

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

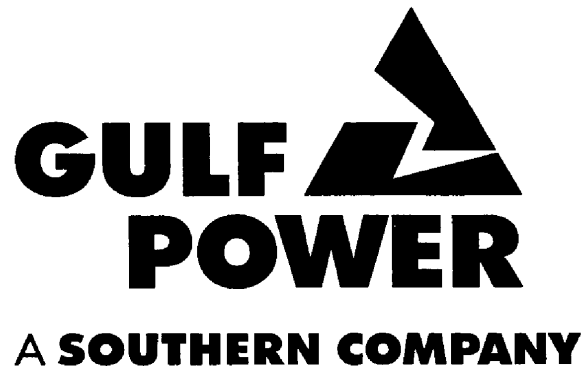
**ENVIRONMENTAL COST RECOVERY
CLAUSE**

DOCKET NO. 030007-EI

PREPARED DIRECT TESTIMONY AND
EXHIBIT OF
SUSAN D. RITENOUR

PROJECTION FILING FOR THE PERIOD
JANUARY 2004 – DECEMBER 2004

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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. 030007-EI
Date of Filing: September 8, 2003

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 Secretary and
8 Treasurer and Regulatory Manager 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 Assistant Secretary and Assistant
19 Treasurer, Supervisor of Rate Services, Senior Financial Analyst, and
20 Computer Modeling Analyst.

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

25

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 2004 through December 2004.

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 2004 through December 2004. 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. 010949-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 June 2002 through May 2003 test
6 year on which present base 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. 010949-EI, Order No. PSC-02-0787-
24 FOF-EI, dated June 10, 2002. This rate of return incorporates a return
25 on equity of 12.0 percent.

1 Q. How was the breakdown between demand-related and energy-related
2 investment costs determined?

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

12

13 Q. What is the total amount of projected recoverable costs related to the
14 period January 2004 through December 2004?

15 A. The total projected jurisdictional recoverable costs for the period January
16 2004 through December 2004 are \$14,108,217 as shown on line 1c of
17 Schedule 1P. This includes costs related to O & M activities of
18 \$2,901,327 and costs related to capital projects of \$11,206,890 as
19 shown on lines 1a and 1b of Schedule 1P.

20

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

23 A. The total recoverable revenue requirement including revenue taxes is
24 \$13,679,296 for the period January 2004 through December 2004 as
25 shown on line 5 of Schedule 1P. This amount includes the recoverable

1 costs related to the projection period and the total true-up cost of
2 \$438,763 to be refunded. Schedule 1P also summarizes the energy and
3 demand components of the requested revenue requirement. I allocated
4 these amounts to rate class using the appropriate energy and demand
5 allocators as shown on Schedules 6P and 7P.

6

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

9 A. The demand allocation factors used in the ECRC were calculated using
10 the 2001 load data filed with the Commission in accordance with FPSC
11 Rule 25-6.0437. The energy allocation factors were calculated based on
12 projected KWH sales for the period adjusted for losses. The calculation
13 of the allocation factors for the period is shown in columns 1 through 9
14 on Schedule 6P.

15

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

18 A. As I described earlier in my testimony, Schedule 1P summarizes the
19 energy and demand portions of the total requested revenue requirement.
20 The energy-related recoverable revenue requirement of \$9,877,198 for
21 the period January 2004 through December 2004 was allocated using
22 the energy allocator, as shown in column 3 on Schedule 7P. The
23 demand-related recoverable revenue requirement of \$3,802,098 for the
24 period January 2004 through December 2004 was allocated using the
25 demand allocator, as shown in column 4 on Schedule 7P. The energy-

1 related and demand-related recoverable revenue requirements are
2 added together to derive the total amount assigned to each rate class,
3 as shown in column 5.

4

5 Q. What is the monthly amount related to environmental costs recovered
6 through this factor that will be included on a residential customer's bill for
7 1,000 kwh?

8 A. The environmental costs recovered through the clause from the
9 residential customer who uses 1,000 kwh will be \$1.36 monthly for the
10 period January 2004 through December 2004.

11

12 Q. When does Gulf propose to collect its environmental cost recovery
13 charges?

14 A. The factors will be effective beginning with the first Bill Group for January
15 2004 and continuing through the last Bill Group for December 2004.

16

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

18 A. Yes, it does.

19

20

21

22

23

24

25

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 030007-EI

Before me the undersigned authority, personally appeared Susan D. Ritenour, who being first duly sworn, deposes, and says that she is the Secretary and Treasurer and Regulatory Manager 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
Secretary and Treasurer and Regulatory Manager

Sworn to and subscribed before me this 5th day of September,
2003.

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



LINDA C. WEBB
Notary Public-State of FL
Comm. Exp: May 31, 2006
Comm. No: DD 110088

Schedule 1P

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

For the Projected Period
January 2004 - December 2004

Line No.	Energy (\$)	Demand (\$)	Total (\$)
1 Total Jurisdictional Rev. Req. for the projected period			
a Projected O & M Activities (Schedule 2P, Lines 7, 8 & 9)	1,265,695	1,635,632	2,901,327
b Projected Capital Projects (Schedule 3P, Lines 7, 8 & 9)	<u>8,887,807</u>	<u>2,319,083</u>	<u>11,206,890</u>
c Total Jurisdictional Rev. Req. for the projected period (Lines 1a + 1b)	10,153,502	3,954,715	14,108,217
2 True-Up for Estimated Over/(Under) Recovery for the period January 2003 - December 2003 (Schedule 1E, Line 4)	134,262	74,901	209,163
3 Final True-Up for the period January 2002 - December 2002 (Schedule 1A, Line 3)	<u>149,148</u>	<u>80,452</u>	<u>229,600</u>
4 Total Jurisdictional Amount to be Recovered/(Refunded) in the projection period January 2004 - December 2004 (Line 1c - Line 2 - Line 3)	<u>9,870,092</u>	<u>3,799,362</u>	<u>13,669,454</u>
5 Total Projected Jurisdictional Amount Adjusted for Taxes (Line 4 x Revenue Tax Multiplier)	<u>9,877,198</u>	<u>3,802,098</u>	<u>13,679,296</u>

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 2004 - December 2004

O & M Activities
(in Dollars)

Line	January	February	March	April	May	June	July	August	September	October	November	December	End of	Method of		
													12-Month	Demand	Energy	
1	Description of O & M Activities															
1	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0
2	290,000	370,000	5,500	0	0	0	0	124,374	0	0	0	0	789,874		789,874	
3	5,937	5,937	8,577	9,224	6,630	10,127	6,630	6,630	9,130	9,224	6,401	9,689	94,136		94,136	
4	2,000	0	0	0	0	0	0	0	0	0	0	0	2,000	2,000		
5	27,810	28,815	39,627	37,576	51,889	62,844	51,344	32,344	42,344	36,481	34,684	43,210	488,968		488,968	
6	22,569	24,830	26,253	25,731	28,908	33,406	29,283	25,880	26,082	27,604	31,259	38,850	340,655	340,655		
7	77,345	74,177	75,260	77,185	86,357	72,928	72,031	74,419	73,526	78,379	87,549	72,987	922,143	922,143		
8	30,500	11,500	0	0	0	0	0	0	0	0	0	0	42,000	42,000		
9	140	140	1,900	160	160	1,910	160	160	1,910	190	200	1,970	9,000	9,000		
10	417	417	417	417	417	417	417	417	417	417	417	413	5,000	5,000		
11	15,702	15,696	16,982	19,392	16,521	17,330	16,504	16,506	17,331	20,294	17,722	19,146	209,126	209,126		
12	0	0	16,250	0	0	16,250	0	0	16,250	0	0	16,250	65,000	65,000		
13	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0
14	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0
15	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0
16	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0
17	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,663	20,000		20,000	
18	0	0	0	0	10,000	25,000	30,000	25,000	10,000	0	0	0	100,000	100,000		
19	(6,835)	(7,051)	(7,049)	(7,097)	(6,915)	(6,689)	(6,633)	(6,642)	(6,687)	(6,840)	(6,863)	(6,842)	(82,143)		(82,143)	
2	467,252	526,128	185,384	164,255	195,634	235,190	201,403	300,755	191,970	167,416	173,036	197,336	3,005,759	1,694,924	1,310,835	
3	318,579	399,368	48,322	41,370	53,271	67,949	53,008	158,373	46,454	40,532	35,889	47,720	1,310,835			
4	148,673	126,760	137,062	122,885	142,363	167,241	148,395	142,382	145,516	126,884	137,147	149,616	1,694,924			
5	0.9635793	0.9634764	0.9672145	0.9660819	0.9670238	0.9686274	0.9657343	0.9674915	0.9661858	0.9651214	0.9631079	0.9646617				
6	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187				
7	307,191	385,051	46,770	39,995	51,550	65,863	51,227	153,332	44,915	39,146	34,589	46,066	1,265,695			
8	143,472	122,326	132,267	118,586	137,383	161,391	143,204	137,401	140,426	122,445	132,349	144,382	1,635,632			
9	450,663	507,377	179,037	158,581	188,933	227,254	194,431	290,733	185,341	161,591	166,938	190,448	2,901,327			
	Total Jurisdictional Recoverable Costs for O & M Activities (Lines 7 + 8)															

Notes

(A) Line 3 x Line 5 x 1.0007 line loss multiplier

(B) Line 4 x Line 6

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2004 - December 2004

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 Air Quality Assurance Testing	1,869	1,858	1,848	1,838	1,829	1,818	1,808	1,798	1,788	1,777	1,768	1,758	21,757	0	21,757	
2 Crst 5, 6 & 7 Precipitator Projects	230,861	229,971	229,082	228,192	227,302	210,481	193,841	193,314	192,789	192,263	191,736	191,211	2,511,043	0	2,511,043	
3 Crst 7 Flue Gas Conditioning	20,410	20,341	20,271	20,203	20,133	20,065	19,995	19,926	19,856	19,788	19,717	19,649	240,354	0	240,354	
4 Low Nox Burners, Crst 6 & 7	169,668	173,195	180,748	188,300	202,826	213,266	212,653	212,040	211,428	210,814	210,202	209,589	2,394,729	0	2,394,729	
5 CEMs- Plant Crst, Scholz, Smith, and Daniel	63,575	63,525	63,474	63,423	63,372	63,322	63,248	63,142	63,232	63,528	63,824	64,079	761,744	0	761,744	
6 Sub Contam Mobile Groundwater Treat Sys	9,855	9,836	9,817	9,798	9,778	9,759	9,740	9,720	9,701	9,681	9,662	9,642	116,989	107,989	9,000	
7 Raw Water Well Flowmeters - Crst & Smith	2,821	2,814	2,808	2,800	2,794	2,786	2,779	2,772	2,765	2,758	2,751	2,744	33,392	30,824	2,568	
8 Crst Cooling Tower Cell	8,523	8,493	8,463	8,432	8,404	8,373	8,345	8,314	8,285	8,254	8,224	8,195	100,305	92,589	7,716	
9 Crst 1-5 Dechlorination	3,010	3,000	2,991	2,982	2,973	2,963	2,954	2,945	2,935	2,926	2,917	2,908	35,504	32,772	2,732	
10 Crst Diesel Fuel Oil Remediation	490	536	582	659	714	712	710	708	705	704	701	700	7,921	7,311	610	
11 Crst Bulk Tanker Unload Sec Contam Struc	1,002	999	995	992	989	986	982	980	977	973	971	967	11,813	10,904	909	
12 Crst IWW Sampling System	584	583	582	579	578	575	574	572	570	569	566	565	6,897	6,366	531	
13 Smith Sodium Injection System	1,165	1,161	1,159	1,156	1,153	1,151	1,148	1,145	1,142	1,139	1,137	1,134	13,790	0	13,790	
14 Smith Stormwater Collection System	27,152	27,080	27,008	26,936	26,863	26,791	26,719	26,647	26,574	26,502	26,430	26,358	321,060	296,362	24,698	
15 Smith Waste Water Treatment Facility	1,658	1,654	1,649	1,645	1,640	1,636	1,631	1,626	1,622	1,617	1,613	1,608	19,599	18,091	1,508	
16 Daniel Ash Management Project	158,240	157,856	157,472	157,088	156,704	156,320	155,935	155,551	155,167	154,783	154,399	154,015	1,873,530	1,729,413	144,117	
17 Shield Water Project	552	551	549	548	547	545	544	543	542	540	539	538	6,538	6,036	502	
18 Underground Fuel Tank Replacement	5,455	5,408	5,362	5,314	5,269	5,222	5,176	5,129	5,084	5,036	4,990	4,943	62,388	57,589	4,799	
19 Crst DEP Project	0	0	0	0	0	240,519	480,456	479,293	478,128	476,964	475,800	474,636	3,105,796	0	3,105,796	
20 Crst Scrubber Study	50	150	249	349	449	548	649	749	849	948	1,048	1,148	7,186	0	7,186	
21 Crst Stormwater Collection System	0	0	0	0	0	0	0	196	589	982	1,376	1,769	2,566	7,478	6,903	
22 Crst Common FTIR	118	450	664	663	661	660	658	656	655	654	651	650	7,140	0	7,140	
23 SO2 Allowances	<u>(5,911)</u>	<u>(5,845)</u>	<u>(5,779)</u>	<u>(5,713)</u>	<u>(5,646)</u>	<u>(5,582)</u>	<u>(5,519)</u>	<u>(5,456)</u>	<u>(5,393)</u>	<u>(5,330)</u>	<u>(5,265)</u>	<u>(5,200)</u>	<u>(66,639)</u>	<u>0</u>	<u>(66,639)</u>	
2 Total Investment Projects - Recoverable Costs	701,147	703,616	709,994	716,184	729,332	962,916	1,185,222	1,182,703	1,180,383	1,178,264	1,176,150	1,174,403	11,600,314	2,403,149	9,197,165	
3 Recoverable Costs Allocated to Energy	498,679	501,637	508,507	515,164	528,789	762,916	985,574	983,230	981,083	979,139	977,198	975,249	9,197,165			
4 Recoverable Costs Allocated to Demand	202,468	201,979	201,487	201,020	200,543	200,000	199,648	199,473	199,300	199,125	198,952	199,154	2,403,149			
5 Retail Energy Jurisdictional Factor	0.9635793	0.9634764	0.9672145	0.9660819	0.9670238	0.9686274	0.9657343	0.9674915	0.9661858	0.9651214	0.9631079	0.9646617				
6 Retail Demand Jurisdictional Factor	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187				
7 Jurisdictional Energy Recoverable Costs (A)	480,853	483,654	492,180	498,039	511,709	739,499	952,469	951,933	948,572	945,649	941,806	941,444	8,887,807			
8 Jurisdictional Demand Recoverable Costs (B)	<u>195,385</u>	<u>194,914</u>	<u>194,439</u>	<u>193,988</u>	<u>193,528</u>	<u>193,004</u>	<u>192,664</u>	<u>192,495</u>	<u>192,328</u>	<u>192,159</u>	<u>191,992</u>	<u>192,187</u>	<u>2,319,083</u>			
9 Total Jurisdictional Recoverable Costs for Investment Projects (Lines 7 + 8)	<u>676,238</u>	<u>678,568</u>	<u>686,619</u>	<u>692,027</u>	<u>705,237</u>	<u>932,503</u>	<u>1,145,133</u>	<u>1,144,428</u>	<u>1,140,900</u>	<u>1,137,808</u>	<u>1,133,798</u>	<u>1,133,631</u>	<u>11,206,890</u>			

Notes

- (A) Each project's Total System Recoverable Expenses on Schedule 4P, Line 9
(B) Line 3 x Line 5 x 1.0007 line loss multiplier
(C) Line 4 x Line 6

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2004 - December 2004

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	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	End of Period Amount
1	Investments (A)														
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
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	328,697	328,697	328,697	328,697	328,697	328,697	328,697	328,697	328,697	328,697	328,697	328,697	328,697	328,697
3	Less: Accumulated Depreciation (C)	(243,106)	(244,172)	(245,238)	(246,304)	(247,370)	(248,436)	(249,502)	(250,568)	(251,634)	(252,700)	(253,766)	(254,832)	(255,898)	
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)	85,591	84,525	83,459	82,393	81,327	80,261	79,195	78,129	77,063	75,997	74,931	73,865	72,799	
6	Average Net Investment		85,058	83,992	82,926	81,860	80,794	79,728	78,662	77,596	76,530	75,464	74,398	73,332	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		625	617	609	601	594	586	578	570	562	554	547	539	6,982
b	Debt Component (Line 6 x 2 5042% x 1/12)		178	175	173	171	169	166	164	162	160	157	155	153	1,983
8	Investment Expenses														
a	Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Amortization (F)		1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	1,066	12,792
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 (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		1,869	1,858	1,848	1,838	1,829	1,818	1,808	1,798	1,788	1,777	1,768	1,758	21,757
a	Recoverable Costs Allocated to Energy		1,869	1,858	1,848	1,838	1,829	1,818	1,808	1,798	1,788	1,777	1,768	1,758	21,757
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9635793	0.9634764	0.9672145	0.9660819	0.9670238	0.9686274	0.9657343	0.9674915	0.9661858	0.9651214	0.9631079	0.9646617	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (H)		1,802	1,791	1,789	1,777	1,770	1,762	1,747	1,741	1,729	1,716	1,704	1,697	21,025
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Juris Recoverable Costs (Lines 12 + 13)		1,802	1,791	1,789	1,777	1,770	1,762	1,747	1,741	1,729	1,716	1,704	1,697	21,025

Notes

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), units, or plant accounts(s)
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%
- (E) N/A
- (F) Any property that is amortized uses a 7 year amortization period
- (G) Description and reason for "Other" adjustments to investment expenses for this project
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2004 - December 2004

Return on Capital Investments, Depreciation and Taxes
For Project Crst 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)														
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	11,862,909	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	700,000	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	10,000	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	24,440,825	24,440,825	24,440,825	24,440,825	24,440,825	24,440,825	12,577,916	12,577,916	12,577,916	12,577,916	12,577,916	12,577,916	12,577,916	12,577,916
3	Less. Accumulated Depreciation (C)	(9,920,646)	(10,014,969)	(10,109,292)	(10,203,616)	(10,297,939)	(10,392,262)	2,085,601	2,029,833	1,974,065	1,918,297	1,862,528	1,806,760	1,750,991	
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)	14,520,179	14,425,856	14,331,533	14,237,209	14,142,886	14,048,563	14,663,517	14,607,749	14,551,981	14,496,213	14,440,444	14,384,676	14,328,907	
6	Average Net Investment		14,473,018	14,378,695	14,284,371	14,190,048	14,095,725	14,356,040	14,635,633	14,579,865	14,524,097	14,468,329	14,412,560	14,356,792	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		106,333	105,640	104,947	104,254	103,561	105,474	107,528	107,118	106,709	106,299	105,889	105,479	1,269,231
b	Debt Component (Line 6 x 2.5042% x 1/12)		30,205	30,008	29,811	29,615	29,418	29,961	30,545	30,428	30,312	30,195	30,079	29,963	360,540
8	Investment Expenses														
a	Depreciation (E)		79,433	79,433	79,433	79,433	79,433	60,155	40,878	40,878	40,878	40,878	40,878	40,878	702,588
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		14,890	14,890	14,891	14,890	14,890	14,891	14,890	14,890	14,890	14,891	14,890	14,891	178,684
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		230,861	229,971	229,082	228,192	227,302	210,481	193,841	193,314	192,789	192,263	191,736	191,211	2,511,043
a	Recoverable Costs Allocated to Energy		230,861	229,971	229,082	228,192	227,302	210,481	193,841	193,314	192,789	192,263	191,736	191,211	2,511,043
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9635793	0.9634764	0.9672145	0.9660819	0.9670238	0.9686274	0.9657343	0.9674915	0.9661858	0.9651214	0.9631079	0.9646617	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (H)		222,609	221,727	221,727	220,606	219,960	204,020	187,330	187,161	186,400	185,687	184,792	184,583	2,426,602
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Juris Recoverable Costs (Lines 12 + 13)		222,609	221,727	221,727	220,606	219,960	204,020	187,330	187,161	186,400	185,687	184,792	184,583	2,426,602

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), units, or plant accounts(s)
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%
- (E) 3.9% annually
- (F) Any property that is amortized uses a 7 year amortization period
- (G) Description and reason for "Other" adjustments to investment expenses for this project
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2004 - December 2004
Return on Capital Investments, Depreciation and Taxes
For Project Crist 7 Flue Gas Conditioning
P E 1228
(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)														
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	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	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 (C)	(790,083)	(797,422)	(804,762)	(812,101)	(819,441)	(826,780)	(834,120)	(841,459)	(848,799)	(856,138)	(863,478)	(870,817)	(878,157)	
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)	1,389,162	1,381,823	1,374,483	1,367,144	1,359,804	1,352,465	1,345,125	1,337,786	1,330,446	1,323,107	1,315,767	1,308,428	1,301,088	
6	Average Net Investment		1,385,493	1,378,153	1,370,814	1,363,474	1,356,135	1,348,795	1,341,456	1,334,116	1,326,777	1,319,437	1,312,098	1,304,758	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		10,179	10,125	10,071	10,017	9,964	9,910	9,856	9,802	9,748	9,694	9,640	9,586	118,592
b	Debt Component (Line 6 x 2.5042% x 1/12)		2,892	2,876	2,861	2,846	2,830	2,815	2,800	2,784	2,769	2,754	2,738	2,723	33,688
8	Investment Expenses														
a	Depreciation (E)		7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	7,083	84,996
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	
c	Dismantlement		256	257	256	257	256	257	256	257	256	257	256	257	3,078
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	
9	Total System Recoverable Expenses (Lines 7 + 8)		20,410	20,341	20,271	20,203	20,133	20,065	19,995	19,926	19,856	19,788	19,717	19,649	240,354
a	Recoverable Costs Allocated to Energy		20,410	20,341	20,271	20,203	20,133	20,065	19,995	19,926	19,856	19,788	19,717	19,649	240,354
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	
10	Energy Jurisdictional Factor		0.9635793	0.9634764	0.9672145	0.9660819	0.9670238	0.9686274	0.9657343	0.9674915	0.9661858	0.9651214	0.9631079	0.9646617	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (H)		19,680	19,612	19,620	19,531	19,483	19,449	19,323	19,292	19,198	19,111	19,003	18,968	232,270
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	
14	Total Juris Recoverable Costs (Lines 12 + 13)		19,680	19,612	19,620	19,531	19,483	19,449	19,323	19,292	19,198	19,111	19,003	18,968	232,270

Notes

- (A) Description and reason for 'Other' adjustments to net Investment for this project, if applicable
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), units, or plant accounts(s)
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%
- (E) 3.9% annually
- (F) Any property that is amortized uses a 7 year amortization period
- (G) Description and reason for "Other" adjustments to investment expenses for this project
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

6

Gulf Power Company

Environmental Cost Recovery Clause (ECRC)

Calculation of the Projected Period Amount

January 2004 - December 2004

Return on Capital Investments, Depreciation and Taxes

For Project Low Nox Burners, Crist 6 & 7

P E s 1234, 1236 & 1242

(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)														
a	Expenditures/Additions		0	853,567	853,567	853,567	853,569	0	0	0	0	0	0	0	
b	Clearings to Plant		0	0	0	0	4,714,270	0	0	0	0	0	0	0	
c	Retirements		0	0	0	0	1,020,000	0	0	0	0	0	0	0	
d	Cost of Removal		0	0	0	0	211,300	0	0	0	0	0	0	0	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	16,296,359	16,296,359	16,296,359	16,296,359	16,296,359	19,990,629	19,990,629	19,990,629	19,990,629	19,990,629	19,990,629	19,990,629	19,990,629	
3	Less Accumulated Depreciation (C)	(5,199,195)	(5,252,158)	(5,305,121)	(5,358,084)	(5,411,047)	(4,238,714)	(4,303,683)	(4,368,652)	(4,433,621)	(4,498,590)	(4,563,559)	(4,628,528)	(4,693,497)	
4	CWIP - Non Interest Bearing	1,300,000	1,300,000	2,153,567	3,007,134	3,860,701	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 - 3 + 4)	12,397,164	12,344,201	13,144,805	13,945,409	14,746,013	15,751,915	15,686,946	15,621,977	15,557,008	15,492,039	15,427,070	15,362,101	15,297,132	
6	Average Net Investment		12,370,683	12,744,503	13,545,107	14,345,711	15,248,964	15,719,431	15,654,462	15,589,493	15,524,524	15,459,555	15,394,586	15,329,617	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		90,887	93,634	99,516	105,398	112,034	115,491	115,013	114,536	114,059	113,581	113,104	112,627	1,299,880
b	Debt Component (Line 6 x 2 5042% x 1/12)		25,818	26,598	28,269	29,939	31,825	32,806	32,671	32,535	32,400	32,264	32,129	31,993	369,247
8	Investment Expenses														
a	Depreciation (E)		52,963	52,963	52,963	52,963	58,967	64,969	64,969	64,969	64,969	64,969	64,969	64,969	725,602
b	Amortization (F)		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 (G)		0	0	0	0	0	0	0	0	0	0	0	0	
9	Total System Recoverable Expenses (Lines 7 + 8)		169,668	173,195	180,748	188,300	202,826	213,266	212,653	212,040	211,428	210,814	210,202	209,589	2,394,729
a	Recoverable Costs Allocated to Energy		169,668	173,195	180,748	188,300	202,826	213,266	212,653	212,040	211,428	210,814	210,202	209,589	2,394,729
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	
10	Energy Jurisdictional Factor		0.9635793	0.9634764	0.9672145	0.9660819	0.9670238	0.9686274	0.9657343	0.9674915	0.9661858	0.9651214	0.9631079	0.9646617	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (H)		163,603	166,986	174,944	182,041	196,275	206,720	205,510	205,291	204,422	203,604	202,589	202,324	2,314,309
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	
14	Total Juris Recoverable Costs (Lines 12 + 13)		163,603	166,986	174,944	182,041	196,275	206,720	205,510	205,291	204,422	203,604	202,589	202,324	2,314,309

Notes

- (A) Description and reason for 'Other' adjustments to net Investment for this project, if applicable
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), units, or plant accounts(s)
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%
- (E) 3.9% annually
- (F) Any property that is amortized uses a 7 year amortization period
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2004 - December 2004

Return on Capital Investments, Depreciation and Taxes

For Project: CEMs- Plant Crist, Scholz, Smith, and Daniel

PEs 1154, 1164, 1217, 1240, 1245, 1286, 1289, 1290, 1311, 1316, 1323, 1324, 1325, 1330, 1440, 1441, 1442, 1454, 1459, 1460, 1558, 1560
(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)														
a	Expenditures/Additions		6,999	6,999	6,999	6,999	6,999	7,005	0	0	43,750	43,750	43,750	43,750	
b	Clearings to Plant		0	0	0	0	0	0	42,000	0	0	0	0	175,000	
c	Retirements		0	0	0	0	0	0	32,500	0	0	0	0	200,000	
d	Cost of Removal		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	
2	Plant-in-Service/Depreciation Base (B)	4,224,350	4,224,350	4,224,350	4,224,350	4,224,350	4,224,350	4,224,350	4,233,850	4,233,850	4,233,850	4,233,850	4,233,850	4,208,850	
3	Less Accumulated Depreciation (C)	1,062,963	1,050,585	1,038,207	1,025,829	1,013,451	1,001,073	988,695	1,008,806	996,406	984,006	971,606	959,206	1,146,847	
4	CWIP - Non Interest Bearing	0	6,999	13,998	20,997	27,996	34,995	42,000	0	0	43,750	87,500	131,250	0	
5	Net Investment (Lines 2 - 3 + 4)	5,287,313	5,281,934	5,276,555	5,271,176	5,265,797	5,260,418	5,255,045	5,242,656	5,230,256	5,261,606	5,292,956	5,324,306	5,355,697	
6	Average Net Investment		5,284,624	5,279,245	5,273,866	5,268,487	5,263,108	5,257,732	5,248,851	5,236,456	5,245,931	5,277,281	5,308,631	5,340,002	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		38,826	38,787	38,747	38,708	38,668	38,629	38,563	38,472	38,542	38,772	39,003	39,233	464,950
b	Debt Component (Line 6 x 2.5042% x 1/12)		11,029	11,018	11,007	10,995	10,984	10,973	10,954	10,928	10,948	11,014	11,079	11,145	132,074
8	Investment Expenses														
a	Depreciation (E)		12,378	12,378	12,378	12,378	12,378	12,378	12,389	12,400	12,400	12,400	12,400	12,359	148,616
b	Amortization (F)		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		1,342	1,342	1,342	1,342	1,342	1,342	1,342	1,342	1,342	1,342	1,342	1,342	16,104
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	
9	Total System Recoverable Expenses (Lines 7 + 8)		63,575	63,525	63,474	63,423	63,372	63,322	63,248	63,142	63,232	63,528	63,824	64,079	761,744
a	Recoverable Costs Allocated to Energy		63,575	63,525	63,474	63,423	63,372	63,322	63,248	63,142	63,232	63,528	63,824	64,079	761,744
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	
10	Energy Jurisdictional Factor		0.9635793	0.9634764	0.9672145	0.9660819	0.9670238	0.9686274	0.9657343	0.9674915	0.9661858	0.9651214	0.9631079	0.9646617	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (H)		61,302	61,248	61,436	61,315	61,325	61,378	61,124	61,132	61,137	61,355	61,512	61,858	736,122
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	
14	Total Juris Recoverable Costs (Lines 12 + 13)		61,302	61,248	61,436	61,315	61,325	61,378	61,124	61,132	61,137	61,355	61,512	61,858	736,122

Notes

- (A) Description and reason for 'Other' adjustments to net Investment for this project, if applicable
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), units, or plant accounts(s)
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%
- (E) Crst. 3.9%; Smith 3.3%; Scholz 2.9%; Daniel 2.8% annually
- (F) Any property that is amortized uses a 7 year amortization period
- (G) Description and reason for "Other" adjustments to investment expenses for this project
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2004 - December 2004
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 of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Amount
1	Investments (A)														
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	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	929,394	929,394	929,394	929,394	929,394	929,394	929,394	929,394	929,394	929,394	929,394	929,394	929,394	
3	Less Accumulated Depreciation (C)	(100,707)	(102,754)	(104,801)	(106,848)	(108,895)	(110,942)	(112,989)	(115,036)	(117,083)	(119,130)	(121,177)	(123,224)	(125,271)	
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)	828,687	826,640	824,593	822,546	820,499	818,452	816,405	814,358	812,311	810,264	808,217	806,170	804,123	
6	Average Net Investment		827,664	825,617	823,570	821,523	819,476	817,429	815,382	813,335	811,288	809,241	807,194	805,147	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		6,081	6,066	6,051	6,036	6,021	6,006	5,991	5,976	5,961	5,945	5,930	5,915	71,979
b	Debt Component (Line 6 x 2.5042% x 1/12)		1,727	1,723	1,719	1,715	1,710	1,706	1,702	1,697	1,693	1,689	1,685	1,680	20,446
8	Investment Expenses														
a	Depreciation (E)		1,912	1,912	1,912	1,912	1,912	1,912	1,912	1,912	1,912	1,912	1,912	1,912	22,944
b	Amortization (F)		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 (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		9,855	9,836	9,817	9,798	9,778	9,759	9,740	9,720	9,701	9,681	9,662	9,642	116,989
a	Recoverable Costs Allocated to Energy		758	757	755	754	752	751	749	748	746	745	743	742	9,000
b	Recoverable Costs Allocated to Demand		9,097	9,079	9,062	9,044	9,026	9,008	8,991	8,972	8,955	8,936	8,919	8,900	107,989
10	Energy Jurisdictional Factor		0.9635793	0.9634764	0.9672145	0.9660819	0.9670238	0.9686274	0.9657343	0.9674915	0.9661858	0.9651214	0.9631079	0.9646617	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (H)		731	730	731	729	728	728	724	724	721	720	716	716	8,698
13	Retail Demand-Related Recoverable Costs (I)		8,779	8,761	8,745	8,728	8,710	8,693	8,676	8,658	8,642	8,623	8,607	8,589	104,211
14	Total Juris Recoverable Costs (Lines 12 + 13)		9,510	9,491	9,476	9,457	9,438	9,421	9,400	9,382	9,363	9,343	9,323	9,305	112,909

Notes

- (A) Description and reason for 'Other' adjustments to net Investment for this project, if applicable
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), units, or plant accounts(s)
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%
- (E) Part of PE 1007 is depreciable at 2.5% annually. PEs 3400 and 3412 are depreciable at 2.5% annually
- (F) Any property that is amortized uses a 7 year amortization period. The balance of PE 1007 is amortized
- (G) Description and reason for "Other" adjustments to investment expenses for this project
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2004 - December 2004
Return on Capital Investments, Depreciation and Taxes
For Project Raw Water Well Flowmeters - Crist & Smith
P E 1155 & 1606
(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)														
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	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	242,943	242,943	242,943	242,943	242,943	242,943	242,943	242,943	242,943	242,943	242,943	242,943	242,943	
3	Less Accumulated Depreciation (C)	(22,289)	(23,032)	(23,775)	(24,518)	(25,261)	(26,004)	(26,747)	(27,490)	(28,233)	(28,976)	(29,719)	(30,462)	(31,205)	
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)	220,654	219,911	219,168	218,425	217,682	216,939	216,196	215,453	214,710	213,967	213,224	212,481	211,738	
6	Average Net Investment		220,283	219,540	218,797	218,054	217,311	216,568	215,825	215,082	214,339	213,596	212,853	212,110	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		1,618	1,613	1,608	1,602	1,597	1,591	1,586	1,580	1,575	1,569	1,564	1,558	19,061
b	Debt Component (Line 6 x 2.5042% x 1/12)		460	458	457	455	454	452	450	449	447	446	444	443	5,415
8	Investment Expenses														
a	Depreciation (E)		743	743	743	743	743	743	743	743	743	743	743	743	8,916
b	Amortization (F)		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 (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)	2,821	2,814	2,808	2,800	2,794	2,786	2,779	2,772	2,765	2,758	2,751	2,744	2,744	33,392
a	Recoverable Costs Allocated to Energy	217	216	216	215	215	214	214	213	213	212	212	211	211	2,568
b	Recoverable Costs Allocated to Demand	2,604	2,598	2,592	2,585	2,579	2,572	2,565	2,559	2,552	2,546	2,539	2,533	2,533	30,824
10	Energy Jurisdictional Factor	0.9635793	0.9634764	0.9672145	0.9660819	0.9670238	0.9686274	0.9657343	0.9674915	0.9661858	0.9651214	0.9631079	0.9646617		
11	Demand Jurisdictional Factor	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (H)	209	208	209	208	208	207	207	206	206	205	204	204	204	2,481
13	Retail Demand-Related Recoverable Costs (I)	2,513	2,507	2,501	2,495	2,489	2,482	2,475	2,469	2,463	2,457	2,450	2,444	2,444	29,745
14	Total Juris Recoverable Costs (Lines 12 + 13)	2,722	2,715	2,710	2,703	2,697	2,689	2,682	2,675	2,669	2,662	2,654	2,648	2,648	32,226

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project, if applicable
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), units, or plant accounts(s)
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%
- (E) Crist 3.9%, Smith 3.3% annually
- (F) Any property that is amortized uses a 7 year amortization period
- (G) Description and reason for "Other" adjustments to investment expenses for this project
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

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Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2004 - December 2004
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)														
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	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	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 (C)	(335,773)	(338,925)	(342,076)	(345,228)	(348,379)	(351,531)	(354,682)	(357,834)	(360,985)	(364,137)	(367,288)	(370,439)	(373,590)	
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)	570,886	567,734	564,583	561,431	558,280	555,128	551,977	548,825	545,674	542,522	539,371	536,220	533,069	
6	Average Net Investment		569,310	566,159	563,007	559,856	556,704	553,553	550,401	547,250	544,098	540,947	537,796	534,645	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		4,183	4,160	4,136	4,113	4,090	4,067	4,044	4,021	3,997	3,974	3,951	3,928	48,664
b	Debt Component (Line 6 x 2.5042% x 1/12)		1,188	1,182	1,175	1,168	1,162	1,155	1,149	1,142	1,136	1,129	1,122	1,116	13,824
8	Investment Expenses														
a	Depreciation (E)		2,947	2,947	2,947	2,947	2,947	2,947	2,947	2,947	2,947	2,947	2,947	2,947	35,364
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		205	204	205	204	205	204	205	204	205	204	204	204	2,453
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)	8,523	8,493	8,463	8,432	8,404	8,373	8,345	8,314	8,285	8,254	8,224	8,195	8,165	100,305
a	Recoverable Costs Allocated to Energy	656	653	651	649	646	644	642	640	637	635	633	630	627	7,716
b	Recoverable Costs Allocated to Demand	7,867	7,840	7,812	7,783	7,758	7,729	7,703	7,674	7,648	7,619	7,591	7,565	7,538	92,589
10	Energy Jurisdictional Factor	0.9635793	0.9634764	0.9633735	0.9632706	0.9631677	0.9630648	0.9629619	0.9628590	0.9627561	0.9626532	0.9625503	0.9624474	0.9623445	
11	Demand Jurisdictional Factor	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (H)	633	630	627	624	621	618	615	612	609	606	603	600	597	7,456
13	Retail Demand-Related Recoverable Costs (I)	7,592	7,566	7,539	7,511	7,487	7,459	7,434	7,406	7,380	7,352	7,325	7,297	7,270	89,351
14	Total Juris Recoverable Costs (Lines 12 + 13)	8,225	8,196	8,169	8,138	8,112	8,083	8,054	8,026	7,996	7,965	7,935	7,908	7,880	96,807

Notes:

- (A) Description and reason for "Other" adjustments to net investment for this project, if applicable
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), units, or plant accounts(s)
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%
- (E) 3.9% annually
- (F) Any property that is amortized uses a 7 year amortization period
- (G) Description and reason for "Other" adjustments to investment expenses for this project
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2004 - December 2004
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)														
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
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	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 (C)	(90,897)	(91,889)	(92,881)	(93,873)	(94,865)	(95,857)	(96,849)	(97,841)	(98,833)	(99,825)	(100,817)	(101,809)	(102,801)	
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)	214,426	213,434	212,442	211,450	210,458	209,466	208,474	207,482	206,490	205,498	204,506	203,514	202,522	
6	Average Net Investment		213,930	212,938	211,946	210,954	209,962	208,970	207,978	206,986	205,994	205,002	204,010	203,018	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		1,572	1,564	1,557	1,550	1,543	1,535	1,528	1,521	1,513	1,506	1,499	1,492	18,380
b	Debt Component (Line 6 x 2.5042% x 1/12)		446	444	442	440	438	436	434	432	430	428	426	424	5,220
8	Investment Expenses														
a	Depreciation (E)		992	992	992	992	992	992	992	992	992	992	992	992	11,904
b	Amortization (F)		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 (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		3,010	3,000	2,991	2,982	2,973	2,963	2,954	2,945	2,935	2,926	2,917	2,908	35,504
a	Recoverable Costs Allocated to Energy		232	231	230	229	229	228	227	227	226	225	224	224	2,732
b	Recoverable Costs Allocated to Demand		2,778	2,769	2,761	2,753	2,744	2,735	2,727	2,718	2,709	2,701	2,693	2,684	32,772
10	Energy Jurisdictional Factor		0.9635793	0.9634764	0.9672145	0.9660819	0.9670238	0.9686274	0.9657343	0.9674915	0.9661858	0.9651214	0.9631079	0.9646617	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (H)		224	223	223	221	222	221	219	220	219	217	216	216	2,641
13	Retail Demand-Related Recoverable Costs (I)		2,681	2,672	2,664	2,657	2,648	2,639	2,632	2,623	2,614	2,607	2,599	2,590	31,626
14	Total Juris Recoverable Costs (Lines 12 + 13)		2,905	2,895	2,887	2,878	2,870	2,860	2,851	2,843	2,833	2,824	2,815	2,806	34,267

Notes

- (A) Description and reason for 'Other' adjustments to net Investment for this project, if applicable
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), units, or plant accounts(s)
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%
- (E) 3.9% annually
- (F) Any property that is amortized uses a 7 year amortization period
- (G) Description and reason for "Other" adjustments to investment expenses for this project
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

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Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2004 - December 2004
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)														
a	Expenditures/Additions		5,000	5,000	5,000	5,000	0	0	0	0	0	0	0	0	
b	Clearings to Plant		0	0	0	20,000	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	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	47,955	47,955	47,955	47,955	67,955	67,955	67,955	67,955	67,955	67,955	67,955	67,955	67,955	
3	Less: Accumulated Depreciation (C)	(14,938)	(15,094)	(15,250)	(15,406)	(15,594)	(15,815)	(16,036)	(16,257)	(16,478)	(16,699)	(16,920)	(17,141)	(17,362)	
4	CWIP - Non Interest Bearing	0	5,000	10,000	15,000	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 - 3 + 4)	33,017	37,861	42,705	47,549	52,361	52,140	51,919	51,698	51,477	51,256	51,035	50,814	50,593	
6	Average Net Investment		35,439	40,283	45,127	49,955	52,251	52,030	51,809	51,588	51,367	51,146	50,925	50,704	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		260	296	332	367	384	382	381	379	377	376	374	373	4,281
b	Debt Component (Line 6 x 2 5042% x 1/12)		74	84	94	104	109	109	108	108	107	107	106	106	1,216
8	Investment Expenses														
a	Depreciation (E)		156	156	156	188	221	221	221	221	221	221	221	221	2,424
b	Amortization (F)		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 (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		490	536	582	659	714	712	710	708	705	704	701	700	7,921
a	Recoverable Costs Allocated to Energy		38	41	45	51	55	55	55	54	54	54	54	54	610
b	Recoverable Costs Allocated to Demand		452	495	537	608	659	657	655	654	651	650	647	646	7,311
10	Energy Jurisdictional Factor		0.9635793	0.9634764	0.9672145	0.9660819	0.9670238	0.9686274	0.9657343	0.9674915	0.9661858	0.9651214	0.9631079	0.9646617	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (H)		37	40	44	49	53	53	53	52	52	52	52	52	589
13	Retail Demand-Related Recoverable Costs (I)		436	478	518	587	636	634	632	631	628	627	624	623	7,054
14	Total Juris Recoverable Costs (Lines 12 + 13)		473	518	562	636	689	687	685	683	680	679	676	675	7,643

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), units, or plant accounts(s)
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%
- (E) 3.9% annually
- (F) Any property that is amortized uses a 7 year amortization period
- (G) Description and reason for "Other" adjustments to investment expenses for this project
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

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Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2004 - December 2004
Return on Capital Investments, Depreciation and Taxes
For Project Crist Bulk Tanker Unload Sec Contain Struc
P,E 1271
(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)														
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	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	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 (C)	(30,153)	(30,483)	(30,813)	(31,143)	(31,473)	(31,803)	(32,133)	(32,463)	(32,793)	(33,123)	(33,453)	(33,783)	(34,113)	
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)	71,342	71,012	70,682	70,352	70,022	69,692	69,362	69,032	68,702	68,372	68,042	67,712	67,382	
6	Average Net Investment		71,177	70,847	70,517	70,187	69,857	69,527	69,197	68,867	68,537	68,207	67,877	67,547	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		523	521	518	516	513	511	508	506	504	501	499	496	6,116
b	Debt Component (Line 6 x 2.5042% x 1/12)		149	148	147	146	146	145	144	144	143	142	142	141	1,737
8	Investment Expenses														
a	Depreciation (E)		330	330	330	330	330	330	330	330	330	330	330	330	3,960
b	Amortization (F)		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 (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		1,002	999	995	992	989	986	982	980	977	973	971	967	11,813
a	Recoverable Costs Allocated to Energy		77	77	77	76	76	76	76	75	75	75	75	74	909
b	Recoverable Costs Allocated to Demand		925	922	918	916	913	910	906	905	902	898	896	893	10,904
10	Energy Jurisdictional Factor		0.9635793	0.9634764	0.9672145	0.9660819	0.9670238	0.9686274	0.9657343	0.9674915	0.9661858	0.9651214	0.9631079	0.9646617	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (H)		74	74	75	73	74	74	73	73	73	72	72	71	878
13	Retail Demand-Related Recoverable Costs (I)		893	890	886	884	881	878	874	873	870	867	865	862	10,523
14	Total Juris Recoverable Costs (Lines 12 + 13)		967	964	961	957	955	952	947	946	943	939	937	933	11,401

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), units, or plant accounts(s)
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%
- (E) 3.9% annually
- (F) Any property that is amortized uses a 7 year amortization period
- (G) Description and reason for "Other" adjustments to investment expenses for this project
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

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Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2004 - December 2004
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)														
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
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	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	59,543
3	Less Accumulated Depreciation (C)	(18,006)	(18,200)	(18,394)	(18,588)	(18,782)	(18,976)	(19,170)	(19,364)	(19,558)	(19,752)	(19,946)	(20,140)	(20,334)	(20,334)
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)	41,537	41,343	41,149	40,955	40,761	40,567	40,373	40,179	39,985	39,791	39,597	39,403	39,209	
6	Average Net Investment		41,440	41,246	41,052	40,858	40,664	40,470	40,276	40,082	39,888	39,694	39,500	39,306	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		304	303	302	300	299	297	296	294	293	292	290	289	3,559
b	Debt Component (Line 6 x 2.5042% x 1/12)		86	86	86	85	85	84	84	84	83	83	82	82	1,010
8	Investment Expenses														
a	Depreciation (E)		194	194	194	194	194	194	194	194	194	194	194	194	2,328
b	Amortization (F)		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 (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		584	583	582	579	578	575	574	572	570	569	566	565	6,897
a	Recoverable Costs Allocated to Energy		45	45	45	45	44	44	44	44	44	44	44	43	531
b	Recoverable Costs Allocated to Demand		539	538	537	534	534	531	530	528	526	525	522	522	6,366
10	Energy Jurisdictional Factor		0.9635793	0.9634764	0.9672145	0.9660819	0.9670238	0.9686274	0.9657343	0.9674915	0.9661858	0.9651214	0.9631079	0.9646617	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (H)		43	43	44	44	43	43	43	43	43	42	42	42	515
13	Retail Demand-Related Recoverable Costs (I)		520	519	518	515	515	512	511	510	508	507	504	504	6,143
14	Total Juris Recoverable Costs (Lines 12 + 13)		563	562	562	559	558	555	554	553	551	549	546	546	6,658

Notes

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), units, or plant accounts(s)
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%
- (E) 3.9% annually
- (F) Any property that is amortized uses a 7 year amortization period
- (G) Description and reason for "Other" adjustments to investment expenses for this project
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

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Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2004 - December 2004
Return on Capital Investments, Depreciation and Taxes
For Project Smith Sodium Injection System
P E. 1413
(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)														
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	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	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 (C)	(13,990)	(14,283)	(14,576)	(14,869)	(15,162)	(15,455)	(15,748)	(16,041)	(16,334)	(16,627)	(16,920)	(17,213)	(17,506)	
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)	92,507	92,214	91,921	91,628	91,335	91,042	90,749	90,456	90,163	89,870	89,577	89,284	88,991	
6	Average Net Investment		92,361	92,068	91,775	91,482	91,189	90,896	90,603	90,310	90,017	89,724	89,431	89,138	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		679	676	674	672	670	668	666	664	661	659	657	655	8,001
b	Debt Component (Line 6 x 2.5042% x 1/12)		193	192	192	191	190	190	189	188	188	187	187	186	2,273
8	Investment Expenses														
a	Depreciation (E)		293	293	293	293	293	293	293	293	293	293	293	293	3,516
b	Amortization (F)		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 (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		1,165	1,161	1,159	1,156	1,153	1,151	1,148	1,145	1,142	1,139	1,137	1,134	13,790
a	Recoverable Costs Allocated to Energy		1,165	1,161	1,159	1,156	1,153	1,151	1,148	1,145	1,142	1,139	1,137	1,134	13,790
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9635793	0.9634764	0.9672145	0.9660819	0.9670238	0.9686274	0.9657343	0.9674915	0.9661858	0.9651214	0.9631079	0.9646617	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (H)		1,123	1,119	1,122	1,118	1,116	1,116	1,109	1,109	1,104	1,100	1,096	1,095	13,327
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Juris Recoverable Costs (Lines 12 + 13)		1,123	1,119	1,122	1,118	1,116	1,116	1,109	1,109	1,104	1,100	1,096	1,095	13,327

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project, if applicable
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), units, or plant accounts(s)
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%
- (E) 3.3% annually
- (F) Any property that is amortized uses a 7 year amortization period
- (G) Description and reason for "Other" adjustments to investment expenses for this project
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2004 - December 2004
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)														
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	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	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 (C)	(711,786)	(719,438)	(727,090)	(734,742)	(742,394)	(750,046)	(757,698)	(765,350)	(773,002)	(780,654)	(788,306)	(795,958)	(803,610)	
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)	2,070,814	2,063,162	2,055,510	2,047,858	2,040,206	2,032,554	2,024,902	2,017,250	2,009,598	2,001,946	1,994,294	1,986,642	1,978,990	
6	Average Net Investment		2,066,988	2,059,336	2,051,684	2,044,032	2,036,380	2,028,728	2,021,076	2,013,424	2,005,772	1,998,120	1,990,468	1,982,816	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		15,186	15,130	15,074	15,018	14,961	14,905	14,849	14,793	14,736	14,680	14,624	14,568	178,524
b	Debt Component (Line 6 x 2 5042% x 1/12)		4,314	4,298	4,282	4,266	4,250	4,234	4,218	4,202	4,186	4,170	4,154	4,138	50,712
8	Investment Expenses														
a	Depreciation (E)		7,652	7,652	7,652	7,652	7,652	7,652	7,652	7,652	7,652	7,652	7,652	7,652	91,824
b	Amortization (F)		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 (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)	27,152	27,080	27,008	27,008	26,936	26,863	26,791	26,719	26,647	26,574	26,502	26,430	26,358	321,060
a	Recoverable Costs Allocated to Energy	2,089	2,083	2,078	2,072	2,066	2,060	2,054	2,048	2,042	2,036	2,030	2,024	2,018	24,698
b	Recoverable Costs Allocated to Demand	25,063	24,997	24,930	24,864	24,797	24,730	24,664	24,597	24,530	24,463	24,397	24,330	24,263	296,362
10	Energy Jurisdictional Factor	0.9635793	0.9634764	0.9633735	0.9632706	0.9631677	0.9630648	0.9629619	0.9628590	0.9627561	0.9626532	0.9625503	0.9624474	0.9623445	0.9622416
11	Demand Jurisdictional Factor	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187
12	Retail Energy-Related Recoverable Costs (H)	2,014	2,008	2,011	2,003	1,999	1,998	1,998	1,986	1,985	1,976	1,969	1,959	1,958	23,866
13	Retail Demand-Related Recoverable Costs (I)	24,186	24,123	24,058	23,994	23,930	23,865	23,801	23,737	23,672	23,607	23,544	23,479	23,414	285,996
14	Total Juris Recoverable Costs (Lines 12 + 13)	26,200	26,131	26,069	25,997	25,929	25,863	25,787	25,722	25,648	25,576	25,503	25,437	25,371	309,862

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project, if applicable
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), units, or plant accounts(s)
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes The approved ROE is 12%
- (E) 3.3% annually
- (F) Any property that is amortized uses a 7 year amortization period
- (G) Description and reason for "Other" adjustments to investment expenses for this project
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

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Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2004 - December 2004
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)														
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
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	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	175,200
3	Less: Accumulated Depreciation (C)	(50,244)	(50,726)	(51,208)	(51,690)	(52,172)	(52,654)	(53,136)	(53,618)	(54,100)	(54,582)	(55,064)	(55,546)	(56,028)	(56,028)
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)	124,956	124,474	123,992	123,510	123,028	122,546	122,064	121,582	121,100	120,618	120,136	119,654	119,172	
6	Average Net Investment		124,715	124,233	123,751	123,269	122,787	122,305	121,823	121,341	120,859	120,377	119,895	119,413	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		916	913	909	906	902	899	895	891	888	884	881	877	10,761
b	Debt Component (Line 6 x 2.5042% x 1/12)		260	259	258	257	256	255	254	253	252	251	250	249	3,054
8	Investment Expenses														
a	Depreciation (E)		482	482	482	482	482	482	482	482	482	482	482	482	5,784
b	Amortization (F)		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 (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		1,658	1,654	1,649	1,645	1,640	1,636	1,631	1,626	1,622	1,617	1,613	1,608	19,599
a	Recoverable Costs Allocated to Energy		128	127	127	127	126	126	125	125	125	124	124	124	1,508
b	Recoverable Costs Allocated to Demand		1,530	1,527	1,522	1,518	1,514	1,510	1,506	1,501	1,497	1,493	1,489	1,484	18,091
10	Energy Jurisdictional Factor		0.9635793	0.9634764	0.9672145	0.9660819	0.9670238	0.9686274	0.9657343	0.9674915	0.9661858	0.9651214	0.9631079	0.9646617	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (H)		123	122	123	123	122	122	121	121	121	120	120	120	1,458
13	Retail Demand-Related Recoverable Costs (I)		1,476	1,474	1,469	1,465	1,461	1,457	1,453	1,448	1,445	1,441	1,437	1,432	17,458
14	Total Juris Recoverable Costs (Lines 12 + 13)		1,599	1,596	1,592	1,588	1,583	1,579	1,574	1,569	1,566	1,561	1,557	1,552	18,916

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), units, or plant accounts(s)
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%
- (E) 3.3% annually
- (F) Any property that is amortized uses a 7 year amortization period
- (G) Description and reason for "Other" adjustments to investment expenses for this project
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

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Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2004 - December 2004

Return on Capital Investments, Depreciation and Taxes
For Project Daniel Ash Management Project
P E 1535
(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)														
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
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	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 (C)	(3,817,679)	(3,858,397)	(3,899,115)	(3,939,833)	(3,980,551)	(4,021,269)	(4,061,987)	(4,102,705)	(4,143,423)	(4,184,141)	(4,224,859)	(4,265,577)	(4,306,295)	
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)	9,424,790	9,384,072	9,343,354	9,302,636	9,261,918	9,221,200	9,180,482	9,139,764	9,099,046	9,058,328	9,017,610	8,976,892	8,936,174	
6	Average Net Investment		9,404,431	9,363,713	9,322,995	9,282,277	9,241,559	9,200,841	9,160,123	9,119,405	9,078,687	9,037,969	8,997,251	8,956,533	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		69,094	68,795	68,496	68,197	67,898	67,599	67,299	67,000	66,701	66,402	66,103	65,804	809,388
b	Debt Component (Line 6 x 2 5042% x 1/12)		19,627	19,542	19,457	19,372	19,287	19,202	19,117	19,032	18,947	18,862	18,777	18,692	229,914
8	Investment Expenses														
a	Depreciation (E)		30,895	30,895	30,895	30,895	30,895	30,895	30,895	30,895	30,895	30,895	30,895	30,895	370,740
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		9,823	9,823	9,823	9,823	9,823	9,823	9,823	9,823	9,823	9,823	9,823	9,823	117,876
d	Property Taxes		28,801	28,801	28,801	28,801	28,801	28,801	28,801	28,801	28,801	28,801	28,801	28,801	345,612
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)	158,240	157,856	157,472	157,088	156,704	156,320	155,935	155,551	155,167	154,783	154,399	154,015	154,015	1,873,530
a	Recoverable Costs Allocated to Energy	12,172	12,143	12,113	12,084	12,054	12,025	11,995	11,965	11,936	11,906	11,877	11,847	11,847	144,117
b	Recoverable Costs Allocated to Demand	146,068	145,713	145,359	145,004	144,650	144,295	143,940	143,586	143,231	142,877	142,522	142,168	142,168	1,729,413
10	Energy Jurisdictional Factor	0.9635793	0.9634764	0.962145	0.9660819	0.9670238	0.9686274	0.9657343	0.9674915	0.9661858	0.9651214	0.9631079	0.9646617	0.9646617	
11	Demand Jurisdictional Factor	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (H)	11,737	11,708	11,724	11,682	11,665	11,656	11,592	11,584	11,540	11,499	11,447	11,447	11,436	139,270
13	Retail Demand-Related Recoverable Costs (I)	140,958	140,616	140,274	139,932	139,590	139,247	138,905	138,563	138,221	137,879	137,536	137,195	137,195	1,668,916
14	Total Juris. Recoverable Costs (Lines 12 + 13)	152,695	152,324	151,998	151,614	151,255	150,903	150,497	150,147	149,761	149,378	148,983	148,631	148,631	1,808,186

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), units, or plant accounts(s)
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%
- (E) 2.8% annually
- (F) Any property that is amortized uses a 7 year amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2004 - December 2004
Return on Capital Investments, Depreciation and Taxes
For Project Consumptive Use-Shield Water Substitution Project
P.E 1620
(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)														
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	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	47,906	47,906	47,906	47,906	47,906	47,906	47,906	47,906	47,906	47,906	47,906	47,906	47,906	
3	Less: Accumulated Depreciation (C)	(3,358)	(3,490)	(3,622)	(3,754)	(3,886)	(4,018)	(4,150)	(4,282)	(4,414)	(4,546)	(4,678)	(4,810)	(4,942)	
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)	44,548	44,416	44,284	44,152	44,020	43,888	43,756	43,624	43,492	43,360	43,228	43,096	42,964	
6	Average Net Investment		44,482	44,350	44,218	44,086	43,954	43,822	43,690	43,558	43,426	43,294	43,162	43,030	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		327	326	325	324	323	322	321	320	319	318	317	316	3,858
b	Debt Component (Line 6 x 2.5042% x 1/12)		93	93	92	92	92	91	91	91	91	90	90	90	1,096
8	Investment Expenses														
a	Depreciation (E)		132	132	132	132	132	132	132	132	132	132	132	132	1,584
b	Amortization (F)		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 (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		552	551	549	548	547	545	544	543	542	540	539	538	6,538
a	Recoverable Costs Allocated to Energy		42	42	42	42	42	42	42	42	42	42	41	41	502
b	Recoverable Costs Allocated to Demand		510	509	507	506	505	503	502	501	500	498	498	497	6,036
10	Energy Jurisdictional Factor		0.9635793	0.9634764	0.9672145	0.9660819	0.9670238	0.9686274	0.9657343	0.9674915	0.9661858	0.9651214	0.9631079	0.9646617	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (H)		40	40	41	41	41	41	41	41	41	41	40	40	488
13	Retail Demand-Related Recoverable Costs (I)		492	491	489	488	487	485	484	483	483	481	481	480	5,824
14	Total Juris. Recoverable Costs (Lines 12 + 13)		532	531	530	529	528	526	525	524	524	522	521	520	6,312

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), units, or plant accounts(s)
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%
- (E) 3.3% annually
- (F) Any property that is amortized uses a 7 year amortization period
- (G) Description and reason for "Other" adjustments to investment expenses for this project
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2004 - December 2004
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)														
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	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	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 (C)	(398,875)	(403,796)	(408,716)	(413,637)	(418,557)	(423,478)	(428,398)	(433,319)	(438,239)	(443,160)	(448,080)	(453,001)	(457,921)	
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)	59,044	54,123	49,203	44,282	39,362	34,441	29,521	24,600	19,680	14,759	9,839	4,918	(2)	
6	Average Net Investment		56,584	51,663	46,743	41,822	36,902	31,981	27,061	22,140	17,220	12,299	7,379	2,458	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		416	380	343	307	271	235	199	163	127	90	54	18	2,603
b	Debt Component (Line 6 x 2.5042% x 1/12)		118	108	98	87	77	67	56	46	36	26	15	5	739
8	Investment Expenses														
a	Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Amortization (F)		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 (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		5,455	5,408	5,362	5,314	5,269	5,222	5,176	5,129	5,084	5,036	4,990	4,943	62,388
a	Recoverable Costs Allocated to Energy		420	416	412	409	405	402	398	395	391	387	384	380	4,799
b	Recoverable Costs Allocated to Demand		5,035	4,992	4,950	4,905	4,864	4,820	4,778	4,734	4,693	4,649	4,606	4,563	57,589
10	Energy Jurisdictional Factor		0.9635793	0.9634764	0.9672145	0.9660819	0.9670238	0.9686274	0.9657343	0.9674915	0.9661858	0.9651214	0.9631079	0.9646617	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (H)		405	401	399	395	392	390	385	382	378	374	370	367	4,638
13	Retail Demand-Related Recoverable Costs (I)		4,859	4,817	4,777	4,733	4,694	4,651	4,611	4,568	4,529	4,486	4,445	4,403	55,573
14	Total Juris Recoverable Costs (Lines 12 + 13)		5,264	5,218	5,176	5,128	5,086	5,041	4,996	4,950	4,907	4,860	4,815	4,770	60,211

Notes

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), units, or plant account(s)
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes The approved ROE is 12%
- (E) N/A
- (F) Any property that is amortized uses a 7 year amortization period
- (G) Description and reason for "Other" adjustments to investment expenses for this project
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2004 - December 2004
Return on Capital Investments, Depreciation and Taxes
For Project Crist FDEP Agreement for Ozone Attainment
P E 1199
(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)														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
b	Clearings to Plant (J)		0	0	0	0	0	37,970,737	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	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	0	0	0	0	0	0	37,970,737	37,970,737	37,970,737	37,970,737	37,970,737	37,970,737	37,970,737	
3	Less: Accumulated Depreciation (C)	0	0	0	0	0	0	(61,702)	(185,107)	(308,512)	(431,917)	(555,322)	(678,727)	(802,132)	
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)	0	0	0	0	0	0	37,909,035	37,785,630	37,662,225	37,538,820	37,415,415	37,292,010	37,168,605	
6	Average Net Investment		0	0	0	0	0	18,954,518	37,847,333	37,723,928	37,600,523	37,477,118	37,353,713	37,230,308	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		0	0	0	0	0	139,259	278,064	277,158	276,251	275,344	274,438	273,531	1,794,045
b	Debt Component (Line 6 x 2 5042% x 1/12)		0	0	0	0	0	39,558	78,987	78,730	78,472	78,215	77,957	77,700	509,619
8	Investment Expenses														
a	Depreciation (E)		0	0	0	0	0	61,702	123,405	123,405	123,405	123,405	123,405	123,405	802,132
b	Amortization (F)		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 (G)		0	0	0	0	0	0	0	0	0	0	0	0	
9	Total System Recoverable Expenses (Lines 7 + 8)		0	0	0	0	0	240,519	480,456	479,293	478,128	476,964	475,800	474,636	3,105,796
a	Recoverable Costs Allocated to Energy		0	0	0	0	0	240,519	480,456	479,293	478,128	476,964	475,800	474,636	3,105,796
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	
10	Energy Jurisdictional Factor		0.9635793	0.9634764	0.9672145	0.9660819	0.9670238	0.9686274	0.9657343	0.9674915	0.9661858	0.9651214	0.9631079	0.9646617	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (H)		0	0	0	0	0	233,136	464,318	464,037	462,284	460,650	458,568	458,184	3,001,177
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	
14	Total Juris Recoverable Costs (Lines 12 + 13)		0	0	0	0	0	233,136	464,318	464,037	462,284	460,650	458,568	458,184	3,001,177

Notes

- (A) Description and reason for 'Other' adjustments to net Investment for this project, if applicable
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), units, or plant accounts(s)
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%
- (E) 3.9% annually
- (F) Any property that is amortized uses a 7 year amortization period
- (G) Description and reason for "Other" adjustments to investment expenses for this project
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11
- (J) PE 1199 qualified for AFUDC during construction, it will become part of the ECRC when the first phase of the project is moved to P-I-S in June 2004

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Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2004 - December 2004
Return on Capital Investments, Depreciation and Taxes
For Project Crist Scrubber Study
P E 1030
(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)														
a	Expenditures/Additions		10,579	10,579	10,579	10,579	10,579	10,579	10,579	10,579	10,579	10,579	10,579	10,579	10,631
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
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Less: Accumulated Depreciation (C)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	CWIP - Non Interest Bearing	0	10,579	21,158	31,737	42,316	52,895	63,474	74,053	84,632	95,211	105,790	116,369	127,000	
5	Net Investment (Lines 2 - 3 + 4)	0	10,579	21,158	31,737	42,316	52,895	63,474	74,053	84,632	95,211	105,790	116,369	127,000	
6	Average Net Investment		5,290	15,869	26,448	37,027	47,606	58,185	68,764	79,343	89,922	100,501	111,080	121,685	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		39	117	194	272	350	427	505	583	661	738	816	894	5,596
b	Debt Component (Line 6 x 2 5042% x 1/12)		11	33	55	77	99	121	144	166	188	210	232	254	1,590
8	Investment Expenses														
a	Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Amortization (F)		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 (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		50	150	249	349	449	548	649	749	849	948	1,048	1,148	7,186
a	Recoverable Costs Allocated to Energy		50	150	249	349	449	548	649	749	849	948	1,048	1,148	7,186
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9635793	0.9634764	0.9672145	0.9660819	0.9670238	0.9686274	0.9657343	0.9674915	0.9661858	0.9651214	0.9631079	0.9646617	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (H)		48	145	241	337	434	531	627	725	821	916	1,010	1,108	6,943
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Juris Recoverable Costs (Lines 12 + 13)		48	145	241	337	434	531	627	725	821	916	1,010	1,108	6,943

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Notes

- (A) Description and reason for 'Other' adjustments to net Investment for this project, if applicable
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), units, or plant accounts(s)
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes The approved ROE is 12%
- (E) 3.9% annually
- (F) Any property that is amortized uses a 7 year amortization period
- (G) Description and reason for "Other" adjustments to investment expenses for this project
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2004 - December 2004

Return on Capital Investments, Depreciation and Taxes
For Project Crist Storm Water Projects - Switchyard & Other Areas
P.E. 1272
(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)														
a	Expenditures/Additions		0	0	0	0	0	0	41,675	41,675	41,675	41,675	41,675	41,625	
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	250,000	
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	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	0	0	0	0	0	0	0	0	0	0	0	0	250,000	
3	Less Accumulated Depreciation (C)	0	0	0	0	0	0	0	0	0	0	0	0	(406)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	41,675	83,350	125,025	166,700	208,375	0	
5	Net Investment (Lines 2 - 3 + 4)	0	0	0	0	0	0	0	41,675	83,350	125,025	166,700	208,375	249,594	
6	Average Net Investment		0	0	0	0	0	0	20,838	62,513	104,188	145,863	187,538	228,985	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		0	0	0	0	0	0	153	459	765	1,072	1,378	1,682	5,509
b	Debt Component (Line 6 x 2.5042% x 1/12)		0	0	0	0	0	0	43	130	217	304	391	478	1,563
8	Investment Expenses														
a	Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	406	406
b	Amortization (F)		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 (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		0	0	0	0	0	0	196	589	982	1,376	1,769	2,566	7,478
a	Recoverable Costs Allocated to Energy		0	0	0	0	0	0	15	45	76	106	136	197	575
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	181	544	906	1,270	1,633	2,369	6,903
10	Energy Jurisdictional Factor		0.9635793	0.9635793	0.9635793	0.9635793	0.9635793	0.9635793	0.9635793	0.9635793	0.9635793	0.9635793	0.9635793	0.9635793	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (H)		0	0	0	0	0	0	14	43	73	102	131	190	553
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	175	525	874	1,226	1,576	2,286	6,662
14	Total Juris Recoverable Costs (Lines 12 + 13)		0	0	0	0	0	0	189	568	947	1,328	1,707	2,476	7,215

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Notes

- (A) Description and reason for 'Other' adjustments to net Investment for this project, if applicable
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), units, or plant accounts(s)
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%
- (E) 3.9% annually
- (F) Any property that is amortized uses a 7 year amortization period
- (G) Description and reason for "Other" adjustments to investment expenses for this project
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2004 - December 2004
Return on Capital Investments, Depreciation and Taxes
For Project Crist Common FTIR Monitor
P E 1297
(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)														
a	Expenditures/Additions		25,000	27,500	0	0	0	0	0	0	0	0	0	0	
b	Clearings to Plant		0	52,500	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	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	0	0	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	
3	Less Accumulated Depreciation (C)	0	0	(85)	(256)	(427)	(598)	(769)	(940)	(1,111)	(1,282)	(1,453)	(1,624)	(1,795)	
4	CWIP - Non Interest Bearing	0	25,000	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 - 3 + 4)	0	25,000	52,415	52,244	52,073	51,902	51,731	51,560	51,389	51,218	51,047	50,876	50,705	
6	Average Net Investment		12,500	38,708	52,330	52,159	51,988	51,817	51,646	51,475	51,304	51,133	50,962	50,791	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		92	284	384	383	382	381	379	378	377	376	374	373	4,163
b	Debt Component (Line 6 x 2.5042% x 1/12)		26	81	109	109	108	108	108	107	107	107	106	106	1,182
8	Investment Expenses														
a	Depreciation (E)		0	85	171	171	171	171	171	171	171	171	171	171	1,795
b	Amortization (F)		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 (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)	118	450	664	663	661	660	658	656	655	654	651	650	650	7,140
a	Recoverable Costs Allocated to Energy	118	450	664	663	661	660	658	656	655	654	651	650	650	7,140
b	Recoverable Costs Allocated to Demand	0	0	0	0	0	0	0	0	0	0	0	0	0	
10	Energy Jurisdictional Factor	0.9635793	0.9634764	0.9672145	0.9660819	0.9670238	0.9686274	0.9657343	0.9674915	0.9661858	0.9651214	0.9631079	0.9646617		
11	Demand Jurisdictional Factor	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (H)	114	434	643	641	640	640	640	636	635	633	632	627	627	6,902
13	Retail Demand-Related Recoverable Costs (I)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Juris Recoverable Costs (Lines 12 + 13)	114	434	643	641	640	640	640	636	635	633	632	627	627	6,902

Notes

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), units, or plant accounts(s)
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%
- (E) 3.9% annually
- (F) Any property that is amortized uses a 7 year amortization period
- (G) Description and reason for "Other" adjustments to investment expenses for this project
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier

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Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2004 - December 2004
Return on Capital Investments, Depreciation and Taxes
For Project SO2 Allowances

(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)														
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	19,290	18,429	17,784	17,137	16,538	15,757	14,750	13,687	12,633	11,625	10,769	9,936	9,083	
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	(649,267)	(641,571)	(633,875)	(626,179)	(618,483)	(610,787)	(603,091)	(595,395)	(587,699)	(580,004)	(572,308)	(564,612)	(556,917)	
3	Total Working Capital Balance	(629,977)	(623,142)	(616,091)	(609,042)	(601,945)	(595,030)	(588,341)	(581,708)	(575,066)	(568,379)	(561,539)	(554,676)	(547,834)	
4	Average Net Working Capital Balance		(626,560)	(619,617)	(612,567)	(605,494)	(598,488)	(591,686)	(585,025)	(578,387)	(571,723)	(564,959)	(558,108)	(551,255)	
5	Return on Average Net Working Capital Balance														
a	Equity Component Grossed Up For Taxes (A)		(4,603)	(4,552)	(4,501)	(4,449)	(4,397)	(4,347)	(4,298)	(4,249)	(4,200)	(4,151)	(4,100)	(4,050)	(51,897)
b	Debt Component (Line 6 x 2.5042% x 1/12)		(1,308)	(1,293)	(1,278)	(1,264)	(1,249)	(1,235)	(1,221)	(1,207)	(1,193)	(1,179)	(1,165)	(1,150)	(14,742)
6	Total Return Component (D)		(5,911)	(5,845)	(5,779)	(5,713)	(5,646)	(5,582)	(5,519)	(5,456)	(5,393)	(5,330)	(5,265)	(5,200)	(66,639)
7	Expenses														
a	Gains		(7,696)	(7,696)	(7,696)	(7,696)	(7,696)	(7,696)	(7,696)	(7,696)	(7,695)	(7,696)	(7,696)	(7,695)	(92,350)
b	Losses		0	0	0	0	0	0	0	0	0	0	0	0	0
c	SO2 Allowance Expense		861	645	647	599	781	1,007	1,063	1,054	1,008	856	833	853	10,207
8	Net Expenses (E)		(6,835)	(7,051)	(7,049)	(7,097)	(6,915)	(6,689)	(6,633)	(6,642)	(6,687)	(6,840)	(6,863)	(6,842)	(82,143)
9	Total System Recoverable Expenses (Lines 6 + 8)		(12,746)	(12,896)	(12,828)	(12,810)	(12,561)	(12,271)	(12,152)	(12,098)	(12,080)	(12,170)	(12,128)	(12,042)	(148,782)
a	Recoverable Costs Allocated to Energy		(12,746)	(12,896)	(12,828)	(12,810)	(12,561)	(12,271)	(12,152)	(12,098)	(12,080)	(12,170)	(12,128)	(12,042)	(148,782)
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9635793	0.9634764	0.9672145	0.9660819	0.9670238	0.9686274	0.9657343	0.9674915	0.9661858	0.9651214	0.9631079	0.9646617	
11	Demand Jurisdictional Factor		0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	0.9650187	
12	Retail Energy-Related Recoverable Costs (B)		(12,290)	(12,434)	(12,416)	(12,384)	(12,155)	(11,894)	(11,744)	(11,713)	(11,680)	(11,754)	(11,689)	(11,625)	(143,778)
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)		(12,290)	(12,434)	(12,416)	(12,384)	(12,155)	(11,894)	(11,744)	(11,713)	(11,680)	(11,754)	(11,689)	(11,625)	(143,778)

Notes:

- (A) Line 4 x 8.8168% x 1/12 Based on ROE of 12% and weighted income tax rate of 38.575%
- (B) Line 9a x Line 10 x 1.0007 line loss multiplier
- (C) Line 9b x Line 11
- (D) Line 6 is reported on Schedule 3P
- (E) Line 8 is reported on Schedule 2P

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Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

**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 Continuous Emission Monitoring Systems (CEMs) as required by the 1990 Clean Air Act Amendments.

Accomplishments:

The CEMs system in the RATA test trailer was replaced during the 2002 recovery period and was completed in January 2003. This replacement provides 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.

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

Project-to-Date: \$328,697

Progress Summary: In-Service.

Projections:N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

**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 with 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. Part of the Unit 7 precipitator will be retired during the Spring outage as part of the Plant Crist FDEP- Gulf Ozone Agreement.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

**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 the precipitator.

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

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

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

**Title: Low NOx Burners, Crist 6 & 7
PE's 1234, 1236, 1242**

Description:

These are unique burners installed to decrease the NOx emissions that are 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. The Crist Unit 7 Low NOx burners will be replaced during 2003-2004.

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

Progress Summary: In-Service.

Projections: \$4,661,987

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

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

Title: CEMs – Plant Crist, Scholz, Smith, and Daniel
PE's 1154, 1164, 1217, 1240, 1245, 1286, 1289, 1290, 1311, 1316, 1323, 1324,
1325, 1330, 1440, 1441, 1442, 1454, 1459, 1460, 1558, 1560

Description:

This equipment is dilution extraction continuous emission monitors that measure concentrations of sulfur dioxide (SO₂), carbon dioxide (CO₂) 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 continue to successfully exceeded routine quality assurance/quality control (QA/QC) audits as required by the 1990 Clean Air Act Amendments.

Project-to-Date: \$4,224,350

Progress Summary:

Crist 4,5,6 and 7 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 were completed in 2001 and 2002. The Plant Scholz flow monitor replacement was extended until 2005 to allow more time for advancements in technology before the replacement.

Projections:

Changes to the CEMs project during this projection period will include the replacement of flow monitors and the shelter housing the gas analyzers on Plant Crist Units 6 & 7 (PE 1217) and replacement of the gas analyzers on Plant Daniel Units 1 & 2 (PE 1560). 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. Capital expenditures for this project are expected to be \$217,000 in 2004. 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 2004-December 2004

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

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

Description:

Three groundwater treatment systems were purchased for the treatment of contaminated groundwater at substation sites.

Accomplishments:

Systems have proven effective in groundwater remediation.

Project-to-Date: \$929,394

Progress Summary: The three systems are currently in-service and can be relocated to other substation sites after project completion.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

**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 an 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 incurred 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 Smith.

Project-to-Date: \$242,943

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

**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 the 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 2004-December 2004

**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 2004-December 2004

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

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

Description:

Monitoring wells were installed in the vicinity of storage tank systems to determine if groundwater contamination was present. The project proposed the installation of an impervious cap to reduce migration of contaminants to groundwater. FDEP has approved the proposed capping plan and the concrete cap is scheduled to be installed during the first half of 2004.

Accomplishments:

Project-to-Date: \$47,955

Progress Summary: Monitor wells are in service. The cap will be installed during the first half 2004.

Projections: \$20,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

**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 a requirement of the Federal Spill Prevention Control and Countermeasures Regulations.

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 2004-December 2004

**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 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 2004-December 2004

**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 inject sodium carbonate directly onto the coal feeder belt to enhance precipitator performance when low sulfur coal is used at Plant Smith. The injection of sodium carbonate 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 2004-December 2004

**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 2004-December 2004

**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 system was 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 2004-December 2004

**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 2004-December 2004

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

**Title: Consumptive Use - Shield Water Substitution 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: \$47,906

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

**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 2004-December 2004

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

**Title: Crist FDEP Agreement for Ozone Attainment
PE 1199**

Description:

The FDEP and Gulf Power entered into an agreement on August 28, 2002 to ensure compliance with the new ozone air quality standards. This agreement includes a requirement for Gulf to install Selective Catalytic Reduction (SCR) controls on Crist Unit 7 and relocate the Crist Unit 7 precipitator.

Accomplishments:

Project-to-Date: Expenditures during the construction phase qualified for AFUDC treatment; consequently, they were not included in the ECRC during that time frame.

Progress Summary: Gulf expects the first phase of this project to go in service in June 2004, at which time almost \$38 million of capital investment will move into the ECRC.

Projections: \$37,970,737 Construction on the project will continue through 2005.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

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

**Title: Crist Scrubber Study
PE 1030**

Description:

The air pollutant of most concern to the electric utility industry is mercury. EPA is required to propose a mercury MACT standard for coal fired electric utility boilers by December, 2003. The standard is to be final by December, 2004 with implementation within 3 years (2007). In order for Gulf Power to comply with the proposed MACT standard, it is imperative that Gulf determine the most cost effective emission control strategy that will ensure compliance with the more stringent standard. Research in control technologies has demonstrated that flue gas scrubber systems have the potential to remove a significant percentage of mercury emissions from coal fired boilers. The study will determine if this technology is best suited for Plant Crist Unit 7.

Accomplishments:

Project-to-Date: \$0

Progress Summary: Gulf expects to begin incurring costs for this study in January 2004.

Projections: \$127,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

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

**Title: Crist Storm Water Project
PE 1272**

Description:

The Plant Crist Stormwater project, (PE 1272), is required as a result of a more stringent July 17, 2002 revision to Title 40 Code of Federal Regulation Part 112, which is commonly referred to as the Spill Prevention Control and Countermeasures (SPCC) regulation. Prior to the 2002 revision, equipment containing mineral oil, such as electric transformers and regulators, were excluded from regulation. The recent revision is now inclusive of oil-containing electrical equipment. Oil-filled electrical equipment that has the potential to discharge to navigable waters must be provided with appropriate containment and/or diversionary structures to prevent such a discharge. The SPCC project at Plant Crist will route stormwater from the switchyard drain to the oil skimmer pond where any potential spill would be captured, preventing the oil from reaching surface water.

Accomplishments:

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Project-to-Date: \$0

Progress Summary: Gulf expects to begin incurring costs for this project during the second half of 2004.

Projections: \$250,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

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

**Title: Crist Common FTIR Monitor
PE 1297**

Description:

The purchase of a Fourier Transform Infrared (FTIR) spectrometer, a device used to measure and analyze various low concentration stack gas emissions, will be required at Plant Crist. The purchase of this instrument will enable Gulf Power to measure formaldehyde in stack emissions on units affected by EPA's new MACT standards for hazardous air pollutants under Section 112 of the Clean Air Act. Additionally, the monitor will be used to measure ammonia slip emissions required in the air construction permit on Crist Unit 7.

Accomplishments:

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Project-to-Date: \$0

Progress Summary: Gulf plans to purchase the FTIR in January/February 2004.

Projections: \$52,500

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

**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 (CAAA) 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 CAAA.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

**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: \$789,874

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

**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: \$94,136

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

**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.

Accomplishments:

Fees paid as required and on a timely basis.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$2,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

**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 (CAAA) of 1990. New activities within this category include the testing, development, and implementation of new Periodic Monitoring and Compliance Assurance Monitoring (CAM) associated with the CAAA of 1990.

Accomplishments:

All systems are in compliance.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections:

\$488,968

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

**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.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: \$340,655

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

**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. Once possible environmental impacts to groundwater have been identified then cleanup operations are initiated.

Accomplishments:

The Florida Department of Environmental Protection has issued a No Further Action (NFA) letter for 30 sites.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: \$922,143

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

**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 2004-December 2004

**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: \$9,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

**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: \$5,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

**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: \$209,126

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

**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 storage tank systems. These performance standards include installation of secondary containment, cathodic protection and tank integrity inspections. In-service API 653 inspections will be required for Gulf's field erected above ground storage tanks in 2004.

Accomplishments:

Gulf has complied with all petroleum storage tank requirements.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$65,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

**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 have been installed and are in-service.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

**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:

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

**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 2004.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

**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: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

**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: \$20,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2004-December 2004

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.18**

Title: SPCC Substation Project

Description:

On July 17, 2002 EPA published a revision to Title 40 Code of Regulation Part 112, commonly referred to as the Spill Prevention Control and Countermeasures (SPCC) regulation. The revision expanded applicability of the rule to include oil containing electrical transformers and regulators, which had previously been excluded from the SPCC regulations. Gulf will be required to install additional containment and/or diversionary structures or equipment at several substations to prevent a potential discharge of mineral oil to navigable waters of the United States or adjoining shorelines.

Accomplishments:

Fiscal Expenditures: N/A

Progress Summary: Gulf has assessed its substations to determine which are subject to the revised SPCC regulations. The SPCC Substation project will begin in May 2004.

Projections: \$100,000

Gulf Power Company
 Environmental Cost Recovery Clause (ECRC)
Calculation of the Energy & Demand Allocation % By Rate Class
 January 2004 - December 2004

Rate Class	(1) Average 12 CP Load Factor at Meter (%)	(2) Jan - Dec. 2004 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, RSVP	59.521838%	4,903,598,000	940,447.20	1.00486476	1.00530097	4,929,591,826	945,022.25	46.64256%	54.67725%
GS	61.623894%	294,062,000	54,473.55	1.00485887	1.00529775	295,619,867	54,738.23	2.79708%	3.16705%
GSD, GSDT, GSTOU	74.923957%	2,366,440,000	360,554.31	1.00470565	1.00516604	2,378,665,124	362,250.95	22.50634%	20.95917%
LP, LPT	86.403429%	2,055,355,000	271,551.22	0.98422595	0.98911989	2,032,992,512	267,267.76	19.23567%	15.46362%
PX, PXT, RTP, SBS	99.499138%	817,083,000	93,743.84	0.97443817	0.98057253	801,209,145	91,347.58	7.58084%	5.28520%
OS-I/II	247.068649%	101,916,000	4,708.91	1.00468934	1.00529485	102,455,630	4,730.99	0.96941%	0.27373%
OS-III	98.528325%	24,279,000	2,812.97	1.00511513	1.00526827	24,406,908	2,827.36	0.23093%	0.16359%
OS-IV	248.927520%	3,907,000	179.17	1.00240521	1.00541301	3,928,149	179.60	0.03717%	0.01039%
TOTAL		<u>10,566,640,000</u>	<u>1,728,471.17</u>			<u>10,568,869,161</u>	<u>1,728,364.72</u>	<u>100.00000%</u>	<u>100.00000%</u>

Notes:

- (1) Average 12 CP load factor based on actual 2001 load research data
- (2) Projected KWH sales for the period January 2004 - December 2004
- (3) Calculated: (Col 2) / (8,760 x Col 1), (8,760 hours = the # of hours in 1 year)
- (4) Based on demand losses identified in Doc. 010949-EI
- (5) Based on energy losses identified in Doc. 010949-EI
- (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 2004 - December 2004

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, RSVP	46.64256%	54.67725%	4,606,978	2,078,884	6,685,862	4,903,598,000	0.136
GS	2.79708%	3.16705%	276,273	120,414	396,687	294,062,000	0.135
GSD, GSDT, GSTOU	22.50634%	20.95917%	2,222,996	796,888	3,019,884	2,366,440,000	0.128
LP, LPT	19.23567%	15.46362%	1,899,945	587,942	2,487,887	2,055,355,000	0.121
PX, PXT, RTP, SBS	7.58084%	5.28520%	748,775	200,948	949,723	817,083,000	0.116
OS-I, OS-II	0.96941%	0.27373%	95,751	10,407	106,158	101,916,000	0.104
OS-III	0.23093%	0.16359%	22,809	6,220	29,029	24,279,000	0.120
OS-IV	0.03717%	0.01039%	3,671	395	4,066	3,907,000	0.104
TOTAL	<u>100.00000%</u>	<u>100.00000%</u>	<u>\$9,877,198</u>	<u>\$3,802,098</u>	<u>\$13,679,296</u>	<u>10,566,640,000</u>	<u>0.129</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 2004 - December 2004
- (7) Col 5 / Col 6 x 100