurring for that rate class during the test year. The NCP demand allocator was used to allocate distribution demand costs at Level 4 (primary distribution) and Level 5 (secondary distribution) and was similarly applied in Gulf's last rate case.

Q. Please explain the steps that were used in developing the demand and energy allocators.

A. Balanced system load flows for demand and energy were first developed through a load flow program, which spreads total system losses to each voltage level. These levels, which are defined in more detail in MFR E-10, are used to describe the flow of electricity from generation, through the various transformations, across the various transmission and distribution lines, to the eventual delivery to the customer.

The load flow process begins by taking the total energy sales at Level 5, the secondary distribution level, multiplying these sales by the loss percentage at Level 5, and then combining these calculated losses and sales. This amount is then added to the sales at Level 4, and this new total is, in turn, multiplied by the loss percentage at Level 4. This procedure is continued up through Level 1, the generation level. The program adjusts the loss percentages at each level and then iterates the above process until the sum of the losses at each level matches the total system losses and a balanced flow is produced. These total system loss percentages are then applied to the rate classes by voltage level, thus computing energy allocators for each respective voltage level. A similar process is used to calculate the 12-MCP demand allocators. The NCP demand allocators for Levels 4 and 5 are developed similarly and use the loss percentages calculated by the 12-MCP demand flow, since there is no territorial input for NCP with which to balance.

Q. What other types of allocators were used besides demand and energy?

A. Customer-related allocators were also used in order to allocate customer-related costs.

Q. What was the next step in the development of Gulf's cost-of-service study?

A. Ms. Ritenour provided the financial information for the projected test year. These investment, revenue, and expense items were then assigned to jurisdiction and rate class if a direct cost causative relationship was known, or allocated to jurisdiction and rate class using the previously developed allocators.

Q. How were the allocations made between the wholesale and retail jurisdictions?

A. Where costs were identified as serving only the retail or wholesale jurisdictions, they were assigned to that respective jurisdiction. Where costs were common and served both jurisdictions, they were allocated. The jurisdictional separation for demand costs was based upon the 12-MCP allocation. A kWh allocator was employed for the allocation of energy-related costs. Again, this methodology is consistent with the one approved in Gulf's last rate case. The methodology also conforms to MFR E-1.

Q. Please describe the analysis within the retail jurisdiction.

A. Where known to serve a particular rate class, revenues and costs were directly assigned. For example, residential revenues were assigned to the residential rate class and outdoor lighting fixture costs were assigned to the outdoor service rate class. The majority of costs were common and therefore allocated. Generation level costs were allocated on the basis of 12-MCP & 1/13 kWh (energy). Energy-related accounts were allocated upon the kWh allocator. Transmission, subtransmission and substations were allocated upon the12-MCP concept. Primary and secondary distribution demand-related costs were apportioned on the corresponding NCP allocators, and customer-related costs were allocated upon the respective customer allocator.

III. COST-OF-SERVICE METHODOLOGY COMPARED TO LAST GULF FILING

Q. How does the cost-of-service methodology proposed by Gulf in this case compare to the methodology approved in Gulf's last retail base rate proceeding?

A. It is the same methodology filed and approved by stipulation in the Company's last rate proceeding. The study methodology uses 12-MCP & 1/13 kWh for allocation of generation capital cost, 12-MCP for allocation of transmission cost, non-coincident peak demand for allocation of distribution cost, and the Minimum Distribution System for separating distribution cost into demand and customer components.

Although the Company does not agree that the use of 12-MCP & 1/13 kWh is a better allocator of generation level costs than a pure 12-MCP allocator would be, Gulf nevertheless prepared its study in this case using the Commission-approved methodology. Gulf continues to believe that a pure 12 MCP factor for generation results in a more accurate cost allocation. However, using the Commission's preferred method does not result in major variances in cost allocation from the pure 12-MCP approach and does not significantly impair Gulf in designing efficient rates.

Q. Please describe the Minimum Distribution System methodology and why Gulf believes it is important.

A. As I discuss in more detail later, some inherent, intrinsic costs of the distribution system besides the customer meter and service drop do not vary with customers' use of electricity. These costs are necessary simply for a customer to be "hooked-up" and able to receive service. The Minimum Distribution System (MDS) methodology is necessary to accurately determine and subsequently allocate these customer-related distribution costs.

Q. Where are customer-related costs found?

A. Basically, they can be found in Customer Assistance, Customer Service and the FERC mass distribution accounts. They relate to the costs of being capable of providing electric service. In other words, regardless of the quantity of electricity demanded, the mere fact that the utility must be prepared to provide service at any time causes those costs to be incurred. These customer-related costs are driven by the simple fact that each customer must have the ability to receive service.

This cost category which Gulf designates as "customer-related" includes those distribution costs which do not vary with demand use. Some may vary directly with the number of customers to be served while others are a fixed requirement necessary for a distribution system regardless of quantity of usage. An example would be protective devices (found in FERC Account 368), which operate in the same manner with or without load on the system in order to keep the lines available to as many customers as possible.

Q. Which FERC accounts require cost classification scrutiny to identify their customer-related component?

A. Accounts 364-370 usually require an analysis to properly apportion their overall costs into those which are customer-related and those which are demand-related.

Q. What harm can occur if these accounts are not classified properly into demand and energy using MDS?

A. The misclassification of costs that results from not using the MDS methodology sends inaccurate price signals to customers. This misclassification also results in different customer rate classes bearing more or less cost than their cost-causative share of distribution costs. It is therefore important to examine these customer-related costs and classify them appropriately, which the MDS methodology enables us to do.

Q. Does NARUC advocate accurate cost classification and the allocation of these accounts?

A. Yes. Its official guidebook, the *Electric Utility Cost Allocation Manual,* offers clear instructions. The following is an excerpt from page 90 of its January 1992 edition:

Distribution plant Accounts 364 through 370 involve demand and customer costs. The customer component of distribution facilities is that portion of costs which varies with the number of customers. Thus, the number of poles, conductors, transformers, services, and meters are directly related to the number of customers on the utility's system. As shown in table 6-1, each primary plant account can be separately classified into a demand and customer component. Two methods are used to determine the demand and customer components of distribution facilities. They are, the minimum-size-of-facilities method, and the minimum-intercept cost (zero-intercept or positive-intercept costs, as applicable) of facilities.

Q. Does the NARUC manual require that the cost-of-service study be done in a certain manner?

A. No, the NARUC manual is a guide that offers reasonable and logical methodologies for cost allocation. The manual only discusses the major costing methodologies and acknowledges those that are acceptable.

Q. Can you expand on the logic of a customer-related component for distribution accounts?

A. Yes. Schedule 2 of Exhibit MTO-1 depicts a simple distribution network. Now, imagine three different usage scenarios of this network:

Scenario I: Imagine that houses A-E all have about the same load usage. Now imagine that houses A and B become unoccupied due to impacts of a downturn in the economy or a rental or vacation home now experiencing high vacancy rates. The result is that load on the system goes down, yet the cost of the distribution network remains the same.

Scenario II: Now imagine that all 5 houses are occupied with like load usage. Next, houses C & D employ energy efficiency improvements. Load on the system diminishes, yet the cost of the distribution network remains the same.

Scenario III: Next imagine that all 5 houses are occupied with like load usage. Now imagine that houses C, D, & E add energy efficiency improvements, but a new house F is added to the network with a load equal to what the energy efficiency improvements were for houses C, D, & E. The result is that the total load on the system remains the same, yet the cost of the distribution network must be expanded for new poles and lines.

In each scenario, one can see that the cost of the distribution network is influenced by the number of customers served, not by any changes in total demand or energy usage. Therefore allocating these customer-related costs on a basis other than a customer allocator would result in an inaccurate cost classification and allocation. Assuming that an underage in properly defining customer cost is absorbed in demand cost, this inaccurate classification could lead to a demand or energy charge that is larger than its true cost. The customer receives a resultant price signal that is larger than it should be.

Even if rate designs do not exactly follow cost of service, it is crucial to have a cost-causative cost-of-service study. It is important that both rate designers and policy makers have an accurate cost benchmark so rate excursions from true costs can be observed and considered. Otherwise, rate decisions will be based on inaccurate information about true cost responsibility and impacts.

IV. HOW THE MINIMUM DISTRIBUTION SYSTEM METHODOLOGY IS PERFORMED

Q. How do you determine the customer-related costs of distribution?

A. The process of identifying customer-related costs uses the concept mentioned in the NARUC manual called the Minimum Distribution System. (MDS). This concept is based on the fact that in order to simply connect a customer to the power system, a minimum amount of facilities and equipment are necessary. The minimum distribution facilities, along with meters and service drops, make up the plant investment portion of customer-related costs. The distribution facilities in excess of the minimum are classified as demand-related costs because they relate to capacity.

Q. How does one determine this minimum amount of facilities and equipment?

A. There are two common ways to do so: (1) minimum size (MS) and (2) zero-intercept (ZI). The philosophy of MS is that in order to simply connect a customer to the system, a minimum size of equipment is necessary. The cost of this minimum size equipment is then categorized as a customer-related cost. For example, suppose that a 15 kVA line transformer represents the smallest size transformer normally used. In this case the unit installed costs of a 15 kVA transformer would be employed as the basis for the customer cost of transformers, with the residual transformer costs treated as demand-related. This methodology, although logical, has a weakness because even the smallest standard size equipment such as the 15 kVA transformer is capable of carrying load, i.e., it has capacity. This capacity is demand-related and should therefore be embedded within another price component. The second method, Zero-Intercept (ZI) is an improved technique for determining customer-related costs that, by definition, removes any ability of carrying load.

Mr. Lawrence J. Vogt in his published treatise, *Electricity Pricing: Engineering Principles and Methodologies* (2009) identified the zero-intercept and minimum system analysis. Mr. Vogt writes as follows:

> The concept of a minimum distribution system recognizes that the primary and secondary distribution system has both customer-related and demand-related attributes. As discussed previously, the customer cost component is

associated with no- load conditions, whereas the demand cost component is associated with load conditions ....

When a single device has both customer-related and demand-related attributes, its total cost must be allocated. The minimum intercept or zero-intercept methodology provides a rational basis for separating the cost of a device between its customer and demand components. (Id. at pp. 498-500.)

Q. How does the Zero-Intercept method work?

A. The ZI method is based on a regression analysis of equipment costs. The y-axis is based upon equipment unit cost and the x-axis is based upon sizes of equipment. This analysis creates a regression equation with acceptable confidence intervals that provides cost projections for equipment having load capacities outside the range of existing equipment. This allows a cost analyst to extrapolate back to a level of zero (i.e., no-load) capacity referred to as the y-intercept. The equation thereby identifies a value of unit cost for equipment with zero load capacity. This avoids any double counting of load with MDS. This can be observed in Schedules 6.1 and 6.2 of Exhibit MTO-2.

Q. When using different sizes of equipment, did you employ all sizes in use by Gulf?

A. No, we used the equipment which Gulf now purchases and anticipates continuing to purchase and avoided use of antiquated equipment sizes. For example, to use 7.5 kVA or 10 kVA transformers in the analysis would produce misleading results since Gulf has no plans to continue use of small transformers like these.

Q. If the unit cost is based upon a concept of equipment with no-load capability, do you consider the MDS to be an unrealistic or fictional concept as has sometimes been claimed?

A. No. MDS is no more of a fictional concept than is a deposit requirement for a vacation rental on Pensacola Beach or a simple retainer fee. A deposit is required to preserve the ability to occupy the rental space for future use. Likewise, the retainer fee is required to secure the right of future service regardless of the magnitude of additional services to be rendered. Similarly, the MDS is the cost required to ensure the availability of service to a customer premise whether or not any electricity is ever actually consumed.

Q. Is any equipment built to zero load specifications?

A. No, there is none to my knowledge. Likewise, there is no generating plant that is built with exactly 1/13 of its capital cost to minimize fuel cost as required by one of the MFRs for allocation of production costs. This does not mean, though, that ZI is an illogical concept and therefore not to be used. Even though no equipment is built to serve zero load, the ZI concept is still a valid method of identifying customer-related cost because ZI recognizes the intrinsic cost of providing service – the necessary elements to merely enable service to be provided.

Q. How does one account for inflation when developing the ZI regression equation?

A. Equipment is regressed and analyzed using current replacement costs. This is necessary since some equipment in service for Gulf has a more current vintage than others. Once the ZI unit costs for the customer-related piece are computed, these costs are multiplied by the number of units in service to develop the aggregate amount. The remainder of "current replacement cost" is the demand-related costs. This resultant split of replacement cost into a customer piece and a demand piece is then used to allocate the embedded vintage cost for the equipment into appropriate customer and demand component costs. This is done for all the various types of equipment which possess both customer-related and demand-related characteristics within their inherent make-up. Any equipment which has either a strictly demand-only make-up (for example, substation equipment) or a strictly customer-only make-up (for example meters) is directly assigned to the respective component. An appropriate customer allocator then allocates customer-related costs to rate classes in the cost-of-service study. Demand-related costs are similarly allocated to rate classes using a demand-related allocator.

Q. What FERC mass distribution accounts are split and classified in this manner?

A. Distribution Accounts 365, 366, 367, and 368 use this ZI methodology. For FERC Account 364, we used the average of the smallest, most frequently used poles since the unit cost of different sized poles did not lend itself to regression analysis. Accounts 369 and 370 are considered as all customer-related. Any related expense accounts (for example depreciation expense) then utilize the corresponding 364-368 accounts to appropriately split expenses into customer and demand-related costs. The computation of the splits for Accounts 364-370 are shown in Schedules 6.3 to 6.9 of Exhibit MTO-2, pages 52-60.

Q. Are Account 369 (Service Drops) and Account 370 (Meters) usually classified as 100 percent customer-related?

A. Yes, this has been the traditional treatment for most utilities. Service Drops are the lines that provide the service connection between the secondary level distribution transformer and the customer's meter and enable the customer to receive service. The meter, as previously mentioned, measures the amount of electricity that the customer consumes and is used for billing.

Q. What are the resultant customer/demand splits that Gulf is proposing?

A. The customer-related analysis performed for Gulf results in the customer/demand splits shown on Schedule 3 of Exhibit MTO-1. These are the splits which Gulf is proposing.

Q. Do any other electric utilities use MDS to determine the customer-related costs?

A. Yes. In fact, two other operating companies in the Southern electric system, Georgia Power Company and Mississippi Power Company, use

MDS to determine the customer-related costs. Some other utilities that employ MDS include Kentucky Utilities, LG&E, Tennessee Valley Authority (TVA), Wisconsin Public Service, and Virginia Electric Power.

Q. Other than approving the stipulation to use MDS in Gulf's last base rate proceeding, has this Commission ever approved MDS?

A. Yes, it was approved for Choctawhatchee Electric Cooperative Inc. (CHELCO) in Docket No. 020537-EC. The Commission stated four basic reasons for accepting MDS for CHELCO: (1) customer density, (2) rural customer make-up of much of CHELCO, (3) number of accounts versus number of customers, and (4) financial hardship.

Q. How do these conditions apply to Gulf?

A. In some cases these conditions are similar and in some cases they vary.

(1) Density is considered in terms of the number of customers served within the distribution network and does influence cost per customer but is not a primary driver of cost. CHELCO was requesting a customer charge for customer related distribution cost recovery of $24/customer/month. The distribution unit cost for Gulf in the last case was $20/customer/month which is not significantly different from CHELCO's request. In fact Gulf's requested customer charge equivalent, base charge, in their last case was actually only $15/customer/month which was about the customer-related unit cost that would occur for Gulf without the use of MDS. However, density is not the primary driver that causes cost to be incurred. As

previously noted, the primary drivers that cause cost to be incurred are number of customers, amount of demand, and the amount of energy required. Finally whether unit costs are $24/customer or some other number, a cost-of-service study should allocate cost based upon cost causation regardless of the unit cost value that results.

(2) CHELCO has a more rural characteristic than Gulf although Gulf too has many rural customers. An emphasis upon rural versus urban customer base may be appropriate to acknowledge that rural customers' load and electricity bills are likely to be more variable and volatile than those of urban customers. However, the issue of moderating revenue volatility for the utility is a rate design issue – not a cost-of-service issue. Cost of service should be based upon cost causation. The rate designer and the regulators have the flexibility to vary from pure unit cost for many reasons, but it is important for them to know how far they are departing from pure unit cost in rate design and the overall revenue target. Only a cost-of-service study based upon cost causation can tell them that.

(3) Apparently CHELCO has more accounts than customers. This may be due to rural customers having one account for their house and additional accounts for other activities. These "other accounts" require cost to be incurred by the utility that would not be required if there were only one account. A large base charge might discourage a customer from requesting multiple accounts thereby avoiding unnecessary cost for the utility. Once again, this is a rate design issue and not a cost-of-service issue. If the utility

and regulator wish to discourage multiple accounts for the same customer, they can do so in the rate design process, but this should not direct the cost-of-service analyst into misallocating cost in the cost-of-service study.

(4) CHELCO was incurring serious financial hardship and in fact had a negative rate of return. Although Gulf's rate of return is not negative, Gulf is earning below the bottom of its authorized rate of return. In any event, the financial condition of the utility does not affect the need to use cost causation principles to allocate cost properly when conducting a cost-of-service study. Whether a utility is financial healthy or suffering, cost should be allocated based on cost causation.

In summary, there are both similarities and differences between CHELCO's situation and Gulf's. However, regardless of these differences, there are important cost causation principles that justify the use of MDS in this case.

Q. An occasional criticism of MDS is the statement that utilities generally do not know precisely which pieces of equipment serve which rate classes. Is this a valid criticism?

A. No. While it is true that many utility systems are so large that they cannot feasibly track which equipment serves which rate classes, utilities like Gulf are able to determine where the equipment is located by service levels (like secondary service) and which rate classes are served at each one of these respective service levels. This is adequate and reasonable detail to allocate cost and use MDS in a cost-of-service study.

Q. Will the use of MDS allocate a disproportionate share of cost to the residential and small commercial rate classes?

A. No. Using MDS and including the resultant customer component in the distribution accounts will increase the costs allocated to the residential rate class and small commercial rate class, and usually it will decrease the costs allocated to large business classes. However, this is appropriate, since it better reflects the cost to serve these rate classes. It is not "disproportionate" but simply more accurate. For instance, if the majority of secondary customers and load are from a particular rate class, that rate class causes the majority of secondary cost and this is more precisely revealed with the use of MDS.

Q. If MDS results in the base charge increasing, will this have more impact on small customers than large customers?

A. Since the overall revenue target and rate design applies to all customers within the class, a large fixed component will impact small users more than a volume-based component. But, once again, this is a rate design issue – not a cost-of-service issue. When determining the cost of providing service to customers, who benefits should not be the deciding factor – cost causation should. In addition to causing intra-class inequity, not recognizing MDS in cost of service also causes inter-class inequity. In the past when this MDS customer component was not recognized in cost of service, large business rates were inappropriately allocated higher costs than appropriate. Even though the MDS methodology causes cost allocation to decrease for large business rates and customers and to increase for smaller rates and customers, it does so for rational reasons and properly allocates the costs to those customers who caused them to be incurred by the utility.

Q. What effect does including this customer-related component have for seasonal homes and vacation apartments?

A For months in which seasonal homes and vacation apartments are unoccupied yet still in service, cost allocation would be higher in cost-of-service studies with MDS than if these customer-related costs were misclassified in the demand component and there was no demand from the unoccupied premise. However, this is indeed a proper reflection of costs, since even during months of vacancy Gulf must have its distribution system ready to provide service whenever the renter arrives. The seasonal customer should have the same cost responsibility as the year-round resident for these customer-related costs. Without the use of the MDS methodology, year-round customers would be allocated more than their fair share of these costs.

Q. It appears that you have included a customer-related component only for distribution equipment and not for transmission and subtransmission equipment. Why shouldn't transmission and subtransmission include customer components?

A. One could make the argument that transmission and subtransmission should have customer components. However, transmission and subtransmission equipment is much larger and operates at higher voltage levels than distribution equipment. Consequently, imputing a customer-related piece would likely result in a very small portion of the transmission and subtransmission being identified as customer-related. As a result, it has been common convention in the electric industry to stop calculating a customer component at the distribution level.

Q. Does the NARUC manual propose a customer component for transmission or does it stop at distribution?

A. The NARUC manual stops at distribution for classifying costs as customer-related.

Q. Do you recommend continuing to use MDS for Gulf in this case?

A. Yes, I do. I believe that this methodology provides the most appropriate cost assignments to assess rate class returns and to serve as a basis for rate design.

Q. Even though you are recommending the use of a MDS cost-of-service study in this case, is a non-MDS study included in the MFRs which you are sponsoring?

A. Yes, that is included in MFR E-1.

Q. In your opinion, are the results of the recommended cost-of-service study accurate representations of the rates of return by jurisdiction and rate class?

A. Yes. The results shown on Schedule 1 of the cost-of-service study in Exhibit MTO-2 are indeed fair and accurate statements of cost causation. The rates of return produced by jurisdiction and by rate class for Gulf's test year are fair and accurate indications of how the rate classes are covering costs.

Q. Does this conclude your testimony?

A. Yes, it does.

AFFIDAVIT

STATE OF GEORGIA)
)
COUNTY OF COBB)

Docket No. 130140-EI

Before me the undersigned authority, personally appeared Michael T. O'Sheasy, who being first duly sworn, deposes, and says that he is a Vice President with Christensen Associates, Inc. and that the foregoing is true and correct to the best of his knowledge, information, and belief.

Michael T. O'Sheasy
Michael T. O'Sheasy
Vice President

Sworn to and subscribed before me this 5 day of June, 2013.

Traci Zorn
Notary Public, State of Georgia at Large

Commission No. —

My Commission Expires 1-29-2017

Personally Known_______ OR Produced Identification X

Type of Identification Produced DL # 000961809

TRACI ZORN
NOTARY
EXPIRES
GEORGIA
January 29, 2017
PUBLIC
COBB COUNTY

Florida Public Service Commission
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Responsibility for Minimum Filing Requirements

Schedule	Title
B-6	Jurisdictional Separation Factors – Rate Base
C-4	Jurisdictional Separation Factors – Net Operating Income
E-1	Cost of Service Studies
E-2	Explanation of Variations from Cost of Service Study Approved in Company's Last Rate Case
E-3a	Cost of Service Study – Allocation of Rate Base Components to Rate Schedule
E-3b	Cost of Service Study – Allocation of Expense Components to Rate Schedule
E-4a	Cost of Service Study – Functionalization and Classification of Rate Base
E-4b	Cost of Service Study – Functionalization and Classification of Expenses
E-5	Source and Amount of Revenues – At Present and Proposed Rates
E-6a	Cost of Service Study – Unit Costs, Present Rates
E-6b	Cost of Service Study – Unit Costs, Proposed Rates
E-9	Cost of Service – Load Data
E-10	Cost of Service Study – Development of Allocation Factors
E-11	Development of Coincident and Non-Coincident Demands for Cost Study
E-16	Customers by Voltage Level
E-19a	Demand and Energy Losses
E-19b	Energy Losses
E-19c	Demand Losses

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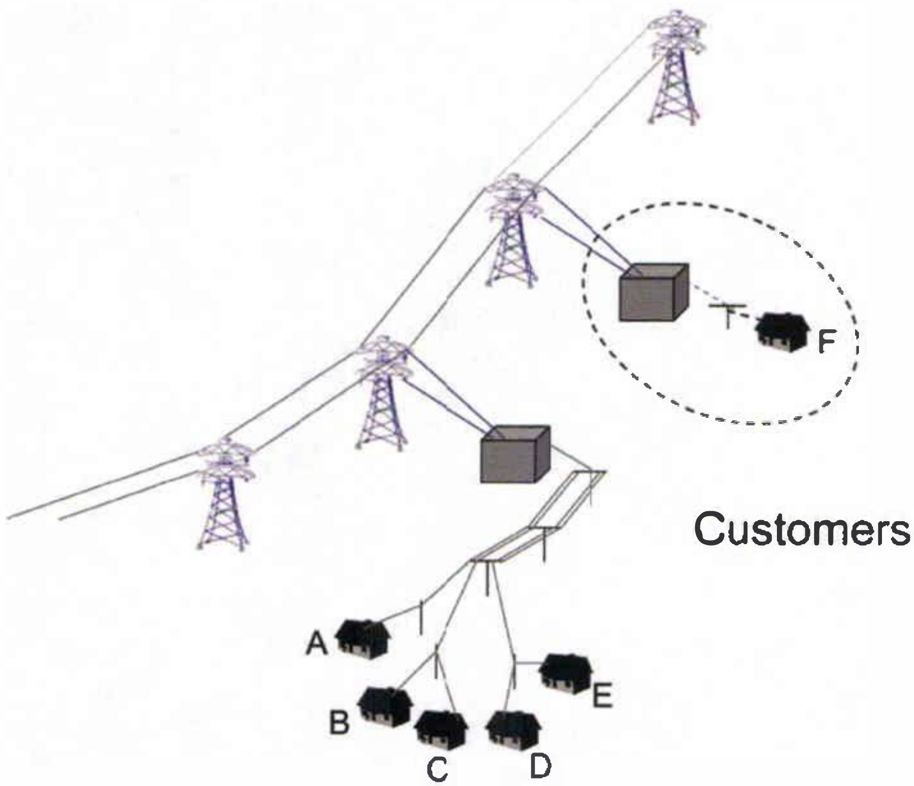
Illustration of Simple Distribution Network



MDS Customer/Demand Percentages by FERC Account

Account	%Customer	%Demand
364	65.9%	34.1%
365	16.3%	83.7%
366	3.9%	96.1%
367	4.6%	95.4%
368	25.4%	74.6%
369	100%	0%
370	100%	0%

Index of Michael T. O'Sheasy Exhibit MTO-2

GULF POWER COMPANY
12 MONTHS ENDING DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 1.00 - PRESENT RATE SUMMARY
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
	INVESTMENT										
1	ELECTRIC GROSS PLANT	3,391,076	1,720,955	99,776	580,715	225,760	227,889	89,073	2,944,168	55,729	391,179
2	ACCUMULATED DEPRECIATION	1,398,044	725,208	41,095	240,957	94,574	98,249	43,236	1,243,319	24,730	129,995
3	NET PLANT	1,993,032	995,747	58,681	339,758	131,186	129,640	45,837	1,700,849	30,999	261,184
4	MATERIALS AND SUPPLIES	154,358	70,673	3,801	33,712	14,556	15,953	2,316	141,011	3,614	9,633
5	OTHER WORKING CAPITAL	12,616	7,602	490	2,608	1,122	1,140	249	13,311	316	(1,011)
6	CONST. WORK IN PROGRESS	0	0	0	0	0	0	0	0	0	0
7	CWIP - NOT BEARING INTEREST	33,647	15,090	799	5,543	2,255	2,479	490	26,656	634	6,557
8	PLANT HELD FOR FUTURE USE	5,435	2,883	144	1,146	487	588	28	5,276	159	0
9	UNAMORT. PLANT ACQ. ADJUST.	1,903	0	0	0	0	0	0	0	0	1,903
10	INJURIES AND DAMAGES RESERVE	(3,354)	(2,027)	(163)	(555)	(194)	(204)	(59)	(3,202)	(54)	(98)
11	TOTAL ELECTRIC INVESTMENT	2,197,837	1,090,168	63,752	382,112	149,412	149,596	48,861	1,883,901	35,868	278,068
	REVENUES										
12	REVENUE FROM SALES	510,734	296,890	20,537	102,785	33,933	29,452	14,896	498,493	12,241	0
13	OTHER OPERATING REVENUES	69,171	37,651	2,359	11,161	9,377	3,320	1,401	65,278	3,893	0
14	REVENUE-NONASSOCIATED SALES	65,602	3,389	186	1,760	784	907	99	7,127	214	58,261
15	ADJUSTMENTS TO REVENUE	(42,247)	(26,162)	(1,740)	(8,711)	(2,876)	(2,496)	(1,262)	(42,247)	(0)	0
16	TOTAL ADJUSTED REVENUE	603,260	312,768	21,353	106,995	41,218	31,183	15,134	528,651	16,348	58,261
	EXPENSE										
17	OPERATIONS & MAINTENANCE	308,608	175,167	12,549	51,562	24,872	20,427	5,622	290,199	5,717	12,692
18	DEPRECIATION	114,402	61,471	3,747	20,152	7,658	7,716	3,761	104,505	1,922	7,975
19	AMORT. OF INV. TAX CREDIT	(1,224)	(517)	(31)	(169)	(64)	(65)	(32)	(878)	(16)	(330)
20	OTHER AMORTIZATION	0	0	0	0	0	0	0	0	0	0
21	REAL & PERSONAL PROP. TAX	26,010	13,696	758	5,040	2,083	2,245	495	24,515	580	915
22	PAYROLL TAX	6,917	4,106	332	1,180	415	437	127	6,599	114	204
23	REVENUE TAX	402	239	17	83	27	24	12	402	0	0
24	OTHER TAXES	41,572	24,744	1,709	8,569	2,835	2,471	1,233	41,561	11	0
25	ADJUSTMENT TO OTHER TAXES	(41,160)	(24,514)	(1,696)	(8,487)	(2,802)	(2,431)	(1,230)	(41,160)	0	0
26	EXPENSES EXCL. INC. TAX	455,527	254,594	17,383	77,930	35,024	30,824	9,988	425,743	8,328	21,456
27	OPERATING INCOME	147,733	58,174	3,970	29,065	6,194	359	5,146	102,908	8,020	36,805
28	STATE & FEDERAL INCOME TAX	34,676	10,889	856	7,163	806	(1,446)	1,467	19,735	2,714	12,227
29	INTEREST SYNCHRONIZATION	6,925	3,943	231	1,382	540	541	177	6,814	111	0
30	TOTAL INCOME TAXES	41,601	14,832	1,087	8,545	1,346	(905)	1,644	26,549	2,825	12,227
31	NET OPERATING INCOME	106,132	43,342	2,883	20,520	4,848	1,264	3,502	76,359	5,195	24,578
32	RATE OF RETURN	4.83%	3.98%	4.52%	5.37%	3.24%	0.84%	7.17%	4.05%		
33	RATE OF RETURN INDEX		98.09%	111.57%	132.49%	80.05%	20.85%	176.83%	100.00%		

GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
PRESENT RATE SUMMARY

Line No.	Ftnt Label	Description
1	(A)	From "Analysis of Gross Plant"
2	(B)	From "Analysis of Accumulated Depreciation Reserve"
4	(C)	From "Analysis of Materials and Supplies"
5	(D)	From "Analysis of Other Working Capital"
6	(E)	From "Analysis of Other Rate Base Items"
7	(E)	
8	(E)	
9	(E)	
10	(E)	
12	(F)	From "Analysis of Revenues"
13	(F)	
14	(F)	
15	(F)	
17	(G)	From "Analysis of Operations and Maintenance Expense"
18	(H)	From "Analysis of Depreciation Expense"
19	(I)	Allocated per Depreciation Expense; UPS directly assigned
20	(J)	Allocated per Total Production Gross Plant excluding UPS
21	(K)	From "Analysis of Taxes Other Than Income Taxes"
22	(K)	
23	(K)	
24	(K)	
25	(K)	
28	(L)	Income Taxes allocated per formula t = Rc - KI : where t = Total Income Taxes, R = Operating Income, c = Combined Effective Tax Rate of 0.38575, I = Total Electric Investment, and K = Income Tax Deduction factor of 0.0105957953; UPS directly assigned.
29	(M)	Retail portion allocated per Retail Rate Base; Total All Other and UPS directly assigned.
32	(N)	Rate of Raturn equals Net Operating Income Divided by Total Electric Investment.
33	(O)	Each Rate Class Rate of Return divided by Total Retail Service Rate of Return

GULF POWER COMPANY
12 MONTHS ENDING DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 1.01 - EQUAL RATE OF RETURN SUMMARY - PRESENT RATES
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL RETAIL SERVICE (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)
1	EQUAL RATE OF RETURN	4.05%	4.05%	4.05%	4.05%	4.05%	4.05%	4.05%
2	PRESENT SYSTEM OPERATING INCOME	76,359	44,188	2,584	15,488	6,056	6,063	1,980
3	CURRENT OPERATING INCOME	76,359	43,342	2,883	20,520	4,848	1,264	3,502
4	CHANGE IN OPERATING INCOME	(0)	846	(299)	(5,032)	1,208	4,799	(1,522)
5	CHANGE IN INCOME TAXES	0	531	(188)	(3,160)	759	3,014	(956)
6	CURRENT INCOME TAXES	26,549	14,832	1,087	8,545	1,346	(905)	1,644
7	CHANGE IN EXPENSES	0	4	(2)	(30)	7	30	(9)
8	CURRENT EXPENSES	425,743	254,594	17,383	77,930	35,024	30,824	9,988
9	REV REQ - EQUAL SYSTEM ROR - PRESENT RATES	528,651	314,149	20,864	98,773	43,192	39,026	12,647
10	PRESENT REVENUE REQUIREMENTS	528,651	312,768	21,353	106,995	41,218	31,183	15,134
11	REVENUE EXCESS / DEFICIENCY	(0)	1,381	(489)	(8,222)	1,974	7,843	(2,487)
12	REV REQ INDEX - EQUAL SYSTEM ROR - PRES. RATES	100.00%	99.56%	102.34%	108.32%	95.43%	79.90%	119.66%

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GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
EQUAL RATE OF RETURN SUMMARY - PRESENT RATES

Line No.	Ftnt Label	Description
1	(A)	From "Present Rate Summary", Total Retail Service Rate of Return
2	(B)	Line 1 times Total Rate Base - "Present Rate Summary"
3	(C)	From "Present Rate Summary"
4	(D)	Line 2 minus Line 3
5	(E)	Line 4 times the combined effective tax rate divided by 1 minus the combined effective tax rate
6	(C)	
7	(F)	Line 4 plus Line 5 times the Proposed Expense Factor divided by 1 minus the Proposed Expense Factor
8	(C)	
9	(G)	Line 2 plus Lines 5 - 8.
10	(C)	
11	(H)	Line 9 minus Line 10
12	(I)	Line 10 divided by Line 9

GULF POWER COMPANY
12 MONTHS ENDING DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 1.10 - PROPOSED RATE SUMMARY
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
1	TOTAL ELECTRIC INVESTMENT	2,197,837	1,090,168	63,752	382,112	149,412	149,596	48,861	1,883,901	35,868	278,068
	REVENUE										
2	PRESENT REVENUE	603,260	312,768	21,353	106,995	41,218	31,183	15,134	528,651	16,348	58,261
3	PROPOSED REVENUE	74,393	44,303	2,372	13,194	7,104	8,570	850	74,393	0	0
4	TOTAL REVENUE	677,653	357,071	23,725	120,189	48,322	37,753	15,984	603,044	16,348	58,261
	EXPENSE										
5	PRESENT OPERATING EXPENSES	455,527	254,594	17,383	77,930	36,024	30,824	9,988	425,743	8,328	21,456
6	PROPOSED EXPENSE INCREASE	272	162	9	48	26	24	3	272	0	0
7	TOTAL EXPENSES	455,799	254,756	17,392	77,978	36,050	30,848	9,991	426,015	6,328	21,456
8	OPERATING INCOME	221,854	102,315	6,333	42,211	13,272	6,905	5,993	177,029	8,020	36,805
	INCOME TAXES										
9	PRESENT INCOME TAXES	41,601	14,832	1,087	8,545	1,346	(905)	1,644	26,549	2,825	12,227
10	PROPOSED INC. TAX INCREASE	28,592	17,027	912	5,071	2,730	2,525	327	28,592	0	0
11	TOTAL INCOME TAXES	70,193	31,859	1,999	13,616	4,076	1,620	1,971	55,141	2,825	12,227
12	NET OPERATING INCOME	151,661	70,456	4,334	28,595	9,196	5,285	4,022	121,888	5,195	24,578
13	RATE OF RETURN	6.90%	6.46%	6.80%	7.48%	6.15%	3.53%	8.23%	6.47%		
14	RATE OF RETURN INDEX		99.89%	105.07%	115.66%	95.13%	54.60%	127.23%	100.00%		

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GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
PROPOSED RATE SUMMARY

Line No.	Ftnt Label	Description
1	(A)	From "Present Rate Summary"
2	(A)	
3	(B)	Provided by Pricing, Costing & Load Research, Gulf Power Company.
5	(A)	
6	(C)	Calculated by multiplying Proposed Revenues times the appropriate Proposed Expense Factor
8	(D)	Operating Income equals Total Revenue minus Total Expenses.
9	(A)	
10	(E)	Proposed Income Tax Increase calculated by multiplying Proposed Revenue minus Proposed Expense Increase times Effective Tax Rate of 0.38575.
12	(F)	Net Operating Income equals Operating Income less Total Income Taxes.
13	(G)	Rate of Return equals Net Operating Income Divided by Total Electric Investment.
14	(H)	Each Rate Class Rate of Return divided by Total Retail Service Rate of Return

GULF POWER COMPANY
12 MONTHS ENDING DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 1.11 - EQUAL RATE OF RETURN SUMMARY - PROPOSED RATES
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL RETAIL SERVICE (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)
1	EQUAL RATE OF RETURN	6.47%	6.47%	6.47%	6.47%	6.47%	6.47%	6.47%
2	PROPOSED OPERATING INCOME	121,888	70,534	4,125	24,723	9,667	9,679	3,161
3	CURRENT OPERATING INCOME	76,359	43,342	2,883	20,520	4,848	1,264	3,502
4	CHANGE IN OPERATING INCOME	45,530	27,192	1,242	4,203	4,819	8,415	(341)
5	CHANGE IN INCOME TAXES	28,592	17,076	780	2,639	3,026	5,285	(214)
6	PRESENT INCOME TAXES	26,549	14,632	1,087	8,545	1,346	(905)	1,644
7	CHANGE IN EXPENSES	273	162	7	25	29	51	(2)
8	PRESENT EXPENSES	425,743	254,594	17,383	77,930	35,024	30,824	9,988
9	REV REQ - EQUAL SYSTEM ROR - PROPOSED RATES	603,045	357,198	23,382	113,861	49,092	44,934	14,577
10	PRESENT REVENUE REQUIREMENTS	528,651	312,768	21,353	106,995	41,218	31,183	15,134
11	REVENUE EXCESS / DEFICIENCY	74,393	44,430	2,029	6,866	7,874	13,751	(557)
12	REV REQ INDEX - EQUAL SYSTEM ROR - PROP. RATES	87.66%	87.56%	91.32%	93.97%	83.96%	69.40%	103.82%

GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
EQUAL RATE OF RETURN SUMMARY - PROPOSED RATES

Line No.	Ftnt Label	Description
1	(A)	From "Proposed Rate Summary", Total Retail Service Rate of Return
2	(B)	Line 1 times Total Rate Base - "Proposed Rate Summary"
3	(C)	From "Present Rate Summary"
4	(D)	Line 2 minus Line 3
5	(E)	Line 4 times the combined effective tax rate divided by 1 minus the combined effective tax rate
6	(C)	
7	(F)	Line 4 plus Line 5 times the Proposed Expense Factor divided by 1 minus the Proposed Expense Factor
8	(C)	
9	(G)	Line 2 plus Lines 5 - 8.
10	(C)	
11	(H)	Line 9 minus Line 10
12	(I)	Line 10 divided by Line 9

GULF POWER COMPANY
12 MONTHS ENDING DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 2.10 - ANALYSIS OF GROSS PLANT
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
1	TOTAL PRODUCTION PLANT	1,571,047	627,458	30,656	252,627	107,929	130,774	5,721	1,155,365	35,508	380,174
	RETAIL JURISDICTION										
2	DEMAND		585,178	28,517	230,676	98,157	119,476	4,487	1,066,491		
3	ENERGY		42,280	2,339	21,951	9,772	11,298	1,234	88,874		
	TRANSMISSION PLANT										
	350-LAND & LAND RIGHTS										
1	SUBSTATIONS										
4	LEVEL 2 COMMON	1,541	821	40	323	138	167	6	1,495	46	0
5	LEVEL 3 COMMON	591	351	17	138	51	31	3	591	0	0
6	TOTAL SUBSTATION LAND	2,132	1,172	57	461	189	198	9	2,086	46	0
	LINES										
7	LEVEL 2 COMMON	18,183	9,678	472	3,816	1,624	1,977	74	17,641	542	0
8	TOTAL ACCOUNT 350	20,315	10,850	529	4,277	1,813	2,175	83	19,727	588	0
	352-STRUCTURES										
9	LEVEL 2 CUSTOMER SUB	2	0	0	0	0	2	0	2	0	0
10	LEVEL 2 COMMON	9,550	5,083	248	2,004	853	1,038	39	9,265	285	0
11	LEVEL 3 COMMON	1,439	853	42	337	125	75	7	1,439	0	0
12	TOTAL ACCOUNT 352	10,991	5,936	290	2,341	978	1,115	46	10,706	285	0
	353-STATION EQUIPMENT										
13	LEVEL 2 CUSTOMER SUB	140	0	0	0	0	140	0	140	0	0
14	LEVEL 2 COMMON	125,696	63,534	3,096	25,045	10,657	12,971	487	115,790	3,559	6,347
15	LEVEL 3 COMMON	38,170	22,657	1,104	8,931	3,305	1,999	174	38,170	0	0
16	TOTAL ACCOUNT 353	164,006	86,191	4,200	33,976	13,962	15,110	661	154,100	3,559	6,347
	354-TOWERS AND FIXTURES										
17	LEVEL 2 COMMON	42,804	22,787	1,110	8,982	3,822	4,652	175	41,528	1,276	0
	355-POLES AND FIXTURES										
18	LEVEL 2 COMMON	148,976	79,305	3,865	31,262	13,302	16,192	608	144,534	4,442	0
	356-OVERHEAD CONDUCTORS										
19	LEVEL 2 COMMON	85,526	45,529	2,219	17,947	7,637	9,295	349	82,976	2,550	0
	358-UNDERGROUND CONDUCTORS										
20	LEVEL 2 COMMON	14,095	7,502	366	2,958	1,259	1,532	58	13,675	420	0
	359-ROADS AND TRAILS										
21	LEVEL 2 COMMON	236	126	6	50	21	25	1	229	7	0
22	TOTAL TRANS. PLANT	486,949	258,226	12,585	101,793	42,794	50,086	1,981	467,475	13,127	6,347

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GULF POWER COMPANY
12 MONTHS ENDING DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 2.10 - ANALYSIS OF GROSS PLANT
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
	DISTRIBUTION PLANT										
	360-SUBSTATION LAND										
23	LEVEL 3 CUST. SUB	74	0	0	0	0	11	0	11	62	0
24	LEVEL 3 COMMON	4,584	2,720	133	1,073	397	240	21	4,584	0	0
25	LEVEL 4 COMMON	12	6	0	3	1	0	0	12	0	0
26	TOTAL ACCOUNT 360	4,670	2,726	133	1,076	398	251	21	4,607	62	0
	361-STRUCTURES										
27	LEVEL 3 CUST. SUB	2,007	0	0	0	617	963	0	1,581	426	0
28	LEVEL 3 COMMON	21,220	12,596	614	4,965	1,837	1,111	97	21,220	0	0
29	LEVEL 4 COMMON	0	0	0	0	0	0	0	0	0	0
30	TOTAL ACCOUNT 361	23,227	12,596	514	4,965	2,454	2,074	97	22,801	426	0
	362-STATION EQUIPMENT										
31	LEVEL 3 CUST. SUB	20,433	0	0	0	4,195	12,566	0	16,761	3,672	0
32	LEVEL 3 COMMON	205,570	122,021	5,946	48,100	17,799	10,768	936	205,570	0	0
33	LEVEL 4 COMMON	23	13	1	6	2	1	0	23	0	0
34	TOTAL ACCOUNT 362	226,026	122,034	5,947	48,106	21,996	23,335	936	222,354	3,672	0
	364-POLES AND FIXTURES										
35	LEVEL 4 COMMON	35,454	20,686	1,116	6,647	3,138	1,334	531	35,454	0	0
36	LEVEL 4 CUSTOMER	68,500	59,649	4,506	2,703	43	7	1,593	68,500	0	0
37	LEVEL 5 COMMON	10,168	6,310	341	2,621	715	19	162	10,168	0	0
38	LEVEL 5 CUSTOMER	19,667	17,128	1,294	775	11	1	458	19,667	0	0
39	TOTAL ACCOUNT 364	133,789	103,773	7,258	14,746	3,907	1,361	2,744	133,789	0	0
	365-OVERHEAD CONDUCTORS										
40	LEVEL 4 COMMON	89,998	52,507	2,838	21,951	7,987	3,387	1,348	89,998	0	0
41	LEVEL 4 CUSTOMER	17,614	15,338	1,158	695	11	2	410	17,614	0	0
42	LEVEL 5 COMMON	25,183	16,627	844	6,491	1,772	48	401	25,183	0	0
43	LEVEL 5 CUSTOMER	4,616	4,194	317	190	3	0	112	4,616	0	0
44	TOTAL ACCOUNT 365	137,611	87,666	5,157	29,327	9,753	3,437	2,271	137,611	0	0
	366-UNDERGROUND CONDUIT										
45	LEVEL 4 COMMON	664	387	21	162	59	25	10	664	0	0
46	LEVEL 4 CUSTOMER	33	29	2	1	0	0	1	33	0	0
47	LEVEL 5 COMMON	450	279	15	116	32	1	7	450	0	0
48	LEVEL 5 CUSTOMER	14	12	1	1	0	0	0	14	0	0
49	TOTAL ACCOUNT 366	1,161	707	39	280	91	26	16	1,161	0	0
	367-UNDERGROUND COND. & DEV.										
50	LEVEL 4 COMMON	99,398	57,991	3,134	24,243	8,799	3,740	1,489	99,396	0	0
51	LEVEL 4 CUSTOMER	4,645	4,216	319	191	3	1	113	4,645	0	0
52	LEVEL 5 COMMON	40,669	25,235	1,364	10,483	2,861	78	648	40,669	0	0
53	LEVEL 5 CUSTOMER	1,908	1,663	125	75	1	0	44	1,908	0	0
54	TOTAL ACCOUNT 367	146,616	89,107	4,942	34,992	11,664	3,619	2,294	146,816	0	0

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GULF POWER COMPANY
12 MONTHS ENDING DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 2.10 - ANALYSIS OF GROSS PLANT
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
	368-LINE TRANSFORMERS										
55	LEVEL 4 COMMON	35,271	20,579	1,112	8,603	3,122	1,327	528	35,271	0	0
56	LEVEL 4 CUSTOMER	4,314	3,757	284	170	3	0	100	4,314	0	0
57	LEVEL 5 COMMON	154,026	95,575	5,165	39,703	10,835	294	2,454	154,026	0	0
58	LEVEL 5 CUSTOMER	60,139	52,376	3,956	2,370	34	4	1,399	60,139	0	0
59	TOTAL ACCOUNT 368	253,750	172,287	10,517	50,846	13,994	1,625	4,481	253,750	0	0
	369-SERVICES										
60	HOUSE POWER BOXES	0	0	0	0	0	0	0	0	0	0
61	OTHER SERVICES	99,675	88,877	6,712	4,021	57	8	0	99,675	0	0
62	TOTAL ACCOUNT 369	99,675	88,877	6,712	4,021	57	8	0	99,675	0	0
63	370-METERS	65,096	48,878	6,437	8,768	494	266	138	64,981	115	0
64	373-STREET LIGHTING	65,351	0	0	0	0	0	65,351	65,351	0	0
65	TOTAL DIST. PLANT	1,157,174	728,653	47,756	197,127	64,809	36,203	78,351	1,152,898	4,276	0
66	DEMAND	745,202	432,534	22,646	177,167	64,148	35,914	8,632	741,041	4,161	0
67	CUSTOMER	411,972	296,119	25,110	19,960	660	289	69,719	411,857	115	0
	GENERAL PLANT										
68	ELECTRIC	175,906	106,618	8,579	29,168	10,228	10,817	3,020	168,430	2,818	4,658
69	DEMAND	106,101	55,114	2,737	21,951	8,928	9,487	597	98,814	2,629	4,658
70	CUSTOMER	63,809	48,660	5,686	5,736	642	567	2,340	63,620	189	0
71	ENERGY	5,996	2,854	157	1,481	658	763	83	5,996	0	0
72	TOTAL GENERAL PLANT	175,906	106,618	8,579	29,168	10,228	10,817	3,020	168,430	2,818	4,658
73	TOTAL ELEC. GROSS PLANT	3,391,076	1,720,955	99,776	580,715	225,760	227,889	89,073	2,944,168	55,729	391,179
74	DEMAND	2,820,424	1,331,052	66,485	531,587	214,026	214,972	15,697	2,373,821	55,425	391,179
75	CUSTOMER	475,781	344,769	30,795	25,696	1,302	856	72,059	475,477	304	0
76	ENERGY	94,870	45,134	2,496	23,432	10,430	12,061	1,317	94,870	0	0

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GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
ANALYSIS OF GROSS PLANT

Line No.	Ftnt Label	Description
1	(A)	Retail jurisdiction sum of Lines 2 and 3; Wholesale allocated per Level 1 Demand Allocator; UPS directly assigned.
2	(B)	Allocated per corresponding Level 1 Demand Allocator.
3	(C)	Allocated per corresponding Level 1 Energy Allocator.
4	(D)	Allocated per Level 2 Demand Allocator; UPS directly assigned.
5	(E)	Allocated per Level 3 Demand Allocator.
7	(D)	
9	(F)	Specific Assignment
10	(D)	
11	(E)	
13	(F)	
14	(D)	
15	(E)	
17	(D)	
18	(D)	
19	(D)	
20	(D)	
21	(D)	
23	(F)	
24	(E)	
25	(G)	Allocated per Level 4 NCP Demand Allocator
27	(F)	
28	(E)	
29	(G)	
31	(F)	
32	(E)	
33	(G)	
35	(G)	
36	(H)	Allocated per Average Number of Customers at Level 4 and Level 5.
37	(I)	Allocated per Level 5 NCP Demand Allocator
38	(J)	Allocated per Average Number of Customers at Level 5.

GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
ANALYSIS OF GROSS PLANT

Line No.	Ftnt Label	Description
40	(G)	
41	(H)	
42	(I)	
43	(J)	
45	(G)	
46	(H)	
47	(I)	
48	(J)	
50	(G)	
51	(H)	
52	(I)	
53	(J)	
55	(G)	
56	(H)	
57	(I)	
58	(J)	
60	(F)	
61	(K)	Allocated per Average Number of Customers at Level 5 excluding Rate OS.
63	(L)	Provided by Gulf Power Company
64	(F)	
68	(M)	Allocated per corresponding Salaries and Wages; UPS directly assigned.
69	(M)	
70	(M)	
71	(M)	

GULF POWER COMPANY
12 MONTHS ENDING DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 2.20 - ANALYSIS OF ACCUMULATED DEPRECIATION RESERVE
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
1	TOTAL PRODUCTION	759,866	334,127	16,432	134,526	57,474	69,638	3,046	615,243	18,908	125,715
	RETAIL JURISDICTION										
2	DEMAND		311,613	15,186	122,637	52,270	63,622	2,389	567,917		
3	ENERGY		22,514	1,246	11,889	5,204	6,016	657	47,326		
	TRANSMISSION										
4	350-LAND AND LAND RIGHTS	6,816	3,629	177	1,430	609	740	28	8,613	203	0
5	352-STRUCTURES	3,645	1,969	96	776	324	370	15	3,550	95	0
6	353-STATION EQUIPMENT	32,146	16,252	792	6,406	2,633	2,849	125	29,057	671	2,418
7	354-TOWERS & FIXTURES	25,433	13,539	660	5,337	2,271	2,764	104	24,675	758	0
8	355-POLES & FIXTURES	26,313	14,007	683	5,522	2,349	2,860	107	25,528	785	0
9	356-OVERHEAD COND.	26,168	13,930	679	5,491	2,337	2,844	107	25,388	780	0
10	358-UNDERGROUND COND.	7,657	4,075	199	1,607	684	832	32	7,429	228	0
11	359-ROADS AND TRAILS	40	22	1	6	4	4	0	39	1	0
12	TOTAL TRANSMISSION	128,218	67,423	3,287	26,577	11,211	13,263	518	122,279	3,521	2,418
	DISTRIBUTION										
13	360-SUBSTATION LAND	35	21	1	8	3	2	0	35	0	0
14	361-STRUCTURES	7,861	4,262	208	1,680	831	703	33	7,717	144	0
15	362-STATION EQUIPMENT	61,193	33,040	1,610	13,024	5,955	6,317	253	60,199	994	0
	364-POLES & FIXTURES										
16	COMMON	23,472	13,889	751	5,797	1,982	696	357	23,472	0	0
17	CUSTOMER	45,360	39,499	2,983	1,791	28	4	1,055	45,360	0	0
18	TOTAL ACCOUNT 364	68,832	53,388	3,734	7,588	2,010	700	1,412	68,832	0	0
	365-OVERHEAD COND.										
19	COMMON	40,725	24,091	1,302	10,056	3,443	1.215	618	40,725	0	0
20	CUSTOMER	7,931	6,907	521	313	5	0	165	7,931	0	0
21	TOTAL ACCOUNT 365	48,656	30,998	1,823	10,369	3,448	1,215	803	48,655	0	0

GULF POWER COMPANY
12 MONTHS ENDING DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 2.20 - ANALYSIS OF ACCUMULATED DEPRECIATION RESERVE
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
	366-UNDG. CONDUIT										
22	COMMON	768	457	25	193	63	18	12	768	0	0
23	CUSTOMER	32	29	2	1	0	0	0	32	0	0
24	TOTAL ACCOUNT 366	800	486	27	194	63	18	12	800	0	0
	367-UNDERGROUND COND. & DEV.										
25	COMMON	50,298	29,887	1,615	12,471	4,187	1,371	767	50,298	0	0
26	CUSTOMER	2,425	2,110	160	96	2	0	57	2,425	0	0
27	TOTAL ACCOUNT 367	52,723	31,997	1,775	12,567	4,189	1,371	824	52,723	0	0
	368-LINE TRANSFORMERS										
28	COMMON	69,302	42,524	2,298	17,685	5,110	593	1,092	69,302	0	0
29	CUSTOMER	23,597	20,551	1,552	930	13	2	549	23,597	0	0
30	TOTAL ACCOUNT 368	92,899	63,075	3,850	18,615	5,123	595	1,641	92,899	0	0
31	369-SERVICES	50,634	45,327	3,423	2,051	29	4	0	50,634	0	0
32	370-METERS	21,743	18,057	1,464	1,993	112	60	31	21,717	26	0
33	373-STREET LIGHTING	33,445	0	0	0	0	0	33,445	33,445	0	0
34	TOTAL DISTRIBUTION	439,021	280,651	17,915	68,089	21,763	10,985	38,454	437,857	1,164	0
35	DEMAND	253,654	148,171	7,810	60,914	21,574	10,915	3,132	252,516	1,138	0
36	CUSTOMER	185,367	132,480	10,105	7,175	189	70	35,322	185,341	26	0
	GENERAL PLANT										
	ELECTRIC										
37	DEMAND	42,781	22,232	1,104	8,854	3,601	3,627	241	39,859	1,060	1,862
38	CUSTOMER	25,739	19,624	2,293	2,314	259	229	944	25,663	76	0
39	ENERGY	2,419	1,151	64	597	266	307	33	2,418	1	0
40	TOTAL ELECTRIC GENERAL PLANT	70,939	43,007	3,461	11,765	4,126	4,363	1,218	67,940	1,137	1,862
41	TOTAL ELECTRIC DEPR. RESERVE	1,398,044	725,208	41,095	240,957	94,574	98,249	43,236	1,243,319	24,730	129,995
42	DEMAND	1,137,193	549,439	27,387	219,182	88,656	91,627	6,280	982,571	24,627	129,995
43	CUSTOMER	211,106	152,104	12,398	9,489	448	298	36,266	211,004	102	0
44	ENERGY	49,745	23,686	1,310	12,288	5,470	6,323	690	49,744	1	0

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GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
ANALYSIS OF ACCUMULATED DEPRECIATION RESERVE

Line No.	Ftnt Label	Description
1	(A)	Retail jurisdiction sum of Lines 2 and 3; Wholesale allocated per Level 1 Demand Allocator; UPS directly assigned.
2	(B)	Allocated per corresponding Level 1 Demand Allocator.
3	(C)	Allocated per corresponding Level 1 Energy Allocator.
4	(D)	Allocated per Transmission Account 350 Gross Plant (Lines portion only); UPS directly assigned.
5	(E)	Allocated per corresponding Transmission Gross Plant; UPS directly assigned.
6	(E)	
7	(E)	
8	(E)	
9	(E)	
10	(E)	
11	(E)	
13	(F)	Allocated per corresponding Distribution Gross Plant.
14	(F)	
15	(F)	
16	(F)	
17	(F)	
19	(F)	
20	(F)	
22	(F)	
23	(F)	
25	(F)	
26	(F)	
28	(F)	
29	(F)	
31	(F)	
32	(F)	
33	(F)	
37	(G)	Allocated per corresponding Gross General Plant; UPS directly assigned.
38	(G)	
39	(G)	

GULF POWER COMPANY
12 MONTHS ENDING DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 2.30 - ANALYSIS OF MATERIALS AND SUPPLIES
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
	PRODUCTION										
1	NON-FUEL	30,413	14,766	726	5,843	2,539	3,074	135	27,183	900	2,330
	RETAIL JURISDICTION										
2	DEMAND		13,768	671	5,427	2,309	2,611	106	25,092		
3	ENERGY		998	55	516	230	263	29	2,091		
4	FUEL	103,229	44,350	2,454	23,026	10,250	11,861	1,294	93,225	2,801	7,203
5	TOTAL PRODUCTION M & S	133,642	59,116	3,180	28,869	12,789	14,925	1,429	120,408	3,701	9,533
	TRANSMISSION										
6	LINES RELATED	2,495	1,328	65	524	223	271	10	2,421	74	0
7	SUBSTATION RELATED	1,687	922	45	383	149	163	7	1,649	38	0
8	TOTAL TRANS. M & S	4,182	2,250	110	867	372	434	17	4,070	112	0
	DISTRIBUTION										
9	DEMAND RELATED	15,483.200	9,033	488	3,776	1,371	583	232	15,483	0	0
10	METERING RELATED	166.000	127	16	22	1	0	0	166	0	0
11	ST. LIGHTING RELATED	634.771	0	0	0	0	0	636	636	0	0
12	OTHER	240.421	140	7	57	21	11	3	239	1	0
13	TOTAL DIST. M & S	16,525	9,301	511	3,855	1,393	594	870	16,524	1	0
14	CUSTOMER ACCOUNTS	5	5	0	0	0	0	0	5	0	0
15	CUSTOMER ASSISTANCE	5	2	0	1	2	0	0	5	0	0
16	TOTAL ELECTRIC M & S	154,358	70,673	3,801	33,712	14,556	15,953	2,316	141,011	3,614	9,533
17	DEMAND	48,228	25,192	1,276	10,147	4,073	3,839	358	44,885	1,013	2,330
18	CUSTOMER	611	134	16	23	3	0	635	611	0	0
19	ENERGY	105,320	45,348	2,509	23,542	10,480	12,114	1,323	95,316	2,801	7,203

GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
ANALYSIS OF MATERIALS AND SUPPLIES

Line No.	Ftnt Label	Description
1	(A)	Retail jurisdiction sum of Lines 2 and 3; Wholesale allocated per Level 1 Demand Allocator; UPS directly assigned.
2	(B)	Allocated per corresponding Level 1 Demand Allocator.
3	(C)	Allocated per corresponding Level 1 Energy Allocator.
4	(D)	Allocated per Level 1 Energy Allocator; UPS directly assigned.
6	(E)	Allocated per Level 2 Demand Allocator; UPS directly assigned.
7	(F)	Allocated per Gross Investment in Transmission Substations excluding UPS.
9	(G)	Allocated per Level 4 NCP Demand Allocator.
10	(H)	Allocated per Distribution Gross Plant in Account 370.
11	(I)	Directly assigned to Street Lighting.
12	(J)	Allocated per Demand-related Distribution Gross Plant.
14	(K)	Allocated per Customer Accounts O & M Expense.
15	(L)	Allocated per Customer Assistance O & M Energy Cost Conservation.

GULF POWER COMPANY
12 MONTHS ENDING DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 2.40 - ANALYSIS OF OTHER WORKING CAPITAL
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
	OTHER WORKING CAPITAL										
1	CURRENT ASSETS & LIAB.	(7,220)	(4,280)	(308)	(1,181)	(565)	(444)	(140)	(6,918)	(128)	(174)
2	DEMAND	(4,624)	(2,425)	(121)	(966)	(392)	(411)	(27)	(4,342)	(108)	(174)
3	CUSTOMER	(2,303)	(1,676)	(176)	(166)	(155)	(14)	(109)	(2,298)	(7)	0
4	ENERGY	(113)	(51)	(2)	(30)	(13)	(15)	(2)	(113)	0	0
5	REVENUE RELATED	(180)	(128)	(9)	(19)	(5)	(4)	(2)	(167)	(13)	0
6	CABLE ATTACHMENTS	(2,327)	(1,380)	(100)	(380)	(182)	(142)	(46)	(2,230)	(41)	(56)
7	DEMAND	(1,490)	(782)	(39)	(311)	(128)	(132)	(9)	(1,399)	(35)	(56)
8	CUSTOMER	(742)	(540)	(57)	(54)	(50)	(4)	(35)	(740)	(2)	0
9	ENERGY	(36)	(16)	(1)	(9)	(4)	(5)	(1)	(36)	0	0
10	REVENUE RELATED	(58)	(42)	(3)	(6)	(2)	(1)	(1)	(55)	(4)	0
	PREPAYMENTS										
11	PRODUCTION	7,233	3,682	181	1,483	633	768	33	6,780	208	245
	RETAIL JURISDICTION										
12	DEMAND		3,434	167	1,354	576	701	26	6,258		
13	ENERGY		248	14	129	57	67	7	522		
14	TRANSMISSION	2,680	1,439	70	568	239	280	11	2,607	73	0
15	DISTRIBUTION	6,567	4,138	272	1,114	366	204	449	6,543	24	0
16	DEMAND	4,206	2,441	126	1,000	362	203	49	4,183	23	0
17	CUSTOMER	2,361	1,697	144	114	4	1	400	2,360	1	0
18	CUSTOMER ACCOUNTS	124	108	8	5	0	0	2	123	1	0
19	CUSTOMER ASSSISTANCE	130	58	12	15	43	2	0	130	0	0
20	CUSTOMER	130	58	12	15	43	2	0	130	0	0
21	ENERGY	0	0	0	0	0	0	0	0	0	0
22	TOTAL PREPAYMENTS	16,734	9,425	543	3,186	1,281	1,254	495	16,183	306	245
23	DEMAND	13,597	7,314	365	2,922	1,177	1,184	86	13,048	304	245
24	CUSTOMER	2,615	1,863	164	134	47	3	402	2,813	2	0
25	ENERGY	522	248	14	129	57	67	7	522	0	0
26	PRELIM. SURVEY & INVESTIGATION	5,238	2,760	135	1,112	476	575	25	5,082	156	0
	RETAIL JURISDICTION										
27	DEMAND		2,574	125	1,016	432	526	20	4,691		
28	ENERGY		186	10	97	43	50	5	391		
	OTHER INVESTMENTS										
29	PRODUCTION	34,471	18,162	892	7,313	3,124	3,787	165	33,443	1,028	0
	RETAIL JURISDICTION										
30	DEMAND		16,939	825	6,677	2,841	3,459	129	30,870		
31	ENERGY		1,223	67	636	283	328	36	2,573		
32	TRANSMISSION	3,015	1,610	77	634	270	324	12	2,927	88	0
33	DISTRIBUTION	16,142	10,917	726	2,473	731	293	987	16,127	15	0
34	DEMAND	8,610	5,097	272	2,107	719	288	115	6,598	12	0
35	CUSTOMER	7,532	5,819	454	366	12	8	872	7,529	3	0

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GULF POWER COMPANY
12 MONTHS ENDING DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 2.40 - ANALYSIS OF OTHER WORKING CAPITAL
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
36	CUSTOMER ACCOUNTS	9,660	8,406	635	382	10	17	132	9,582	78	0
37	CUSTOMER ASSISTANCE	10,185	6,649	1,349	1,713	253	221	0	10,185	0	0
38	CUSTOMER	10,185	6,649	1,349	1,713	253	221	0	10,185	0	0
39	ENERGY	0	0	0	0	0	0	0	0	0	0
40	TOTAL OTHER INVESTMENTS	73,473	45,743	3,679	12,515	4,388	4,643	1,296	72,264	1,209	0
41	DEMAND	43,523	23,646	1,174	9,418	3,830	4,071	256	42,395	1,128	0
42	CUSTOMER	27,377	20,874	2,438	2,461	275	244	1,004	27,296	81	0
43	ENERGY	2,573	1,223	67	636	283	328	36	2,573	0	0
44	ENVIRONMENTAL CLEANUP	58,878	34,878	2,517	9,633	4,813	3,635	1,136	56,414	1,047	1,417
45	DEMAND	37,709	19,773	984	7,880	3,196	3,356	216	35,407	885	1,417
46	CUSTOMER	18,777	13,659	1,437	1,356	1,266	116	888	18,722	55	0
47	ENERGY	924	410	20	243	109	128	14	924	0	0
48	REVENUE RELATED	1,469	1,036	76	154	42	35	18	1,361	107	0
49	PROP. INSURANCE RESERVE	(16,782)	(8,857)	(523)	(3,023)	(1,168)	(1,154)	(408)	(15,133)	(276)	(1,373)
50	DEMAND	(14,026)	(6,953)	(348)	(2,780)	(1,116)	(1,098)	(84)	(12,379)	(274)	(1,373)
51	CUSTOMER	(2,355)	(1,714)	(164)	(144)	(6)	(5)	(318)	(2,353)	(2)	0
52	ENERGY	(401)	(190)	(11)	(99)	(44)	(51)	(6)	(401)	0	0
	OTHER POST RETIREMENT BENEFITS										
53	PRODUCTION	(33,276)	(17,534)	(862)	(7,059)	(3,016)	(3,655)	(159)	(32,285)	(991)	0
	RETAIL JURISDICTION										
54	DEMAND		(16,353)	(797)	(8,446)	(2,743)	(3,338)	(125)	(29,802)		
55	ENERGY		(1,181)	(66)	(613)	(273)	(317)	(34)	(2,483)		
56	TRANSMISSION	(2,911)	(1,553)	(75)	(612)	(261)	(314)	(11)	(2,826)	(85)	0
57	DISTRIBUTION	(15,582)	(10,539)	(701)	(2,387)	(706)	(283)	(962)	(15,568)	(14)	0
58	DEMAND	(8,311)	(4,922)	(262)	(2,034)	(694)	(277)	(111)	(8,300)	(11)	0
59	CUSTOMER	(7,271)	(5,619)	(436)	(353)	(11)	(6)	(841)	(7,268)	(3)	0
60	CUSTOMER ACCOUNTS	(9,325)	(8,113)	(613)	(369)	(10)	(16)	(128)	(9,249)	(76)	0
61	CUSTOMER ASSISTANCE	(9,831)	(6,415)	(1,303)	(1,654)	(245)	(214)	0	(9,831)	0	0
62	CUSTOMER	(9,831)	(6,415)	(1,303)	(1,654)	(245)	(214)	0	(9,831)	0	0
63	ENERGY	0	0	0	0	0	0	0	0	0	0
64	TOTAL OTHER POST RETIREMENT BENEFITS	(70,925)	(44,156)	(3,563)	(12,061)	(4,237)	(4,482)	(1,260)	(69,759)	(1,166)	0
65	DEMAND	(42,015)	(22,826)	(1,134)	(9,092)	(3,698)	(3,929)	(247)	(40,928)	(1,087)	0
66	CUSTOMER	(26,427)	(20,147)	(2,354)	(2,376)	(266)	(236)	(969)	(26,348)	(79)	0
67	ENERGY	(2,483)	(1,161)	(65)	(613)	(273)	(317)	(34)	(2,483)	0	0
68	OTHER DEF. CR. & DEBITS	(44,453)	(26,331)	(1,900)	(7,272)	(3,483)	(2,745)	(861)	(42,592)	(791)	(1,070)
69	DEMAND	(28,470)	(14,928)	(743)	(5,949)	(2,413)	(2,534)	(165)	(26,732)	(668)	(1,070)
70	CUSTOMER	(14,177)	(10,311)	(1,085)	(1,024)	(956)	(88)	(671)	(14,135)	(42)	0
71	ENERGY	(697)	(309)	(15)	(163)	(83)	(96)	(11)	(697)	0	0
72	REVENUE RELATED	(1,109)	(783)	(57)	(116)	(31)	(27)	(14)	(1,028)	(81)	0
	UNAMORT. RATE CASE EXP.										
73	REVENUE RELATED	0	0	0	0	0	0	0	0	0	0
74	TOTAL OTHER WORK. CAP.	12,616	7,802	490	2,508	1,122	1,140	249	13,311	316	(1,011)
75	DEMAND	9,051	5,391	263	2,137	880	1,032	48	9,761	301	(1,011)
76	CUSTOMER	2,765	2,008	203	187	153	16	192	2,759	6	0
77	ENERGY	680	320	17	171	75	89	8	680	0	0
78	REVENUE RELATED	120	83	7	13	4	3	1	111	9	0

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GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
ANALYSIS OF OTHER WORKING CAPITAL

Line No.	Ftnt Label	Description
1	(A)	Allocated per Total Expenses less Production Energy related O & M, Income taxes, and Non-cash items.
2	(A)	
3	(A)	
4	(A)	
5	(A)	
6	(A)	
7	(A)	
8	(A)	
9	(A)	
10	(A)	
11	(B)	Allocated per corresponding Gross Plant; UPS directly assigned.
12	(C)	Allocated per corresponding Gross Plant.
13	(C)	
14	(B)	
15	(C)	
16	(C)	
17	(C)	
18	(D)	Allocated per corresponding Operations and Maintenance Expense.
19	(D)	
20	(D)	
21	(D)	
26	(E)	Allocated per Production Gross Plant; UPS directly assigned.
27	(F)	Allocated per corresponding Production Gross Plant.
28	(F)	
29	(G)	Allocated per corresponding Salaries and Wages
30	(G)	
31	(G)	
32	(G)	
33	(G)	
34	(G)	
35	(G)	
36	(G)	
37	(G)	
38	(G)	
39	(G)	

GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
ANALYSIS OF OTHER WORKING CAPITAL

Line No.	Ftnt Label	Description
44	(A)	
45	(A)	
46	(A)	
47	(A)	
48	(A)	
49	(H)	Allocated per Total Net Plant; UPS directly assigned.
50	(H)	
51	(I)	Allocated per Total Net Plant.
52	(I)	
53	(G)	
54	(G)	
55	(G)	
56	(G)	
57	(G)	
58	(G)	
59	(G)	
60	(G)	
61	(G)	
62	(G)	
63	(G)	
68	(A)	
69	(A)	
70	(A)	
71	(A)	
72	(A)	
73	(J)	Allocated per Retail Revenue from Sales.

GULF POWER COMPANY
12 MONTHS ENDING DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 2.50 - ANALYSIS OF OTHER RATE BASE ITEMS
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
	CONST. WORK IN PROGRESS INTEREST BEARING										
1	PRODUCTION	0	0	0	0	0	0	0	0	0	0
	RETAIL JURISDICTION										
2	DEMAND		0	0	0	0	0	0	0		
3	ENERGY		0	0	0	0	0	0	0		
4	TRANSMISSION	0	0	0	0	0	0	0	0	0	0
5	DISTRIBUTION	0	0	0	0	0	0	0	0	0	0
6	DEMAND	0	0	0	0	0	0	0	0	0	0
7	CUSTOMER	0	0	0	0	0	0	0	0	0	0
8	CUSTOMER ACCOUNTS	0	0	0	0	0	0	0	0	0	0
9	CUSTOMER ASSISTANCE	0	0	0	0	0	0	0	0	0	0
10	CUSTOMER	0	0	0	0	0	0	0	0	0	0
11	ENERGY	0	0	0	0	0	0	0	0	0	0
12	TOTAL CWIP	0	0	0	0	0	0	0	0	0	0
13	DEMAND	0	0	0	0	0	0	0	0	0	0
14	CUSTOMER	0	0	0	0	0	0	0	0	0	0
15	ENERGY	0	0	0	0	0	0	0	0	0	0
	CONST. WORK IN PROGRESS WORK NOT BEARING INTEREST										
16	PRODUCTION	17,325	5,673	279	2,286	975	1,182	52	10,447	321	6,557
	RETAIL JURISDICTION										
17	DEMAND		5,290	258	2,086	888	1,080	41	9,643		
18	ENERGY		383	21	199	88	102	11	804		
19	TRANSMISSION	10,704	5,753	280	2,267	953	1,115	44	10,412	292	0
20	DISTRIBUTION	5,818	3,664	240	991	326	182	394	5,797	21	0
21	DEMAND	3,747	2,174	114	891	323	181	43	3,726	21	0
22	CUSTOMER	2,071	1,490	126	100	3	1	351	2,071	0	0
23	TOTAL CWIP - WORK NOT BEARING INTEREST	33,847	15,090	799	5,543	2,255	2,479	490	26,656	634	6,557
24	DEMAND	30,972	13,217	652	5,244	2,164	2,376	128	23,781	634	6,557
25	CUSTOMER	2,071	1,490	126	100	3	1	351	2,071	0	0
26	ENERGY	804	383	21	199	88	102	11	804	0	0
	PLANT HELD FOR FUTURE USE										
27	PRODUCTION	5,280	2,785	138	1,120	478	579	25	5,123	157	0
	RETAIL JURISDICTION										
28	DEMAND		2,596	126	1,023	436	529	20	4,729		
29	ENERGY		189	10	97	43	50	5	394		
	DISTRIBUTION										
30	DEMAND	14	9	0	3	1	1	0	14	0	0
31	CUSTOMER	8	5	1	1	0	0	1	8	0	0
32	TOTAL DISTRIBUTION	22	14	1	4	1	1	1	22	0	0
	GENERAL										
33	DEMAND	79	44	2	17	7	7	0	77	2	0
34	CUSTOMER	50	38	4	5	1	0	2	50	0	0
35	ENERGY	4	2	1	0	0	1	0	4	0	0
36	TOTAL GENERAL	133	84	7	22	8	8	2	131	2	0
37	TOTAL PLNT HELD FOR FUT. USE	5,435	2,883	144	1,146	487	588	28	5,276	159	0
38	DEMAND	4,979	2,649	128	1,043	443	537	20	4,820	159	0
39	CUSTOMER	58	43	5	6	1	0	3	58	0	0
40	ENERGY	398	191	11	97	43	51	5	398	0	0

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GULF POWER COMPANY
12 MONTHS ENDING DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 2.50 - ANALYSIS OF OTHER RATE BASE ITEMS
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
	INJURIES & DAMAGES RESERVE										
41	PRODUCTION	(1,626)	(804)	(40)	(324)	(139)	(167)	(8)	(1,482)	(46)	(98)
	RETAIL JURISDICTION										
42	DEMAND		(750)	(37)	(296)	(126)	(163)	(6)	(1,368)		
43	ENERGY		(54)	(3)	(28)	(13)	(14)	(2)	(114)		
44	TRANSMISSION	(134)	(72)	(3)	(28)	(12)	(14)	(1)	(130)	(4)	0
45	DISTRIBUTION	(715)	(483)	(32)	(110)	(32)	(13)	(44)	(714)	(1)	0
46	DEMAND	(381)	(225)	(12)	(93)	(32)	(13)	(5)	(380)	(1)	0
47	CUSTOMER	(334)	(258)	(20)	(17)	0	0	(39)	(334)	0	0
48	CUSTOMER ACCOUNTS	(428)	(374)	(28)	(17)	0	0	(6)	(425)	(3)	0
49	CUSTOMER ASSISTANCE	(451)	(294)	(60)	(76)	(11)	(10)	0	(451)	0	0
50	CUSTOMER	(451)	(294)	(60)	(76)	(11)	(10)	0	(451)	0	0
51	ENERGY	0	0	0	0	0	0	0	0	0	0
52	TOTAL INJ. & DAM. RES.	(3,364)	(2,027)	(163)	(555)	(194)	(204)	(59)	(3,202)	(54)	(98)
53	DEMAND	(2,027)	(1,047)	(52)	(417)	(170)	(180)	(12)	(1,878)	(51)	(98)
54	CUSTOMER	(1,213)	(926)	(108)	(110)	(11)	(10)	(45)	(1,210)	(3)	0
55	ENERGY	(114)	(54)	(3)	(28)	(13)	(14)	(2)	(114)	0	0
	UNAMORT. PLANT ACQ. ADJ.										
56	PRODUCTION	1,852	0	0	0	0	0	0	0	0	1,852
	RETAIL JURISDICTION										
57	DEMAND		0	0	0	0	0	0	0		
58	ENERGY		0	0	0	0	0	0	0		
59	TRANSMISSION	51	0	0	0	0	0	0	0	0	51
60	DISTRIBUTION	0	0	0	0	0	0	0	0	0	0
61	DEMAND	0	0	0	0	0	0	0	0	0	0
62	CUSTOMER	0	0	0	0	0	0	0	0	0	0
63	TOTAL UNAMORT PLNT ACQ. ADJ.	1,903	0	0	0	0	0	0	0	0	1,903
64	DEMAND	1,903	0	0	0	0	0	0	0	0	1,903
65	CUSTOMER	0	0	0	0	0	0	0	0	0	0
66	ENERGY	0	0	0	0	0	0	0	0	0	0
67	CUSTOMER ADVANCES FOR CONST.	0	0	0	0	0	0	0	0	0	0
68	TOTAL OTHER ADDITIONS	37,631	15,946	780	8,134	2,548	2,863	459	28,730	739	8,362
69	DEMAND	35,627	14,619	728	5,870	2,437	2,733	136	26,723	742	8,362
70	CUSTOMER	916	607	23	(4)	(7)	(9)	309	919	(3)	0
71	ENERGY	1,088	620	29	268	116	139	14	1,088	0	0

Florida Public Service Commission
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GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
ANALYSIS OF OTHER RATE BASE ITEMS

Line No.	Ftnt Label	Description
1	(A)	Functional totals provided by Gulf Power Company. Allocated per corresponding Gross Plant excluding UPS; UPS directly assigned.
2	(B)	Functional totals provided by Gulf Power Company. Allocated per corresponding Gross Plant.
3	(B)	
4	(B)	
5	(B)	
6	(B)	
7	(B)	
8	(C)	Allocated per corresponding Operations and Maintenance expense.
9	(C)	
10	(C)	
11	(C)	
16	(A)	
17	(B)	
18	(B)	
19	(B)	
20	(B)	
21	(B)	
22	(B)	
27	(B)	
28	(B)	
29	(B)	
30	(B)	
31	(B)	
33	(B)	
34	(B)	
35	(B)	
41	(D)	Allocated per Total Salaries and Wages, including UPS Production Salaries and Wages of $2,434.
42	(E)	Allocated per corresponding Salaries and Wages.
43	(E)	
44	(D)	
45	(E)	
46	(E)	
47	(E)	
48	(E)	
49	(E)	
50	(E)	
51	(E)	
56	(A)	
57	(B)	
58	(B)	
59	(A)	
60	(B)	
61	(B)	
62	(B)	
67	(F)	Specific Assignment.

GULF POWER COMPANY
12 MONTHS ENDING DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 3.00 - ANALYSIS OF REVENUES
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
	REVENUE FROM SALES										
1	BASE RATE REV. FROM SALES	510,734	296,890	20,537	102,785	33,933	29,452	14,896	498,493	12,241	0
2	FUEL, ECCR, PPCC, ECRC REVENUES	0	0	0	0	0	0	0	0	0	0
3	NET REVENUE EXCLUDING FUEL	510,734	296,890	20,537	102,785	33,933	29,452	14,896	498,493	12,241	0
	OTHER OPERATING REVENUES										
	451-MISC. SERVICE REVENUES										
4	RESTORATION FEE	1,213	1,174	31	8	0	0	0	1,213	0	0
5	AFTER HOURS FEE	116	115	1	0	0	0	0	116	0	0
6	INACCURATE METER FEE	26	19	2	5	0	0	0	26	0	0
7	RECONNECTION FEE	2,823	2,696	84	43	0	0	0	2,823	0	0
8	FRANCHISE FEES	42,247	25,162	1,740	8,711	2,876	2,496	1,262	42,247	0	0
9	INSTALL & REM.-TEMP SERV	0	0	0	0	0	0	0	0	0	0
10	CONNECTION FEES	92	77	13	2	0	0	0	92	0	0
11	COLLECTION CHARGES	207	161	24	22	0	0	0	207	0	0
12	INVESTIGATIVE CHARGES	40	38	2	0	0	0	0	40	0	0
13	RETURN CHECK CHARGE	272	258	8	6	0	0	0	272	0	0
14	TOTAL ACCOUNT 451	47,036	29,700	1,903	8,799	2,876	2,496	1,262	47,036	0	0
	454-RENT FROM ELEC. PROP.										
15	EQUIPMENT RENTAL	1,686	1,045	57	435	119	3	27	1,686	0	0
16	METER TREATER RENTAL	253	244	7	2	0	0	0	253	0	0
17	POLE ATTACHMENT RENTAL	3,110	2,411	169	343	91	32	64	3,110	0	0
18	MICROWAVE TRANSPORT	730	453	37	124	44	47	13	718	12	0
19	RENT FROM PLANT DANIEL	40	22	1	8	4	4	0	39	1	0
20	MISCELLANEOUS RENTS	516	321	28	88	31	33	9	508	8	0
21	TOTAL ACCOUNT 454	6,335	4,496	297	1,000	289	119	113	6,314	21	0
22	455-INTERDEPART. RENTAL	0	0	0	0	0	0	0	0	0	0
23	456-OTHER ELECTRIC REVENUES	6,368	3,390	165	1,336	569	692	26	6,178	190	0
24	456-GULF POWER ENERGY SERVICES REVENUES	5,632	0	0	0	5,632	0	0	5,632	0	0
25	456 - FPU SERVICE PAYMENTS	3,678	0	0	0	0	0	0	0	3,678	0
26	456 - BLOUNTSTOWN SERVICE PAYMENTS	122	65	3	26	11	13	0	118	4	0
27	TOTAL ACCOUNT 456	15,800	3,455	168	1,362	6,212	705	26	11,928	3,872	0
28	REV. NONASSOC. CO.-DEMAND	51,950	0	0	0	0	0	0	0	0	51,950
29	REV. NONASSOC. CO.-ENERGY	13,652	3,389	188	1,760	784	907	99	7,127	214	6,311
30	TOTAL REV. NONASSOC. CO.	65,602	3,389	188	1,760	784	907	99	7,127	214	58,261
31	TOTAL OTHER OPER. REVENUE	134,773	41,040	2,556	12,921	10,161	4,227	1,500	72,405	4,107	58,261
	ADJUSTMENTS TO REVENUES										
32	FRANCHISE FEE REVENUES	(42,247)	(25,162)	(1,740)	(8,711)	(2,876)	(2,496)	(1,262)	(42,247)	(0)	0
33	NET ADJUSTMENT TO REVENUES	(42,247)	(25,162)	(1,740)	(8,711)	(2,876)	(2,496)	(1,262)	(42,247)	(0)	0
34	TOTAL ADJUSTED REVENUES	603,260	312,768	21,353	106,995	41,216	31,163	15,134	528,651	16,348	58,261

GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
ANALYSIS OF REVENUES

Line No.	Ftnt Label	Description
1	(A)	Provided by Gulf Power Company.
2	(B)	Allocated per Retail MWH Sales.
4	(A)	
5	(A)	
6	(A)	
7	(A)	
8	(C)	Allocated per retail revenue from sales.
9	(A)	
10	(A)	
11	(A)	
12	(A)	
13	(A)	
15	(D)	Allocated per Level 5 Demand Allocator
16	(A)	
17	(E)	Allocated per Distribution Gross Plant in Account 364.
18	(F)	Allocated per Total Salaries and Wages.
19	(G)	Allocated per Level 2 Demand Allocator; UPS directly assigned.
20	(F)	
22	(F)	
23	(G)	
24	(H)	Provided by Gulf Power Company and assigned to Rate Class LP/LPT.
25	(I)	Assigned to FPU.
26	(G)	
28	(G)	
29	(J)	Allocated per Level 1 Energy Allocator; UPS directly assigned.
32	(C)	

GULF POWER COMPANY
12 MONTHS ENDING DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 4.10 - ANALYSIS OF OPERATIONS AND MAINTENANCE EXPENSE
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
	PRODUCTION O & M EXPENSES										
	STEAM POWER GENERATION										
	OPERATIONS										
1	500-SUPERVISION	11,719	6,087	297	2,400	1,021	1,244	47	11,096	341	282
2	501-ENERGY RELATED	310,081	127,134	7,034	66,006	29,382	33,974	3,709	267,239	8,028	34,814
3	501-FUEL REMOVAL	(303,538)	(124,330)	(6,879)	(64,550)	(28,734)	(33,224)	(3,627)	(261,344)	(7,851)	(34,343)
4	501-NET	6,543	2,804	155	1,456	648	750	82	5,895	177	471
	502-STEAM										
5	DEMAND RELATED	2,508	1,171	57	462	197	240	9	2,136	66	306
6	ENERGY RELATED	5,763	2,193	121	1,139	507	586	64	4,610	139	1,014
7	TOTAL ACCOUNT 502	8,271	3,364	178	1,601	704	826	73	6,746	205	1,320
	505-ELECTRIC EXPENSES										
8	DEMAND RELATED	2,946	1,472	72	580	247	301	11	2,683	82	181
9	ENERGY RELATED	1,185	533	30	278	124	143	16	1,124	34	27
10	TOTAL ACCOUNT 505	4,131	2,005	102	858	371	444	27	3,807	116	208
	506-MISCELLANEOUS										
11	DEMAND RELATED	15,224	7,666	374	3,022	1,286	1,565	59	13,972	429	823
12	ENERGY RELATED	0	0	0	0	0	0	0	0	0	0
13	TOTAL ACCOUNT 506	15,224	7,666	374	3,022	1,286	1,565	59	13,972	429	823
14	507-RENTS	0	0	0	0	0	0	0	0	0	0
15	509-ALLOWANCES	0	0	0	0	0	0	0	0	0	0
16	TOTAL STEAM OPERATIONS	45,888	21,926	1,106	9,337	4,030	4,829	288	41,516	1,268	3,104
	MAINTENANCE										
17	510-SUPERVISION	9,666	4,915	240	1,938	825	1,004	38	8,960	275	651
18	511-STRUCTURES	5,707	2,864	139	1,128	480	584	22	5,217	160	330
	512-BOILER PLANT										
19	DEMAND RELATED	3,490	1,577	77	622	265	322	12	2,875	88	527
20	ENERGY RELATED	25,255	9,588	531	4,979	2,216	2,562	280	20,166	606	4,493
21	TOTAL ACCOUNT 512	28,745	11,165	608	5,601	2,461	2,884	292	23,031	694	5,020
	513-ELECTRIC PLANT										
22	DEMAND RELATED	1,340	701	34	276	118	144	5	1,278	39	23
23	ENERGY RELATED	7,097	2,962	164	1,538	684	791	86	6,225	187	685
24	TOTAL ACCOUNT 513	8,437	3,663	198	1,814	802	935	91	7,503	226	708

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GULF POWER COMPANY
12 MONTHS ENDING DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 4.10 - ANALYSIS OF OPERATIONS AND MAINTENANCE EXPENSE
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
	514-MISCELLANEOUS										
25	DEMAND RELATED	3,132	1,529	75	603	257	312	12	2,788	86	258
26	ENERGY RELATED	0	0	0	0	0	0	0	0	0	0
27	TOTAL ACCOUNT 514	3,132	1,529	75	603	257	312	12	2,788	86	258
28	TOTAL MAINTENANCE	55,907	24,136	1,260	11,084	4,845	5,719	455	47,499	1,441	6,967
29	TOTAL STEAM POWER GENERATION	101,795	46,062	2,366	20,421	8,675	10,548	743	89,015	2,709	10,071
	OTHER POWER GENERATION										
	OPERATION										
30	546-SUPERVISION	1,701	905	44	357	152	185	7	1,650	51	0
31	547-ENERGY RELATED	580	287	15	139	62	72	8	563	17	0
32	547-FUEL	310,241	143,287	7,928	74,392	33,115	38,291	4,180	301,193	9,048	0
33	547-FUEL REMOVAL	(310,241)	(143,287)	(7,928)	(74,392)	(33,115)	(38,291)	(4,180)	(301,193)	(9,048)	0
34	547-NET FUEL	0	0	0	0	0	0	0	0	0	0
	548-GENERATION EXPENSES										
35	DEMAND	528	261	14	111	47	57	2	512	16	0
36	ENERGY	0	0	0	0	0	0	0	0	0	0
37	TOTAL ACCOUNT 548	528	261	14	111	47	57	2	512	16	0
	549-MISCELLANEOUS PLANT										
38	DEMAND	848	452	22	178	76	92	3	823	25	0
39	ENERGY	0	0	0	0	0	0	0	0	0	0
40	TOTAL ACCOUNT 549	848	452	22	178	76	92	3	823	25	0
41	TOTAL OPERATION	3,657	1,905	95	785	337	406	20	3,548	109	0
	MAINTENANCE										
42	551-SUPERVISION	296	157	8	62	28	33	1	287	9	0
	552-STRUCTURES										
43	DEMAND	0	0	0	0	0	0	0	0	0	0
44	ENERGY	0	0	0	0	0	0	0	0	0	0
45	TOTAL ACCOUNT 552	0	0	0	0	0	0	0	0	0	0

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GULF POWER COMPANY
12 MONTHS ENDING DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 4.10 - ANALYSIS OF OPERATIONS AND MAINTENANCE EXPENSE
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
	553-ELECTRIC PLANT										
46	DEMAND	6,665	3,547	173	1,399	595	725	27	6,466	199	0
47	ENERGY	0	0	0	0	0	0	0	0	0	0
48	TOTAL ACCOUNT 553	6,665	3,547	173	1,399	595	725	27	6,466	199	0
	554-MISCELLANEOUS PLANT										
49	DEMAND	524	278	14	110	47	57	2	508	16	0
50	ENERGY	0	0	0	0	0	0	0	0	0	0
51	TOTAL ACCOUNT 554	524	278	14	110	47	57	2	508	16	0
52	TOTAL MAINTENANCE	7,485	3,982	195	1,571	668	815	30	7,261	224	0
53	TOTAL OTHER GEN. EXPENSE	11,142	5,887	290	2,366	1,005	1,221	50	10,809	333	0
54	TOTAL GENERATION EXPENSES	112,937	51,949	2,656	22,777	9,880	11,769	793	99,824	3,042	10,071
55	DEMAND	66,514	33,602	1,640	13,248	5,639	6,865	257	61,251	1,882	3,381
56	ENERGY	46,423	18,347	1,016	9,529	4,241	4,904	536	38,573	1,160	6,690
	OTHER PRODUCTION EXPENSE										
57	555-PURCHASED POWER	35,992	15,276	845	7,932	3,531	4,083	446	32,113	965	2,914
58	DEMAND	0	0	0	0	0	0	0	0	0	0
59	ENERGY	35,992	15,276	845	7,932	3,531	4,083	446	32,113	965	2,914
60	FUEL REMOVAL	(35,992)	(15,276)	(845)	(7,932)	(3,531)	(4,083)	(446)	(32,113)	(965)	(2,914)
61	NET ENERGY	0	0	0	0	0	0	0	0	0	0
62	NET TOTAL ACCOUNT 555	0	0	0	0	0	0	0	0	0	0
	556-SYSTEM CONTROL										
63	DEMAND	1,817	968	47	381	162	198	7	1,763	54	0
64	ENERGY	0	0	0	0	0	0	0	0	0	0
65	TOTAL ACCOUNT 556	1,817	968	47	381	162	198	7	1,763	54	0
	557-OTHER EXPENSES										
66	DEMAND	2,054	1,095	53	431	183	223	8	1,993	61	0
67	ENERGY	0	0	0	0	0	0	0	0	0	0
68	TOTAL ACCOUNT 557	2,054	1,095	53	431	183	223	6	1,993	61	0
69	TOTAL OTHER PROD. EXPENSE	3,871	2,063	100	612	345	421	15	3,756	115	0
70	DEMAND	3,871	2,063	100	612	345	421	15	3,756	115	0
71	ENERGY	0	0	0	0	0	0	0	0	0	0
72	TOTAL PRODUCTION EXPENSES	116,808	54,012	2,756	23,589	10,225	12,190	808	103,580	3,157	10,071
73	DEMAND	70,385	35,665	1,740	14,060	5,984	7,286	272	65,007	1,997	3,381
74	ENERGY	46,423	18,347	1,016	9,629	4,241	4,904	536	38,573	1,160	6,690

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GULF POWER COMPANY
12 MONTHS ENDING DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 4.10 - ANALYSIS OF OPERATIONS AND MAINTENANCE EXPENSE
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
	TRANSMISSION O & M EXPENSE										
	OPERATION										
75	561-LOAD DISPATCHING	3,526	1,877	91	739	315	383	14	3,419	105	2
76	562-STATION	43	24	1	9	4	4	0	42	1	0
77	563-OVERHEAD LINES	191	101	5	40	17	21	1	185	6	0
78	564-UNDERGROUND LINES	0	0	0	0	0	0	0	0	0	0
79	565-TRANS. OF ELEC. BY OTHERS	(301)	(160)	(8)	(63)	(27)	(33)	(1)	(292)	(9)	0
80	SUBTOTAL	3,459	1,842	89	725	309	375	14	3,354	103	2
81	560-SUPERVISION	1,609	856	41	337	144	175	7	1,560	48	1
82	566-MISCELLANEOUS	1,038	552	27	217	93	113	4	1,006	31	1
83	567-RENTS	165	87	4	35	15	18	1	160	5	0
84	TOTAL OPERATIONS	6,271	3,337	161	1,314	561	681	26	6,080	167	4
	MAINTENANCE										
85	569-STRUCTURES	1,003	533	26	211	90	109	4	973	30	0
86	570-STATION EQUIPMENT	830	454	22	179	74	79	3	811	19	0
87	571-OVERHEAD LINES	4,479	2,385	116	940	400	486	18	4,345	134	0
88	SUBTOTAL	6,312	3,372	164	1,330	564	674	25	6,129	183	0
89	568-SUPERVISION	1,052	561	27	222	94	113	4	1,021	31	0
90	573-MISCELLANEOUS	102	56	3	21	9	10	0	99	3	0
91	TOTAL MAINTENANCE	7,466	3,989	194	1,573	667	797	29	7,249	217	0
92	TOTAL TRANSMISSION EXPENSE	13,737	7,326	355	2,887	1,228	1,478	55	13,329	404	4
	DISTRIBUTION O & M EXPENSE										
	OPERATIONS										
93	581-LOAD DISPATCHING	902	536	26	211	78	47	4	902	0	0
94	582-STATION	309	168	8	68	30	32	1	303	5	0

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12 MONTHS ENDING DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 4.10 - ANALYSIS OF OPERATIONS AND MAINTENANCE EXPENSE
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
	583-OVERHEAD LINES										
95	DEMAND	2,006	1,215	66	505	156	33	31	2,006	0	0
96	CUSTOMER	573	500	37	23	0	0	13	573	0	0
97	TOTAL ACCOUNT 583	2,579	1,715	103	528	156	33	44	2,579	0	0
	584-UNDERGROUND LINES										
98	DEMAND	608	368	20	154	47	10	9	608	0	0
99	CUSTOMER	131	115	9	4	0	0	3	131	0	0
100	TOTAL ACCOUNT 584	739	483	29	158	47	10	12	739	0	0
101	585-STREET LIGHTING	598	0	0	0	0	0	598	598	0	0
102	586-METER	1,453	1,090	144	196	11	6	3	1,450	3	0
103	586-OTHER MISC. REVS.	1,174	1.116	38	18	0	0	0	1,174	0	0
104	TOTAL ACCOUNT 586	2,627	2,208	182	214	11	6	3	2,624	3	0
105	587-CUSTOMER INSTAL.	1,306	1,164	88	53	1	0	0	1,306	0	0
106	587-OTHER MISC. REVS.	25	24	1	0	0	0	0	25	0	0
107	TOTAL ACCOUNT 587	1,331	1,188	89	53	1	0	0	1,331	0	0
108	SUBTOTAL	9,084	6,296	437	1,230	323	128	662	9,076	8	0
109	DEMAND	3,824	2,285	120	936	311	122	45	3,819	5	0
110	CUSTOMER	5,260	4,011	317	294	12	6	617	5,257	3	0
	580-SUPERVISION										
111	DEMAND	2,849	1,702	89	697	232	91	34	2,845	4	0
112	CUSTOMER	3,919	2,989	236	219	9	4	460	3,917	2	0
113	TOTAL ACCOUNT 580	6,768	4,691	325	916	241	95	494	6,762	6	0
	588-MISCELLANEOUS										
114	DEMAND	1,837	1,099	58	449	149	58	22	1,836	2	0
115	CUSTOMER	2,526	1,928	152	141	6	2	296	2,525	1	0
116	TOTAL ACCOUNT 588	4,363	3,027	210	590	155	60	318	4,360	3	0
	589-RENTS										
117	DEMAND	0	0	0	0	0	0	0	0	0	0
118	CUSTOMER	0	0	0	0	0	0	0	0	0	0
119	TOTAL ACCOUNT 589	0	0	0	0	0	0	0	0	0	0
120	TOTAL OPERATION	20,215	14,014	972	2,736	719	283	1,474	20,198	17	0
	MAINTENANCE										
121	591-STRUCTURES	28	15	1	8	3	2	0	27	1	0
122	592-STATION EQUIPMENT	962	518	25	205	94	100	4	946	16	0

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12 MONTHS ENDING DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 4.10 - ANALYSIS OF OPERATIONS AND MAINTENANCE EXPENSE
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
123	593-OVHD LINES - MISC REVS	0	0	0	0	0	0	0	0	0	0
	593-OVERHEAD LINES										
124	DEMAND	7,747	4,582	248	1,913	655	231	118	7,747	0	0
125	CUSTOMER	5,328	4,641	350	210	3	0	124	5,328	0	0
126	SUBTOTAL OVERHEAD LINES	13,075	9,223	598	2,123	658	231	242	13,075	0	0
127	TOTAL ACCOUNT 593	13,075	9,223	598	2,123	658	231	242	13,075	0	0
	594-UNDERGROUND LINES										
128	DEMAND	1,810	1,075	58	449	151	49	28	1,810	0	0
129	CUSTOMER	87	76	8	3	0	0	2	87	0	0
130	TOTAL ACCOUNT 594	1,897	1,151	64	452	151	49	30	1,897	0	0
	595-LINE TRANSFORMERS										
131	DEMAND	747	458	25	191	55	6	12	747	0	0
132	CUSTOMER	254	222	16	10	0	0	6	254	0	0
133	TOTAL ACCOUNT 595	1,001	680	41	201	55	6	18	1,001	0	0
134	596-STREET LIGHTING	597	0	0	0	0	0	597	597	0	0
135	597-METERS	159	121	16	21	1	0	0	159	0	0
136	SUBTOTAL	17,719	11,708	745	3,008	962	388	891	17,702	17	0
137	DEMAND	11,294	6,648	357	2,764	958	388	162	11,277	17	0
138	CUSTOMER	6,425	5,060	388	244	4	0	729	6,425	0	0
	590-SUPERVISION										
139	DEMAND	2,335	1,376	74	571	198	79	33	2,331	4	0
140	CUSTOMER	1,329	1,047	80	50	1	0	151	1,329	0	0
141	TOTAL ACCOUNT 590	3,664	2,423	154	621	199	79	184	3,660	4	0
	598-MISCELLANEOUS										
142	DEMAND	301	177	10	74	28	10	4	301	0	0
143	CUSTOMER	171	136	10	6	0	0	19	171	0	0
144	TOTAL ACCOUNT 598	472	313	20	80	28	10	23	472	0	0
145	TOTAL MAINTENANCE	21,855	14,444	919	3,709	1.187	477	1,098	21,834	21	0
146	TOTAL DISTRIBUTION EXPENSE	42,070	28,458	1,891	6,445	1,906	760	2,572	42,032	38	0
147	TOTAL DEMAND	22,440	13,287	708	5,491	1,874	748	300	22,408	32	0
148	TOTAL CUSTOMER	19,630	15,171	1,183	954	32	12	2,272	19,624	6	0
149	CUSTOMER ACCOUNTS EXPENSE	21,986	19,131	1,446	869	22	38	301	21,807	179	0

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($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
	CUSTOMER ASSISTANCE EXPENSE										
150	907/911-SUPERVISION	1,829	1,603	141	84	1	0	0	1,829	0	0
	908/912-CUSTOMER ASSISTANCE										
151	RESIDENTIAL	5,080	5,080	0	0	0	0	0	5,080	0	0
152	COMMERCIAL	2,093	0	1,305	776	11	1	0	2,093	0	0
153	TOTAL INDUSTRIAL	7,391	0	145	1,121	5,874	251	0	7,391	0	0
154	INDUSTRIAL - GULF POWER ENERGY SRVS	5,597	0	0	0	5,597	0	0	5,597	0	0
155	NET INDUSTRIAL OF GULF POWER ENERGY SRVS	1,794	0	145	1,121	277	251	0	1,794	0	0
156	STREET LIGHTING	0	0	0	0	0	0	0	0	0	0
157	TOTAL ACCOUNT 908/912	14,564	5,080	1,450	1,897	5,885	252	0	14,564	0	0
158	909/913-ADVERTISING	1,232	1,125	13	65	15	14	0	1,232	0	0
159	910-MISCELLANEOUS	190	166	15	9	0	0	0	190	0	0
160	ENERGY CONSERVATION	21,933	19,377	1,357	1,058	78	63	0	21,933	0	0
161	ECCR ADJUSTMENT	(21,933)	(19,377)	(1,357)	(1,058)	(78)	(63)	0	(21,933)	0	0
162	NET ENERGY COST CONSER.	0	0	0	0	0	0	0	0	0	0
163	TOTAL CUSTOMER ASSISTANCE	17,815	7,974	1,819	2,055	5,901	266	0	17,815	0	0
	ADMIN. & GENERAL EXPENSE										
	924-PROPERTY INSURANCE										
164	PRODUCTION	4,309	2,147	105	863	368	446	19	3,948	128	233
	RETAIL JURISDICTION										
165	DEMAND		2,001	97	788	335	408	15	3,644		
166	ENERGY		146	8	75	33	38	4	304		
167	TRANSMISSION	1,782	957	47	377	159	186	7	1,733	49	0
168	DISTRIBUTION	7,228	4,552	298	1,231	405	226	489	7,201	27	0
169	DEMAND	4,655	2,702	141	1,107	401	224	54	4,629	28	0
170	CUSTOMER	2,573	1,850	157	124	4	2	435	2,572	1	0
171	CUSTOMER ACCOUNTS	72	62	5	3	0	0	1	71	1	0
172	CUSTOMER ASSISTANCE	76	34	7	9	25	1	0	76	0	0
173	CUSTOMER	76	34	7	9	25	1	0	76	0	0
174	ENERGY	0	0	0	0	0	0	0	0	0	0
175	TOTAL ACCOUNT 924	13,467	7,752	462	2,483	957	859	516	13,029	205	233
176	DEMAND	10,442	5,660	285	2,272	895	818	76	10,006	203	233
177	CUSTOMER	2,721	1,946	169	136	29	3	436	2,719	2	0
178	ENERGY	304	146	8	75	33	38	4	304	0	0
	REG. COMM. EXP. & UNCOLL.										
179	STATE & FEDERAL	3,171	1,568	108	543	179	155	79	2,632	539	0
180	UNCOLLECTIBLE EXP.	3,809	3,401	256	149	3	0	0	3,809	0	0
181	TOTAL REG. COMM. & UNCOLL.	6,980	4,969	364	692	182	155	79	6,441	539	0
182	OTHER INDUSTRY DUES	705	332	18	173	78	94	10	705	0	0

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SCHEDULE 4.10 - ANALYSIS OF OPERATIONS AND MAINTENANCE EXPENSE
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
163	MISC. A & G - OTHER REVS.	2	2	0	0	0	0	0	2	0	0
164	MISC. A & G - GULF POWER ENERGY SRVC OH	36	0	0	0	36	0	0	36	0	0
165	MISCELLANEOUS A & G	75,002	45,211	3,638	12,369	4,337	4,587	1,281	71,423	1,195	2,384
166	DEMAND	45,401	23,371	1,161	9,308	3,786	4,023	253	41,902	1,115	2,384
167	CUSTOMER	27,059	20,632	2,411	2,432	272	240	992	26,979	80	0
168	ENERGY	2,542	1,208	66	629	279	324	36	2,542	0	0
169	TOTAL MISCELLANEOUS A & G	75,040	45,213	3,638	12,369	4,373	4,587	1,281	71,461	1,195	2,384
190	DEMAND	45,401	23,371	1,161	9,308	3,786	4,023	253	41,902	1,115	2,384
191	CUSTOMER	27,097	20,634	2,411	2,432	308	240	992	27,017	80	0
192	ENERGY	2,542	1,208	66	629	279	324	36	2,542	0	0
193	TOTAL ADMIN. & GENERAL	98,192	58,266	4,482	15,717	5,690	5,695	1,886	91,636	1,939	2,617
194	TOTAL OPER. & MAINTENANCE	308,608	175,167	12,549	51,562	24,872	20,427	5,622	290,199	5,717	12,692
195	DEMAND	162,405	85,308	4,249	34,018	13,767	14,353	956	152,652	3,751	6,002
196	ENERGY	49,974	20,033	1,108	10,406	4,631	5,360	586	42,124	1,180	6,690
197	CUSTOMER	89,249	64,656	6,828	6,446	6,292	559	4,001	88,982	267	0
198	REVENUE	6,980	4,989	384	692	182	155	79	6,441	539	0

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12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
ANALYSIS OF OPERATIONS AND MAINTENANCE EXPENSE

Line No.	Ftnt Label	Description
1	(A)	Allocated per Level 1 Demand Allocator; UPS directly assigned.
2	(B)	Allocated per Level 1 Energy Allocator; UPS directly assigned.
3	(B)	
5	(A)	
6	(B)	
8	(A)	
9	(B)	
11	(A)	
12	(B)	
14	(C)	Allocated per Level 2 Demand Allocator; UPS directly assigned.
15	(B)	
17	(A)	
18	(A)	
19	(A)	
20	(B)	
22	(A)	
23	(B)	
25	(A)	
26	(B)	
30	(D)	Allocated per Level 1 Demand Allocator.
31	(E)	Allocated per Level 1 Energy Allocator.
32	(E)	
33	(E)	
35	(D)	
36	(E)	
38	(D)	
39	(E)	
42	(D)	
43	(D)	
44	(E)	
46	(D)	
47	(E)	
49	(D)	
50	(E)	
58	(A)	
59	(B)	
60	(B)	

GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
ANALYSIS OF OPERATIONS AND MAINTENANCE EXPENSE

Line No.	Ftnt Label	Description
63	(F)	Allocated per sum of Generation Demand Expenses and Purchased Power Demand Expenses.
64	(E)	
66	(D)	
67	(E)	
75	(C)	
76	(G)	Allocated per Transmission Substations Gross Plant; UPS directly assigned.
77	(H)	Allocated per Transmission Lines Gross Plant; UPS directly assigned.
78	(I)	Allocated per Transmission Account 358 Gross Plant.
79	(D)	
81	(J)	Allocated per Subtotal of Transmission Operations O & M Expense; UPS directly assigned.
82	(J)	
83	(J)	
85	(K)	Allocated per sum of Transmission Accounts 352, 354, and 355 Gross Plant; UPS directly assigned.
86	(L)	Allocated per Transmission Account 353 Gross Plant; UPS directly assigned.
87	(H)	
89	(M)	Allocated per Subtotal of Transmission Maintenance O & M Expense; UPS directly assigned.
90	(M)	
93	(N)	Allocated per Level 3 Demand Allocator.
94	(O)	Allocated per Distribution Substations Gross Plant.
95	(P)	Allocated per corresponding Distribution Gross Plant Accounts 365 and 368.
96	(P)	
98	(Q)	Allocated per corresponding Distribution Gross Plant Accounts 367 and 368.
99	(Q)	
101	(R)	Allocated per Distribution Account 373 Gross Plant.
102	(S)	Allocated per Distribution Account 370 Gross Plant.
103	(T)	Per analysis of information provided by Gulf Power Company.
105	(U)	Allocated per Distribution Account 369 Gross Plant.
106	(T)	
111	(V)	Allocated per corresponding Subtotal of Distribution Operations O & M.
112	(V)	
114	(V)	
115	(V)	

GULF POWER COMPANY
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Line No.	Ftnt Label	Description
117	(V)	
118	(V)	
121	(W)	Allocated per Distribution Account 361 Gross Plant.
122	(X)	Allocated per Distribution Account 362 Gross Plant.
123	(T)	
124	(Y)	Allocated per Common portion of Distribution Accounts 364 and 365.
125	(Z)	Allocated per Customer portion of Distribution Accounts 364 and 365.
128	(AA)	Allocated per Common portion of Distribution Accounts 366 and 367 Gross Plant.
129	(AB)	Allocated per Customer portion of Distribution Accounts 366 and 367 Gross Plant.
131	(AC)	Allocated per Distribution Account 368 Gross Plant.
132	(AC)	
134	(R)	
135	(S)	
139	(AD)	Allocated per corresponding Subtotal of Distribution Maintenance O & M.
140	(AD)	
142	(AD)	
143	(AD)	
149	(AE)	Direct assignment to rate provided by Gulf Power Company.
150	(AF)	Provided by Gulf Power to Class. Allocated to rate based on analysis of average number of customers within class.
151	(AF)	
152	(AF)	
153	(AF)	
154	(AG)	Provided by Gulf Power and assigned to Rate Class LP/LPT.
156	(AF)	
158	(AF)	
159	(AF)	
160	(AF)	
161	(AF)	

GULF POWER COMPANY
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12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
ANALYSIS OF OPERATIONS AND MAINTENANCE EXPENSE

Line No.	Ftnt Label	Description
164	(AH)	Retail jurisdiction sum of corresponding demand and energy pieces; Wholesale allocated per Level 1 Demand Allocator; UPS directly assigned.
165	(D)	
166	(E)	
167	(AI)	Allocated per Transmission Gross Plant; UPS directly assigned.
168	(AJ)	Allocated per corresponding Distribution Gross Plant.
169	(AJ)	
170	(AJ)	
171	(AK)	Allocated per Customer Accounts O & M Expense.
172	(AL)	Allocated per corresponding Customer Assistance O & M Expense.
173	(AL)	
174	(AL)	
179	(AM)	Provided by Gulf Power to jurisdiction. Allocated to rate per Retail Revenue from Sales.
180	(AE)	
182	(AN)	Allocated per Retail MWH Sales.
183	(T)	
184	(AO)	A&G Overheads related to Gulf Power Energy Services. Assigned to Rate Class LP/LPT.
185	(AP)	Allocated per corresponding Salaries and Wages; UPS directly assigned.
186	(AP)	
187	(AP)	
188	(AP)	

GULF POWER COMPANY
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12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 4.20 - ANALYSIS OF DEPRECIATION EXPENSE
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
1	TOTAL PRODUCTION	52,105	23,360	1,149	9,405	4,018	4,867	213	43,012	1,322	7,771
	RETAIL JURISDICTION										
2	DEMAND		21,785	1,062	8,588	3,654	4,447	167	39,703		
3	ENERGY		1,575	87	817	364	420	46	3,309		
	TRANSMISSION										
4	350-LAND AND LAND RIGHTS	211	114	5	44	19	22	1	205	6	0
5	352-STRUCTURES	197	106	5	42	18	20	1	192	5	0
6	353-STATION EQUIPMENT	3,896	2,065	101	814	334	362	18	3,692	85	119
7	354-TOWERS & FIXTURES	767	408	20	161	68	84	3	744	23	0
8	355-POLES & FIXTURES	5,796	3,085	150	1,216	518	630	24	5,623	173	0
9	356-OVERHEAD COND.	2,138	1,138	55	449	191	232	9	2,074	64	0
10	358-UNDERGROUND COND.	254	134	7	53	23	28	1	246	6	0
11	359-ROADS AND TRAILS	5	3	0	1	0	1	0	5	0	0
12	TOTAL TRANSMISSION	13,264	7,053	343	2,780	1,171	1,379	55	12,781	364	119
	DISTRIBUTION										
13	360-SUBSTATION LAND	13	8	0	3	1	1	0	13	0	0
14	361-STRUCTURES	441	239	12	94	47	39	2	433	8	0
15	362-STATION EQUIPMENT	5,191	2,803	137	1,105	505	536	21	5,107	84	0
	364-POLES & FIXTURES										
16	COMMON	2,142	1,266	69	529	181	64	33	2,142	0	0
17	CUSTOMER	4,139	3,606	272	163	2	0	96	4,139	0	0
18	TOTAL ACCOUNT 364	6,281	4,872	341	692	183	64	129	6,281	0	0

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12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 4.20 - ANALYSIS OF DEPRECIATION EXPENSE
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
	365-OVERHEAD COND.										
19	DEMAND	3,681	2,177	116	909	311	110	56	3,681	0	0
20	CUSTOMER	717	624	47	28	1	0	17	717	0	0
21	TOTAL ACCOUNT 365	4,398	2,801	165	937	312	110	73	4,398	0	0
	366-UNDG. CONDUIT										
22	COMMON	13	9	0	3	1	0	0	13	0	0
23	CUSTOMER	1	1	0	0	0	0	0	1	0	0
24	TOTAL ACCOUNT 366	14	10	0	3	1	0	0	14	0	0
	367-UNDERGROUND COND. & DEV.										
25	COMMON	4,325	2,570	139	1,072	360	116	66	4,325	0	0
26	CUSTOMER	208	161	14	6	0	0	5	208	0	0
27	TOTAL ACCOUNT 367	4,533	2,751	153	1,080	360	116	71	4,533	0	0
	368-LINE TRANSFORMERS										
28	COMMON	7,177	4,405	238	1,831	529	61	113	7,177	0	0
29	CUSTOMER	2,444	2,126	161	97	2	1	57	2,444	0	0
30	TOTAL ACCOUNT 368	9,621	6,531	399	1,928	531	62	170	9,621	0	0
31	369-SERVICES	2,838	2,531	191	114	2	0	0	2,838	0	0
32	370-METERS	4,485	3,367	443	604	34	19	10	4,477	8	0
33	373-STREET LIGHTING	2,671	0	0	0	0	0	2,871	2,871	0	0
34	TOTAL DISTRIBUTION	40,686	25,913	1,841	6,560	1,976	949	3,347	40,586	100	0
35	DEMAND	22,983	13,477	713	5,546	1,936	929	291	22,891	92	0
36	CUSTOMER	17,703	12,436	1,128	1,014	41	20	3,056	17,695	6	0
37	GENERAL PLANT	8,347	5,145	414	1,407	493	521	146	8,128	136	86
38	DEMAND	4,979	2,660	132	1,059	430	457	29	4,767	127	86
39	CUSTOMER	3,079	2,347	274	277	31	26	113	3,070	9	0
40	ENERGY	289	138	6	71	32	38	4	289	0	0
41	TOTAL DEPR. EXPENSE	114,402	61,471	3,747	20,152	7,658	7,716	3,761	104,505	1,922	7,975
42	DEMAND	90,022	44,975	2,250	17,973	7,190	7,212	542	80,142	1,905	7,975
43	CUSTOMER	20,782	14,783	1,402	1,291	72	48	3,169	20,765	17	0
44	ENERGY	3,598	1,713	95	888	396	456	50	3,598	0	0

GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
ANALYSIS OF DEPRECIATION EXPENSE

Line No.	Ftnt Label	Description
1	(A)	Retail jurisdiction sum of Lines 2 and 3; Wholesale allocated per Level 1 Demand Allocator; UPS directly assigned.
2	(B)	Allocated per corresponding Level 1 Demand Allocator.
3	(C)	Allocated per corresponding Level 1 Energy Allocator.
4	(D)	Allocated per Transmission Account 350 Gross Plant (Lines portion only); UPS directly assigned.
5	(E)	Allocated per corresponding Transmission Gross Plant; UPS directly assigned.
6	(E)	
7	(E)	
8	(E)	
9	(E)	
10	(E)	
11	(E)	
13	(F)	Allocated per corresponding Distribution Gross Plant.
14	(F)	
15	(F)	
16	(F)	
17	(F)	
19	(F)	
20	(F)	
22	(F)	
23	(F)	
25	(F)	
26	(F)	
28	(F)	
29	(F)	
31	(F)	
32	(F)	
33	(F)	
37	(G)	Allocated per corresponding Gross General Plant; UPS directly assigned.
38	(G)	
39	(G)	
40	(G)	

GULF POWER COMPANY
12 MONTHS ENDING DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 4.30 - ANALYSIS OF TAXES OTHER THAN INCOME TAXES
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
	REAL & PERSONAL PROPERTY										
1	PRODUCTION	17,196	6,587	422	3,456	1,477	1,789	78	15,809	486	901
	RETAIL JURISDICTION										
2	DEMAND		6,009	390	3,156	1,343	1,634	61	14,593		
3	ENERGY		578	32	300	134	155	17	1,216		
4	TRANSMISSION	2,598	1,369	68	647	230	269	11	2,513	71	14
5	DISTRIBUTION	5,968	3,759	246	1,017	334	186	404	5,946	22	0
6	DEMAND	3,843	2,230	117	914	331	186	45	3,823	21	0
7	CUSTOMER	2,124	1,529	129	103	3	0	359	2,123	1	0
8	CUSTOMER ACCOUNTS	120	104	6	5	0	0	2	119	1	0
9	CUSTOMER ASSISTANCE	128	57	12	15	42	2	0	128	0	0
10	CUSTOMER	128	57	12	15	42	2	0	128	0	0
11	ENERGY	0	0	0	0	0	0	0	0	0	0
12	TOTAL ELECTRIC PROP. TAXES	26,010	13,696	756	5,040	2,083	2,245	495	24,515	580	915
13	DEMAND	22,422	11,628	575	4,617	1,904	2,088	117	20,929	578	915
14	CUSTOMER	2,372	1,690	149	123	45	2	361	2,370	2	0
15	ENERGY	1,216	578	32	300	134	155	17	1,216	0	0
	PAYROLL TAXES										
18	PRODUCTION	3,419	1,698	83	682	291	353	15	3,122	96	201
	RETAIL JURISDICTION										
17	DEMAND		1,582	77	623	265	323	12	2,882		
18	ENERGY		116	6	59	26	30	3	240		
19	TRANSMISSION	299	158	6	62	28	32	1	287	9	3
20	DISTRIBUTION	1,600	1,083	72	245	72	28	98	1,598	1	0
21	DEMAND	854	507	27	209	71	28	11	853	1	0
22	CUSTOMER	745	576	45	36	1	0	87	745	0	0
23	CUSTOMER ACCOUNTS	958	834	63	38	1	1	13	950	6	0
24	CUSTOMER ASSISTANCE	1,010	659	134	170	25	23	0	1,011	0	0
25	CUSTOMER	1,010	659	134	170	25	23	0	1,011	0	0
26	ENERGY	0	0	0	0	0	0	0	0	0	0
27	SUBTOTAL ELEC. PAYROLL TAXES	7,286	4,432	360	1,197	415	437	127	6,968	114	204
28	DEMAND	4,332	2,247	112	894	362	383	24	4,022	108	204
29	CUSTOMER	2,714	2,069	242	244	27	24	100	2,706	6	0
30	ENERGY	240	116	6	59	26	30	3	240	0	0
31	ECCR PAYROLL ADJUSTMENT	(369)	(324)	(28)	(17)	0	0	0	(369)	0	0
32	NET ELEC. PAYROLL TAXES	6,917	4,108	332	1,180	415	437	127	6,599	114	204
33	DEMAND	4,332	2,247	112	894	362	383	24	4,022	108	204
34	CUSTOMER	2,714	2,069	242	244	27	24	100	2,706	6	0
35	ENERGY	(129)	(208)	(22)	42	26	30	3	(129)	0	0

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GULF POWER COMPANY
12 MONTHS ENDING DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 4.30 - ANALYSIS OF TAXES OTHER THAN INCOME TAXES
($000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
	REVENUE TAXES										
36	GROSS RECEIPTS TAX	0	0	0	0	0	0	0	0	0	0
37	FLA REG. COMM. ASSESSMENT	402	239	17	83	27	24	12	402	0	0
38	FUEL & ECCR REL. REV TAXES	0	0	0	0	0	0	0	0	0	0
39	FRANCHISE FEE REV. ADJ.	0	0	0	0	0	0	0	0	0	0
40	TOTAL REVENUE TAXES	402	239	17	83	27	24	12	402	0	0
	OTHER TAXES										
41	MISS. STATE FRAN. TAX	307	164	8	64	27	34	1	298	9	0
42	FRANCHISE FEE	41,160	24,514	1,696	8,487	2,602	2,431	1,230	41,160	0	0
43	MISCELLANEOUS TAXES	105	66	5	18	6	6	2	103	2	0
44	DEMAND	62	35	2	13	5	5	0	60	2	0
45	CUSTOMER	39	28	3	4	1	1	2	39	0	0
46	ENERGY	4	3	0	1	0	0	0	4	0	0
47	TOTAL OTHER TAXES	41,572	24,744	1,709	8,569	2,835	2,471	1,233	41,561	11	0
48	FRANCHISE FEE ADJUSTMENT	(41,160)	(24,514)	(1,696)	(8,487)	(2,602)	(2,431)	(1,230)	(41,160)	0	0
49	TOTAL TAXES OTHER THAN INC.	33,741	18,473	1,118	8,385	2,558	2,746	637	31,917	705	1,119
50	DEMAND	27,123	14,074	697	5,588	2,298	2,510	142	25,309	696	1,119
51	CUSTOMER	5,125	3,787	394	371	73	27	463	5,115	10	0
52	ENERGY	1,091	373	10	343	160	165	20	1,091	0	0
53	REVENUE RELATED	402	239	17	83	27	24	12	402	0	0

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GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
ANALYSIS OF TAXES OTHER THAN INCOME TAXES

Line No.	Ftnt Label	Description
1	(A)	Retail jurisdiction sum of Lines 2 and 3; Wholesale allocated per Level 1 Demand Allocator; UPS directly assigned.
2	(B)	Allocated per Level 1 Demand Allocator.
3	(C)	Allocated per Level 1 Energy Allocator.
4	(D)	Allocated per Transmission Gross Plant; UPS directly assigned.
5	(E)	Allocated per corresponding Distribution Gross Plant.
6	(E)	
7	(E)	
8	(F)	Allocated per corresponding Operations and Maintenance Expense.
9	(F)	
10	(F)	
11	(F)	
16	(G)	Allocated per corresponding Salaries and Wages; UPS directly assigned.
17	(H)	Allocated per corresponding Salaries and Wages.
18	(H)	
19	(G)	
20	(H)	
21	(H)	
22	(H)	
23	(H)	
24	(H)	
25	(H)	
26	(H)	
31	(I)	Provided by Gulf Power to Class. Allocated to rate per average number of customers within class.
36	(J)	Allocated per Retail Revenue from Sales.
37	(J)	
38	(K)	Allocated per Retail MWH Sales.
39	(J)	
41	(B)	
42	(J)	
43	(H)	
44	(H)	
45	(H)	
46	(H)	
48	(J)	

GULF POWER COMPANY
12 MONTHS ENDING DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 5.0 - LINE ALLOCATORS AND PERCENTAGES

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
1	ENERGY - LEVEL 1	12,218,612	5,643,768	312,270	2,930,180	1,304,356	1,508,184	164,657	11,863,415	356,397	0
2	%	1.0000000	0.4618539	0.0255544	0.2397893	0.1067411	0.1234212	0.0134746	0.9708345	0.0291655	0.0000000
3	MWH SALES	11,505,326	5,264,445	291,283	2,733,687	1,233,654	1,477,619	153,590	11,154,278	351,048	0
4	%	1.0000000	0.4575659	0.0253172	0.2376019	0.1072245	0.1284291	0.0133495	0.9694882	0.0305118	0.0000000
	CP DEMAND										
5	LEVELS 1 & 2	2,149,333	1,144,164	55,758	451,028	191,920	233,603	8,774	2,085,247	64,086	0
6	%	1.0000000	0.5323344	0.0259420	0.2098456	[illegible]	0.1086863	0.0040822	0.9701833	0.0298167	0.0000000
7	LEVEL 3	1,892,426	1,123,290	54,741	442,800	163,856	99,125	8,614	1,892,426	0	0
8	%	1.0000000	0.5935714	0.0289264	0.2339854	0.0865851	0.0523799	0.0045518	1.0000000	0.0000000	0.0000000
	NCP DEMAND										
9	LEVEL 4	2,486,404	1,450,645	78,399	606,449	220,097	93,569	37,246	2,486,404	0	0
10	%	1.0000000	0.5834309	0.0315311	0.2439056	0.0885202	0.0376323	0.0149799	1.0000000	0.0000000	0.0000000
11	LEVEL 5	2,250,357	1,396,380	75,458	580,066	158,305	4,295	35,853	2,250,357	0	0
12	%	1.0000000	0.6205149	0.0335316	0.2577662	0.0703457	0.0019086	0.0159321	1.0000000	0.0000000	0.0000000
	AVERAGE NO. OF CUSTOMERS										
13	LEVEL 4 AND BELOW	443,319	386,033	29,156	17,494	276	48	10,312	443,319	0	0
14	%	1.0000000	0.8707793	0.0657676	0.0394614	0.0006227	0.0001083	0.0232609	1.0000000	0.0000000	0.0000000
15	LEVEL 5	443,246	386,033	29,154	17,466	248	33	10,312	443,246	0	0
16	%	1.0000000	0.8709227	0.0657739	0.0394048	0.0005596	0.0000745	0.0232647	1.0000000	0.0000000	0.0000000
17	TOTAL	443,351	386,033	29,156	17,497	284	68	10,312	443,350	1	0
18	%	1.0000000	0.8707184	0.0657628	0.0394653	0.0006407	0.0001534	0.0232592	[illegible]	0.0000023	0.0000000

GULF POWER COMPANY
12 MONTHS ENDING DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
SCHEDULE 5.0 - LINE ALLOCATORS AND PERCENTAGES

LINE NO. (1)	DESCRIPTION (2)		TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
	SALARIES AND WAGES											
19	PRODUCTION		37,806	19,921	979	6,020	3,426	4,152	161	36,679	1,127	0
	RETAIL JURISDICTION											
20	12/13 DEMAND RELATED			16,579	906	7,323	3,116	3,793	142	33,858		
21	1/13 ENERGY RELATED			1,342	74	697	310	369	39	2,821		
22		%	1.0000000	0.5269269	0.0258954	0.2121356	0.0906205	0.1098238	0.0047876	0.9701699	0.0298101	0.0000000
23	TRANSMISSION		3,307	1,765	85	695	298	356	13	3,210	97	0
24		%	1.0000000	0.5337164	0.0257031	0.2101603	0.0895071	0.1076504	0.0039311	0.9706683	0.0293317	0.0000000
	DISTRIBUTION											
25	DEMAND		9,443	5,591	298	2,311	789	315	126	9,430	13	0
26	CUSTOMER		8,261	6,384	498	401	13	6	956	8,258	3	0
27	TOTAL DISTRIBUTION		17,704	11,975	796	2,712	802	321	1,082	17,688	16	0
28		%	1.0000000	0.6764008	0.0449616	0.1531857	0.0453006	0.0181315	0.0611161	0.9990962	0.0009038	0.0000000
29	CUSTOMER ACCOUNTS		10,595	9,219	697	419	11	18	145	10,509	86	0
30		%	1.0000000	0.8701274	0.0657857	0.0395470	0.0010382	0.0016989	0.0136857	0.9918830	0.0081170	0.0000000
	CUSTOMER ASSISTANCE											
31	CUSTOMER		11,170	7,290	1,480	1,679	278	243	0	11,170	0	0
32	ENERGY		0	0	0	0	0	0	0	0	0	0
33	TOTAL CUSTOMER ASST.		11,170	7,290	1,480	1,679	278	243	0	11,170	0	0
34		%	1.0000000	0.6526410	0.1324978	0.1682184	0.0248881	0.0217547	0.0000000	1.0000000	0.0000000	0.0000000
	SUBTOTAL SALARIES & WAGES											
35	DEMAND		47,735	25,935	1,288	10,329	4,201	4,464	281	46,498	1,237	0
36	CUSTOMER		30,026	22,893	2,675	2,699	302	267	1,101	29,937	89	0
37	ENERGY		2,821	1,342	74	697	310	369	39	2,821	0	0
38	SUBTOTAL SALARIES & WAGES		80,582	50,170	4,037	13,725	4,813	5,090	1,421	79,256	1,326	0
39		%	1.0000000	0.6225956	0.0500980	0.1703234	0.0597280	0.0631655	0.0176342	0.9835447	0.0164553	0.0000000
40	ADMINISTRATIVE & GENERAL		16,913	10,530	847	2,881	1,010	1,069	298	16,635	278	0
41		%	1.0000000	0.6225960	0.0500798	0.1703423	0.0597174	0.0632058	0.0176196	0.9835629	0.0164371	0.0000000
42	TOTAL SALARIES & WAGES		97,495	60,700	4,884	16,606	5,823	6,159	1,719	95,891	1,604	0
43		%	1.0000000	0.6225960	0.0500949	0.1703267	0.0597261	0.0631725	0.0176317	0.9835479	0.0164521	0.0000000

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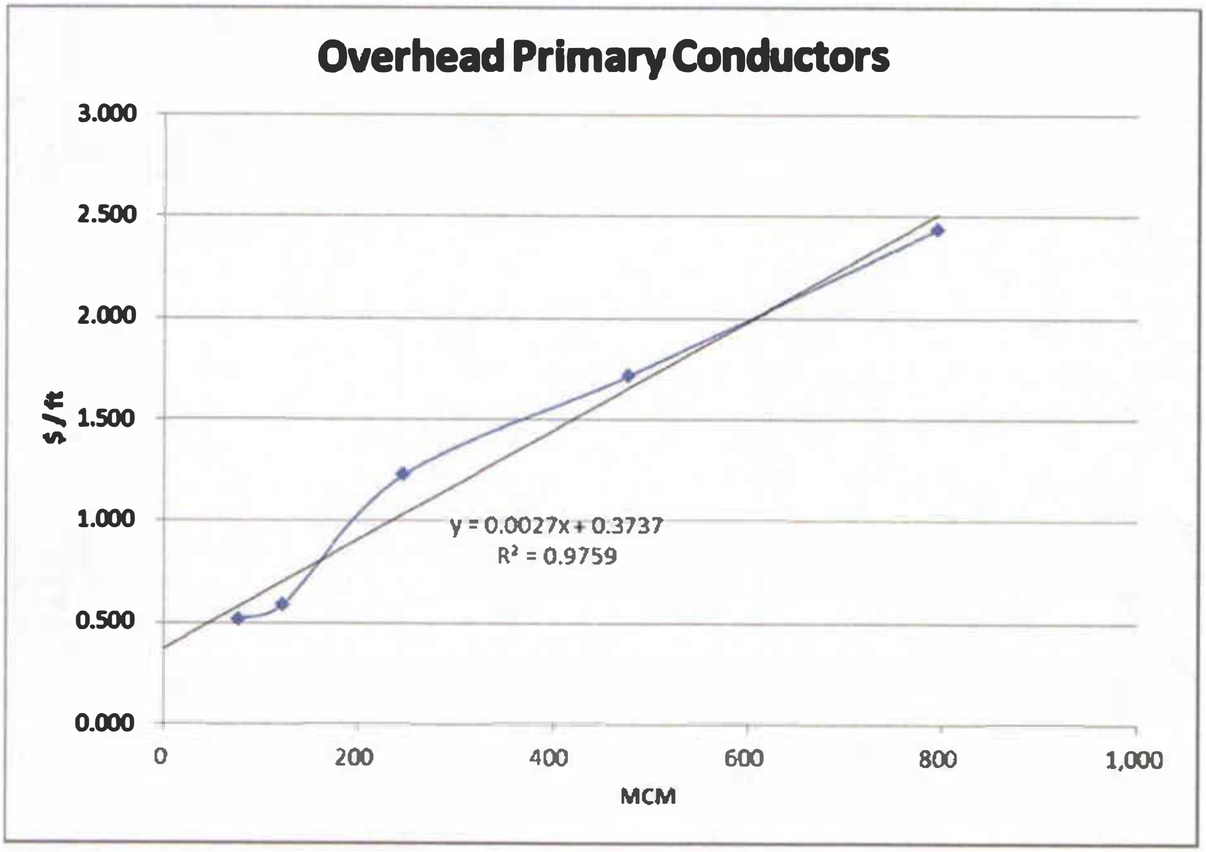
GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2014
12/13 DEMAND ALLOCATION - WITH MDS METHODOLOGY
ANALYSIS OF LINE ALLOCATORS AND PERCENTAGES

Line No.	Ftnt Label	Description
1	(A)	Energy at point of generation.
2	(B)	Percent of above lines total.
3	(C)	Total sales of energy at point of delivery.
4	(B)	
5	(D)	Coincident peak demand at Levels 1 & 2.
6	(B)	
7	(E)	Coincident peak demand at Level 3.
8	(B)	
9	(F)	Non-coincident peak demand at Level 4.
10	(B)	
11	(G)	Non-coincident peak demand at Level 5.
12	(B)	
13	(H)	Average number of customers at Levels 4 & 5.
14	(B)	
15	(I)	Average number of common customers at Level 5.
16	(B)	
17	(J)	Total average number of customers at all levels.
18	(B)	
19	(K)	Retail Jurisdiction sum of lines 2 & 3; Wholesale and Total Retail Service Allocated per Level 1 Demand Allocator.
20	(L)	Allocated per corresponding Level 1 Demand Allocator.
21	(M)	Allocated per corresponding Level 1 Energy Allocator.
22	(B)	
23	(N)	Allocated per Total Transmission O & M Expense excluding UPS.
24	(B)	
25	(O)	Allocated per demand related Distribution O & M Expense.
26	(P)	Allocated per customer related Distribution O & M Expense.
28	(B)	
29	(Q)	Allocated per Customer Accounts Expense excluding UPS.
30	(B)	
31	(R)	Allocated per customer related Customer Assistance Expense excluding UPS and Gulf Power Energy Services.
32	(S)	Allocated per energy related Customer Assistance Expense excluding UPS.
34	(B)	
40	(T)	Allocated per Subtotal Salaries and Wages.
41	(B)	

Minimum Distribution System
Account 365 – Overhead Regression
Schedule 6.1

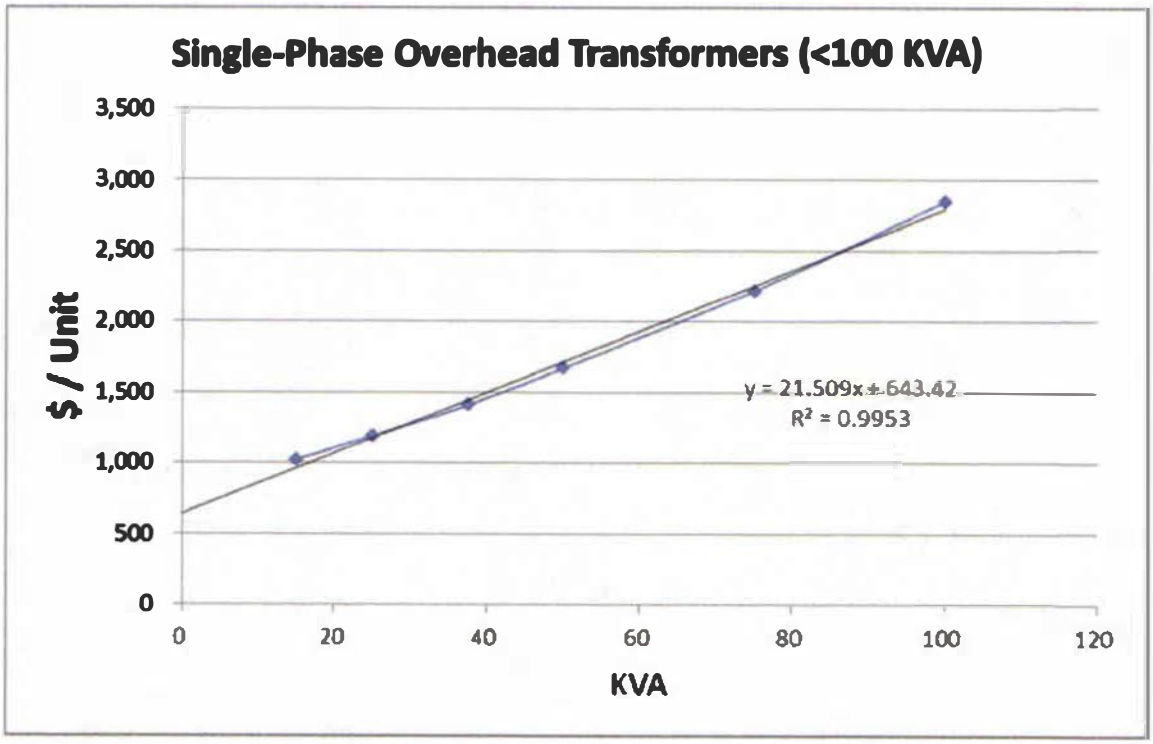


Account 365 – Overhead Primary Conductors

Size	MCM	$ / ft
#2	77.47	0.517
1/0	123.30	0.590
4/0	246.90	1.228
477	477.00	1.715
795	795.00	2.438

Zero Intercept = .3737

Minimum Distribution System
Account 368 – Single Phase Transformer Regression
Schedule 6.2



Account 368 – Singe Phase Overhead Transformers <100 kVA

kVA	$ / ea
15	1,022
25	1,193
37.5	1,412
50	1,672
75	2,219
100	2,848

Zero Intercept = 643.42

GULF POWER COMPANY
TWELVE MONTHS ENDED 12/31/12
MINIMUM DISTRIBUTION SYSTEM
ACCOUNT 364 - POLES, TOWERS AND FIXTURES (MASS ACCOUNT)
Schedule 6.3

	12-31-12 TOTAL LEVEL 4 COSTS	PRIMARY LEVEL 4 CUSTOMER-RELATED COMPONENT	PRIMARY LEVEL 4 DEMAND-RELATED COMPONENT	NOTES
COMPONENT SPLIT ANALYSIS OF MASS ACCOUNT RECORDS				
1. AVERAGE UNIT COST OF MRSS POLES		247.06		(A)
2. TOTAL NUMBER OF POLES		203,779		(B)
3. TOTAL COST OF POLES	76,397,964	50,344,627	26,053,337	(C)
4. PERCENTAGE OF TOTAL COST OF POLES		65.90%	34.10%	

	12-31-12 TOTAL ALL COSTS	12-31-12 TOTAL LEVEL 4 COSTS	PRIMARY LEVEL 4 CUSTOMER-RELATED COMPONENT	PRIMARY LEVEL 4 DEMAND-RELATED COMPONENT	12-31-12 TOTAL LEVEL 5 COSTS	SECONDARY LEVEL 5 CUSTOMER-RELATED COMPONENT	SECONDARY LEVEL 5 DEMAND-RELATED COMPONENT	
5. ***PRIMARY / SECONDARY SPLIT OF OVERHEAD LINES FROM ACCOUNT 365***	111,303,221	85,050,521			26,252,700			(D)
ANALYSIS OF ACCOUNT 364								
6. POLES (WOOD, CONCRETE)	75,002,842	57,986,045	38,211,565	19,774,480	17,016,797	11,213,706	5,803,091	(E)
7. STEEL-REINFORCED POLE TRUSS	1,395,123	1,395,123	919,356	475,767	-	-	-	(F)
8. TOTAL POLES	76,397,965	59,381,168	39,130,921	20,250,247	17,016,797	11,213,706	5,803,091	
9. FIXTURE SETS	45,206,973	35,137,623	23,154,943	11,982,680	10,069,350	6,635,487	3,433,863	(G)
10. OTHER ACCOUNT 364	1,758,990	1,367,195	900,952	466,243	391,795	258,185	133,610	(H)
11. TOTAL ACCOUNT 364	123,363,928	95,885,986	63,186,816	32,699,170	27,477,942	18,107,378	9,370,564	
12. PERCENTAGES AT LEVEL			65.90%	34.10%		65.90%	34.10%	
13. PERCENTAGES OF TOTAL		77.73%	51.22%	26.51%	22.27%	14.68%	7.60%	

NOTES:

(A) MRSS INCLUDES 30 & 35-FOOT WOODEN POLES--MINIMUM REPLACEABLE SIZE--AND SMALLER.
(B) INCLUDES ALL POLE SIZES.
(C) TOTAL AMOUNT FOR ALL POLES. CUSTOMER COMPONENT EQUALS TOTAL NUMBER OF POLES (LINE 2) TIMES AVERAGE UNIT COST OF MRSS POLES (LINE 1). DEMAND COMPONENT IS TOTAL MINUS CUSTOMER COMPONENT.
(D) FROM ACCOUNT 365, LINE 7, *TOTAL OVERHEAD LINES*.
(E) TOTAL AMOUNT ALLOCATED TO LEVEL PER PRIMARY / SECONDARY SPLIT OF OVERHEAD LINES FROM ACCOUNT 365 (LINE 5). WITHIN LEVEL, ALLOCATED TO COMPONENT PER TOTAL COST OF POLES (LINE 3).
(F) TOTAL AMOUNT ASSIGNED TO PRIMARY LEVEL. ALLOCATED TO COMPONENT PER TOTAL COST OF POLES (LINE 3).
(G) ALLOCATED PER TOTAL POLES (LINE 8).
(H) INCLUDES ADJUSTMENTS, INTERIM RUCs, AND NON-UNITIZED. ALLOCATED PER TOTAL POLES (LINE 8).

GULF POWER COMPANY
TWELVE MONTHS ENDED 12/31/12
MINIMUM DISTRIBUTION SYSTEM - ZERO-INTERCEPT METHOD
ACCOUNT 365 - OVERHEAD CONDUCTORS AND DEVICES (CURRENT REPLACEMENT COST BASIS)
SCHEDULE 6.4

	PRIMARY LEVEL 4			
COMPONENT SPLIT ANALYSIS OF MASS ACCOUNT RECORDS	12-31-12 TOTAL LEVEL 4 COSTS	CUSTOMER-RELATED COMPONENT	DEMAND-RELATED COMPONENT	NOTES
1. ZERO-INTERCEPT UNIT COST OF AAC/AAAC Wire ($/FT)		0.5757		(A)
2. TOTAL FEET OF MINIMUM SYSTEM PRIMARY OVERHEAD LINES		62,264,622		(B)
3. TOTAL COST OF PRIMARY OVERHEAD LINES (ADJ FOR VINTAGE)	142,492,281	23,268,384	119,223,897	(C)
4. PERCENTAGE OF TOTAL COST OF OVERHEAD LINES		16.33%	83.67%	

		PRIMARY LEVEL 4			SECONDARY LEVEL 5			
ANALYSIS OF ACCOUNT 365	12-31-12 TOTAL ALL COSTS	12-31-12 TOTAL LEVEL 4 COSTS	CUSTOMER-RELATED COMPONENT	DEMAND-RELATED COMPONENT	12-31-12 TOTAL LEVEL 5 COSTS	CUSTOMER-RELATED COMPONENT	DEMAND-RELATED COMPONENT	
5. PRIMARY LINES	86,050,521	86,050,521	14,051,874	71,998,647	-	-	-	(D)
6. SECONDARY LINES	25,252,700	-	-	-	25,252,700	4,123,656	21,129,044	(E)
7. TOTAL OVERHEAD LINES	111,303,221	86,050,521	14,051,874	71,998,647	25,252,700	4,123,656	21,129,044	
8. PRIMARY SWITCHGEAR	4,521,010	4,521,010	738,261	3,782,749	-	-	-	(F)
9. SECONDARY SWITCHGEAR	2,026	-	-	-	2,026	331	1,695	(G)
10. OTHER EQUIPMENT	12,394,768	9,582,816	1,564,800	8,017,816	2,812,150	459,212	2,352,938	(H)
11. TOTAL SWITCHGEAR AND OTHER EQUIPMENT	16,917,804	14,103,826	2,303,061	11,800,567	2,814,176	459,543	2,354,633	
12. SUBTOTAL	128,221,025	100,154,149	16,354,735	83,799,414	28,066,876	4,583,199	23,483,677	
13. OTHER 365	2,844,243	2,221,654	362,786	1,858,868	622,589	101,666	520,923	(I)
14. TOTAL ACCOUNT 365	131,065,268	102,375,803	16,717,521	85,658,282	28,689,465	4,684,866	24,004,600	
15. PERCENTAGES AT LEVEL			16.33%	83.67%		16.33%	83.67%	
16. PERCENTAGES OF TOTAL		78.11%	12.76%	65.36%	21.89%	3.57%	18.31%	

NOTES:
(A) Y-AXIS INTERCEPT OF REGRESSION BASED ON COST FROM MAXIMO SSTEM OF AAC AND AAAC WIRE SIZES.
(B) TWO TIMES TOTAL PRIMARY OVERHEAD CIRCUIT-MILES FROM DISTGIS AUTOMATED MAPPING SYSTEM, CONVERTED TO FEET.
(C) TOTAL AMOUNT FOR ALL PRIMARY WIRE TYPES AND SIZES, ADJUSTED FOR VINTAGE BY HANDY-WHITMAN RATIOS. CUSTOMER COMPONENT EQUALS TOTAL FEET OF MINIMUM SYSTEM OVERHEAD LINES (LINE 2) TIMES UNIT COST OF ZERO-INTERCEPT (LINE 1). DEMAND COMPONENT IS TOTAL MINUS CUSTOMER COMPONENT.
(D) INCLUDES ALL OVERHEAD WIRE TYPES AND SIZES EXCEPT N-PLEX. ALLOCATED PER TOTAL COST OF PRIMARY OVERHEAD LINES (ADJ FOR VINTAGE) (LINE 3).
(E) INCLUDES ALL DUPLEX, TRIPLEX, AND QUADRUPLEX. ALLOCATED TO COMPONENT PER LINE 3.
(F) INCLUDES ALL SWITCHES SPECIFIED FOR USAGE AT 5 KV AND ABOVE. ALLOCATED PER PRIMARY LINES (LINE 5).
(G) INCLUDES ALL SWITCHES SPECIFIED FOR USAGE AT 4.9 KV AND BELOW. ALLOCATED PER SECONDARY LINES (LINE 6).
(H) INCLUDES ALL OTHER UNITIZED EQUIPMENT. ALLOCATED PER TOTAL OVERHEAD LINES (LINE 7).
(I) INCLUDES ADJUSTMENTS, INTERIM RUCs, AND NON-UNITIZED. ALLOCATED PER SUBTOTAL (LINE 12).

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GULF POWER COMPANY
TWELVE MONTHS ENDED 12/31/12
MINIMUM DISTRIBUTION SYSTEM - ZERO - INTERCEPT - METHOD
ACCOUNT 366 - UNDERGROUND CONDUIT ANALYSIS (MASS ACCOUNT)
SCHEDULE 6.5

	12-31-12 TOTAL ALL COSTS	12-31-12 TOTAL LEVEL 4 COSTS	PRIMARY LEVEL 4 CUSTOMER-RELATED COMPONENT	PRIMARY LEVEL 4 DEMAND-RELATED COMPONENT	12-31-12 TOTAL LEVEL 5 COSTS	SECONDARY LEVEL 5 CUSTOMER-RELATED COMPONENT	SECONDARY LEVEL 5 DEMAND-RELATED COMPONENT	NOTES
1. *TOTAL UNDERGROUND LINES FROM ACCOUNT 367*	106,604,167	74,657,835	3,431,394	71,226,241	31,946,552	1,468,319	30,476,233	(A)
ANALYSIS OF ACCOUNT 366								
2. DUCT LINES, MANHOLES, AND SPLICING CHAMBERS	994,326	696,352	32,006	664,346	297,974	13,695	284,279	(B)
3. TRANSFOMER VAULTS AND SUMP PUMPS	166,360	0	0	0	166,360	0	166,360	(C)
4. TOTAL ACCOUNT 366	1,160,686	696,352	32,006	664,346	464,334	13,695	450,639	
5. PERCENTAGES AT LEVEL			4.60%	95.40%		2.95%	97.05%	
6. PERCENTAGES OF TOTAL		59.99%	2.76%	57.24%	40.01%	1.18%	38.83%	

NOTES:
(A) FROM ANALYSIS OF ACCOUNT 367, LINE 7, *TOTAL UNDERGROUND LINES*.
(B) ALLOCATED PER TOTAL UNDERGROUND LINES FROM ACCOUNT 367 (LINE 1).
(C) ASSIGNED TO SECONDARY LEVEL 5 DEMAND-RELATED COMPONENT.

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TWELVE MONTHS ENDED 12/31/12
MINIMUM DISTRIBUTION SYSTEM - ZERO - INTERCEPT - METHOD
ACCOUNT 367 - UNDERGROUND CONDUCTORS (CURRENT REPLACEMENT COST BASIS)
SCHEDULE 6.6

COMPONENT SPLIT ANALYSIS OF MASS ACCOUNT RECORDS	12-31-12 TOTAL LEVEL 4 COSTS	PRIMARY LEVEL 4 CUSTOMER-RELATED COMPONENT	PRIMARY LEVEL 4 DEMAND-RELATED COMPONENT	NOTES
1. ZERO-INTERCEPT UNIT COST OF AAC/AAAC WIRE ($/FT)		0.3737		(A)
2. TOTAL FEET OF PRIMARY UNDERGROUND MINIMUM SYSTEM LINES		19,293,229		(B)
3. TOTAL COST OF PRIMARY UNDERGROUND LINES (ADJ FOR VINTAGE)	156,866,989	7,209,879	149,657,110	(C)
4. PERCENTAGE OF TOTAL COST OF UNDERGROUND LINES		4.60%	95.40%	

ANALYSIS OF ACCOUNT 367	12-31-12 TOTAL ALL COSTS	12-31-12 TOTAL LEVEL 4 COSTS	PRIMARY LEVEL 4 CUSTOMER-RELATED COMPONENT	PRIMARY LEVEL 4 DEMAND-RELATED COMPONENT	12-31-12 TOTAL LEVEL 5 COSTS	SECONDARY LEVEL 5 CUSTOMER-RELATED COMPONENT	SECONDARY LEVEL 5 DEMAND-RELATED COMPONENT	NOTES
5. PRIMARY LINES	74,657,635	74,657,635	3,431,394	71,226,241	-	-	-	(D)
6. SECONDARY LINES	31,946,552	-	-	-	31,946,552	1,468,319	30,478,233	(E)
7. TOTAL UNDERGROUND LINES	106,604,187	74,657,635	3,431,394	71,226,241	31,946,552	1,468,319	30,478,233	
8. NEUTRALS	31,885	-	-	-	31,885	1,466	30,420	(F)
9. PRIMARY SWITCHGEAR	3,980,077	3,980,077	182,931	3,797,146	-	-	-	(G)
10. SECONDARY SWITCHGEAR	9,209	-	-	-	9,209	423	8,786	(H)
11. OTHER EQUIPMENT	18,306,523	12,820,526	589,254	12,231,272	5,485,997	252,146	5,233,851	(I)
12. TOTAL SWITCHGEAR AND OTHER EQUIPMENT	22,295,809	16,800,603	772,185	16,028,418	5,495,206	252,569	5,242,637	
13. SUBTOTAL	128,931,881	91,458,238	4,203,579	87,254,659	37,473,643	1,722,353	35,751,290	
14. OTHER 367	3,965,590	2,813,004	129,291	2,683,713	1,152,586	52,975	1,099,611	(J)
15. TOTAL ACCOUNT 367	132,897,471	94,271,242	4,332,870	89,938,372	38,626,229	1,775,328	36,850,901	
16. PERCENTAGES AT LEVEL			4.60%	95.40%		4.60%	95.40%	
17. PERCENTAGES OF TOTAL		70.94%	3.26%	97.65%	29.06%	1.34%	27.73%	

NOTES:
(A) FROM ACCOUNT 366, LINE 1, *ZERO-INTERCEPT UNIT COST OF AAC/AAAC WIRE*.
(B) TWO TIMES TOTAL PRIMARY UNDERGROUND CIRCUIT-MILES FROM DISTGIS AUTOMATED MAPPING SYSTEM, CONVERTED TO FEET.
(C) TOTAL AMOUNT FOR ALL PRIMARY WIRE TYPES AND SIZES, ADJUSTED FOR VINTAGE BY HANDY-WHITMAN RATIOS. CUSTOMER COMPONENT EQUALS TOTAL FEET OF MINIMUM SYSTEM UNDERGROUND LINES (LINE 2) TIMES UNIT COST OF ZERO-INTERCEPT (LINE 1). DEMAND COMPONENT IS TOTAL MINUS CUSTOMER COMPONENT.
(D) INCLUDES ALL UNDERGROUND CABLE SPECIFIED FOR USAGE AT 5 KV AND ABOVE. ALLOCATED PER TOTAL COST OF PRIMARY UNDERGOUND LINES ADJUSTED FOR VINTAGE (LINE 3).
(E) INCLUDES ALL UNDERGROUND CABLE SPECIFIED FOR USAGE AT 4.9 KV AND BELOW. ALLOCATED TO COMPONENT PER LINE 4.
(F) ASSIGNED TO SECONDARY. ALLOCATED TO COMPONENT PER SECONDARY LINES (LINE 6).
(G) INCLUDES ALL SWITCHES SPECIFIED FOR USAGE AT 5 KV AND ABOVE. ALLOCATED PER PRIMARY LINES (LINE 5).
(H) INCLUDES ALL SWITCHES SPECIFIED FOR USAGE AT 4.9 KV AND BELOW. ALLOCATED PER SECONDARY LINES (LINE 6).
(I) INCLUDES ALL OTHER UNITIZED EQUIPMENT. ALLOCATED PER TOTAL UNDERGROUND LINES (LINE 7).
(J) INCLUDES ADJUSTMENTS, INTERIM RUCs, AND NON-UNITIZED. ALLOCATED PER SUBTOTAL (LINE 13).

GULF POWER COMPANY
TWELVE MONTHS ENDED 12/31/12
MINIMUM DISTRIBUTION SYSTEM - ZERO-INTERCEPT METHOD
ACCOUNT 368 - LINE TRANSFORMERS (CURRENT REPLACEMENT COST BASIS)
SCHEDULE 6.7

	12-31-12 TOTAL ALL COSTS	12-31-12 TOTAL LEVEL 4 COSTS	PRIMARY LEVEL 4 CUSTOMER-RELATED COMPONENT	PRIMARY LEVEL 4 DEMAND-RELATED COMPONENT	12-31-12 TOTAL LEVEL 5 COSTS	SECONDARY LEVEL 5 CUSTOMER-RELATED COMPONENT	SECONDARY LEVEL 5 DEMAND-RELATED COMPONENT	NOTES
COMPONENT SPLIT ANALYSIS OF MASS ACCOUNT RECORDS								
1. UNIT COST OF ZERO-INTERCEPT (1 PHASE O/H)						643.42		(A)
2. TOTAL NUMBER OF O/H TRANSFORMERS						116,771		(B)
3. TOTAL OVERHEAD TRANSFORMERS (ADJ FOR VINTAGE)					198,283,555	76,419,637	121,863,918	(C)
4. PERCENTAGE SPLIT OF OVERHEAD TRANSFORMERS						38.54%	61.46%	
5. UNIT COST OF ZERO-INTERCEPT (1 PHASE O/H)						643.42		(A)
6. TOTAL NUMBER OF PAD-MT TRANSFORMERS						29,600		(B)
7. TOTAL PAD-MT TRANSFORMERS (ADJ FOR VINTAGE)					148,016,545	19,045,232	128,971,313	(C)
8. PERCENTAGE SPLIT OF PAD-MT TRANSFORMERS						12.87%	87.13%	
9. UNIT COST OF ZERO-INTERCEPT (1 PHASE O/H)						643.42		(A)
10. TOTAL NUMBER OF VAULT/DRY TRANSFORMERS						120		(B)
11. TOTAL VAULT/DRY TRANSFORMERS (ADJ FOR VINTAGE)					863,270	77,210	786,059	(C)
12. PERCENTAGE SPLIT OF VAULT/DRY TRANSFORMERS						8.94%	91.06%	
13. *PRIMARY LINES FROM ACCOUNT 365*		86,050,521	14,051,674	71,998,847				(D)
ANALYSIS OF ACCOUNT 368								
TRANSFORMERS								
14. OVERHEAD TRANSFORMERS	73,262,011	0	0	0	73,262,011	28,235,606	45,026,405	(E)
15. PAD-MOUNTED TRANSFORMERS	73,515,978	0	0	0	73,515,976	9,459,273	64,056,705	(F)
16. VAULT AND UNDERGROUND DRY TRANSFORMERS	428,764	0	0	0	428,794	38,348	390,416	(G)
17. NETWORK PROTECTORS	666,040	0	0	0	666,040	59,670	606,470	(H)
18. REGULATORS AND CAPACITORS	9,076,167	9,076,167	0	9,076,167	0	0	0	(I)
19. SWITCHES	1,435,580	1,435,580	234,424	1,201,156	0	0	0	(J)
CUTOUTS AND ARRESTERS								
20. TRANSFORMER-RELATED	40,517,177	0	0	0	40,517,177	15,615,556	24,901,621	(K)
21. REGULATOR/CAPACITOR-RELATED	2,924,692	2,924,692	0	2,924,692	0	0	0	(L)
22. LINE/SWITCH-RELATED	21,927,157	21,927,157	3,580,609	18,346,548	0	0	0	(M)
23. OTHER UNITIZED ACCOUNT 368	3,344,574	0	0	0	3,344,574	430,345	2,914,229	(N)
24. SUBTOTAL	227,098,140	35,363,596	3,615,033	31,648,563	191,734,544	53,638,698	137,895,846	
25. OTHER 368	6,023,523	937,980	101,190	836,790	5,085,543	1,428,011	3,657,532	(O)
26. TOTAL ACCOUNT 368	233,121,663	36,301,576	3,916,223	32,385,353	196,820,057	55,266,709	141,553,376	
27. PERCENTAGES AT LEVEL			10.79%	89.21%		28.08%	71.92%	
28. PERCENTAGES OF TOTAL		15.57%	1.68%	13.89%	84.43%	23.71%	60.72%	

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NOTES:

(A) Y-AXIS INTERCEPT OF REGRESSION BASED ON COST FROM MAXIMO SYSTEM OF SINGLE-PHASE OVERHEAD TRANSFORMERS 100 KVA AND LESS.
(B) INCLUDES ALL OVERHEAD, PAD-MOUNTED, AND VAULT/UNDERGROUND DRY TRANSFORMERS, RESPECTIVELY.
(C) TOTAL AMOUNT FOR ALL TRANSFORMERS OF EACH RESPECTIVE TYPE ADJUSTED FOR VINTAGE USING HANDY-WHITMAN RATIOS. CUTOMER COMPONENT EQUALS TOTAL NUMBER OF TRANSFORMERS (LINE 2) TIMES UNIT COST OF ZERO-INTERCEPT (LINE 1). DEMAND COMPONENT IS TOTAL MINUS CUSTOMER COMPONENT.
(D) FROM ANALYSIS OF ACCOUNT 365, LINE 5, *PRIMARY LINES*.
(E) ALLOCATED PER TOTAL OVERHEAD TRANSFORMERS ADJUSTED FOR VINTAGE (LINE 3).
(F) ALLOCATED PER TOTAL PAD-MT TRANSFORMERS ADJUSTED FOR VINTAGE (LINE 7).
(G) ALLOCATED PER TOTAL VAULT/DRY TRANSFORMERS ADJUSTED FOR VINTAGE (LINE 11).
(H) ALLOCATED PER VAULT AND UNDERGROUND DRY TRANSFORMERS (LINE 16).
(I) ASSIGNED TO LEVEL 4 DEMAND COMPONENT.
(J) ALLOCATED PER PRIMARY LINES FROM ACCOUNT 365 (LINE 13).
(K) FROM ACCOUNT 368-A. ALLOCATED PER OVERHEAD TRANSFORMERS (LINE 14).
(L) FROM ACCOUNT 368-A. ALLOCATED PER REGULATORS AND CAPACITORS (LINE 18).
(M) FROM ACCOUNT 368-A. ALLOCATED PER PRIMARY LINES FROM ACCOUNT 365 (LINE 13).
(N) ALLOCATED PER PAD-MOUNTED TRANSFORMERS (LINE 15).
(O) ALLOCATED PER SUBTOTAL (LINE 24).

GULF POWER COMPANY
TWELVE MONTHS ENDED 12/31/12
MINIMUM DISTRIBUTION SYSTEM - ZERO-INTERCEPT METHOD
ACCOUNT 368-A - ANALYSIS OF CUTOUTS AND ARRESTERS
SCHEDULE 6.7

	QUANTITY	PERCENTAGE	AMOUNT ($)	NOTES
1. TOTAL FOR CUTOUTS	172,629		29,938,347	(A)
2. PROTECTION FOR OVERHEAD TRANSFORMERS	116,791	68.73%	20,577,601	(B)
3. REMAINDER FOR LINE PROTECTION	55,838	31.27%	9,360,746	(C)
4. TOTAL FOR ARRESTERS	211,080		35,430,679	(D)
5. PROTECTION FOR OVERHEAD TRANSFORMERS	116,791	56.28%	19,939,576	(E)
6. PROTECTION FOR REGULATORS AND AUTO-BOOSTERS	1,260	0.60%	211,496	(F)
7. PROTECTION FOR CAPACITORS	16,164	7.66%	2,713,196	(G)
8. PROTECTION FOR SWITCHES	3,360	1.59%	562,312	(H)
9. REMAINDER FOR LINE PROTECTION	71,515	33.88%	12,004,099	(I)
SUMMARY FOR CUTOUTS AND ARRESTERS				
10. Transformer-related			40,517,177	(J)
11. Regulator/Capacitor-related			2,924,692	(K)
12. Line/Switch-related			21,927,157	(L)

NOTES:

(A) TOTAL NUMBER AND AMOUNT FOR CUTOUTS
(B) ASSUMED 1 CUTOUT PER SINGLE PHASE TRANSFORMER AND 3 CUTOUTS PER THREE PHASE TRANSFORMER.
(C) DIFFERENCE BETWEEN TOTAL FOR CUTOUTS (LINE 1) AND PROTECTION FOR OVERHEAD TRANSFORMERS (LINE 2).
(D) TOTAL NUMBER AND AMOUNT FOR ARRESTERS.
(E) ASSUMED 1 ARRESTER PER SINGLE PHASE TRANSFORMER AND 3 ARRESTERS PER THREE PHASE TRANSFORMER.
(F) REGULATORS AND AUTO-BOOSTERS ALL SINGLE-PHASE. ASSUMED 2 ARRESTERS PER UNIT (ONE EACH ON LOAD SIDE AND SOURCE SIDE).
(G) ASSUMED ALL CAPACITORS 3-PHASE. ASSUMED SIX ARRESTERS PER CAPACITOR--TWO PER PHASE (ONE EACH ON LOAD SIDE AND SOURCE SIDE).
(H) ASSUMED TWO ARRESTERS PER SINGLE-PHASE SWITCH AND 6 ARRESTERS PER 3-PHASE SWITCH.
(I) DIFFERENCE BETWEEN TOTAL FOR ARRESTERS (LINE 4) AND [PROTECTION FOR OVERHEAD TRANSFORMERS (LINE 5) PLUS PROTECTION FOR REGULATORS (LINE 6) PLUS PROTECTION FOR CAPACITORS (LINE 7) PLUS PROTECTION FOR SWITCHES (LINE 8)].
(J) LINE 2 PLUS LINE 5
(K) LINE 6 PLUS LINE 7.
(L) LINE 3 PLUS LINE 8 PLUS LINE 9.

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Gulf Power Company
Twelve Months Ended 12/31/12
Minimum Distribution System
Account 369 – Services Analysis (Mass Account)
Schedule 6.8

			Secondary ------------Level 5------------		
		12-31-12 Total All Costs	Customer-Related Component	Demand-Related Component	Notes
1.	All Services	97,917,728	97,917,728	-	(A)
2.	Total Account 369	97,917,728	97,917,728	-	
3.	Percentages		100%		

Notes
(A) Assigned to Secondary Level 5 Customer-Related Component.

Gulf Power Company
Twelve Months Ended 12/31/12
Minimum Distribution System
Account 370 – Meters Analysis (Mass Account)
Schedule 6.9

		12-31-12 Total All Costs	Secondary ------------Level 5------------ Customer-Related Component	Demand-Related Component	Notes
1.	All Meters	73,759,011	73,759,011	-	(A)
2.	Total Account 370	73,759,011	73,759,011	-	
3.	Percentages		100%		

Notes
(A) Assigned to Customer-Related Component.