

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**ENVIRONMENTAL COST RECOVERY
CLAUSE**

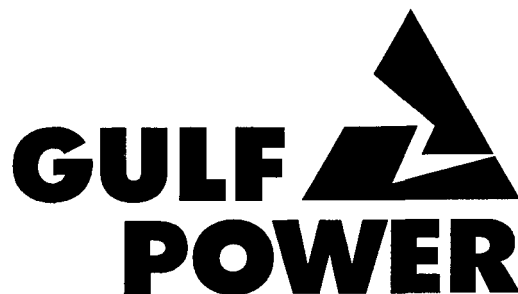
DOCKET NO. 010007-EI

**PREPARED DIRECT TESTIMONY
AND EXHIBIT OF
SUSAN D. RITENOUR**

**PROJECTION FILING
FOR THE PERIOD**

JANUARY 2002 – DECEMBER 2002

SEPTEMBER 20, 2001



A SOUTHERN COMPANY

DOCUMENT NUMBER-DATE
11745 SEP 20 01
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1 GULF POWER COMPANY

2 Before the Florida Public Service Commission
3 Direct Testimony and Exhibit of
4 Susan D. Ritenour
Docket No. 010007-EI
Date of Filing: September 20, 2001

5 Q. Please state your name, business address and occupation.

6 A. My name is Susan Ritenour. My business address is One Energy Place,
7 Pensacola, Florida 32520-0780. I hold the position of Assistant
8 Secretary and Assistant Treasurer for Gulf Power Company.

9
10 Q. Please briefly describe your educational background and business
11 experience.

12 A. I graduated from Wake Forest University in Winston-Salem, North
13 Carolina in 1981 with a Bachelor of Science Degree in Business and
14 from the University of West Florida in 1982 with a Bachelor of Arts
15 Degree in Accounting. I am also a Certified Public Accountant licensed
16 in the State of Florida. I joined Gulf Power Company in 1983 as a
17 Financial Analyst. Prior to assuming my current position, I have held
18 various positions with Gulf including Computer Modeling Analyst, Senior
19 Financial Analyst, and Supervisor of Rate Services.

20 My responsibilities include supervision of: tariff administration,
21 cost of service activities, calculation of cost recovery factors, the
22 regulatory filing function of the Rates and Regulatory Matters
23 Department, and various treasury activities.

24
25

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1 Q. Have you previously filed testimony before this Commission in
2 connection with Gulf's Environmental Cost Recovery Clause (ECRC)?

3 A. Yes, I have.

4

5 Q. What is the purpose of your testimony?

6 A. The purpose of my testimony is to present both the calculation of the
7 revenue requirements and the development of the environmental cost
8 recovery factors for the period of January 2002 through December 2002.

9

10 Q. Have you prepared an exhibit that contains information to which you will
11 refer in your testimony?

12 A. Yes, I have. My exhibit consists of 7 schedules, each of which were
13 prepared under my direction, supervision, or review.

14 Counsel: We ask that Ms. Ritenour's Exhibit consisting of 7
15 schedules be marked as Exhibit No. _____(SDR-3).

16

17 Q. What environmental costs is Gulf requesting for recovery through the
18 Environmental Cost Recovery Clause?

19 A. As discussed in the testimony of J. O. Vick, Gulf is requesting recovery
20 for certain environmental compliance operating expenses and capital
21 costs that are consistent with both the decision of the Commission in
22 Docket No. 930613-EI and with past proceedings in this ongoing
23 recovery docket. The costs we have identified for recovery through the
24 ECRC are not currently being recovered through base rates or any other
25 recovery mechanism.

1 Q. How was the amount of projected O & M expenses to be recovered
2 through the ECRC calculated?

3 A. Mr. Vick has provided me with projected recoverable O & M expenses
4 for January 2002 through December 2002. Schedule 2P of my exhibit
5 shows the calculation of the recoverable O & M expenses broken down
6 between the demand-related and energy-related expenses. Also,
7 Schedule 2P provides the appropriate jurisdictional factors and amounts
8 related to these expenses. All O & M expenses associated with
9 compliance with the Clean Air Act Amendments of 1990 were
10 considered to be energy-related, consistent with Commission Order No.
11 PSC-94-0044-FOF-EI. The remaining expenses were broken down
12 between demand and energy consistent with Gulf's last approved cost-
13 of-service methodology in Docket No. 891345-EI.

14
15 Q. Please describe Schedules 3P and 4P of your exhibit.

16 A. Schedule 3P summarizes the monthly recoverable revenue requirements
17 associated with each capital investment for the recovery period.
18 Schedule 4P shows the detailed calculation of the revenue requirements
19 associated with each investment. These schedules also include the
20 calculation of the jurisdictional amount of recoverable revenue
21 requirements. Mr. Vick has provided me with the expenditures,
22 clearings, retirements, salvage, and cost of removal related to each
23 capital project and the monthly costs for emission allowances. From that
24 information, I calculated Plant-in-Service and Construction Work In
25 Progress-Non Interest Bearing (CWIP-NIB). Depreciation and

1 dismantlement expense and the associated accumulated depreciation
2 balances were calculated based on Gulf's approved depreciation rates
3 and dismantlement accruals. The capital projects identified for recovery
4 through the ECRC are those environmental projects which are not
5 included in the approved projected 1990 test year on which present base
6 rates were set.

7
8 Q. How was the amount of Property Taxes to be recovered through the
9 ECRC derived?

10 A. Property taxes were calculated by applying the applicable tax rate to
11 taxable investment. In Florida, pollution control facilities are taxed based
12 only on their salvage value. For the recoverable environmental
13 investment located in Florida, the amount of property taxes is estimated
14 to be \$0. In Mississippi, there is no such reduction in property taxes for
15 pollution control facilities. Therefore, property taxes related to
16 recoverable environmental investment at Plant Daniel are calculated by
17 applying the applicable millage rate to the assessed value of the
18 property.

19
20 Q. What capital structure and return on equity were used to develop the
21 rate of return used to calculate the revenue requirements?

22 A. The rate of return used is based on Gulf's capital structure as approved
23 in Gulf's last rate case, Docket No. 891345-EI, Order No. 23573, dated
24 October 3, 1990. This rate of return incorporates a return on equity of
25 11.5 percent as approved by Commission Order No. PSC-99-1970-

1 PAA-EI, dated October 8, 1999. This methodology for determining the
2 appropriate rate of return for use in calculating revenue requirements in
3 the ECRC was approved by the Commission in Order No. PSC-94-0044-
4 FOF-EI dated January 12, 1994 in Docket No. 930613-EI.

5
6 Q. How was the breakdown between demand-related and energy-related
7 investment costs determined?

8 A. The investment-related costs associated with compliance with the Clean
9 Air Act Amendments of 1990 (CAAA) were considered to be energy-
10 related, consistent with Commission Order No. PSC-94-0044-FOF-EI,
11 dated January 12, 1994 in Docket No. 930613-EI. The remaining
12 investment-related costs of environmental compliance not associated
13 with the CAAA were allocated 12/13th based on demand and 1/13th
14 based on energy, consistent with Gulf's last cost-of-service study. The
15 calculation of this breakdown is shown on Schedule 4P and summarized
16 on Schedule 3P.

17
18 Q. What is the total amount of projected recoverable costs related to the
19 period January 2002 through December 2002?

20 A. The total projected jurisdictional recoverable costs for the period January
21 2002 through December 2002 are \$11,097,405 as shown on line 1c of
22 Schedule 1P. This includes costs related to O & M activities of
23 \$3,141,534 and costs related to capital projects of \$7,955,871 as shown
24 on lines 1a and 1b of Schedule 1P.

25

1 Q. What is the total recoverable revenue requirement and how was it
2 allocated to each rate class?

3 A. The total recoverable revenue requirement including revenue taxes is
4 \$9,925,463 for the period January 2002 through December 2002 as
5 shown on line 5 of Schedule 1P. This amount includes the recoverable
6 costs related to the projection period and the total true-up cost of
7 \$1,327,960 to be refunded. Schedule 1P also summarizes the energy
8 and demand components of the requested revenue requirement. I
9 allocated these amounts to rate class using the appropriate energy and
10 demand allocators as shown on Schedules 6P and 7P.

11

12 Q. How were the allocation factors calculated for use in the Environmental
13 Cost Recovery Clause?

14 A. The demand allocation factors used in the ECRC were calculated using
15 the 1999 load data filed with the Commission in accordance with FPSC
16 Rule 25-6.0437. The energy allocation factors were calculated based on
17 projected KWH sales for the period adjusted for losses. The calculation
18 of the allocation factors for the period is shown in columns 1 through 9
19 on Schedule 6P.

20

21 Q. How were these factors applied to allocate the requested recovery
22 amount properly to the rate classes?

23 A. As I described earlier in my testimony, Schedule 1P summarizes the
24 energy and demand portions of the total requested revenue requirement.
25 The energy-related recoverable revenue requirement of \$6,588,509 for

1 the period January 2002 through December 2002 was allocated using
2 the energy allocator, as shown in column 3 on Schedule 7P. The
3 demand-related recoverable revenue requirement of \$3,336,954 for the
4 period January 2002 through December 2002 was allocated using the
5 demand allocator, as shown in column 4 on Schedule 7P. The energy-
6 related and demand-related recoverable revenue requirements are
7 added together to derive the total amount assigned to each rate class,
8 as shown in column 5.

9

10 Q. What is the monthly amount related to environmental costs recovered
11 through this factor that will be included on a residential customer's bill for
12 1,000 kwh?

13 A. The environmental costs recovered through the clause from the
14 residential customer who uses 1,000 kwh will be \$1.04 monthly for the
15 period January 2002 through December 2002.

16

17 Q. When does Gulf propose to collect its environmental cost recovery
18 charges?

19 A. The factors will be effective beginning with the first Bill Group for January
20 2002 and continuing through the last Bill Group for December 2002.

21

22 Q. Ms. Ritenour, does this conclude your testimony?

23 A. Yes, it does.

24

25

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 010007-EI

Before me the undersigned authority, personally appeared Susan D. Ritenour, who being first duly sworn, deposes, and says that she is the Assistant Secretary and Assistant Treasurer of Gulf Power Company, a Maine corporation, that the foregoing is true and correct to the best of her knowledge, information, and belief. She is personally known to me.

Susan D. Ritenour
Susan D. Ritenour
Assistant Secretary and Assistant Treasurer

Sworn to and subscribed before me this 19th day of September,
2001.

Linda C. Uleleb
Notary Public, State of Florida at Large

Schedule 1P

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Total Jurisdictional Amount to be Recovered

For the Projected Period
January 2002 - December 2002

| Line No. | Energy (\$) | Demand (\$) | Total (\$) |
|-------------|----------------|----------------|---------------|
| 1 | | | |
| a | | | |
| b | | | |
| c | | | |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |

Notes:
Allocation to energy and demand in each period are in proportion to the respective period split of costs indicated on Lines 7 & 8 of Schedules 5E & 7E and 5A & 7A.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2002 - December 2002

O & M Activities
(in Dollars)

| Line | January | February | March | April | May | June | July | August | September | October | November | December | End of Period 12-Month | Method of Classification | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------------------------|-----------------------------|-----------|--|
| | | | | | | | | | | | | | | Demand | Energy | |
| 1 Description of O & M Activities | | | | | | | | | | | | | | | | |
| .1 Sulfur | 3,575 | 4,125 | 4,400 | 4,400 | 4,400 | 4,400 | 4,400 | 4,400 | 4,400 | 4,950 | 4,950 | 6,600 | 55,000 | | 55,000 | |
| .2 Air Emission Fees | 0 | 686,000 | 0 | 0 | 0 | 0 | 0 | 92,106 | 0 | 0 | 0 | 0 | 778,106 | | 778,106 | |
| .3 Title V | 5,299 | 5,349 | 12,524 | 5,524 | 7,459 | 5,524 | 5,524 | 5,524 | 5,524 | 5,574 | 7,509 | 5,712 | 77,046 | | 77,046 | |
| .4 Asbestos Fees | 223 | 1,738 | 245 | 245 | 245 | 245 | 245 | 245 | 245 | 260 | 260 | 304 | 4,500 | 4,500 | | |
| .5 Emission Monitoring | 33,871 | 35,777 | 36,928 | 86,928 | 39,516 | 36,928 | 36,928 | 36,928 | 136,928 | 38,834 | 41,422 | 44,323 | 605,311 | | 605,311 | |
| .6 General Water Quality | 33,954 | 32,749 | 33,064 | 32,499 | 33,064 | 32,287 | 36,590 | 32,641 | 32,428 | 33,482 | 33,693 | 33,916 | 400,367 | 400,367 | | |
| .7 Groundwater Contamination Investigation | 38,652 | 31,245 | 31,208 | 77,350 | 81,962 | 76,504 | 94,560 | 77,844 | 77,068 | 78,972 | 81,962 | 72,640 | 819,967 | 819,967 | | |
| .8 State NPDES Administration | 42,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 42,000 | 42,000 | | |
| .9 Lead and Copper Rule | 408 | 458 | 3,298 | 483 | 483 | 3,297 | 1,483 | 483 | 3,297 | 533 | 533 | 3,501 | 18,257 | 18,257 | | |
| .10 Env Auditing/Assessment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,000 | 3,000 | 3,000 | | |
| .11 General Solid & Hazardous Waste | 14,815 | 15,323 | 15,788 | 15,836 | 18,643 | 15,836 | 15,857 | 15,836 | 15,836 | 16,349 | 19,156 | 17,699 | 196,974 | 196,974 | | |
| .12 Above Ground Storage Tanks | 1,625 | 1,876 | 2,000 | 2,000 | 2,000 | 27,000 | 2,000 | 2,000 | 2,000 | 2,251 | 2,251 | 2,997 | 50,000 | 50,000 | | |
| .13 Low Nox | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| .14 Ash Pond Diversion Curtains | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| .15 Mercury Emissions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| .16 Sodium Injection | 4,005 | 4,005 | 4,005 | 4,005 | 4,005 | 4,005 | 4,005 | 4,005 | 4,005 | 4,005 | 4,005 | 3,945 | 48,000 | | 48,000 | |
| .17 Gulf Coast Ozone Study | 19,583 | 19,583 | 19,583 | 19,583 | 19,583 | 19,583 | 19,583 | 19,583 | 19,583 | 19,583 | 19,583 | 19,587 | 235,000 | | 235,000 | |
| .18 SO2 Allowances | (6,797) | (7,211) | (7,320) | (7,503) | (6,918) | (6,661) | (6,540) | (6,513) | (6,720) | (6,918) | (6,930) | (6,801) | (82,832) | | (82,832) | |
| 2 Total of O & M Activities | 191,213 | 831,017 | 155,723 | 241,350 | 204,442 | 218,948 | 214,635 | 285,082 | 294,594 | 197,875 | 208,394 | 207,423 | 3,250,696 | 1,535,065 | 1,715,631 | |
| 3 Recoverable Costs Allocated to Energy | 59,536 | 747,628 | 70,120 | 112,937 | 68,045 | 63,779 | 63,900 | 156,033 | 163,720 | 66,028 | 70,539 | 73,366 | 1,715,631 | | | |
| 4 Recoverable Costs Allocated to Demand | 131,677 | 83,389 | 85,603 | 128,413 | 136,397 | 155,169 | 150,735 | 129,049 | 130,874 | 131,847 | 137,855 | 134,057 | 1,535,065 | | | |
| 5 Retail Energy Jurisdictional Factor | 0.9654150 | 0.9660809 | 0.9664611 | 0.9654277 | 0.9676361 | 0.9678682 | 0.9659835 | 0.9674522 | 0.9664969 | 0.9656698 | 0.9651842 | 0.9661479 | | | | |
| 6 Retail Demand Jurisdictional Factor | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | | | | |
| 7 Jurisdictional Energy Recoverable Costs (A) | 57,557 | 723,280 | 67,863 | 109,185 | 65,935 | 61,816 | 61,813 | 151,166 | 158,456 | 63,851 | 68,178 | 70,982 | 1,660,082 | | | |
| 8 Jurisdictional Demand Recoverable Costs (B) | 127,078 | 80,477 | 82,613 | 123,928 | 131,633 | 149,750 | 145,471 | 124,542 | 126,303 | 127,242 | 133,040 | 129,375 | 1,481,452 | | | |
| 9 Total Jurisdictional Recoverable Costs for O & M Activities (Lines 7 + 8) | 184,635 | 803,757 | 150,476 | 233,113 | 197,568 | 211,566 | 207,284 | 275,708 | 284,759 | 191,093 | 201,218 | 200,357 | 3,141,534 | | | |

Notes:

(A) Line 3 x Line 5 x 1.0014 line loss multiplier

(B) Line 4 x Line 6

Gulf Power Company
 Environmental Cost Recovery Clause (ECRC)
 Calculation of the Projected Period Amount
 January 2002 - December 2002

Capital Investment Projects - Recoverable Costs
 (in Dollars)

| Line | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | End of Period Total | Method of Classification | |
|------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------------------------|-----------------------------|-----------|
| | | | | | | | | | | | | | | Demand | Energy |
| 1 | Description of Investment Projects (A) | | | | | | | | | | | | | | |
| .1 | 261 | 261 | 261 | 261 | 261 | 1,055 | 1,843 | 1,834 | 1,825 | 1,815 | 1,806 | 1,797 | 13,280 | 0 | 13,280 |
| .2 | 230,569 | 229,829 | 229,090 | 228,349 | 227,610 | 226,871 | 226,130 | 225,391 | 224,651 | 223,911 | 223,171 | 222,431 | 2,718,003 | 0 | 2,718,003 |
| .3 | 20,172 | 20,114 | 20,057 | 19,999 | 19,942 | 19,885 | 19,827 | 19,770 | 19,713 | 19,655 | 19,598 | 19,541 | 238,273 | 0 | 238,273 |
| .4 | 154,736 | 154,323 | 153,910 | 153,497 | 153,085 | 152,672 | 152,259 | 151,846 | 151,433 | 151,020 | 150,608 | 150,195 | 1,829,584 | 0 | 1,829,584 |
| .5 | 59,214 | 60,702 | 61,418 | 62,196 | 62,727 | 63,092 | 62,959 | 63,165 | 63,040 | 62,916 | 62,792 | 62,669 | 746,890 | 0 | 746,890 |
| .6 | 6,851 | 7,213 | 7,197 | 7,181 | 7,166 | 7,149 | 7,134 | 7,119 | 7,103 | 7,087 | 7,071 | 7,056 | 85,327 | 78,763 | 6,564 |
| .7 | 2,692 | 2,686 | 2,680 | 2,674 | 2,669 | 2,663 | 2,657 | 2,651 | 2,645 | 2,639 | 2,633 | 2,628 | 31,917 | 29,462 | 2,455 |
| .8 | 8,447 | 8,422 | 8,397 | 8,373 | 8,348 | 8,323 | 8,299 | 8,274 | 8,249 | 8,225 | 8,200 | 8,175 | 99,732 | 92,060 | 7,672 |
| .9 | 2,956 | 2,949 | 2,940 | 2,932 | 2,925 | 2,917 | 2,910 | 2,902 | 2,894 | 2,887 | 2,878 | 2,871 | 34,961 | 32,272 | 2,689 |
| .10 | 458 | 457 | 457 | 455 | 454 | 452 | 451 | 451 | 449 | 448 | 446 | 445 | 5,423 | 5,006 | 417 |
| .11 | 983 | 981 | 978 | 975 | 973 | 970 | 967 | 965 | 963 | 960 | 957 | 955 | 11,627 | 10,733 | 894 |
| .12 | 574 | 572 | 571 | 569 | 568 | 566 | 565 | 563 | 562 | 560 | 559 | 557 | 6,786 | 6,264 | 522 |
| .13 | 12,014 | 13,593 | 13,565 | 13,537 | 13,510 | 13,482 | 13,454 | 13,426 | 13,399 | 13,370 | 13,343 | 13,316 | 160,009 | | 160,009 |
| .14 | 1,147 | 1,144 | 1,142 | 1,140 | 1,138 | 1,135 | 1,132 | 1,130 | 1,127 | 1,125 | 1,123 | 1,120 | 13,603 | 0 | 13,603 |
| .15 | 26,966 | 26,902 | 26,838 | 26,773 | 26,708 | 26,645 | 26,580 | 26,515 | 26,451 | 26,387 | 26,322 | 26,257 | 319,344 | 294,779 | 24,565 |
| .16 | 1,650 | 1,647 | 1,642 | 1,638 | 1,635 | 1,630 | 1,626 | 1,622 | 1,618 | 1,614 | 1,610 | 1,606 | 19,538 | 18,035 | 1,503 |
| .17 | 157,833 | 157,530 | 157,226 | 156,923 | 156,618 | 156,315 | 156,012 | 155,708 | 155,405 | 155,101 | 154,797 | 154,492 | 1,873,960 | 1,729,809 | 144,151 |
| .18 | 558 | 557 | 556 | 554 | 553 | 552 | 551 | 550 | 549 | 547 | 547 | 545 | 6,619 | 6,110 | 509 |
| .19 | 6,437 | 6,394 | 6,353 | 6,308 | 6,267 | 6,223 | 6,182 | 6,138 | 6,096 | 6,053 | 6,010 | 5,967 | 74,428 | 68,702 | 5,726 |
| .20 | (5,440) | (5,380) | (5,317) | (5,252) | (5,190) | (5,131) | (5,074) | (5,016) | (4,959) | (4,900) | (4,840) | (4,780) | (61,279) | 0 | (61,279) |
| 2 | 689,078 | 690,896 | 689,961 | 689,082 | 687,967 | 687,466 | 686,464 | 685,004 | 683,213 | 681,420 | 679,631 | 677,843 | 8,228,025 | 2,371,995 | 5,856,030 |
| 3 | 489,319 | 491,226 | 490,728 | 490,293 | 489,613 | 489,554 | 488,986 | 487,966 | 486,612 | 485,259 | 483,911 | 482,563 | 5,856,030 | | |
| 4 | 199,759 | 199,670 | 199,233 | 198,789 | 198,354 | 197,912 | 197,478 | 197,038 | 196,601 | 196,161 | 195,720 | 195,280 | 2,371,995 | | |
| 5 | 0.9654150 | 0.9660809 | 0.9664611 | 0.9654277 | 0.9676361 | 0.9678682 | 0.9659835 | 0.9674522 | 0.9664969 | 0.9656698 | 0.9651842 | 0.9661479 | | | |
| 6 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | | | |
| 7 | 473,057 | 475,228 | 474,934 | 474,005 | 474,430 | 474,487 | 473,014 | 472,745 | 470,967 | 469,256 | 467,717 | 466,880 | 5,666,720 | | |
| 8 | 192,782 | 192,696 | 192,275 | 191,846 | 191,426 | 191,000 | 190,581 | 190,156 | 189,735 | 189,310 | 188,884 | 188,460 | 2,289,151 | | |
| 9 | 665,839 | 667,924 | 667,209 | 665,851 | 665,856 | 665,487 | 663,595 | 662,901 | 660,702 | 658,566 | 656,601 | 655,340 | 7,955,871 | | |
| | for Investment Projects (Lines 7 + 8) | | | | | | | | | | | | | | |

Notes:

- (A) Each project's Total System Recoverable Expenses on Schedule 4P, Line 9
 (B) Line 3 x Line 5 x 1.0014 line loss multiplier
 (C) Line 4 x Line 6

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2002 - December 2002

Return on Capital Investments, Depreciation and Taxes
For Project: Air Quality Assurance Testing
P.E.s 1006 & 1244
(in Dollars)

| Line | Description | Beginning of Period Amount | | | | | | | | | | | | | End of Period Amount | |
|------|---|----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------------|---|
| | | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | | |
| 1 | Investments | | | | | | | | | | | | | | | |
| a | Expenditures/Additions | | 0 | 0 | 0 | 0 | 0 | 60,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| b | Clearings to Plant | | 0 | 0 | 0 | 0 | 0 | 60,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| c | Retirements | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| d | Cost of Removal | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 2 | Plant-in-Service/Depreciation Base | 239,115 | 239,115 | 239,115 | 239,115 | 239,115 | 239,115 | 299,115 | 299,115 | 299,115 | 299,115 | 299,115 | 299,115 | 299,115 | 299,115 | |
| 3 | Less: Accumulated Depreciation (B) | (209,115) | (209,115) | (209,115) | (209,115) | (209,115) | (209,115) | (209,651) | (210,722) | (211,793) | (212,864) | (213,935) | (215,006) | (216,077) | (216,077) | |
| 4 | CWIP - Non Interest Bearing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 5 | Net Investment (Lines 2 - 3 + 4) | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 89,464 | 88,393 | 87,322 | 86,251 | 85,180 | 84,109 | 83,038 | | |
| 6 | Average Net Investment | | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 59,732 | 88,929 | 87,858 | 86,787 | 85,716 | 84,645 | 83,574 | | |
| 7 | Return on Average Net Investment | | | | | | | | | | | | | | | |
| a | Equity Component Grossed Up For Taxes (C) | | 173 | 173 | 173 | 173 | 173 | 344 | 512 | 506 | 500 | 493 | 487 | 481 | 4,188 | |
| b | Debt Component (Line 6 x 3.5137% x 1/12) | | 88 | 88 | 88 | 88 | 88 | 175 | 260 | 257 | 254 | 251 | 248 | 245 | 2,130 | |
| 8 | Investment Expenses | | | | | | | | | | | | | | | |
| a | Depreciation | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b | Amortization | | 0 | 0 | 0 | 0 | 0 | 536 | 1,071 | 1,071 | 1,071 | 1,071 | 1,071 | 1,071 | 6,962 | |
| c | Dismantlement | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Property Taxes | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e | Other (D) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | Total System Recoverable Expenses (Lines 7 + 8) | | 261 | 261 | 261 | 261 | 261 | 1,055 | 1,843 | 1,834 | 1,825 | 1,815 | 1,806 | 1,797 | 13,280 | |
| a | Recoverable Costs Allocated to Energy | | 261 | 261 | 261 | 261 | 261 | 1,055 | 1,843 | 1,834 | 1,825 | 1,815 | 1,806 | 1,797 | 13,280 | |
| b | Recoverable Costs Allocated to Demand | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 10 | Energy Jurisdictional Factor | | 0.9654150 | 0.9660809 | 0.9664611 | 0.9654277 | 0.9676361 | 0.9678682 | 0.9659835 | 0.9674522 | 0.9664969 | 0.9656698 | 0.9651842 | 0.9661479 | | |
| 11 | Demand Jurisdictional Factor | | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | | |
| 12 | Retail Energy-Related Recoverable Costs (E) | | 252 | 253 | 253 | 252 | 253 | 1,023 | 1,783 | 1,777 | 1,766 | 1,755 | 1,746 | 1,739 | 12,852 | |
| 13 | Retail Demand-Related Recoverable Costs (F) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 14 | Total Juris. Recoverable Costs (Lines 12 + 13) | | 252 | 253 | 253 | 252 | 253 | 1,023 | 1,783 | 1,777 | 1,766 | 1,755 | 1,746 | 1,739 | 12,852 | |

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 6.9072% x 1/12. Based on ROE of 11.5% and weighted income tax rate of 38.575% (expansion factor of 1.628002)
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0014 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2002 - December 2002

Return on Capital Investments, Depreciation and Taxes
For Project: Crist 5, 6 & 7 Precipitator Projects
P.E.s 1119, 1216, 1243
(in Dollars)

| Line | Description | Beginning | | | | | | | | | | | | | End of |
|------|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|
| | | of Period | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | Period |
| | | Amount | | | | | | | | | | | | | Amount |
| 1 | Investments | | | | | | | | | | | | | | |
| a | Expenditures/Additions | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b | Clearings to Plant | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Retirements | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Cost of Removal | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | Plant-in-Service/Depreciation Base | 24,440,825 | 24,440,825 | 24,440,825 | 24,440,825 | 24,440,825 | 24,440,825 | 24,440,825 | 24,440,825 | 24,440,825 | 24,440,825 | 24,440,825 | 24,440,825 | 24,440,825 | 24,440,825 |
| 3 | Less: Accumulated Depreciation (B) | (7,656,885) | (7,742,072) | (7,827,259) | (7,912,446) | (7,997,633) | (8,082,820) | (8,168,007) | (8,253,194) | (8,338,381) | (8,423,568) | (8,508,755) | (8,593,942) | (8,679,129) | |
| 4 | CWIP - Non Interest Bearing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | Net Investment (Lines 2 - 3 + 4) | 16,783,940 | 16,698,753 | 16,613,566 | 16,528,379 | 16,443,192 | 16,358,005 | 16,272,818 | 16,187,631 | 16,102,444 | 16,017,257 | 15,932,070 | 15,846,883 | 15,761,696 | |
| 6 | Average Net Investment | | 16,741,347 | 16,656,160 | 16,570,973 | 16,485,786 | 16,400,599 | 16,315,412 | 16,230,225 | 16,145,038 | 16,059,851 | 15,974,664 | 15,889,477 | 15,804,290 | |
| 7 | Return on Average Net Investment | | | | | | | | | | | | | | |
| a | Equity Component Grossed Up For Taxes (C) | | 96,363 | 95,873 | 95,383 | 94,892 | 94,402 | 93,912 | 93,421 | 92,931 | 92,441 | 91,950 | 91,460 | 90,969 | 1,123,997 |
| b | Debt Component (Line 6 x 3.5137% x 1/12) | | 49,019 | 48,769 | 48,520 | 48,270 | 48,021 | 47,772 | 47,522 | 47,273 | 47,023 | 46,774 | 46,524 | 46,275 | 571,762 |
| 8 | Investment Expenses | | | | | | | | | | | | | | |
| a | Depreciation | | 71,294 | 71,294 | 71,294 | 71,294 | 71,294 | 71,294 | 71,294 | 71,294 | 71,294 | 71,294 | 71,294 | 71,294 | 855,528 |
| b | Amortization | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Dismantlement | | 13,893 | 13,893 | 13,893 | 13,893 | 13,893 | 13,893 | 13,893 | 13,893 | 13,893 | 13,893 | 13,893 | 13,893 | 166,716 |
| d | Property Taxes | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e | Other (D) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | Total System Recoverable Expenses (Lines 7 + 8) | | 230,569 | 229,829 | 229,090 | 228,349 | 227,610 | 226,871 | 226,130 | 225,391 | 224,651 | 223,911 | 223,171 | 222,431 | 2,718,003 |
| a | Recoverable Costs Allocated to Energy | | 230,569 | 229,829 | 229,090 | 228,349 | 227,610 | 226,871 | 226,130 | 225,391 | 224,651 | 223,911 | 223,171 | 222,431 | 2,718,003 |
| b | Recoverable Costs Allocated to Demand | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10 | Energy Jurisdictional Factor | | 0.9654150 | 0.9660809 | 0.9664611 | 0.9654277 | 0.9676361 | 0.9678682 | 0.9659835 | 0.9674522 | 0.9664969 | 0.9656698 | 0.9651842 | 0.9661479 | |
| 11 | Demand Jurisdictional Factor | | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | |
| 12 | Retail Energy-Related Recoverable Costs (E) | | 222,906 | 222,344 | 221,717 | 220,763 | 220,552 | 219,889 | 218,744 | 218,360 | 217,428 | 216,527 | 215,703 | 215,202 | 2,630,135 |
| 13 | Retail Demand-Related Recoverable Costs (F) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 | Total Juris. Recoverable Costs (Lines 12 + 13) | | 222,906 | 222,344 | 221,717 | 220,763 | 220,552 | 219,889 | 218,744 | 218,360 | 217,428 | 216,527 | 215,703 | 215,202 | 2,630,135 |

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 6.9072% x 1/12. Based on ROE of 11.5% and weighted income tax rate of 38.575% (expansion factor of 1.628002)
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0014 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2002 - December 2002

Return on Capital Investments, Depreciation and Taxes
For Project: Crist 7 Flue Gas Conditioning
P.E. 1228
(in Dollars)

| Line | Description | Beginning | | | | | | | | | | | | | End of |
|------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|
| | | of Period | January | February | March | April | May | June | July | August | September | October | November | December | Period |
| | | Amount | | | | | | | | | | | | | Amount |
| 1 | Investments | | | | | | | | | | | | | | |
| a | Expenditures/Additions | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b | Clearings to Plant | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Retirements | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Cost of Removal | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | Plant-in-Service/Depreciation Base | 2,179,245 | 2,179,245 | 2,179,245 | 2,179,245 | 2,179,245 | 2,179,245 | 2,179,245 | 2,179,245 | 2,179,245 | 2,179,245 | 2,179,245 | 2,179,245 | 2,179,245 | |
| 3 | Less: Accumulated Depreciation (B) | (613,947) | (620,554) | (627,161) | (633,768) | (640,375) | (646,982) | (653,589) | (660,196) | (666,803) | (673,410) | (680,017) | (686,624) | (693,231) | |
| 4 | CWIP - Non Interest Bearing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 5 | Net Investment (Lines 2 - 3 + 4) | 1,565,298 | 1,558,691 | 1,552,084 | 1,545,477 | 1,538,870 | 1,532,263 | 1,525,656 | 1,519,049 | 1,512,442 | 1,505,835 | 1,499,228 | 1,492,621 | 1,486,014 | |
| 6 | Average Net Investment | | 1,561,995 | 1,555,388 | 1,548,781 | 1,542,174 | 1,535,567 | 1,528,960 | 1,522,353 | 1,515,746 | 1,509,139 | 1,502,532 | 1,495,925 | 1,489,318 | |
| 7 | Return on Average Net Investment | | | | | | | | | | | | | | |
| a | Equity Component Grossed Up For Taxes (C) | | 8,991 | 8,953 | 8,915 | 8,877 | 8,839 | 8,801 | 8,763 | 8,725 | 8,687 | 8,649 | 8,611 | 8,573 | 105,384 |
| b | Debt Component (Line 6 x 3.5137% x 1/12) | | 4,574 | 4,554 | 4,535 | 4,515 | 4,496 | 4,477 | 4,457 | 4,438 | 4,419 | 4,399 | 4,380 | 4,361 | 53,605 |
| 8 | Investment Expenses | | | | | | | | | | | | | | |
| a | Depreciation | | 6,357 | 6,357 | 6,357 | 6,357 | 6,357 | 6,357 | 6,357 | 6,357 | 6,357 | 6,357 | 6,357 | 6,357 | 76,284 |
| b | Amortization | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Dismantlement | | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 3,000 |
| d | Property Taxes | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e | Other (D) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | Total System Recoverable Expenses (Lines 7 + 8) | | 20,172 | 20,114 | 20,057 | 19,999 | 19,942 | 19,885 | 19,827 | 19,770 | 19,713 | 19,655 | 19,598 | 19,541 | 238,273 |
| a | Recoverable Costs Allocated to Energy | | 20,172 | 20,114 | 20,057 | 19,999 | 19,942 | 19,885 | 19,827 | 19,770 | 19,713 | 19,655 | 19,598 | 19,541 | 238,273 |
| b | Recoverable Costs Allocated to Demand | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10 | Energy Jurisdictional Factor | | 0.9654150 | 0.9660809 | 0.9664611 | 0.9654277 | 0.9676361 | 0.9678682 | 0.9659835 | 0.9674522 | 0.9664969 | 0.9656698 | 0.9651842 | 0.9661479 | |
| 11 | Demand Jurisdictional Factor | | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | |
| 12 | Retail Energy-Related Recoverable Costs (E) | | 19,502 | 19,459 | 19,411 | 19,335 | 19,324 | 19,273 | 19,179 | 19,153 | 19,079 | 19,007 | 18,942 | 18,906 | 230,570 |
| 13 | Retail Demand-Related Recoverable Costs (F) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 | Total Juris. Recoverable Costs (Lines 12 + 13) | | 19,502 | 19,459 | 19,411 | 19,335 | 19,324 | 19,273 | 19,179 | 19,153 | 19,079 | 19,007 | 18,942 | 18,906 | 230,570 |

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 6.9072% x 1/12. Based on ROE of 11.5% and weighted income tax rate of 38.575% (expansion factor of 1.628002)
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0014 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2002 - December 2002
Return on Capital Investments, Depreciation and Taxes
For Project: Low Nox Burners, Crist 6 & 7
P.E.s 1236 & 1242
(in Dollars)

| Line | Description | Beginning of Period Amount | Month | | | | | | | | | | | | End of Period Amount | |
|------|---|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|----------------------|-------------|
| | | | January | February | March | April | May | June | July | August | September | October | November | December | | |
| 1 | Investments | | | | | | | | | | | | | | | |
| a | Expenditures/Additions | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b | Clearings to Plant | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Retirements | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Cost of Removal | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | Plant-in-Service/Depreciation Base | 16,296,359 | 16,296,359 | 16,296,359 | 16,296,359 | 16,296,359 | 16,296,359 | 16,296,359 | 16,296,359 | 16,296,359 | 16,296,359 | 16,296,359 | 16,296,359 | 16,296,359 | 16,296,359 | 16,296,359 |
| 3 | Less: Accumulated Depreciation (B) | (3,928,078) | (3,975,614) | (4,023,150) | (4,070,686) | (4,118,222) | (4,165,758) | (4,213,294) | (4,260,830) | (4,308,366) | (4,355,902) | (4,403,438) | (4,450,974) | (4,498,510) | (4,546,046) | (4,593,582) |
| 4 | CWIP - Non Interest Bearing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | Net Investment (Lines 2 - 3 + 4) | 12,368,281 | 12,320,745 | 12,273,209 | 12,225,673 | 12,178,137 | 12,130,601 | 12,083,065 | 12,035,529 | 11,987,993 | 11,940,457 | 11,892,921 | 11,845,385 | 11,797,849 | 11,750,313 | 11,702,777 |
| 6 | Average Net Investment | | 12,344,513 | 12,296,977 | 12,249,441 | 12,201,905 | 12,154,369 | 12,106,833 | 12,059,297 | 12,011,761 | 11,964,225 | 11,916,689 | 11,869,153 | 11,821,617 | 11,774,081 | 11,726,545 |
| 7 | Return on Average Net Investment | | | | | | | | | | | | | | | |
| a | Equity Component Grossed Up For Taxes (C) | | 71,055 | 70,781 | 70,508 | 70,234 | 69,961 | 69,687 | 69,413 | 69,140 | 68,866 | 68,592 | 68,319 | 68,045 | 67,771 | 67,497 |
| b | Debt Component (Line 6 x 3.5137% x 1/12) | | 36,145 | 36,006 | 35,866 | 35,727 | 35,588 | 35,449 | 35,310 | 35,170 | 35,031 | 34,892 | 34,753 | 34,614 | 34,474 | 34,335 |
| 8 | Investment Expenses | | | | | | | | | | | | | | | |
| a | Depreciation | | 47,536 | 47,536 | 47,536 | 47,536 | 47,536 | 47,536 | 47,536 | 47,536 | 47,536 | 47,536 | 47,536 | 47,536 | 47,536 | 47,536 |
| b | Amortization | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Dismantlement | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Property Taxes | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e | Other (D) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | Total System Recoverable Expenses (Lines 7 + 8) | | 154,736 | 154,323 | 153,910 | 153,497 | 153,085 | 152,672 | 152,259 | 151,846 | 151,433 | 151,020 | 150,608 | 150,195 | 149,782 | 149,369 |
| a | Recoverable Costs Allocated to Energy | | 154,736 | 154,323 | 153,910 | 153,497 | 153,085 | 152,672 | 152,259 | 151,846 | 151,433 | 151,020 | 150,608 | 150,195 | 149,782 | 149,369 |
| b | Recoverable Costs Allocated to Demand | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10 | Energy Jurisdictional Factor | | 0.9654150 | 0.9660809 | 0.9664611 | 0.9654277 | 0.9676361 | 0.9678682 | 0.9659835 | 0.9674522 | 0.9664969 | 0.9656698 | 0.9651842 | 0.9661479 | 0.9650747 | 0.9650747 |
| 11 | Demand Jurisdictional Factor | | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 |
| 12 | Retail Energy-Related Recoverable Costs (E) | | 149,594 | 149,297 | 148,956 | 148,398 | 148,338 | 147,973 | 147,286 | 147,109 | 146,564 | 146,040 | 145,568 | 145,314 | 145,060 | 144,806 |
| 13 | Retail Demand-Related Recoverable Costs (F) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 | Total Juris. Recoverable Costs (Lines 12 + 13) | | 149,594 | 149,297 | 148,956 | 148,398 | 148,338 | 147,973 | 147,286 | 147,109 | 146,564 | 146,040 | 145,568 | 145,314 | 145,060 | 144,806 |

- Notes:
- (A) Description and reason for 'Other' adjustments to net Investment for this project
 - (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
 - (C) Line 6 x 6.9072% x 1/12. Based on ROE of 11.5% and weighted income tax rate of 38.575% (expansion factor of 1.628002)
 - (D) Description and reason for 'Other' adjustments to investment expenses for this project
 - (E) Line 9a x Line 10 x 1.0014 line loss multiplier
 - (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2002 - December 2002

Return on Capital Investments, Depreciation and Taxes

For Project: CEMs- Crist 1,4-7, Scholz 1, Smith 1&2, Daniel

P.E.s 1154, 1164, 1240, 1245, 1286, 1289, 1290, 1311, 1312, 1323, 1440, 1441, 1442, 1459, 1460, 1558

(in Dollars)

| Line | Description | Beginning of Period Amount | Month | | | | | | | | | | | | End of Period Amount | |
|------|---|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------|-----------|
| | | | January | February | March | April | May | June | July | August | September | October | November | December | | |
| 1 | Investments | | | | | | | | | | | | | | | |
| a | Expenditures/Additions | | 125,000 | 80,000 | 136,250 | 56,250 | 56,250 | 56,250 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b | Clearings to Plant | | 125,000 | 0 | 160,000 | 0 | 0 | 225,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Retirements | | 0 | 100,000 | 50,000 | 0 | 0 | 200,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Cost of Removal | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e | Salvage | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | Plant-in-Service/Depreciation Base | 5,347,311 | 5,472,311 | 5,372,311 | 5,482,311 | 5,482,311 | 5,482,311 | 5,507,311 | 5,507,311 | 5,507,311 | 5,507,311 | 5,507,311 | 5,507,311 | 5,507,311 | 5,507,311 | 5,507,311 |
| 3 | Less: Accumulated Depreciation (B) | (293,419) | (306,781) | (220,859) | (184,836) | (198,876) | (213,082) | (27,288) | (41,239) | (55,518) | (69,797) | (84,076) | (98,355) | (112,634) | | |
| 4 | CWIP - Non Interest Bearing | 0 | 0 | 80,000 | 56,250 | 112,500 | 168,750 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | Net Investment (Lines 2 - 3 + 4) | 5,053,892 | 5,165,530 | 5,231,452 | 5,353,725 | 5,395,935 | 5,437,979 | 5,480,023 | 5,466,072 | 5,451,793 | 5,437,514 | 5,423,235 | 5,408,956 | 5,394,677 | | |
| 6 | Average Net Investment | | 5,109,711 | 5,198,491 | 5,292,589 | 5,374,830 | 5,416,957 | 5,459,001 | 5,473,048 | 5,458,933 | 5,444,654 | 5,430,375 | 5,416,096 | 5,401,817 | | |
| 7 | Return on Average Net Investment | | | | | | | | | | | | | | | |
| a | Equity Component Grossed Up For Taxes (C) | | 29,411 | 29,923 | 30,464 | 30,938 | 31,180 | 31,422 | 31,503 | 31,422 | 31,339 | 31,257 | 31,175 | 31,093 | 371,127 | |
| b | Debt Component (Line 6 x 3.5137% x 1/12) | | 14,961 | 15,221 | 15,497 | 15,738 | 15,861 | 15,984 | 16,025 | 15,984 | 15,942 | 15,900 | 15,858 | 15,817 | 188,788 | |
| 8 | Investment Expenses | | | | | | | | | | | | | | | |
| a | Depreciation | | 13,362 | 14,078 | 13,977 | 14,040 | 14,206 | 14,206 | 13,951 | 14,279 | 14,279 | 14,279 | 14,279 | 14,279 | 14,279 | 169,215 |
| b | Amortization | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Dismantlement | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Property Taxes | | 1,480 | 1,480 | 1,480 | 1,480 | 1,480 | 1,480 | 1,480 | 1,480 | 1,480 | 1,480 | 1,480 | 1,480 | 1,480 | 17,760 |
| e | Other (D) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | Total System Recoverable Expenses (Lines 7 + 8) | | 59,214 | 60,702 | 61,418 | 62,196 | 62,727 | 63,092 | 62,959 | 63,165 | 63,040 | 62,916 | 62,792 | 62,669 | 746,890 | |
| a | Recoverable Costs Allocated to Energy | | 59,214 | 60,702 | 61,418 | 62,196 | 62,727 | 63,092 | 62,959 | 63,165 | 63,040 | 62,916 | 62,792 | 62,669 | 746,890 | |
| b | Recoverable Costs Allocated to Demand | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10 | Energy Jurisdictional Factor | | 0.9654150 | 0.9660809 | 0.9664611 | 0.9654277 | 0.9676361 | 0.9678682 | 0.9659835 | 0.9674522 | 0.9664969 | 0.9656698 | 0.9651842 | 0.9661479 | | |
| 11 | Demand Jurisdictional Factor | | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | | |
| 12 | Retail Energy-Related Recoverable Costs (E) | | 57,246 | 58,725 | 59,441 | 60,130 | 60,782 | 61,150 | 60,902 | 61,195 | 61,013 | 60,841 | 60,691 | 60,632 | 722,748 | |
| 13 | Retail Demand-Related Recoverable Costs (F) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 | Total Juris. Recoverable Costs (Lines 12 + 13) | | 57,246 | 58,725 | 59,441 | 60,130 | 60,782 | 61,150 | 60,902 | 61,195 | 61,013 | 60,841 | 60,691 | 60,632 | 722,748 | |

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 6.9072% x 1/12. Based on ROE of 11.5% and weighted income tax rate of 38.575% (expansion factor of 1.628002)
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0014 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2002 - December 2002
Return on Capital Investments, Depreciation and Taxes
For Project: Sub. Contam. Mobile Groundwater Treat. Sys.
P.E. 1007, 3400, & 3412
(in Dollars)

| Line | Description | Beginning | | | | | | | | | | | | | End of |
|------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------|
| | | of Period | January | February | March | April | May | June | July | August | September | October | November | December | Period |
| | | Amount | | | | | | | | | | | | | Amount |
| 1 | Investments | | | | | | | | | | | | | | |
| a | Expenditures/Additions | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| b | Clearings to Plant | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| c | Retirements | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| d | Cost of Removal | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 2 | Plant-in-Service/Depreciation Base | 680,374 | 680,374 | 680,374 | 680,374 | 680,374 | 680,374 | 680,374 | 680,374 | 680,374 | 680,374 | 680,374 | 680,374 | 680,374 | |
| 3 | Less: Accumulated Depreciation (B) | (55,565) | (56,997) | (58,804) | (60,611) | (62,418) | (64,225) | (66,032) | (67,839) | (69,646) | (71,453) | (73,260) | (75,067) | (76,874) | |
| 4 | CWIP - Non Interest Bearing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 5 | Net Investment (Lines 2 - 3 + 4) | 624,809 | 623,377 | 621,570 | 619,763 | 617,956 | 616,149 | 614,342 | 612,535 | 610,728 | 608,921 | 607,114 | 605,307 | 603,500 | |
| 6 | Average Net Investment | | 624,093 | 622,474 | 620,667 | 618,860 | 617,053 | 615,246 | 613,439 | 611,632 | 609,825 | 608,018 | 606,211 | 604,404 | |
| 7 | Return on Average Net Investment | | | | | | | | | | | | | | |
| a | Equity Component Grossed Up For Taxes (C) | | 3,592 | 3,583 | 3,573 | 3,562 | 3,552 | 3,541 | 3,531 | 3,521 | 3,510 | 3,500 | 3,489 | 3,479 | 42,433 |
| b | Debt Component (Line 6 x 3.5137% x 1/12) | | 1,827 | 1,823 | 1,817 | 1,812 | 1,807 | 1,801 | 1,796 | 1,791 | 1,786 | 1,780 | 1,775 | 1,770 | 21,585 |
| 8 | Investment Expenses | | | | | | | | | | | | | | |
| a | Depreciation | | 1,297 | 1,672 | 1,672 | 1,672 | 1,672 | 1,672 | 1,672 | 1,672 | 1,672 | 1,672 | 1,672 | 1,672 | 19,689 |
| b | Amortization | | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 135 | 1,620 |
| c | Dismantlement | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Property Taxes | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e | Other (D) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | Total System Recoverable Expenses (Lines 7 + 8) | | 6,851 | 7,213 | 7,197 | 7,181 | 7,166 | 7,149 | 7,134 | 7,119 | 7,103 | 7,087 | 7,071 | 7,056 | 85,327 |
| a | Recoverable Costs Allocated to Energy | | 527 | 555 | 554 | 552 | 551 | 550 | 549 | 548 | 546 | 545 | 544 | 543 | 6,564 |
| b | Recoverable Costs Allocated to Demand | | 6,324 | 6,658 | 6,643 | 6,629 | 6,615 | 6,599 | 6,585 | 6,571 | 6,557 | 6,542 | 6,527 | 6,513 | 78,763 |
| 10 | Energy Jurisdictional Factor | | 0.9654150 | 0.9660809 | 0.9664611 | 0.9654277 | 0.9676361 | 0.9678682 | 0.9659835 | 0.9674522 | 0.9664969 | 0.9656698 | 0.9651842 | 0.9661479 | |
| 11 | Demand Jurisdictional Factor | | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | |
| 12 | Retail Energy-Related Recoverable Costs (E) | | 509 | 537 | 536 | 534 | 534 | 533 | 531 | 531 | 528 | 527 | 526 | 525 | 6,351 |
| 13 | Retail Demand-Related Recoverable Costs (F) | | 6,103 | 6,425 | 6,411 | 6,397 | 6,384 | 6,369 | 6,355 | 6,342 | 6,328 | 6,314 | 6,299 | 6,286 | 76,013 |
| 14 | Total Juris. Recoverable Costs (Lines 12 + 13) | | 6,612 | 6,962 | 6,947 | 6,931 | 6,918 | 6,902 | 6,886 | 6,873 | 6,856 | 6,841 | 6,825 | 6,811 | 82,364 |

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 6.9072% x 1/12. Based on ROE of 11.5% and weighted income tax rate of 38.575% (expansion factor of 1.628002)
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0014 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2002 - December 2002

Return on Capital Investments, Depreciation and Taxes
For Project: Raw Water Well Flowmeters - Crist & Smith
P.E. 1155 & 1606
(in Dollars)

| Line | Description | Beginning | | | | | | | | | | | | | End of Period Amount |
|------|---|---------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------------|
| | | of Period Amount | January | February | March | April | May | June | July | August | September | October | November | December | |
| 1 | Investments | | | | | | | | | | | | | | |
| a | Expenditures/Additions | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b | Clearings to Plant | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Retirements | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Cost of Removal | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | Plant-in-Service/Depreciation Base | 237,751 | 237,751 | 237,751 | 237,751 | 237,751 | 237,751 | 237,751 | 237,751 | 237,751 | 237,751 | 237,751 | 237,751 | 237,751 | 237,751 |
| 3 | Less: Accumulated Depreciation (B) | (4,621) | (5,291) | (5,961) | (6,631) | (7,301) | (7,971) | (8,641) | (9,311) | (9,981) | (10,651) | (11,321) | (11,991) | (12,661) | |
| 4 | CWIP - Non Interest Bearing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | Net Investment (Lines 2 - 3 + 4) | 233,130 | 232,460 | 231,790 | 231,120 | 230,450 | 229,780 | 229,110 | 228,440 | 227,770 | 227,100 | 226,430 | 225,760 | 225,090 | |
| 6 | Average Net Investment | | 232,795 | 232,125 | 231,455 | 230,785 | 230,115 | 229,445 | 228,775 | 228,105 | 227,435 | 226,765 | 226,095 | 225,425 | |
| 7 | Return on Average Net Investment | | | | | | | | | | | | | | |
| a | Equity Component Grossed Up For Taxes (C) | | 1,340 | 1,336 | 1,332 | 1,328 | 1,325 | 1,321 | 1,317 | 1,313 | 1,309 | 1,305 | 1,301 | 1,298 | 15,825 |
| b | Debt Component (Line 6 x 3.5137% x 1/12) | | 682 | 680 | 678 | 676 | 674 | 672 | 670 | 668 | 666 | 664 | 662 | 660 | 8,052 |
| 8 | Investment Expenses | | | | | | | | | | | | | | |
| a | Depreciation | | 670 | 670 | 670 | 670 | 670 | 670 | 670 | 670 | 670 | 670 | 670 | 670 | 8,040 |
| b | Amortization | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Dismantlement | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Property Taxes | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e | Other (D) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | Total System Recoverable Expenses (Lines 7 + 8) | | 2,692 | 2,686 | 2,680 | 2,674 | 2,669 | 2,663 | 2,657 | 2,651 | 2,645 | 2,639 | 2,633 | 2,628 | 31,917 |
| a | Recoverable Costs Allocated to Energy | | 207 | 207 | 206 | 206 | 205 | 205 | 204 | 204 | 203 | 203 | 203 | 202 | 2,455 |
| b | Recoverable Costs Allocated to Demand | | 2,485 | 2,479 | 2,474 | 2,468 | 2,464 | 2,458 | 2,453 | 2,447 | 2,442 | 2,436 | 2,430 | 2,426 | 29,462 |
| 10 | Energy Jurisdictional Factor | | 0.9654150 | 0.9660809 | 0.9664611 | 0.9654277 | 0.9676361 | 0.9678682 | 0.9659835 | 0.9674522 | 0.9664969 | 0.9656698 | 0.9651842 | 0.9661479 | |
| 11 | Demand Jurisdictional Factor | | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | |
| 12 | Retail Energy-Related Recoverable Costs (E) | | 200 | 200 | 199 | 199 | 199 | 199 | 197 | 198 | 196 | 196 | 196 | 195 | 2,374 |
| 13 | Retail Demand-Related Recoverable Costs (F) | | 2,398 | 2,392 | 2,388 | 2,382 | 2,378 | 2,372 | 2,367 | 2,362 | 2,357 | 2,351 | 2,345 | 2,341 | 28,433 |
| 14 | Total Juris. Recoverable Costs (Lines 12 + 13) | | 2,598 | 2,592 | 2,587 | 2,581 | 2,577 | 2,571 | 2,564 | 2,560 | 2,553 | 2,547 | 2,541 | 2,536 | 30,807 |

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 6.9072% x 1/12. Based on ROE of 11.5% and weighted income tax rate of 38.575% (expansion factor of 1.628002)
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0014 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2002 - December 2002
Return on Capital Investments, Depreciation and Taxes
For Project: Crist Cooling Tower Cell
P.E. 1232
(in Dollars)

| Line | Description | Beginning of Period Amount | January | February | March | April | May | June | July | August | September | October | November | December | End of Period Amount |
|------|---|----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------------|
| 1 | Investments | | | | | | | | | | | | | | |
| a | Expenditures/Additions | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| b | Clearings to Plant | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| c | Retirements | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| d | Cost of Removal | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 2 | Plant-in-Service/Depreciation Base | 906,659 | 906,659 | 906,659 | 906,659 | 906,659 | 906,659 | 906,659 | 906,659 | 906,659 | 906,659 | 906,659 | 906,659 | 906,659 | |
| 3 | Less: Accumulated Depreciation (B) | (260,151) | (262,996) | (265,841) | (268,686) | (271,531) | (274,376) | (277,221) | (280,066) | (282,911) | (285,756) | (288,601) | (291,446) | (294,291) | |
| 4 | CWIP - Non Interest Bearing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 5 | Net Investment (Lines 2 - 3 + 4) | 646,508 | 643,663 | 640,818 | 637,973 | 635,128 | 632,283 | 629,438 | 626,593 | 623,748 | 620,903 | 618,058 | 615,213 | 612,368 | |
| 6 | Average Net Investment | | 645,086 | 642,241 | 639,396 | 636,551 | 633,706 | 630,861 | 628,016 | 625,171 | 622,326 | 619,481 | 616,636 | 613,791 | |
| 7 | Return on Average Net Investment | | | | | | | | | | | | | | |
| a | Equity Component Grossed Up For Taxes (C) | | 3,713 | 3,697 | 3,680 | 3,664 | 3,648 | 3,631 | 3,615 | 3,598 | 3,582 | 3,566 | 3,549 | 3,533 | 43,476 |
| b | Debt Component (Line 6 x 3.5137% x 1/12) | | 1,889 | 1,880 | 1,872 | 1,864 | 1,855 | 1,847 | 1,839 | 1,831 | 1,822 | 1,814 | 1,806 | 1,797 | 22,116 |
| 8 | Investment Expenses | | | | | | | | | | | | | | |
| a | Depreciation | | 2,645 | 2,645 | 2,645 | 2,645 | 2,645 | 2,645 | 2,645 | 2,645 | 2,645 | 2,645 | 2,645 | 2,645 | 31,740 |
| b | Amortization | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Dismantlement | | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 2,400 |
| d | Property Taxes | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e | Other (D) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | Total System Recoverable Expenses (Lines 7 + 8) | | 8,447 | 8,422 | 8,397 | 8,373 | 8,348 | 8,323 | 8,299 | 8,274 | 8,249 | 8,225 | 8,200 | 8,175 | 99,732 |
| a | Recoverable Costs Allocated to Energy | | 650 | 648 | 646 | 644 | 642 | 640 | 638 | 636 | 635 | 633 | 631 | 629 | 7,672 |
| b | Recoverable Costs Allocated to Demand | | 7,797 | 7,774 | 7,751 | 7,729 | 7,706 | 7,683 | 7,661 | 7,638 | 7,614 | 7,592 | 7,569 | 7,546 | 92,060 |
| 10 | Energy Jurisdictional Factor | 0.9654150 | 0.9660809 | 0.9664611 | 0.9654277 | 0.9676361 | 0.9678682 | 0.9659835 | 0.9674522 | 0.9664969 | 0.9656698 | 0.9651842 | 0.9661479 | | |
| 11 | Demand Jurisdictional Factor | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | |
| 12 | Retail Energy-Related Recoverable Costs (E) | | 628 | 627 | 625 | 623 | 622 | 620 | 617 | 616 | 615 | 612 | 610 | 609 | 7,424 |
| 13 | Retail Demand-Related Recoverable Costs (F) | | 7,525 | 7,502 | 7,480 | 7,459 | 7,437 | 7,415 | 7,393 | 7,371 | 7,348 | 7,327 | 7,305 | 7,282 | 88,844 |
| 14 | Total Juris. Recoverable Costs (Lines 12 + 13) | | 8,153 | 8,129 | 8,105 | 8,082 | 8,059 | 8,035 | 8,010 | 7,987 | 7,963 | 7,939 | 7,915 | 7,891 | 96,268 |

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 6.9072% x 1/12. Based on ROE of 11.5% and weighted income tax rate of 38.575% (expansion factor of 1.628002)
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0014 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2002 - December 2002

Return on Capital Investments, Depreciation and Taxes
For Project: Crist 1-5 Dechlorination
P.E. 1248
(in Dollars)

| Line | Description | Beginning | | | | | | | | | | | | | End of |
|------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|
| | | of Period | January | February | March | April | May | June | July | August | September | October | November | December | Period |
| | | Amount | | | | | | | | | | | | | Amount |
| 1 | Investments | | | | | | | | | | | | | | |
| a | Expenditures/Additions | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b | Clearings to Plant | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Retirements | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Cost of Removal | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | Plant-in-Service/Depreciation Base | 305,323 | 305,323 | 305,323 | 305,323 | 305,323 | 305,323 | 305,323 | 305,323 | 305,323 | 305,323 | 305,323 | 305,323 | 305,323 | 305,323 |
| 3 | Less: Accumulated Depreciation (B) | (67,085) | (67,976) | (68,867) | (69,758) | (70,649) | (71,540) | (72,431) | (73,322) | (74,213) | (75,104) | (75,995) | (76,886) | (77,777) | |
| 4 | CWIP - Non Interest Bearing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | Net Investment (Lines 2 - 3 + 4) | 238,238 | 237,347 | 236,456 | 235,565 | 234,674 | 233,783 | 232,892 | 232,001 | 231,110 | 230,219 | 229,328 | 228,437 | 227,546 | |
| 6 | Average Net Investment | | 237,793 | 236,902 | 236,011 | 235,120 | 234,229 | 233,338 | 232,447 | 231,556 | 230,665 | 229,774 | 228,883 | 227,992 | |
| 7 | Return on Average Net Investment | | | | | | | | | | | | | | |
| a | Equity Component Grossed Up For Taxes (C) | | 1,369 | 1,364 | 1,358 | 1,353 | 1,348 | 1,343 | 1,338 | 1,333 | 1,328 | 1,323 | 1,317 | 1,312 | 16,086 |
| b | Debt Component (Line 6 x 3.5137% x 1/12) | | 696 | 694 | 691 | 688 | 686 | 683 | 681 | 678 | 675 | 673 | 670 | 668 | 8,183 |
| 8 | Investment Expenses | | | | | | | | | | | | | | |
| a | Depreciation | | 891 | 891 | 891 | 891 | 891 | 891 | 891 | 891 | 891 | 891 | 891 | 891 | 10,692 |
| b | Amortization | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Dismantlement | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Property Taxes | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e | Other (D) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | Total System Recoverable Expenses (Lines 7 + 8) | | 2,956 | 2,949 | 2,940 | 2,932 | 2,925 | 2,917 | 2,910 | 2,902 | 2,894 | 2,887 | 2,878 | 2,871 | 34,961 |
| a | Recoverable Costs Allocated to Energy | | 227 | 227 | 226 | 226 | 225 | 224 | 224 | 223 | 223 | 222 | 221 | 221 | 2,689 |
| b | Recoverable Costs Allocated to Demand | | 2,729 | 2,722 | 2,714 | 2,706 | 2,700 | 2,693 | 2,686 | 2,679 | 2,671 | 2,665 | 2,657 | 2,650 | 32,272 |
| 10 | Energy Jurisdictional Factor | 0.9654150 | 0.9660809 | 0.9664611 | 0.9654277 | 0.9676361 | 0.9678682 | 0.9659835 | 0.9674522 | 0.9664969 | 0.9656698 | 0.9651842 | 0.9661479 | 0.9661479 | |
| 11 | Demand Jurisdictional Factor | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | |
| 12 | Retail Energy-Related Recoverable Costs (E) | | 219 | 220 | 219 | 218 | 218 | 217 | 217 | 216 | 216 | 215 | 214 | 214 | 2,603 |
| 13 | Retail Demand-Related Recoverable Costs (F) | | 2,634 | 2,627 | 2,619 | 2,611 | 2,606 | 2,599 | 2,592 | 2,585 | 2,578 | 2,572 | 2,564 | 2,557 | 31,144 |
| 14 | Total Juris. Recoverable Costs (Lines 12 + 13) | | 2,853 | 2,847 | 2,838 | 2,829 | 2,824 | 2,816 | 2,809 | 2,801 | 2,794 | 2,787 | 2,778 | 2,771 | 33,747 |

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 6.9072% x 1/12. Based on ROE of 11.5% and weighted income tax rate of 38.575% (expansion factor of 1.628002)
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0014 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2002 - December 2002
Return on Capital Investments, Depreciation and Taxes
For Project: Crist Diesel Fuel Oil Remediation
P.E. 1270
(in Dollars)

| Line | Description | Beginning of Period Amount | January | February | March | April | May | June | July | August | September | October | November | December | End of Period Amount |
|------|---|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------|
| 1 | Investments | | | | | | | | | | | | | | |
| a | Expenditures/Additions | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b | Clearings to Plant | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Retirements | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Cost of Removal | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | Plant-in-Service/Depreciation Base | 47,955 | 47,955 | 47,955 | 47,955 | 47,955 | 47,955 | 47,955 | 47,955 | 47,955 | 47,955 | 47,955 | 47,955 | 47,955 | 47,955 |
| 3 | Less: Accumulated Depreciation (B) | (11,195) | (11,335) | (11,475) | (11,615) | (11,755) | (11,895) | (12,035) | (12,175) | (12,315) | (12,455) | (12,595) | (12,735) | (12,875) | (12,875) |
| 4 | CWIP - Non Interest Bearing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | Net Investment (Lines 2 - 3 + 4) | 36,760 | 36,620 | 36,480 | 36,340 | 36,200 | 36,060 | 35,920 | 35,780 | 35,640 | 35,500 | 35,360 | 35,220 | 35,080 | |
| 6 | Average Net Investment | | 36,690 | 36,550 | 36,410 | 36,270 | 36,130 | 35,990 | 35,850 | 35,710 | 35,570 | 35,430 | 35,290 | 35,150 | |
| 7 | Return on Average Net Investment | | | | | | | | | | | | | | |
| a | Equity Component Grossed Up For Taxes (C) | | 211 | 210 | 210 | 209 | 208 | 207 | 206 | 206 | 205 | 204 | 203 | 202 | 2,481 |
| b | Debt Component (Line 6 x 3.5137% x 1/12) | | 107 | 107 | 107 | 106 | 106 | 105 | 105 | 105 | 104 | 104 | 103 | 103 | 1,262 |
| 8 | Investment Expenses | | | | | | | | | | | | | | |
| a | Depreciation | | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 140 | 1,680 |
| b | Amortization | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Dismantlement | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Property Taxes | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e | Other (D) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | Total System Recoverable Expenses (Lines 7 + 8) | | 458 | 457 | 457 | 455 | 454 | 452 | 451 | 451 | 449 | 448 | 446 | 445 | 5,423 |
| a | Recoverable Costs Allocated to Energy | | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 35 | 34 | 34 | 34 | 417 |
| b | Recoverable Costs Allocated to Demand | | 423 | 422 | 422 | 420 | 419 | 417 | 416 | 416 | 414 | 414 | 412 | 411 | 5,006 |
| 10 | Energy Jurisdictional Factor | | 0.9654150 | 0.9660809 | 0.9664611 | 0.9654277 | 0.9676361 | 0.9678682 | 0.9659835 | 0.9674522 | 0.9664969 | 0.9656698 | 0.9651842 | 0.9661479 | |
| 11 | Demand Jurisdictional Factor | | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | |
| 12 | Retail Energy-Related Recoverable Costs (E) | | 34 | 34 | 34 | 34 | 34 | 34 | 34 | 34 | 34 | 33 | 33 | 33 | 405 |
| 13 | Retail Demand-Related Recoverable Costs (F) | | 408 | 407 | 407 | 405 | 404 | 402 | 401 | 401 | 400 | 400 | 398 | 397 | 4,830 |
| 14 | Total Juris. Recoverable Costs (Lines 12 + 13) | | 442 | 441 | 441 | 439 | 438 | 436 | 435 | 435 | 434 | 433 | 431 | 430 | 5,235 |

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 6.9072% x 1/12. Based on ROE of 11.5% and weighted income tax rate of 38.575% (expansion factor of 1.628002)
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0014 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2002 - December 2002
Return on Capital Investments, Depreciation and Taxes
For Project: Crist Bulk Tanker Unload Sec Contain Struc
P.E. 1271
(in Dollars)

| Line | Description | Beginning | | | | | | | | | | | | | End of |
|------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------|
| | | of Period | January | February | March | April | May | June | July | August | September | October | November | December | Period |
| | | Amount | | | | | | | | | | | | | Amount |
| 1 | Investments | | | | | | | | | | | | | | |
| a | Expenditures/Additions | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| b | Clearings to Plant | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| c | Retirements | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| d | Cost of Removal | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 2 | Plant-in-Service/Depreciation Base | 101,495 | 101,495 | 101,495 | 101,495 | 101,495 | 101,495 | 101,495 | 101,495 | 101,495 | 101,495 | 101,495 | 101,495 | 101,495 | |
| 3 | Less: Accumulated Depreciation (B) | (22,231) | (22,527) | (22,823) | (23,119) | (23,415) | (23,711) | (24,007) | (24,303) | (24,599) | (24,895) | (25,191) | (25,487) | (25,783) | |
| 4 | CWIP - Non Interest Bearing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 5 | Net Investment (Lines 2 - 3 + 4) | 79,264 | 78,968 | 78,672 | 78,376 | 78,080 | 77,784 | 77,488 | 77,192 | 76,896 | 76,600 | 76,304 | 76,008 | 75,712 | |
| 6 | Average Net Investment | | 79,116 | 78,820 | 78,524 | 78,228 | 77,932 | 77,636 | 77,340 | 77,044 | 76,748 | 76,452 | 76,156 | 75,860 | |
| 7 | Return on Average Net Investment | | | | | | | | | | | | | | |
| a | Equity Component Grossed Up For Taxes (C) | | 455 | 454 | 452 | 450 | 449 | 447 | 445 | 443 | 442 | 440 | 438 | 437 | 5,352 |
| b | Debt Component (Line 6 x 3.5137% x 1/12) | | 232 | 231 | 230 | 229 | 228 | 227 | 226 | 226 | 225 | 224 | 223 | 222 | 2,723 |
| 8 | Investment Expenses | | | | | | | | | | | | | | |
| a | Depreciation | | 296 | 296 | 296 | 296 | 296 | 296 | 296 | 296 | 296 | 296 | 296 | 296 | 3,552 |
| b | Amortization | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Dismantlement | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Property Taxes | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e | Other (D) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | Total System Recoverable Expenses (Lines 7 + 8) | | 983 | 981 | 978 | 975 | 973 | 970 | 967 | 965 | 963 | 960 | 957 | 955 | 11,627 |
| a | Recoverable Costs Allocated to Energy | | 76 | 75 | 75 | 75 | 75 | 75 | 74 | 74 | 74 | 74 | 74 | 73 | 894 |
| b | Recoverable Costs Allocated to Demand | | 907 | 906 | 903 | 900 | 898 | 895 | 893 | 891 | 889 | 886 | 883 | 882 | 10,733 |
| 10 | Energy Jurisdictional Factor | | 0.9654150 | 0.9660809 | 0.9664611 | 0.9654277 | 0.9676361 | 0.9678682 | 0.9659835 | 0.9674522 | 0.9664969 | 0.9656698 | 0.9651842 | 0.9661479 | |
| 11 | Demand Jurisdictional Factor | | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | |
| 12 | Retail Energy-Related Recoverable Costs (E) | | 73 | 73 | 73 | 73 | 73 | 73 | 72 | 72 | 72 | 72 | 72 | 71 | 869 |
| 13 | Retail Demand-Related Recoverable Costs (F) | | 875 | 874 | 871 | 869 | 867 | 864 | 862 | 860 | 858 | 855 | 852 | 851 | 10,358 |
| 14 | Total Juris. Recoverable Costs (Lines 12 + 13) | | 948 | 947 | 944 | 942 | 940 | 937 | 934 | 932 | 930 | 927 | 924 | 922 | 11,227 |

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 6.9072% x 1/12. Based on ROE of 11.5% and weighted income tax rate of 38.575% (expansion factor of 1.628002)
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0014 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2002 - December 2002
Return on Capital Investments, Depreciation and Taxes
For Project: Crist IWW Sampling System
P.E. 1275
(in Dollars)

| Line | Description | Beginning of Period Amount | January | February | March | April | May | June | July | August | September | October | November | December | End of Period Amount |
|------|---|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------|
| 1 | Investments | | | | | | | | | | | | | | |
| a | Expenditures/Additions | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| b | Clearings to Plant | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| c | Retirements | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| d | Cost of Removal | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 2 | Plant-in-Service/Depreciation Base | 59,543 | 59,543 | 59,543 | 59,543 | 59,543 | 59,543 | 59,543 | 59,543 | 59,543 | 59,543 | 59,543 | 59,543 | 59,543 | |
| 3 | Less: Accumulated Depreciation (B) | (13,364) | (13,538) | (13,712) | (13,886) | (14,060) | (14,234) | (14,408) | (14,582) | (14,756) | (14,930) | (15,104) | (15,278) | (15,452) | |
| 4 | CWIP - Non Interest Bearing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 5 | Net Investment (Lines 2 - 3 + 4) | 46,179 | 46,005 | 45,831 | 45,657 | 45,483 | 45,309 | 45,135 | 44,961 | 44,787 | 44,613 | 44,439 | 44,265 | 44,091 | |
| 6 | Average Net Investment | | 46,092 | 45,918 | 45,744 | 45,570 | 45,396 | 45,222 | 45,048 | 44,874 | 44,700 | 44,526 | 44,352 | 44,178 | |
| 7 | Return on Average Net Investment | | | | | | | | | | | | | | |
| a | Equity Component Grossed Up For Taxes (C) | | 265 | 264 | 263 | 262 | 261 | 260 | 259 | 258 | 257 | 256 | 255 | 254 | 3,114 |
| b | Debt Component (Line 6 x 3.5137% x 1/12) | | 135 | 134 | 134 | 133 | 133 | 132 | 132 | 131 | 131 | 130 | 130 | 129 | 1,584 |
| 8 | Investment Expenses | | | | | | | | | | | | | | |
| a | Depreciation | | 174 | 174 | 174 | 174 | 174 | 174 | 174 | 174 | 174 | 174 | 174 | 174 | 2,088 |
| b | Amortization | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Dismantlement | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Property Taxes | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e | Other (D) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | Total System Recoverable Expenses (Lines 7 + 8) | | 574 | 572 | 571 | 569 | 568 | 566 | 565 | 563 | 562 | 560 | 559 | 557 | 6,786 |
| a | Recoverable Costs Allocated to Energy | | 44 | 44 | 44 | 44 | 44 | 44 | 43 | 43 | 43 | 43 | 43 | 43 | 522 |
| b | Recoverable Costs Allocated to Demand | | 530 | 528 | 527 | 525 | 524 | 522 | 522 | 520 | 519 | 517 | 516 | 514 | 6,264 |
| 10 | Energy Jurisdictional Factor | | 0.9654150 | 0.9660809 | 0.9664611 | 0.9654277 | 0.9676361 | 0.9678682 | 0.9659835 | 0.9674522 | 0.9664969 | 0.9656698 | 0.9651842 | 0.9661479 | |
| 11 | Demand Jurisdictional Factor | | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | |
| 12 | Retail Energy-Related Recoverable Costs (E) | | 43 | 43 | 43 | 43 | 43 | 43 | 42 | 42 | 42 | 42 | 42 | 42 | 510 |
| 13 | Retail Demand-Related Recoverable Costs (F) | | 511 | 510 | 509 | 507 | 506 | 504 | 504 | 502 | 501 | 499 | 498 | 496 | 6,047 |
| 14 | Total Juris. Recoverable Costs (Lines 12 + 13) | | 554 | 553 | 552 | 550 | 549 | 547 | 546 | 544 | 543 | 541 | 540 | 538 | 6,557 |

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 6.9072% x 1/12. Based on ROE of 11.5% and weighted income tax rate of 38.575% (expansion factor of 1.628002)
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0014 line loss multiplier
- (F) Line 9b x Line 11

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Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2002 - December 2002
Return on Capital Investments, Depreciation and Taxes
For Project: Smith 1 Low Nox GNOCIS
P.E. 1412
(in Dollars)

| Line | Description | Beginning of Period Amount | Month | | | | | | | | | | | | End of Period Amount |
|------|---|----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------------|
| | | | January | February | March | April | May | June | July | August | September | October | November | December | |
| 1 | Investments | | | | | | | | | | | | | | |
| a | Expenditures/Additions | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b | Clearings to Plant | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Retirements | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Cost of Removal | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | Plant-in-Service/Depreciation Base | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 |
| 3 | Less: Accumulated Depreciation (B) | 0 | (1,600) | (4,800) | (8,000) | (11,200) | (14,400) | (17,600) | (20,800) | (24,000) | (27,200) | (30,400) | (33,600) | (36,800) | (36,800) |
| 4 | CWIP - Non Interest Bearing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | Net Investment (Lines 2 - 3 + 4) | 1,200,000 | 1,198,400 | 1,195,200 | 1,192,000 | 1,188,800 | 1,185,600 | 1,182,400 | 1,179,200 | 1,176,000 | 1,172,800 | 1,169,600 | 1,166,400 | 1,163,200 | 1,163,200 |
| 6 | Average Net Investment | | 1,199,200 | 1,196,800 | 1,193,600 | 1,190,400 | 1,187,200 | 1,184,000 | 1,180,800 | 1,177,600 | 1,174,400 | 1,171,200 | 1,168,000 | 1,164,800 | 1,164,800 |
| 7 | Return on Average Net Investment | | | | | | | | | | | | | | |
| a | Equity Component Grossed Up For Taxes (C) | | 6,903 | 6,889 | 6,870 | 6,852 | 6,834 | 6,815 | 6,797 | 6,778 | 6,760 | 6,741 | 6,723 | 6,705 | 81,667 |
| b | Debt Component (Line 6 x 3.5137% x 1/12) | | 3,511 | 3,504 | 3,495 | 3,485 | 3,476 | 3,467 | 3,457 | 3,448 | 3,439 | 3,429 | 3,420 | 3,411 | 41,542 |
| 8 | Investment Expenses | | | | | | | | | | | | | | |
| a | Depreciation | | 1,600 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 36,800 |
| b | Amortization | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Dismantlement | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Property Taxes | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e | Other (D) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | Total System Recoverable Expenses (Lines 7 + 8) | | 12,014 | 13,593 | 13,565 | 13,537 | 13,510 | 13,482 | 13,454 | 13,426 | 13,399 | 13,370 | 13,343 | 13,316 | 160,009 |
| a | Recoverable Costs Allocated to Energy | | 12,014 | 13,593 | 13,565 | 13,537 | 13,510 | 13,482 | 13,454 | 13,426 | 13,399 | 13,370 | 13,343 | 13,316 | 160,009 |
| b | Recoverable Costs Allocated to Demand | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10 | Energy Jurisdictional Factor | | 0.9654150 | 0.9660809 | 0.9664611 | 0.9654277 | 0.9676361 | 0.9678682 | 0.9659835 | 0.9674522 | 0.9664969 | 0.9656698 | 0.9651842 | 0.9661479 | 0.9661479 |
| 11 | Demand Jurisdictional Factor | | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 |
| 12 | Retail Energy-Related Recoverable Costs (E) | | 11,615 | 13,150 | 13,128 | 13,087 | 13,091 | 13,067 | 13,015 | 13,007 | 12,968 | 12,929 | 12,896 | 12,883 | 154,836 |
| 13 | Retail Demand-Related Recoverable Costs (F) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 | Total Juris. Recoverable Costs (Lines 12 + 13) | | 11,615 | 13,150 | 13,128 | 13,087 | 13,091 | 13,067 | 13,015 | 13,007 | 12,968 | 12,929 | 12,896 | 12,883 | 154,836 |

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 6.9072% x 1/12. Based on ROE of 11.5% and weighted income tax rate of 38.575% (expansion factor of 1.628002)
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0014 line loss multiplier
- (F) Line 9b x Line 11

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Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2002 - December 2002
Return on Capital Investments, Depreciation and Taxes
For Project: Smith Sodium Injection System
P.E. 1413
(in Dollars)

| Line | Description | Beginning of Period Amount | Month | | | | | | | | | | | | End of Period Amount |
|------|---|----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------------|
| | | | January | February | March | April | May | June | July | August | September | October | November | December | |
| 1 | Investments | | | | | | | | | | | | | | |
| a | Expenditures/Additions | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| b | Clearings to Plant | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| c | Retirements | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| d | Cost of Removal | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 2 | Plant-in-Service/Depreciation Base | 106,497 | 106,497 | 106,497 | 106,497 | 106,497 | 106,497 | 106,497 | 106,497 | 106,497 | 106,497 | 106,497 | 106,497 | 106,497 | |
| 3 | Less: Accumulated Depreciation (B) | (6,958) | (7,242) | (7,526) | (7,810) | (8,094) | (8,378) | (8,662) | (8,946) | (9,230) | (9,514) | (9,798) | (10,082) | (10,366) | |
| 4 | CWIP - Non Interest Bearing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 5 | Net Investment (Lines 2 - 3 + 4) | 99,539 | 99,255 | 98,971 | 98,687 | 98,403 | 98,119 | 97,835 | 97,551 | 97,267 | 96,983 | 96,699 | 96,415 | 96,131 | |
| 6 | Average Net Investment | | 99,397 | 99,113 | 98,829 | 98,545 | 98,261 | 97,977 | 97,693 | 97,409 | 97,125 | 96,841 | 96,557 | 96,273 | |
| 7 | Return on Average Net Investment | | | | | | | | | | | | | | |
| a | Equity Component Grossed Up For Taxes (C) | | 572 | 570 | 569 | 567 | 566 | 564 | 562 | 561 | 559 | 557 | 556 | 554 | 6,757 |
| b | Debt Component (Line 6 x 3.5137% x 1/12) | | 291 | 290 | 289 | 289 | 288 | 287 | 286 | 285 | 284 | 284 | 283 | 282 | 3,438 |
| 8 | Investment Expenses | | | | | | | | | | | | | | |
| a | Depreciation | | 284 | 284 | 284 | 284 | 284 | 284 | 284 | 284 | 284 | 284 | 284 | 284 | 3,408 |
| b | Amortization | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Dismantlement | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Property Taxes | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e | Other (D) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | Total System Recoverable Expenses (Lines 7 + 8) | | 1,147 | 1,144 | 1,142 | 1,140 | 1,138 | 1,135 | 1,132 | 1,130 | 1,127 | 1,125 | 1,123 | 1,120 | 13,603 |
| a | Recoverable Costs Allocated to Energy | | 1,147 | 1,144 | 1,142 | 1,140 | 1,138 | 1,135 | 1,132 | 1,130 | 1,127 | 1,125 | 1,123 | 1,120 | 13,603 |
| b | Recoverable Costs Allocated to Demand | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10 | Energy Jurisdictional Factor | | 0.9654150 | 0.9660809 | 0.9664611 | 0.9654277 | 0.9676361 | 0.9678682 | 0.9659835 | 0.9674522 | 0.9664969 | 0.9656698 | 0.9651842 | 0.9661479 | |
| 11 | Demand Jurisdictional Factor | | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | |
| 12 | Retail Energy-Related Recoverable Costs (E) | | 1,109 | 1,107 | 1,105 | 1,102 | 1,103 | 1,100 | 1,095 | 1,095 | 1,091 | 1,088 | 1,085 | 1,084 | 13,164 |
| 13 | Retail Demand-Related Recoverable Costs (F) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 | Total Juris. Recoverable Costs (Lines 12 + 13) | | 1,109 | 1,107 | 1,105 | 1,102 | 1,103 | 1,100 | 1,095 | 1,095 | 1,091 | 1,088 | 1,085 | 1,084 | 13,164 |

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 6.9072% x 1/12. Based on ROE of 11.5% and weighted income tax rate of 38.575% (expansion factor of 1.628002)
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0014 line loss multiplier
- (F) Line 9b x Line 11

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Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2002 - December 2002
Return on Capital Investments, Depreciation and Taxes
For Project: Smith Stormwater Collection System
P.E. 1446
(in Dollars)

| Line | Description | Beginning of Period Amount | January | February | March | April | May | June | July | August | September | October | November | December | End of Period Amount |
|------|---|----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------------|
| 1 | Investments | | | | | | | | | | | | | | |
| a | Expenditures/Additions | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| b | Clearings to Plant | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| c | Retirements | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| d | Cost of Removal | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 2 | Plant-in-Service/Depreciation Base | 2,782,600 | 2,782,600 | 2,782,600 | 2,782,600 | 2,782,600 | 2,782,600 | 2,782,600 | 2,782,600 | 2,782,600 | 2,782,600 | 2,782,600 | 2,782,600 | 2,782,600 | |
| 3 | Less: Accumulated Depreciation (B) | (528,137) | (535,558) | (542,979) | (550,400) | (557,821) | (565,242) | (572,663) | (580,084) | (587,505) | (594,926) | (602,347) | (609,768) | (617,189) | |
| 4 | CWIP - Non Interest Bearing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 5 | Net Investment (Lines 2 - 3 + 4) | 2,254,463 | 2,247,042 | 2,239,621 | 2,232,200 | 2,224,779 | 2,217,358 | 2,209,937 | 2,202,516 | 2,195,095 | 2,187,674 | 2,180,253 | 2,172,832 | 2,165,411 | |
| 6 | Average Net Investment | | 2,250,753 | 2,243,332 | 2,235,911 | 2,228,490 | 2,221,069 | 2,213,648 | 2,206,227 | 2,198,806 | 2,191,385 | 2,183,964 | 2,176,543 | 2,169,122 | |
| 7 | Return on Average Net Investment | | | | | | | | | | | | | | |
| a | Equity Component Grossed Up For Taxes (C) | | 12,955 | 12,913 | 12,870 | 12,827 | 12,784 | 12,742 | 12,699 | 12,656 | 12,614 | 12,571 | 12,528 | 12,485 | 152,644 |
| b | Debt Component (Line 6 x 3.5137% x 1/12) | | 6,590 | 6,568 | 6,547 | 6,525 | 6,503 | 6,482 | 6,460 | 6,438 | 6,416 | 6,395 | 6,373 | 6,351 | 77,648 |
| 8 | Investment Expenses | | | | | | | | | | | | | | |
| a | Depreciation | | 7,421 | 7,421 | 7,421 | 7,421 | 7,421 | 7,421 | 7,421 | 7,421 | 7,421 | 7,421 | 7,421 | 7,421 | 89,052 |
| b | Amortization | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Dismantlement | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Property Taxes | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e | Other (D) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | Total System Recoverable Expenses (Lines 7 + 8) | | 26,966 | 26,902 | 26,838 | 26,773 | 26,708 | 26,645 | 26,580 | 26,515 | 26,451 | 26,387 | 26,322 | 26,257 | 319,344 |
| a | Recoverable Costs Allocated to Energy | | 2,074 | 2,069 | 2,064 | 2,059 | 2,054 | 2,050 | 2,045 | 2,040 | 2,035 | 2,030 | 2,025 | 2,020 | 24,565 |
| b | Recoverable Costs Allocated to Demand | | 24,892 | 24,833 | 24,774 | 24,714 | 24,654 | 24,595 | 24,535 | 24,475 | 24,416 | 24,357 | 24,297 | 24,237 | 294,779 |
| 10 | Energy Jurisdictional Factor | | 0.9654150 | 0.9660809 | 0.9664611 | 0.9654277 | 0.9676361 | 0.9678682 | 0.9659835 | 0.9674522 | 0.9664969 | 0.9656698 | 0.9651842 | 0.9661479 | |
| 11 | Demand Jurisdictional Factor | | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | |
| 12 | Retail Energy-Related Recoverable Costs (E) | | 2,005 | 2,002 | 1,998 | 1,991 | 1,990 | 1,987 | 1,978 | 1,976 | 1,970 | 1,963 | 1,957 | 1,954 | 23,771 |
| 13 | Retail Demand-Related Recoverable Costs (F) | | 24,023 | 23,966 | 23,909 | 23,851 | 23,793 | 23,736 | 23,678 | 23,620 | 23,563 | 23,506 | 23,448 | 23,391 | 284,484 |
| 14 | Total Juris. Recoverable Costs (Lines 12 + 13) | | 26,028 | 25,968 | 25,907 | 25,842 | 25,783 | 25,723 | 25,656 | 25,596 | 25,533 | 25,469 | 25,405 | 25,345 | 308,255 |

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 6.9072% x 1/12. Based on ROE of 11.5% and weighted income tax rate of 38.575% (expansion factor of 1.628002)
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0014 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2002 - December 2002
Return on Capital Investments, Depreciation and Taxes
For Project: Smith Waste Water Treatment Facility
P.E. 1466
(in Dollars)

| Line | Description | Beginning of Period Amount | January | February | March | April | May | June | July | August | September | October | November | December | End of Period Amount |
|------|---|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------|
| 1 | Investments | | | | | | | | | | | | | | |
| a | Expenditures/Additions | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| b | Clearings to Plant | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| c | Retirements | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| d | Cost of Removal | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 2 | Plant-in-Service/Depreciation Base | 175,200 | 175,200 | 175,200 | 175,200 | 175,200 | 175,200 | 175,200 | 175,200 | 175,200 | 175,200 | 175,200 | 175,200 | 175,200 | |
| 3 | Less: Accumulated Depreciation (B) | (38,677) | (39,144) | (39,611) | (40,078) | (40,545) | (41,012) | (41,479) | (41,946) | (42,413) | (42,880) | (43,347) | (43,814) | (44,281) | |
| 4 | CWIP - Non Interest Bearing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 5 | Net Investment (Lines 2 - 3 + 4) | 136,523 | 136,056 | 135,589 | 135,122 | 134,655 | 134,188 | 133,721 | 133,254 | 132,787 | 132,320 | 131,853 | 131,386 | 130,919 | |
| 6 | Average Net Investment | | 136,290 | 135,823 | 135,356 | 134,889 | 134,422 | 133,955 | 133,488 | 133,021 | 132,554 | 132,087 | 131,620 | 131,153 | |
| 7 | Return on Average Net Investment | | | | | | | | | | | | | | |
| a | Equity Component Grossed Up For Taxes (C) | | 784 | 782 | 779 | 776 | 774 | 771 | 768 | 766 | 763 | 760 | 758 | 755 | 9,236 |
| b | Debt Component (Line 6 x 3.5137% x 1/12) | | 399 | 398 | 396 | 395 | 394 | 392 | 391 | 389 | 388 | 387 | 385 | 384 | 4,698 |
| 8 | Investment Expenses | | | | | | | | | | | | | | |
| a | Depreciation | | 467 | 467 | 467 | 467 | 467 | 467 | 467 | 467 | 467 | 467 | 467 | 467 | 5,604 |
| b | Amortization | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| c | Dismantlement | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| d | Property Taxes | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| e | Other (D) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 9 | Total System Recoverable Expenses (Lines 7 + 8) | | 1,650 | 1,647 | 1,642 | 1,638 | 1,635 | 1,630 | 1,626 | 1,622 | 1,618 | 1,614 | 1,610 | 1,606 | 19,538 |
| a | Recoverable Costs Allocated to Energy | | 127 | 127 | 126 | 126 | 126 | 125 | 125 | 125 | 124 | 124 | 124 | 124 | 1,503 |
| b | Recoverable Costs Allocated to Demand | | 1,523 | 1,520 | 1,516 | 1,512 | 1,509 | 1,505 | 1,501 | 1,497 | 1,494 | 1,490 | 1,486 | 1,482 | 18,035 |
| 10 | Energy Jurisdictional Factor | | 0.9654150 | 0.9660809 | 0.9664611 | 0.9654277 | 0.9676361 | 0.9678682 | 0.9659835 | 0.9674522 | 0.9664969 | 0.9656698 | 0.9651842 | 0.9661479 | |
| 11 | Demand Jurisdictional Factor | | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | |
| 12 | Retail Energy-Related Recoverable Costs (E) | | 123 | 123 | 122 | 122 | 122 | 121 | 121 | 121 | 120 | 120 | 120 | 120 | 1,455 |
| 13 | Retail Demand-Related Recoverable Costs (F) | | 1,470 | 1,467 | 1,463 | 1,459 | 1,456 | 1,452 | 1,449 | 1,445 | 1,442 | 1,438 | 1,434 | 1,430 | 17,405 |
| 14 | Total Juris. Recoverable Costs (Lines 12 + 13) | | 1,593 | 1,590 | 1,585 | 1,581 | 1,578 | 1,573 | 1,570 | 1,566 | 1,562 | 1,558 | 1,554 | 1,550 | 18,860 |

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 6.9072% x 1/12. Based on ROE of 11.5% and weighted income tax rate of 38.575% (expansion factor of 1.628002)
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0014 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2002 - December 2002
Return on Capital Investments, Depreciation and Taxes
For Project: Daniel Ash Management Project
P.E. 1535
(in Dollars)

| Line | Description | Beginning | | | | | | | | | | | | | End of |
|------|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|
| | | of Period | January | February | March | April | May | June | July | August | September | October | November | December | Period |
| | | Amount | | | | | | | | | | | | | Amount |
| 1 | Investments | | | | | | | | | | | | | | |
| a | Expenditures/Additions | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b | Clearings to Plant | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Retirements | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Cost of Removal | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | Plant-in-Service/Depreciation Base | 13,242,469 | 13,242,469 | 13,242,469 | 13,242,469 | 13,242,469 | 13,242,469 | 13,242,469 | 13,242,469 | 13,242,469 | 13,242,469 | 13,242,469 | 13,242,469 | 13,242,469 | 13,242,469 |
| 3 | Less: Accumulated Depreciation (B) | (2,840,448) | (2,875,408) | (2,910,368) | (2,945,328) | (2,980,288) | (3,015,248) | (3,050,208) | (3,085,168) | (3,120,128) | (3,155,088) | (3,190,048) | (3,225,008) | (3,259,968) | |
| 4 | CWIP - Non Interest Bearing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | Net Investment (Lines 2 - 3 + 4) | 10,402,021 | 10,367,061 | 10,332,101 | 10,297,141 | 10,262,181 | 10,227,221 | 10,192,261 | 10,157,301 | 10,122,341 | 10,087,381 | 10,052,421 | 10,017,461 | 9,982,501 | |
| 6 | Average Net Investment | | 10,384,541 | 10,349,581 | 10,314,621 | 10,279,661 | 10,244,701 | 10,209,741 | 10,174,781 | 10,139,821 | 10,104,861 | 10,069,901 | 10,034,941 | 9,999,981 | |
| 7 | Return on Average Net Investment | | | | | | | | | | | | | | |
| a | Equity Component Grossed Up For Taxes (C) | | 59,773 | 59,572 | 59,371 | 59,170 | 58,968 | 58,767 | 58,566 | 58,365 | 58,164 | 57,962 | 57,761 | 57,560 | 703,999 |
| b | Debt Component (Line 6 x 3.5137% x 1/12) | | 30,406 | 30,304 | 30,201 | 30,099 | 29,996 | 29,894 | 29,792 | 29,689 | 29,587 | 29,485 | 29,382 | 29,280 | 358,115 |
| 8 | Investment Expenses | | | | | | | | | | | | | | |
| a | Depreciation | | 26,485 | 26,485 | 26,485 | 26,485 | 26,485 | 26,485 | 26,485 | 26,485 | 26,485 | 26,485 | 26,485 | 26,485 | 317,820 |
| b | Amortization | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Dismantlement | | 8,475 | 8,475 | 8,475 | 8,475 | 8,475 | 8,475 | 8,475 | 8,475 | 8,475 | 8,475 | 8,475 | 8,475 | 101,700 |
| d | Property Taxes | | 32,694 | 32,694 | 32,694 | 32,694 | 32,694 | 32,694 | 32,694 | 32,694 | 32,694 | 32,694 | 32,694 | 32,692 | 392,326 |
| e | Other (D) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | Total System Recoverable Expenses (Lines 7 + 8) | 157,833 | 157,530 | 157,226 | 156,923 | 156,618 | 156,315 | 156,012 | 155,708 | 155,405 | 155,101 | 154,797 | 154,492 | 154,187 | 1,873,960 |
| a | Recoverable Costs Allocated to Energy | 12,141 | 12,118 | 12,094 | 12,071 | 12,048 | 12,024 | 12,001 | 11,978 | 11,954 | 11,931 | 11,907 | 11,884 | 11,861 | 144,151 |
| b | Recoverable Costs Allocated to Demand | 145,692 | 145,412 | 145,132 | 144,852 | 144,570 | 144,291 | 144,011 | 143,730 | 143,451 | 143,170 | 142,890 | 142,608 | 142,326 | 1,729,809 |
| 10 | Energy Jurisdictional Factor | 0.9654150 | 0.9660809 | 0.9664611 | 0.9654277 | 0.9676361 | 0.9678682 | 0.9659835 | 0.9674522 | 0.9664969 | 0.9656698 | 0.9651842 | 0.9661479 | 0.9661479 | |
| 11 | Demand Jurisdictional Factor | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | |
| 12 | Retail Energy-Related Recoverable Costs (E) | 11,738 | 11,723 | 11,705 | 11,670 | 11,674 | 11,654 | 11,609 | 11,604 | 11,570 | 11,538 | 11,509 | 11,498 | 11,498 | 139,492 |
| 13 | Retail Demand-Related Recoverable Costs (F) | 140,604 | 140,333 | 140,063 | 139,793 | 139,521 | 139,252 | 138,981 | 138,710 | 138,441 | 138,170 | 137,900 | 137,627 | 137,355 | 1,669,395 |
| 14 | Total Juris. Recoverable Costs (Lines 12 + 13) | 152,342 | 152,056 | 151,768 | 151,463 | 151,195 | 150,906 | 150,590 | 150,314 | 150,011 | 149,708 | 149,409 | 149,125 | 148,843 | 1,808,887 |

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 6.9072% x 1/12. Based on ROE of 11.5% and weighted income tax rate of 38.575% (expansion factor of 1.628002)
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0014 line loss multiplier
- (F) Line 9b x Line 11

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Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2002 - December 2002
Return on Capital Investments, Depreciation and Taxes
For Project: Consumptive Use-Shield Water Substitution Project
P.E. 1620
(in Dollars)

| Line | Description | Beginning | | | | | | | | | | | | | End of |
|------|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------|
| | | of Period | January | February | March | April | May | June | July | August | September | October | November | December | Period |
| | | Amount | | | | | | | | | | | | | Amount |
| 1 | Investments | | | | | | | | | | | | | | |
| a | Expenditures/Additions | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b | Clearings to Plant | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Retirements | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Cost of Removal | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | Plant-in-Service/Depreciation Base | 49,569 | 49,569 | 49,569 | 49,569 | 49,569 | 49,569 | 49,569 | 49,569 | 49,569 | 49,569 | 49,569 | 49,569 | 49,569 | 49,569 |
| 3 | Less: Accumulated Depreciation (B) | (462) | (594) | (726) | (858) | (990) | (1,122) | (1,254) | (1,386) | (1,518) | (1,650) | (1,782) | (1,914) | (2,046) | |
| 4 | CWIP - Non Interest Bearing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 | Net Investment (Lines 2 - 3 + 4) | 49,107 | 48,975 | 48,843 | 48,711 | 48,579 | 48,447 | 48,315 | 48,183 | 48,051 | 47,919 | 47,787 | 47,655 | 47,523 | |
| 6 | Average Net Investment | | 49,041 | 48,909 | 48,777 | 48,645 | 48,513 | 48,381 | 48,249 | 48,117 | 47,985 | 47,853 | 47,721 | 47,589 | |
| 7 | Return on Average Net Investment | | | | | | | | | | | | | | |
| a | Equity Component Grossed Up For Taxes (C) | | 282 | 282 | 281 | 280 | 279 | 278 | 278 | 277 | 276 | 275 | 275 | 274 | 3,337 |
| b | Debt Component (Line 6 x 3.5137% x 1/12) | | 144 | 143 | 143 | 142 | 142 | 142 | 141 | 141 | 141 | 140 | 140 | 139 | 1,698 |
| 8 | Investment Expenses | | | | | | | | | | | | | | |
| a | Depreciation | | 132 | 132 | 132 | 132 | 132 | 132 | 132 | 132 | 132 | 132 | 132 | 132 | 1,584 |
| b | Amortization | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c | Dismantlement | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Property Taxes | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e | Other (D) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | Total System Recoverable Expenses (Lines 7 + 8) | | 558 | 557 | 556 | 554 | 553 | 552 | 551 | 550 | 549 | 547 | 547 | 545 | 6,619 |
| a | Recoverable Costs Allocated to Energy | | 43 | 43 | 43 | 43 | 43 | 42 | 42 | 42 | 42 | 42 | 42 | 42 | 509 |
| b | Recoverable Costs Allocated to Demand | | 515 | 514 | 513 | 511 | 510 | 510 | 509 | 508 | 507 | 505 | 505 | 503 | 6,110 |
| 10 | Energy Jurisdictional Factor | | 0.9654150 | 0.9660809 | 0.9664611 | 0.9654277 | 0.9676361 | 0.9678682 | 0.9659835 | 0.9674522 | 0.9664969 | 0.9656698 | 0.9651842 | 0.9661479 | |
| 11 | Demand Jurisdictional Factor | | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | |
| 12 | Retail Energy-Related Recoverable Costs (E) | | 42 | 42 | 42 | 42 | 42 | 41 | 41 | 41 | 41 | 41 | 41 | 41 | 497 |
| 13 | Retail Demand-Related Recoverable Costs (F) | | 497 | 496 | 495 | 493 | 492 | 492 | 491 | 490 | 489 | 487 | 487 | 485 | 5,894 |
| 14 | Total Juris. Recoverable Costs (Lines 12 + 13) | | 539 | 538 | 537 | 535 | 534 | 533 | 532 | 531 | 530 | 528 | 528 | 526 | 6,391 |

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 6.9072% x 1/12. Based on ROE of 11.5% and weighted income tax rate of 38.575% (expansion factor of 1.628002)
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0014 line loss multiplier
- (F) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2002 - December 2002
Return on Capital Investments, Depreciation and Taxes
For Project: Underground Fuel Tank Replacement
P.E. 4397
(in Dollars)

| Line | Description | Beginning of Period Amount | January | February | March | April | May | June | July | August | September | October | November | December | End of Period Amount |
|------|---|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------|
| 1 | Investments | | | | | | | | | | | | | | |
| a | Expenditures/Additions | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| b | Clearings to Plant | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| c | Retirements | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| d | Cost of Removal | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 2 | Plant-in-Service/Depreciation Base | 457,919 | 457,919 | 457,919 | 457,919 | 457,919 | 457,919 | 457,919 | 457,919 | 457,919 | 457,919 | 457,919 | 457,919 | 457,919 | |
| 3 | Less: Accumulated Depreciation (B) | (280,781) | (285,702) | (290,622) | (295,543) | (300,463) | (305,384) | (310,304) | (315,225) | (320,145) | (325,066) | (329,986) | (334,907) | (339,827) | |
| 4 | CWIP - Non Interest Bearing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 5 | Net Investment (Lines 2 - 3 + 4) | 177,138 | 172,217 | 167,297 | 162,376 | 157,456 | 152,535 | 147,615 | 142,694 | 137,774 | 132,853 | 127,933 | 123,012 | 118,092 | |
| 6 | Average Net Investment | | 174,678 | 169,757 | 164,837 | 159,916 | 154,996 | 150,075 | 145,155 | 140,234 | 135,314 | 130,393 | 125,473 | 120,552 | |
| 7 | Return on Average Net Investment | | | | | | | | | | | | | | |
| a | Equity Component Grossed Up For Taxes (C) | | 1,005 | 977 | 949 | 920 | 892 | 864 | 836 | 807 | 779 | 751 | 722 | 694 | 10,196 |
| b | Debt Component (Line 6 x 3.5137% x 1/12) | | 511 | 497 | 483 | 468 | 454 | 439 | 425 | 411 | 396 | 382 | 367 | 353 | 5,186 |
| 8 | Investment Expenses | | | | | | | | | | | | | | |
| a | Depreciation | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b | Amortization | | 4,921 | 4,920 | 4,921 | 4,920 | 4,921 | 4,920 | 4,921 | 4,920 | 4,921 | 4,920 | 4,921 | 4,920 | 59,046 |
| c | Dismantlement | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d | Property Taxes | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e | Other (D) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9 | Total System Recoverable Expenses (Lines 7 + 8) | | 6,437 | 6,394 | 6,353 | 6,308 | 6,267 | 6,223 | 6,182 | 6,138 | 6,096 | 6,053 | 6,010 | 5,967 | 74,428 |
| a | Recoverable Costs Allocated to Energy | | 495 | 492 | 489 | 485 | 482 | 479 | 476 | 472 | 469 | 466 | 462 | 459 | 5,726 |
| b | Recoverable Costs Allocated to Demand | | 5,942 | 5,902 | 5,864 | 5,823 | 5,785 | 5,744 | 5,706 | 5,666 | 5,627 | 5,587 | 5,548 | 5,508 | 68,702 |
| 10 | Energy Jurisdictional Factor | | 0.9654150 | 0.9660809 | 0.9664611 | 0.9654277 | 0.9676361 | 0.9678682 | 0.9659835 | 0.9674522 | 0.9664969 | 0.9656698 | 0.9651842 | 0.9661479 | |
| 11 | Demand Jurisdictional Factor | | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | |
| 12 | Retail Energy-Related Recoverable Costs (E) | | 479 | 476 | 473 | 469 | 467 | 464 | 460 | 457 | 454 | 451 | 447 | 444 | 5,541 |
| 13 | Retail Demand-Related Recoverable Costs (F) | | 5,734 | 5,696 | 5,659 | 5,620 | 5,583 | 5,543 | 5,507 | 5,468 | 5,430 | 5,392 | 5,354 | 5,316 | 66,302 |
| 14 | Total Juris. Recoverable Costs (Lines 12 + 13) | | 6,213 | 6,172 | 6,132 | 6,089 | 6,050 | 6,007 | 5,967 | 5,925 | 5,884 | 5,843 | 5,801 | 5,760 | 71,843 |

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project
- (B) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (C) Line 6 x 6.9072% x 1/12. Based on ROE of 11.5% and weighted income tax rate of 38.575% (expansion factor of 1.628002)
- (D) Description and reason for 'Other' adjustments to investment expenses for this project
- (E) Line 9a x Line 10 x 1.0014 line loss multiplier
- (F) Line 9b x Line 11

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Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2002 - December 2002
Return on Capital Investments, Depreciation and Taxes
For Project: SO2 Allowances

(in Dollars)

| Line | Description | Beginning of Period Amount | (in Dollars) | | | | | | | | | | | | End of Period Amount |
|------|---|----------------------------|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------|
| | | | January | February | March | April | May | June | July | August | September | October | November | December | |
| 1 | Investments | | | | | | | | | | | | | | |
| | a Purchases/Transfers | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | b Sales/Transfers | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | c Auction Proceeds/Other | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 | Working Capital Balance | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | a FERC 158.1 Allowance Inventory | 49,382 | 47,654 | 46,339 | 45,134 | 44,111 | 42,504 | 40,639 | 38,654 | 36,641 | 34,836 | 33,228 | 31,633 | 29,908 | |
| | b FERC 158.2 Allowances Withheld | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | c FERC 182.3 Other Regl. Assets - Losses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | d FERC 254 Regulatory Liabilities - Gains | (679,265) | (670,740) | (662,214) | (653,689) | (645,163) | (636,638) | (628,112) | (619,587) | (611,061) | (602,536) | (594,010) | (585,485) | (576,959) | |
| 3 | Total Working Capital Balance | (629,883) | (623,086) | (615,875) | (608,555) | (601,052) | (594,134) | (587,473) | (580,933) | (574,420) | (567,700) | (560,782) | (553,852) | (547,051) | |
| 4 | Average Net Working Capital Balance | | (626,485) | (619,481) | (612,215) | (604,804) | (597,593) | (590,804) | (584,203) | (577,677) | (571,060) | (564,241) | (557,317) | (550,452) | |
| 5 | Return on Average Net Working Capital Balance | | | | | | | | | | | | | | |
| | a Equity Component Grossed Up For Taxes (A) | | (3,606) | (3,566) | (3,524) | (3,481) | (3,440) | (3,401) | (3,363) | (3,325) | (3,287) | (3,248) | (3,208) | (3,168) | (40,617) |
| | b Debt Component (Line 6 x 3.5137% x 1/12) | | (1,834) | (1,814) | (1,793) | (1,771) | (1,750) | (1,730) | (1,711) | (1,691) | (1,672) | (1,652) | (1,632) | (1,612) | (20,662) |
| 6 | Total Return Component (D) | | (5,440) | (5,380) | (5,317) | (5,252) | (5,190) | (5,131) | (5,074) | (5,016) | (4,959) | (4,900) | (4,840) | (4,780) | (61,279) |
| 7 | Expenses: | | | | | | | | | | | | | | |
| | a Gains | | (8,525) | (8,526) | (8,525) | (8,526) | (8,525) | (8,526) | (8,525) | (8,526) | (8,525) | (8,526) | (8,525) | (8,526) | (102,306) |
| | b Losses | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | c SO2 Allowance Expense | | 1,728 | 1,315 | 1,205 | 1,023 | 1,607 | 1,865 | 1,985 | 2,013 | 1,805 | 1,608 | 1,595 | 1,725 | 19,474 |
| 8 | Net Expenses (E) | | (6,797) | (7,211) | (7,320) | (7,503) | (6,918) | (6,661) | (6,540) | (6,513) | (6,720) | (6,918) | (6,930) | (6,801) | (82,832) |
| 9 | Total System Recoverable Expenses (Lines 6 + 7) | | (24,474) | (25,182) | (25,274) | (25,510) | (24,216) | (23,584) | (23,228) | (23,058) | (23,358) | (23,636) | (23,540) | (23,162) | (288,222) |
| | a Recoverable Costs Allocated to Energy | | (24,474) | (25,182) | (25,274) | (25,510) | (24,216) | (23,584) | (23,228) | (23,058) | (23,358) | (23,636) | (23,540) | (23,162) | (288,222) |
| | b Recoverable Costs Allocated to Demand | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10 | Energy Jurisdictional Factor | | 0.9654150 | 0.9660809 | 0.9664611 | 0.9654277 | 0.9676361 | 0.9678682 | 0.9659835 | 0.9674522 | 0.9664969 | 0.9656698 | 0.9651842 | 0.9661479 | |
| 11 | Demand Jurisdictional Factor | | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | 0.9650747 | |
| 12 | Retail Energy-Related Recoverable Costs (B) | | (23,661) | (24,362) | (24,461) | (24,663) | (23,465) | (22,858) | (22,469) | (22,339) | (22,607) | (22,857) | (22,752) | (22,409) | (278,903) |
| 13 | Retail Demand-Related Recoverable Costs (C) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 | Total Juris. Recoverable Costs (Lines 12 + 13) | | (23,661) | (24,362) | (24,461) | (24,663) | (23,465) | (22,858) | (22,469) | (22,339) | (22,607) | (22,857) | (22,752) | (22,409) | (278,903) |

Notes:

- (A) Line 6 x 6.9072% x 1/12. Based on ROE of 11.5% and weighted income tax rate of 38.575% (expansion factor of 1.628002)
- (B) Line 9a x Line 10 x 1.0014 line loss multiplier
- (C) Line 9b x Line 11
- (D) Line 6 is reported on Schedule 6E and 7E
- (E) Line 8 is reported on Schedule 4E and 5E

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Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Air Quality Assurance Testing
PE 1006, 1244**

Description:

Audit test trailer with associated support equipment to conduct Relative Accuracy Audits (RATA's) on the Continued Emission Monitoring Systems (CEM's) as required by the 1990 Clean Air Act Amendments.

Accomplishments:

All RATA's have been performed in a timely and cost-effective manner and provided assurance of CEMs performance.

Project-to-Date: \$239,115

Progress Summary: In-Service.

Projections:

The CEMs system in the RATA test trailer will be replaced during the 2002 recovery period. This replacement will provide Gulf with the accuracy and reliability needed to accurately measure SO₂, NO_x, CO₂, and Opacity and further maintain compliance with Clean Air Act Amendment requirements. The existing equipment is approaching the end of their useful life, and will be retired upon replacement. The expected cost is \$60,000.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Crist 5, 6 & 7 Precipitator Projects
PE's 1119, 1216, 1243**

Description:

These projects are necessary to improve particulate removal capabilities as a result of burning low sulfur coal. The larger precipitators and increased collection areas improve particulate collection efficiency.

Accomplishments:

No visible emission violations have occurred since installation and opacity has been substantially reduced. The precipitators have functioned successfully in burning low sulfur coal.

Project-to-Date: \$24,440,825

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Crist 7 Flue Gas Conditioning
PE 1228**

Description:

Injection of sulfur trioxide into the flue gas to improve particulate removal and improve the collection characteristics of fly ash.

Accomplishments:

System has proven effective in enhanced particulate removal in precipitators.

Project-to-Date: \$2,179,245

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Low NOx Burners, Crist 6 & 7
PE's 1236, 1242**

Description:

These are unique burners installed to decrease the quantities of NOx which is formed in the combustion process. This equipment is a requirement of the 1990 Clean Air Act Amendments.

Accomplishments:

System has proven effective in reducing NOx emissions.

Project-to-Date: \$16,296,359

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: CEMs - Crist 1, 4-7; Scholz 1; Smith 1 & 2; Daniel
PE's 1154, 1164, 1240, 1245, 1286, 1289, 1290, 1311, 1312, 1323, 1440, 1441,
1442, 1459, 1460, 1558**

Description:

This equipment is dilution extraction continuous emission monitors that measure concentrations of sulfur dioxide (SO₂) and nitrogen oxides (NO_x) in the flue gas. Additionally, opacity and flow monitors were also installed. All monitors were installed pursuant to the 1990 Clean Air Act Amendments.

Accomplishments:

The systems at both Gulf and Mississippi Power have successfully exceeded all quality assurance/quality control (QA/QC) audits as required by the 1990 Clean Air Act Amendments.

Project-to-Date: \$5,347,311

Progress Summary:

Crist 4 and 5 CEMS equipment replacements (gas analyzers, opacity monitors, and common CEMS equipment), Scholz 1 & 2 CEMS analyzer replacements, and Smith 1 gas analyzers and opacity monitor replacements are currently underway. These projects are expected to be complete by November 2001.

Projections:

Changes to the CEMs project during this recovery period will include the replacement of gas analyzers on Plant Crist Units 6 & 7 (PE 1154) and Plant Smith Unit 2 (PE 1442) and the replacement of flow monitors on Plant Scholz Units 1 & 2 (PE 1312). The gas analyzers and flow monitors are necessary in order to provide Gulf with the accuracy and reliability needed to accurately measure SO₂, NO_x, CO₂, Opacity, and Flow and further maintain compliance with CAAA requirements. Expenditures for this project are expected to be \$510,000 in 2002. All of the existing analyzers are approaching the end of their useful life, and will be retired upon replacement.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Substation Contamination Mobile Groundwater Treatment System
PE's 1007, 3400, 3412**

Description:

This capital investment was the result of Gulf's decision to purchase a previously leased treatment system, which proved effective in contaminated groundwater treatment. The direct purchase of this system resulted in a reduction in long-term project expenditures.

Accomplishments:

System has proven effective in groundwater remediation at reduced costs.

Project-to-Date: \$680,374

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Raw Water Flow Meters; Crist and Smith
PE's 1155, 1606**

Description:

This capital project is necessary for Gulf to ensure compliance with a new environmental requirement that is being made part of the Consumptive Use and Individual Water Use permits issued by the Northwest Florida Water Management District (NFWFMD). This new environmental requirement imposes a condition on any permit issued by the NFWFMD that requires the installation and monitoring of in-line totaling water flow meters on all existing and future water supply wells at Gulf facilities. Gulf will incur costs related to the installation and operation of new in-line totaling water flow meters at both Plant Crist and Plant Smith for implementation of this new activity.

Accomplishments:

The raw water flow meters have been installed at both Plant Crist and Plant Lansing Smith.

Project-to-Date: \$237,751

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Crist Cooling Tower Cell
PE 1232**

Description:

Pollution control device which allows condenser cooling water to be continually reinjected into the condenser. The cooling tower function limits water discharge temperatures to meet National Pollution Discharge Elimination System (NPDES) requirements.

Accomplishments:

The additional cooling tower cell has effectively enhanced temperature discharge compliance limits as required by the NPDES Permit.

Project-to-Date: \$906,659

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Crist 1-5 Dechlorination
PE 1248**

Description:

State and Federal NPDES permits require significant reductions in chlorine discharge from the plant. This equipment injects sulfur trioxide (SO₃) into the cooling water canal to chemically eliminate the residual chlorine present in discharge water.

Accomplishments:

The system has been effective in maintaining chlorine discharge limits.

Project-to-Date: \$305,323

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Crist Diesel Fuel Oil Remediation
PE 1270**

Description:

Installation of monitor wells in the vicinity of storage tank systems to determine if groundwater contamination was present. The project included installation of an impervious cap to prevent potential migration of contaminants to surface or groundwaters.

Accomplishments:

This activity was effective.

Project-to-Date: \$47,955

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Crist Bulk Tanker Unloading Secondary Containment
PE 1271**

Description:

This project was necessary to address deficiencies identified during the August 1992 Environmental Audit of Plant Crist and to minimize the potential risk of an uncontrolled discharge of pollutants into the waters of the United States. It is also expected to be a new requirement of the Federal Spill Prevention Control and Countermeasures Regulations presently under revision.

Accomplishments:

Unloading secondary containment complies with regulatory requirements.

Project-to-Date: \$101,495

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Crist IWW Sampling System
PE 1275**

Description:

The 1993 revision to Plant Crist's wastewater discharge permit moved the compliance point from the end of the discharge canal to a point upstream of Thompson's Bayou. To allow for this sample point modification, a dock with access was constructed in the discharge canal. The work includes a small building for the needed monitoring and sampling equipment.

Accomplishments:

Dock is complete and sampling events are collected at the required compliance point.

Project-to-Date: \$59,543

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Smith Sodium Injection System
PE 1413**

Description:

A silo storage tank system and components that injects sodium bicarbonate directly onto the coal feeder belt to enhance precipitator performance when low sulfur coal is used at Plant Smith. The injection of sodium bicarbonate as an additive to low sulfur coal reduces opacity levels to maintain compliance with Clean Air Act provisions.

Accomplishments:

The silo storage tank and components have been installed. The system is fully operational.

Project-to-Date: \$106,497

Progress Summary: In Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Smith Stormwater Collection System
PE 1446**

Description:

The National Pollution Discharge Elimination System (NPDES) requires that industrial facilities install stormwater management systems in order to prevent the unpermitted discharge of contaminated stormwater runoff to the surface waters of the United States.

Accomplishments:

No unpermitted discharges have occurred since system installation.

Project-to-Date: \$2,782,600

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Smith Waste Water Treatment Facility
PE 1466**

Description:

The system replaced the existing septic tank system installed in the early 1960's. The new system is designed to provide secondary treatment of raw sewage and domestic waste from the plant proper. The treatment includes aeration, chlorination, and dechlorination of the wastewater prior to discharging into a drain field. This project assures compliance with our industrial waste water permits requirements.

Accomplishments: Compliance maintained.

Project-to-Date: \$175,200

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Daniel Ash Management Project
PE 1535**

Description:

Provide for a dry ash transport system, lining of the existing bottom ash pond, capping the existing flyash pond and constructing a dry ash storage cell. This project is required to comply with existing groundwater quality standards.

Accomplishments: No reportable exceedances have occurred since system installation.

Project-to-Date: \$13,242,469

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Underground Fuel Tank Replacement
PE 4397**

Description:

To provide for the replacement of all of Gulf's underground tanks with new above-ground tanks. The environmental laws regarding underground tanks are more stringent in regard to monitoring requirements. The risk of potential discharges of petroleum products which could result in groundwater contamination and subsequent remediation are significantly reduced with the installation of above ground systems.

Accomplishments:

All underground tanks have been replaced with above ground tank systems.

Project-to-Date: \$457,919

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Consumptive Use - Shield Water Project
PE 1620**

Description:

This project is a water conservation and consumptive use efficiency program to reduce the demand for groundwater and the potential for saltwater intrusion. Phase I of the project consists of adding pumps, piping, valves and controls at Plant Smith to reclaim water from the ash pond. This requirement is a specific condition of Gulf's individual water use permit for Plant Smith as issued by the Northwest Florida Water Management District, calling for a 25% reduction in the use of groundwater by the end of 2004.

Accomplishments:

Project-to-Date: \$49,569

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects**

**Title: Smith 1 Low NOx GNOCIS
PE 1412**

Description:

This Generic NOx Control Intelligent System (GNOCIS) continuously and automatically adjusts boiler controls in order to optimize NOx emissions and other boiler operating parameters.

Accomplishments:

GNOCIS will be completely installed by December 2001, and is expected to offset the NOx emissions from the proposed Plant Smith Unit 3 combined cycle.

Project-to-Date: N/A

Progress Summary: N/A

Projections: \$1,200,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.1**

Title: Sulfur/Ammonia

Description:

The Crist Unit 7 sulfur trioxide (SO₃) flue gas system allows the injection of SO₃ into the flue gas stream. The addition of sulfur trioxide to the flue gas improves the collection efficiency of the precipitator when burning a low sulfur coal. Ammonia agglomerates the particles, which in turn enhances the collection efficiency of the precipitator.

Accomplishments:

The flue gas injection system has improved the efficiency of the Crist Unit 7 precipitator allowing the unit to burn low sulfur coal in compliance with the Clean Air Act Amendments of 1990. The need for sulfur injection varies based on the sulfur content of the available coal supply at Plant Crist, and is used when necessary to meet the sulfur dioxide emission requirements of the Clean Air Act Amendments (CAAA).

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$55,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.2**

Title: Air Emission Fees

Description:

These expenses are the annual fees required by the Florida Department of Environmental Protection (FDEP) under Title IV of the Clean Air Act Amendments of 1990.

Accomplishments:

Fees have been paid by due dates.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$778,106

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.3**

Title: Title V

Description:

These are expenses associated with the preparation of the Clean Air Act Amendments Title V permit applications and the subsequent implementation of Title V permits.

Accomplishments:

Title V permits for Plants Crist, Smith, and Scholz were issued by FDEP in 1999. The Title V permit for the Pea Ridge Generating Facility was issued in July, 2000.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$77,046

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.4**

Title: Asbestos Fees

Description:

These are both annual and individual project fees due to the Florida Department of Environmental Protection (FDEP) for asbestos abatement projects. These expenses are also associated with required annual state asbestos fees.

Accomplishments:

Fees paid as required and on a timely basis.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$4,500

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.5**

Title: Emission Monitoring

Description:

This program provides quality assurance/quality control testing for CEMs, including Relative Accuracy Test Audits and Linearity Tests as required by the Clean Air Act Amendments of 1990.

Accomplishments:

All systems are in compliance.

Fiscal Expenditures: N/A

Progress Summary: In Service.

Projections:

\$605,311 is expected to be spent on Emission Monitoring during this recovery period. New activities within this category include the testing, development, and implementation of new Periodic Monitoring and Compliance Assurance Monitoring (CAM) associated with the Clean Air Act Amendments of 1990.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.6**

Title: General Water Quality

Description:

These are ongoing activities undertaken pursuant to the Company's NPDES permit, soil contamination studies and also include surface and groundwater monitoring studies.

Accomplishments:

All activities are on-going and comply with all applicable environmental laws, rules, and regulations. For the ECRC approved Plant Smith CT Soil Contamination Studies, Gulf was successful in convincing FDEP that air treatment for the designed remediation system was unnecessary; air treatment and related air equipment installation, operation and maintenance can significantly increase costs of such systems. Through successful operations of the remedial system at Plant Smith, Gulf significantly reduced expenses for this project.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: \$400,367

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.7**

Title: Groundwater Contamination Investigation

Description:

This project includes sampling and testing to determine possible environmental impacts to groundwater from past herbicide applications at various substation sites.

Accomplishments:

The Florida Department of Environmental Protection has issued a No Further Action (NFA) letter for 24 sites.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: \$819,967

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.8**

Title: State NPDES Administration

Description:

This is the fee that is required by the State of Florida's National Pollution Discharge Elimination System (NPDES) program administration. These annual fees are required for the renewal of NPDES permits at Plants Crist, Smith and Scholz.

Accomplishments:

Compliance with fee due dates.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$42,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.9**

Title: Lead & Copper Rule

Description:

These are sampling and analytical costs for lead and copper in drinking water as required by the Florida Department of Environmental Protection (FDEP) regulations.

Accomplishments:

All sampling and analytical protocols are current.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$18,257

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.10**

Title: Environmental Auditing/Assessment

Description:

This program ensures continued compliance with environmental laws, rules, and regulations through auditing and/or assessment of company facilities and operations.

Accomplishments:

Audits and assessments accomplished to date have demonstrated compliance with environmental laws, rules, and regulations.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$3,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.11**

Title: General Solid and Hazardous Waste

Description:

This program provides for the proper identification, handling, storage, transportation and disposal of solid and hazardous wastes.

Accomplishments:

Gulf has complied with all hazardous and solid wastes regulations.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$196,974

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.12**

**Title: Above Ground Storage Tank Integrity and Secondary Containment
Upgrades**

Description:

This project is required under the provisions of Chapter 62-762 F.A.C. and includes specific performance standards applicable to existing field-erected storage tank systems. These performance standards include installation of secondary containment, cathodic protection and tank integrity inspections.

Accomplishments:

Gulf has complied with all petroleum storage tank requirements.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$50,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.13**

Title: Low NOx

Description:

This activity refers to the maintenance expenses associated with the Low NOx burner tips on Crist Units 4 & 5 and Smith Unit 1.

Accomplishments:

Burner tips on Plant Crist Units 4 & 5 and Plant Smith Unit 1 are installed and in-service.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.14**

Title: Crist 4-7 Ash Pond Diversion Curtains

Description:

This project refers to the installation of additional flow diversion curtains at the Plant Crist ash pond to effectively increase water retention time in the ash pond, thereby allowing for the sedimentation/precipitation treatment process to be more effective in reducing levels of suspended particulate from the outfall at the Plant Crist ash pond.

Accomplishments:

The diversion curtains have been installed.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.15**

Title: Mercury Emissions

Description:

This project refers to EPA requirements to analyze coal shipments for mercury and chlorine content.

Accomplishments:

Coal shipments are being analyzed as required.

Fiscal Expenditures: N/A

Progress Summary:

Sampling and analytical requirements are not expected in 2002.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.16**

Title: Sodium Injection

Description:

This project refers to the installation of a sodium injection system at Plant Smith. The activity involves sodium injection to the coal supply at Plant Smith to enhance precipitator efficiencies when burning low sulfur coal.

Accomplishments:

Sodium carbonate is used at Plant Smith when low sulfur coal is burned.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$48,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2002-December 2002

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.17**

Title: Gulf Coast Ozone Study (GCOS)

Description:

Escambia and Santa Rosa counties are identified as potential ozone non-attainment areas due to the new eight-hour ambient air quality standards adopted by the U.S. Environmental Protection Agency (EPA) in accordance with Title I of the Clean Air Act Amendments of 1990. This project refers to Gulf's participation in the Gulf Coast Ozone Study (GCOS) which is a joint modeling analysis between Gulf Power and the State of Florida to provide an improved basis for assessment of eight-hour ozone air quality for Northwest Florida.

Accomplishments:

Fiscal Expenditures: N/A

Progress Summary:

The expected completion date for the GCOS project has been extended due to a delay in the final rule development by EPA. The goal of the project is to develop strategies for ozone ambient air attainment to supplement Florida's SIP submission to EPA for Escambia and Santa Rosa counties.

Projections: \$235,000

Gulf Power Company
 Environmental Cost Recovery Clause (ECRC)
Calculation of the Energy & Demand Allocation % By Rate Class
 January 2002 - December 2002

| Rate Class | (1) Average 12 CP Load Factor at Meter (%) | (2) Jan - Dec. 2002 Projected Sales at Meter (KWH) | (3) Projected Avg 12 CP at Meter (KW) | (4) Demand Loss Expansion Factor | (5) Energy Loss Expansion Factor | (6) Projected Sales at Generation (KWH) | (7) Projected Avg 12 CP at Generation (KW) | (8) Percentage of KWH Sales at Generation (%) | (9) Percentage of 12 CP Demand at Generation (%) |
|-------------------|--|---|---|--|--|---|--|---|--|
| RS, RST, RSVP | 58.269848% | 4,769,844,000 | 934,450.25 | 1.1019333 | 1.0766175 | 5,135,297,523 | 1,029,701.85 | 46.93328% | 55.92950% |
| GS, GST | 58.862369% | 286,366,000 | 55,536.64 | 1.1019255 | 1.0766135 | 308,305,502 | 61,197.24 | 2.81771% | 3.32400% |
| GSD, GSDT | 77.395927% | 2,261,421,000 | 333,548.67 | 1.1016647 | 1.0764011 | 2,434,196,052 | 367,458.80 | 22.24697% | 19.95897% |
| LP, LPT | 85.767459% | 1,898,666,000 | 252,709.71 | 1.0601470 | 1.0444167 | 1,982,998,478 | 267,909.44 | 18.12331% | 14.55183% |
| PX, PXT, RTP, SBS | 98.930621% | 922,324,000 | 106,426.23 | 1.0313379 | 1.0235079 | 944,005,900 | 109,761.40 | 8.62760% | 5.96182% |
| OS-I, OS-II | 979.964079% | 94,076,000 | 1,095.88 | 1.1020255 | 1.0766162 | 101,283,746 | 1,207.69 | 0.92567% | 0.06560% |
| OS-III | 100.678498% | 29,100,000 | 3,299.53 | 1.1024447 | 1.0766529 | 31,330,599 | 3,637.55 | 0.28634% | 0.19758% |
| OS-IV | 254.007949% | 3,976,000 | 178.69 | 1.1024447 | 1.0766529 | 4,280,772 | 197.00 | 0.03912% | 0.01070% |
| TOTAL | | <u>10,265,773,000</u> | <u>1,687,245.60</u> | | | <u>10,941,698,572</u> | <u>1,841,070.97</u> | <u>100.00000%</u> | <u>100.00000%</u> |

Notes:

- (1) Average 12 CP load factor based on actual 1999 load research data
- (2) Projected KWH sales for the period January 2002 - December 2002
- (3) Calculated: (Col 2) / (8,760 x Col 1), (8,760 hours = the # of hours in 1 year)
- (4) Based on 1990 demand losses
- (5) Based on 1990 energy losses
- (6) Col 2 x Col 5
- (7) Col 3 x Col 4
- (8) Col 6 / total for Col 6
- (9) Col 7 / total for Col 7

Schedule 7P

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Energy & Demand Allocation % By Rate Class
January 2002 - December 2002

| Rate Class | (1) Percentage of KWH Sales at Generation (%) | (2) Percentage of 12 CP Demand at Generation (%) | (3) Energy- Related Costs | (4) Demand- Related Costs | (5) Total Environmental Costs | (6) Projected Sales at Meter (KWH) | (7) Environmental Cost Recovery Factors (¢/KWH) |
|-------------------|---|--|------------------------------------|------------------------------------|--|--|---|
| RS, RST, RSVP | 46.93328% | 55.92950% | 3,092,203 | 1,866,342 | 4,958,545 | 4,769,844,000 | 0.104 |
| GS, GST | 2.81771% | 3.32400% | 185,645 | 110,920 | 296,565 | 286,366,000 | 0.104 |
| GSD, GSDT | 22.24697% | 19.95897% | 1,465,744 | 666,022 | 2,131,766 | 2,261,421,000 | 0.094 |
| LP, LPT | 18.12331% | 14.55183% | 1,194,056 | 485,588 | 1,679,644 | 1,898,666,000 | 0.088 |
| PX, PXT, RTP, SBS | 8.62760% | 5.96182% | 568,430 | 198,943 | 767,373 | 922,324,000 | 0.083 |
| OS-I, OS-II | 0.92567% | 0.06560% | 60,988 | 2,189 | 63,177 | 94,076,000 | 0.067 |
| OS-III | 0.28634% | 0.19758% | 18,866 | 6,593 | 25,459 | 29,100,000 | 0.087 |
| OS-IV | 0.03912% | 0.01070% | 2,577 | 357 | 2,934 | 3,976,000 | 0.074 |
| TOTAL | <u>100.00000%</u> | <u>100.00000%</u> | <u>\$6,588,509</u> | <u>\$3,336,954</u> | <u>\$9,925,463</u> | <u>10,265,773,000</u> | <u>0.097</u> |

Notes:

- (1) From Schedule 6P, Col 8
- (2) From Schedule 6P, Col 9
- (3) Col 1 x Total Energy \$ from Schedule 1P, line 5
- (4) Col 2 x Total Demand \$ from Schedule 1P, line 5
- (5) Col 3 + Col 4
- (6) Projected KWH sales for the period January 2002 - December 2002
- (7) Col 5 / Col 6 x 100

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