

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**ENVIRONMENTAL COST RECOVERY
CLAUSE**

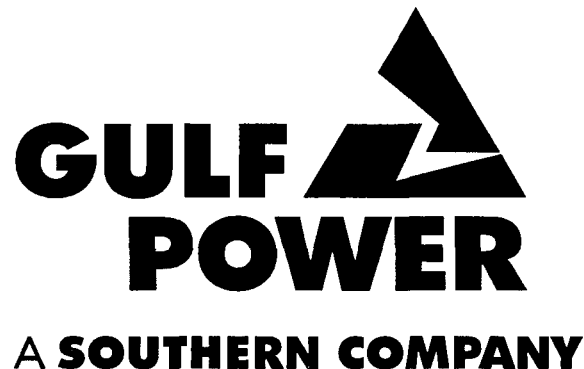
DOCKET NO. 050007-EI

**PREPARED DIRECT TESTIMONY AND
EXHIBIT OF
TERRY A. DAVIS**

PROJECTION FILING FOR THE PERIOD

JANUARY 2006 – DECEMBER 2006

SEPTEMBER 16, 2005



DOCUMENT NUMBER-DATE

08740 SEP 16 05

FPSC-COMMISSION CLERK

1 GULF POWER COMPANY

2 Before the Florida Public Service Commission

3 Direct Testimony and Exhibit of

4 Terry A. Davis

5 Docket No. 050007-EI

6 Date of Filing: September 16, 2005

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

8 A. My name is Terry Davis. My business address is One Energy Place,
9 Pensacola, Florida 32520-0780. I am the Supervisor of Treasury and
10 Regulatory Matters for Gulf Power Company.

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

13 A. I graduated in 1979 from Mississippi College in Clinton, Mississippi with
14 a Bachelor of Science Degree in Business Administration and a major in
15 Accounting. Prior to joining Gulf Power, I was an accountant for seven
16 years at a seismic survey firm, Geophysical Field Surveys in Jackson,
17 Mississippi. In that capacity, I was responsible for accounts receivable,
18 accounts payable, sales, use, and fuel tax returns, and various other
19 accounting activities. In 1986, I joined Gulf Power as an Associate
20 Accountant in the Plant Accounting Department. Since then, I have held
21 various positions of increasing responsibility with Gulf Power in Accounts
22 Payable, Financial Reporting, and Cost Accounting. In 1993, I joined the
23 Rates and Regulatory Matters area, where I have participated with
24 increasing responsibility in activities related to the cost recovery clauses,
the rate case, budgeting, and other regulatory functions. In 2004, I was
promoted to my current position.

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1 My responsibilities now include supervision of: tariff administration, cost
2 of service activities, calculation of cost recovery factors, the regulatory
3 filing function of the Rates and Regulatory Matters Department, and
4 various treasury activities.

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

7 A. Yes, I have.

8

9 Q. What is the purpose of your testimony?

10 A. The purpose of my testimony is to present both the calculation of the
11 revenue requirements and the development of the environmental cost
12 recovery factors for the period of January 2006 through December 2006.

13

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

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

18 Counsel: We ask that Ms. Davis's Exhibit consisting of 7
19 schedules be marked as Exhibit No. _____ (TAD-3).

20

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

23 A. As discussed in the testimony of J. O. Vick, Gulf is requesting recovery
24 for certain environmental compliance operating expenses and capital
25 costs that are consistent with both the decision of the Commission in

1 Docket No. 930613-EI and with past proceedings in this ongoing
2 recovery docket. The costs we have identified for recovery through the
3 ECRC are not currently being recovered through base rates or any other
4 cost recovery mechanism.

5
6 Q. How was the amount of projected O & M expenses to be recovered
7 through the ECRC calculated?

8 A. Mr. Vick has provided me with projected recoverable O & M expenses
9 for January 2006 through December 2006. Schedule 2P of my exhibit
10 shows the calculation of the recoverable O & M expenses broken down
11 between the demand-related and energy-related expenses. Also,
12 Schedule 2P provides the appropriate jurisdictional factors and amounts
13 related to these expenses. All O & M expenses associated with
14 compliance with the Clean Air Act Amendments of 1990 were
15 considered to be energy-related, consistent with Commission Order No.
16 PSC-94-0044-FOF-EI. The remaining expenses were broken down
17 between demand and energy consistent with Gulf's last approved cost-
18 of-service methodology in Docket No. 010949-EI.

19
20 Q. Please describe Schedules 3P and 4P of your exhibit.

21 A. Schedule 3P summarizes the monthly recoverable revenue requirements
22 associated with each capital investment for the recovery period.
23 Schedule 4P shows the detailed calculation of the revenue requirements
24 associated with each investment. These schedules also include the
25 calculation of the jurisdictional amount of recoverable revenue
26 requirements. Mr. Vick has provided me with the expenditures,

1 clearings, retirements, salvage, and cost of removal related to each
2 capital project and the monthly costs for emission allowances. From that
3 information, I calculated Plant-in-Service and Construction Work In
4 Progress-Non Interest Bearing (CWIP-NIB). Depreciation and
5 dismantlement expense and the associated accumulated depreciation
6 balances were calculated based on Gulf's approved depreciation rates
7 and dismantlement accruals. The capital projects identified for recovery
8 through the ECRC are those environmental projects which are not
9 included in the approved projected June 2002 through May 2003 test
10 year on which present base rates were set.

11

12 Q. How was the amount of Property Taxes to be recovered through the
13 ECRC derived?

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

23

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

1 A. The rate of return used is based on Gulf's capital structure as approved
2 in Gulf's last rate case, Docket No. 010949-EI, Order No. PSC-02-0787-
3 FOF-EI, dated June 10, 2002. This rate of return incorporates a return
4 on equity of 12.0 percent.

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

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

17
18 Q. What is the total amount of projected recoverable costs related to the
19 period January 2006 through December 2006?

20 A. The total projected jurisdictional recoverable costs for the period January
21 2006 through December 2006 are \$41,572,348 as shown on line 1c of
22 Schedule 1P. This includes costs related to O & M activities of
23 \$12,930,319 and costs related to capital projects of \$28,642,029 as
24 shown on lines 1a and 1b of Schedule 1P.

25

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

3 A. The total recoverable revenue requirement including revenue taxes is
4 \$40,326,725 for the period January 2006 through December 2006 as
5 shown on line 5 of Schedule 1P. This amount includes the recoverable
6 costs related to the projection period and the total true-up cost of
7 \$1,274,637 to be refunded. Schedule 1P also summarizes the energy
8 and demand components of the requested revenue requirement. I
9 allocated these amounts to rate class using the appropriate energy and
10 demand allocators as shown on Schedules 6P and 7P.

11

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

14 A. The demand allocation factors used in the ECRC were calculated using
15 the 2003 load data filed with the Commission in accordance with FPSC
16 Rule 25-6.0437. The energy allocation factors were calculated based on
17 projected KWH sales for the period adjusted for losses. The calculation
18 of the allocation factors for the period is shown in columns 1 through 9
19 on Schedule 6P.

20

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

23 A. As I described earlier in my testimony, Schedule 1P summarizes the
24 energy and demand portions of the total requested revenue requirement.
25 The energy-related recoverable revenue requirement of \$35,563,397 for

1 the period January 2006 through December 2006 was allocated using
2 the energy allocator, as shown in column 3 on Schedule 7P. The
3 demand-related recoverable revenue requirement of \$4,763,328 for the
4 period January 2006 through December 2006 was allocated using the
5 demand allocator, as shown in column 4 on Schedule 7P. The energy-
6 related and demand-related recoverable revenue requirements are
7 added together to derive the total amount assigned to each rate class,
8 as shown in column 5.

9
10 Q. What is the monthly amount related to environmental costs recovered
11 through this factor that will be included on a residential customer's bill for
12 1,000 kwh?

13 A. The environmental costs recovered through the clause from the
14 residential customer who uses 1,000 kwh will be \$3.64 monthly for the
15 period January 2006 through December 2006.

16
17 Q. When does Gulf propose to collect its environmental cost recovery
18 charges?

19 A. The factors will be effective beginning with the first Bill Group for January
20 2006 and continuing through the last Bill Group for December 2006.

21
22 Q. Ms. Davis, does this conclude your testimony?

23 A. Yes, it does.

24

25

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 050007-EI

Before me the undersigned authority, personally appeared Terry A. Davis, who being first duly sworn, deposes, and says that she is the Supervisor of Treasury and Regulatory Matters at 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.

Terry A. Davis
Terry A. Davis
Supervisor of Treasury and Regulatory Matters

Sworn to and subscribed before me this 15th day of September,
2005.

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 2006 - December 2006

<u>Line No.</u>	<u>Energy (\$)</u>	<u>Demand (\$)</u>	<u>Total (\$)</u>
1 Total Jurisdictional Rev. Req. for the projected period			
a Projected O & M Activities (Schedule 2P, Lines 7, 8 & 9)	10,822,425	2,107,894	12,930,319
b Projected Capital Projects (Schedule 3P, Lines 7, 8 & 9)	<u>25,719,315</u>	<u>2,922,714</u>	<u>28,642,029</u>
c Total Jurisdictional Rev. Req. for the projected period (Lines 1a + 1b)	36,541,740	5,030,608	41,572,348
2 True-Up for Estimated Over/(Under) Recovery for the period January 2005 - December 2005 (Schedule 1E, Line 4)	543,004	103,583	646,587
3 Final True-Up for the period January 2004 - December 2004 (Schedule 1A, Line 3)	<u>460,926</u>	<u>167,124</u>	<u>628,050</u>
4 Total Jurisdictional Amount to be Recovered/(Refunded) in the projection period January 2006 - December 2006 (Line 1c - Line 2 - Line 3)	<u>35,537,810</u>	<u>4,759,901</u>	<u>40,297,711</u>
5 Total Projected Jurisdictional Amount Adjusted for Taxes (Line 4 x Revenue Tax Multiplier)	<u>35,563,397</u>	<u>4,763,328</u>	<u>40,326,725</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
 Calculation of the Projected Period Amount
 January 2006 - December 2006

Schedule 2P

O & M Activities
 (in Dollars)

Line	January	February	March	April	May	June	July	August	September	October	November	December	End of	Method of	
													Period	Demand	Energy
													12-Month		
1	Description of O & M Activities														
.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
.2	0	650,000	5,500	0	0	0	0	0	124,374	0	0	0	779,874	0	779,874
.3	4,286	4,286	8,807	4,930	4,930	7,480	5,924	4,925	9,413	4,929	4,502	8,048	72,460	0	72,460
.4	1,500	0	500	0	0	0	0	0	0	0	0	0	2,000	2,000	0
.5	37,077	39,785	43,930	41,999	42,229	41,677	43,340	68,750	49,027	44,504	44,914	48,288	545,520	0	545,520
.6	24,929	39,041	86,824	31,724	32,980	53,396	34,166	40,959	51,769	34,506	34,181	52,691	517,166	517,166	0
.7	77,654	95,245	119,210	94,972	94,571	93,860	92,968	113,415	99,533	96,175	94,972	94,177	1,166,752	1,166,752	0
.8	23,000	11,500	0	0	0	0	0	0	0	0	0	0	34,500	34,500	0
.9	150	140	2,775	140	150	2,795	150	160	2,775	200	210	2,855	12,500	12,500	0
.10	83	83	83	83	83	83	83	83	233	83	83	237	1,300	1,300	0
.11	26,623	26,643	33,959	27,086	27,395	30,136	27,284	27,597	34,074	28,786	29,078	32,504	351,165	351,165	0
.12	833	833	22,083	1,433	833	22,083	833	833	22,083	833	833	22,087	95,600	95,600	0
.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	16,800	16,800	18,000	19,200	19,200	19,200	19,200	19,200	19,200	22,800	24,000	26,400	240,000	240,000	0
.17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
.18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
.19	318,750	297,500	318,750	297,500	318,750	361,250	318,750	340,000	318,750	425,000	446,250	488,750	4,250,000	4,250,000	0
.20	(13,234)	(13,279)	(13,286)	(13,294)	(13,195)	(13,192)	954,577	953,258	912,961	795,764	865,091	898,428	5,300,599	5,300,599	0
2	518,451	1,168,577	647,135	505,773	527,926	618,768	1,497,275	1,569,180	1,644,192	1,453,580	1,544,114	1,674,465	13,369,436	2,180,983	11,188,453
3	363,679	995,092	381,701	350,335	371,914	416,415	1,341,791	1,386,133	1,433,725	1,292,997	1,384,757	1,469,914	11,188,453	0	0
4	154,772	173,485	265,434	155,438	156,012	202,353	155,484	183,047	210,467	160,583	159,357	204,551	2,180,983	0	0
5	0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887	0.9648887	0.9648887	0.9648887
6	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872
7	350,932	962,883	368,800	339,223	360,726	403,852	1,299,688	1,342,779	1,386,730	1,249,750	1,337,766	1,419,296	10,822,425	0	0
8	149,585	167,671	256,539	150,229	150,784	195,572	150,273	176,913	203,414	155,201	154,017	197,696	2,107,894	0	0
9	500,517	1,130,554	625,339	489,452	511,510	599,424	1,449,961	1,519,692	1,590,144	1,404,951	1,491,783	1,616,992	12,930,319	0	0

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 2006 - December 2006

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	4,076	4,054	4,034	4,013	3,993	3,972	3,950	3,930	3,909	3,889	3,868	3,846	47,534	0	47,534
.2	188,890	188,299	187,710	187,119	186,529	185,939	185,347	184,757	184,166	183,576	182,985	182,395	2,227,712	0	2,227,712
.3	14,453	14,450	14,444	14,440	14,435	14,431	14,425	14,421	14,416	14,412	14,406	14,402	173,135	0	173,135
.4	184,958	184,625	184,292	183,959	183,625	183,293	182,960	182,626	182,294	181,960	181,627	181,294	2,197,513	0	2,197,513
.5	65,676	65,553	66,846	70,007	71,750	71,619	71,488	71,357	71,226	71,095	70,964	70,833	838,414	0	838,414
.6	9,288	9,270	9,252	9,234	9,216	9,198	9,180	9,162	9,144	9,126	9,108	9,090	110,268	101,786	8,482
.7	2,653	2,646	2,638	2,632	2,625	2,618	2,611	2,604	2,597	2,590	2,583	2,575	31,372	28,959	2,413
.8	7,809	7,779	7,750	7,720	7,690	7,659	7,631	7,600	7,572	7,541	7,512	7,481	91,744	84,687	7,057
.9	2,786	2,777	2,767	2,758	2,748	2,738	2,729	2,720	2,710	2,701	2,692	2,683	32,809	30,286	2,523
.10	689	686	684	682	680	677	676	673	671	670	667	665	8,120	7,495	625
.11	927	923	921	917	914	912	908	905	902	899	896	892	10,916	10,076	840
.12	541	539	537	536	534	532	530	528	527	524	523	521	6,372	5,882	490
.13	4,871	4,859	4,847	4,835	4,823	4,811	4,799	4,788	4,775	4,763	4,752	4,739	57,662	0	57,662
.14	25,420	25,348	25,275	25,203	25,131	25,059	24,987	24,914	24,842	24,770	24,698	24,625	300,272	277,175	23,097
.15	2,957	2,952	2,948	2,943	2,939	2,934	2,930	2,925	2,920	2,916	2,911	2,907	35,182	32,476	2,706
.16	153,188	157,477	158,763	160,027	161,347	162,734	164,133	165,552	166,976	168,414	169,868	176,885	1,965,364	1,814,190	151,175
.17	1,981	1,976	1,972	1,968	1,963	1,959	1,954	1,950	1,946	1,941	1,937	1,932	23,479	21,673	1,806
.18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
.19	1,591,310	1,587,352	1,583,393	1,600,400	1,617,355	1,613,296	1,609,236	1,605,176	1,601,116	1,597,056	1,592,995	1,588,935	19,187,620	0	19,187,620
.20	986	986	986	986	986	986	1,575	2,754	3,933	5,112	6,291	8,853	34,434	31,784	2,650
.21	764	761	760	757	756	754	752	750	748	746	744	742	9,034	0	9,034
.22	77,563	80,751	83,940	87,128	90,317	93,506	96,694	99,882	103,071	106,259	109,448	112,637	1,141,196	0	1,141,196
.23	23	71	216	460	704	948	1,340	1,882	2,424	2,967	3,608	4,348	18,991	17,531	1,460
.24	0	0	118	354	589	987	1,265	1,262	1,260	1,256	1,253	1,250	9,594	8,857	737
.25	283	6,734	19,635	32,536	54,332	69,593	69,425	69,257	69,087	68,919	68,751	68,581	597,133	551,202	45,931
.26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
.27	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
.28	(7,895)	(7,770)	(7,644)	(7,519)	(7,394)	(7,270)	51,615	105,942	97,139	89,079	81,245	72,926	452,454	0	452,454
2	2,334,197	2,343,098	2,357,084	2,394,095	2,438,587	2,453,885	2,513,140	2,568,317	2,560,371	2,553,181	2,546,332	2,546,037	29,608,324	3,024,059	26,584,266
3	2,140,782	2,139,870	2,140,657	2,164,288	2,187,141	2,186,624	2,243,716	2,296,297	2,285,744	2,275,936	2,266,365	2,256,846	26,584,266		
4	193,417	203,227	216,427	229,807	251,446	267,261	269,424	272,020	274,627	277,245	279,966	289,192	3,024,059		
5	0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887			
6	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872			
7	2,065,748	2,070,607	2,068,307	2,095,641	2,121,349	2,120,653	2,173,312	2,224,476	2,210,821	2,199,813	2,189,458	2,179,130	25,719,315		
8	186,935	196,416	209,174	222,106	243,019	258,304	260,395	262,904	265,423	267,954	270,584	279,500	2,922,714		
9	2,252,683	2,267,023	2,277,481	2,317,747	2,364,368	2,378,957	2,433,707	2,487,380	2,476,244	2,467,767	2,460,042	2,458,630	28,642,029		

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 2006 - December 2006

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	
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)	324,195	324,195	324,195	324,195	324,195	324,195	324,195	324,195	324,195	324,195	324,195	324,195	324,195	
3	Less: Accumulated Depreciation (C)	(268,701)	(270,905)	(273,109)	(275,313)	(277,517)	(279,721)	(281,925)	(284,129)	(286,333)	(288,537)	(290,741)	(292,945)	(295,149)	
4	CWIP - Non Interest Bearing	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	
5	Net Investment (Lines 2 - 3 + 4)	199,494	197,290	195,086	192,882	190,678	188,474	186,270	184,066	181,862	179,658	177,454	175,250	173,046	
6	Average Net Investment		198,392	196,188	193,984	191,780	189,576	187,372	185,168	182,964	180,760	178,556	176,352	174,148	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		1,458	1,441	1,425	1,409	1,393	1,377	1,360	1,344	1,328	1,312	1,296	1,279	16,422
b	Debt Component (Line 6 x 2.5042% x 1/12)		414	409	405	400	396	391	386	382	377	373	368	363	4,664
8	Investment Expenses														
a	Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Amortization (F)		2,204	2,204	2,204	2,204	2,204	2,204	2,204	2,204	2,204	2,204	2,204	2,204	26,448
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)		4,076	4,054	4,034	4,013	3,993	3,972	3,950	3,930	3,909	3,889	3,868	3,846	47,534
a	Recoverable Costs Allocated to Energy		4,076	4,054	4,034	4,013	3,993	3,972	3,950	3,930	3,909	3,889	3,868	3,846	47,534
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887	
11	Demand Jurisdictional Factor		0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	
12	Retail Energy-Related Recoverable Costs (H)		3,933	3,923	3,898	3,886	3,873	3,852	3,826	3,807	3,781	3,759	3,737	3,714	45,989
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)		3,933	3,923	3,898	3,886	3,873	3,852	3,826	3,807	3,781	3,759	3,737	3,714	45,989

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 2006 - December 2006
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 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	0
b	Clearings to Plant	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	14,679,954	14,679,954	14,679,954	14,679,954	14,679,954	14,679,954	14,679,954	14,679,954	14,679,954	14,679,954	14,679,954	14,679,954	14,679,954	14,679,954
3	Less: Accumulated Depreciation (C)	(1,261,927)	(1,324,577)	(1,387,127)	(1,449,728)	(1,512,328)	(1,574,928)	(1,637,529)	(1,700,129)	(1,762,729)	(1,825,329)	(1,887,930)	(1,950,530)	(2,013,131)	
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)	13,418,027	13,355,427	13,292,827	13,230,226	13,167,626	13,105,026	13,042,425	12,979,825	12,917,225	12,854,625	12,792,024	12,729,424	12,666,823	
6	Average Net Investment	13,386,727	13,324,127	13,261,527	13,198,926	13,136,326	13,073,726	13,011,125	12,948,525	12,885,925	12,823,325	12,760,724	12,698,124		
7	Return on Average Net Investment														
a	Equity Component Crossed Up For Taxes (D)	98,352	97,892	97,432	96,973	96,513	96,053	95,593	95,133	94,673	94,213	93,753	93,293	92,833	1,149,873
b	Debt Component (Line 6 x 2.5042% x 1/12)	27,938	27,807	27,677	27,546	27,416	27,285	27,154	27,024	26,893	26,762	26,632	26,501	26,371	326,635
8	Investment Expenses														
a	Depreciation (E)	47,710	47,710	47,710	47,710	47,710	47,710	47,710	47,710	47,710	47,710	47,710	47,710	47,710	572,520
b	Amortization (F)	0	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	14,890	14,891	14,890	14,891	178,684
d	Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)	188,890	188,299	187,710	187,119	186,529	185,939	185,347	184,757	184,166	183,576	182,985	182,395	181,804	2,227,712
a	Recoverable Costs Allocated to Energy	188,890	188,299	187,710	187,119	186,529	185,939	185,347	184,757	184,166	183,576	182,985	182,395	181,804	2,227,712
b	Recoverable Costs Allocated to Demand	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor	0.9642753	0.9669554	0.9696243	0.9722932	0.9749621	0.9776310	0.9803000	0.9829689	0.9856378	0.9883067	0.9909756	0.9936445	0.9963134	0.9989823
11	Demand Jurisdictional Factor	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872
12	Retail Energy-Related Recoverable Costs (H)	182,269	182,204	181,366	181,184	180,918	180,329	179,531	178,978	178,129	177,436	176,776	176,114	175,452	2,155,234
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)	182,269	182,204	181,366	181,184	180,918	180,329	179,531	178,978	178,129	177,436	176,776	176,114	175,452	2,155,234

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) 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 2006 - December 2006
Return on Capital Investments, Depreciation and Taxes
For Project: Crist 7 Flue Gas Conditioning
P.E. 1228
(in Dollars)

Line	Description	Beginning													End of
		Amount	January	February	March	April	May	June	July	August	September	October	November	December	Period
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)	77,207	77,207	77,207	77,207	77,207	77,207	77,207	77,207	77,207	77,207	77,207	77,207	77,207	77,207
3	Less: Accumulated Depreciation (C)	1,401,393	1,400,886	1,400,378	1,399,871	1,399,363	1,398,856	1,398,348	1,397,841	1,397,333	1,396,826	1,396,318	1,395,811	1,395,303	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 - 3 + 4)	1,478,600	1,478,093	1,477,585	1,477,078	1,476,570	1,476,063	1,475,555	1,475,048	1,474,540	1,474,033	1,473,525	1,473,018	1,472,510	
6	Average Net Investment		1,478,347	1,477,839	1,477,332	1,476,824	1,476,317	1,475,809	1,475,302	1,474,794	1,474,287	1,473,779	1,473,272	1,472,764	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		10,861	10,858	10,854	10,850	10,847	10,843	10,839	10,835	10,832	10,828	10,824	10,820	130,091
b	Debt Component (Line 6 x 2.5042% x 1/12)		3,085	3,084	3,083	3,082	3,081	3,080	3,079	3,078	3,077	3,076	3,075	3,074	36,954
8	Investment Expenses														
a	Depreciation (E)		251	251	251	251	251	251	251	251	251	251	251	251	3,012
b	Amortization (F)		0	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	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)		14,453	14,450	14,444	14,440	14,435	14,431	14,425	14,421	14,416	14,412	14,406	14,402	173,135
a	Recoverable Costs Allocated to Energy		14,453	14,450	14,444	14,440	14,435	14,431	14,425	14,421	14,416	14,412	14,406	14,402	173,135
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887	
11	Demand Jurisdictional Factor		0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	
12	Retail Energy-Related Recoverable Costs (H)		13,946	13,982	13,956	13,982	14,001	13,996	13,972	13,970	13,943	13,930	13,917	13,906	167,501
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)		13,946	13,982	13,956	13,982	14,001	13,996	13,972	13,970	13,943	13,930	13,917	13,906	167,501

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 2006 - December 2006
Return on Capital Investments, Depreciation and Taxes
For Project: Low Nox Burners, Chst 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)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Expenditures/Additions	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	10,864,846	10,864,846	10,864,846	10,864,846	10,864,846	10,864,846	10,864,846	10,864,846	10,864,846	10,864,846	10,864,846	10,864,846	10,864,846	10,864,846
3	Less: Accumulated Depreciation (C)	5,015,363	4,980,052	4,944,741	4,909,430	4,874,119	4,838,808	4,803,497	4,768,186	4,732,875	4,697,564	4,662,253	4,626,942	4,591,631	0
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)	15,880,209	15,844,898	15,809,587	15,774,276	15,738,965	15,703,654	15,668,343	15,633,032	15,597,721	15,562,410	15,527,099	15,491,788	15,456,477	15,421,166
6	Average Net Investment	15,862,554	15,827,243	15,791,932	15,756,621	15,721,310	15,685,999	15,650,688	15,615,377	15,580,066	15,544,755	15,509,444	15,474,133	15,438,822	15,403,511
7	Return on Average Net Investment	116,542	116,283	116,023	115,764	115,504	115,245	114,986	114,726	114,467	114,207	113,948	113,688	113,429	113,169
a	Equity Component Crossed Up For Taxes (D)	33,105	33,031	32,958	32,884	32,810	32,737	32,663	32,589	32,516	32,442	32,368	32,295	32,221	32,147
b	Debt Component (Line 6 x 2.5042% x 1/12)	33,105	33,031	32,958	32,884	32,810	32,737	32,663	32,589	32,516	32,442	32,368	32,295	32,221	32,147
8	Investment Expenses	35,311	35,311	35,311	35,311	35,311	35,311	35,311	35,311	35,311	35,311	35,311	35,311	35,311	35,311
a	Depreciation (E)	35,311	35,311	35,311	35,311	35,311	35,311	35,311	35,311	35,311	35,311	35,311	35,311	35,311	35,311
b	Amortization (F)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)	184,958	184,625	184,292	183,959	183,625	183,293	182,960	182,626	182,294	181,960	181,627	181,294	180,960	180,627
a	Recoverable Costs Allocated to Demand	184,958	184,625	184,292	183,959	183,625	183,293	182,960	182,626	182,294	181,960	181,627	181,294	180,960	180,627
b	Recoverable Costs Allocated to Demand	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor	0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887	0.9643874	0.9638860
11	Demand Jurisdictional Factor	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872
12	Retail Energy-Related Recoverable Costs (H)	178,475	178,649	178,063	178,124	178,101	177,763	177,219	176,914	176,319	175,874	175,464	175,051	174,637	174,223
13	Retail Demand-Related Recoverable Costs (I)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurts. Recoverable Costs (Lines 12 + 13)	178,475	178,649	178,063	178,124	178,101	177,763	177,219	176,914	176,319	175,874	175,464	175,051	174,637	174,223

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 2006 - December 2006

Return on Capital Investments, Depreciation and Taxes

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

P.E.s 1154, 1164, 1217, 1240, 1245, 1286, 1289, 1290, 1311, 1316, 1323, 1324, 1325, 1440, 1441, 1442, 1444, 1445 1454, 1459, 1460, 1558, 1570
(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	300,000	300,000	0	0	0	0	0	0	0	0	
b	Clearings to Plant		0	0	0	600,000	0	0	0	0	0	0	0	0	
c	Retirements		0	0	0	275,000	0	0	0	0	0	0	0	0	
d	Cost of Removal		0	0	0	2,000	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)	4,492,881	4,492,881	4,492,881	4,492,881	4,817,881	4,817,881	4,817,881	4,817,881	4,817,881	4,817,881	4,817,881	4,817,881	4,817,881	
3	Less: Accumulated Depreciation (C)	883,288	870,295	857,302	844,309	1,107,869	1,093,982	1,080,095	1,066,208	1,052,321	1,038,434	1,024,547	1,010,660	996,773	
4	CWIP - Non Interest Bearing	88,855	88,854	88,854	388,854	88,854	88,854	88,854	88,854	88,854	88,854	88,854	88,854	88,854	
5	Net Investment (Lines 2 - 3 + 4)	5,465,024	5,452,030	5,439,037	5,726,044	6,014,604	6,000,717	5,986,830	5,972,943	5,959,056	5,945,169	5,931,282	5,917,395	5,903,508	
6	Average Net Investment		5,458,527	5,445,534	5,582,541	5,870,324	6,007,661	5,993,774	5,979,887	5,966,000	5,952,113	5,938,226	5,924,339	5,910,452	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		40,104	40,008	41,015	43,129	44,138	44,036	43,934	43,832	43,730	43,628	43,526	43,424	514,504
b	Debt Component (Line 6 x 2.5042% x 1/12)		11,392	11,365	11,651	12,251	12,538	12,509	12,480	12,451	12,422	12,393	12,364	12,335	146,151
8	Investment Expenses														
a	Depreciation (E)		12,993	12,993	12,993	13,440	13,887	13,887	13,887	13,887	13,887	13,887	13,887	13,887	163,515
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		1,187	1,187	1,187	1,187	1,187	1,187	1,187	1,187	1,187	1,187	1,187	1,187	14,244
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	
9	Total System Recoverable Expenses (Lines 7 + 8)		65,676	65,553	66,846	70,007	71,750	71,619	71,488	71,357	71,226	71,095	70,964	70,833	838,414
a	Recoverable Costs Allocated to Energy		65,676	65,553	66,846	70,007	71,750	71,619	71,488	71,357	71,226	71,095	70,964	70,833	838,414
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	
10	Energy Jurisdictional Factor		0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887	
11	Demand Jurisdictional Factor		0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	
12	Retail Energy-Related Recoverable Costs (H)		63,374	63,431	64,587	67,787	69,592	69,458	69,245	69,125	68,891	68,717	68,556	68,394	811,157
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)		63,374	63,431	64,587	67,787	69,592	69,458	69,245	69,125	68,891	68,717	68,556	68,394	811,157

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project, if applicable
- (B) Beginning Balances: Crist, \$2,350,434; Scholz \$836,600; Smith \$685,842; Daniel \$620,005. Ending Balances: Crist, \$2,350,434; Scholz \$836,600; Smith \$1,010,842; Daniel \$620,005
- (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%; 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 2006 - December 2006
Return on Capital Investments, Depreciation and Taxes
For Project: Sub. Contam. Mobile Groundwater Treat. Sys.
P.E. 1007, 3400, & 3412
(in Dollars)

Line	Description	Beginning													End of
		of Period	January	February	March	April	May	June	July	August	September	October	November	December	Period
		Amount													Amount
1	Investments (A)														
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)	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)	(146,595)	(148,507)	(150,419)	(152,331)	(154,243)	(156,155)	(158,067)	(159,979)	(161,891)	(163,803)	(165,715)	(167,627)	(169,539)	
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)	782,799	780,887	778,975	777,063	775,151	773,239	771,327	769,415	767,503	765,591	763,679	761,767	759,855	
6	Average Net Investment		781,843	779,931	778,019	776,107	774,195	772,283	770,371	768,459	766,547	764,635	762,723	760,811	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		5,744	5,730	5,716	5,702	5,688	5,674	5,660	5,646	5,632	5,618	5,604	5,590	68,004
b	Debt Component (Line 6 x 2.5042% x 1/12)		1,632	1,628	1,624	1,620	1,616	1,612	1,608	1,604	1,600	1,596	1,592	1,588	19,320
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)		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)		9,288	9,270	9,252	9,234	9,216	9,198	9,180	9,162	9,144	9,126	9,108	9,090	110,268
a	Recoverable Costs Allocated to Energy		714	713	712	710	709	708	706	705	703	702	701	699	8,482
b	Recoverable Costs Allocated to Demand		8,574	8,557	8,540	8,524	8,507	8,490	8,474	8,457	8,441	8,424	8,407	8,391	101,786
10	Energy Jurisdictional Factor		0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887	
11	Demand Jurisdictional Factor		0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	
12	Retail Energy-Related Recoverable Costs (H)		689	690	688	687	688	687	684	683	680	679	677	675	8,207
13	Retail Demand-Related Recoverable Costs (I)		8,287	8,270	8,254	8,238	8,222	8,205	8,190	8,174	8,158	8,142	8,125	8,110	98,375
14	Total Juris. Recoverable Costs (Lines 12 + 13)		8,976	8,960	8,942	8,925	8,910	8,892	8,874	8,857	8,838	8,821	8,802	8,785	106,582

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 fully 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 2006 - December 2006
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)	(40,123)	(40,867)	(41,610)	(42,353)	(43,096)	(43,839)	(44,582)	(45,325)	(46,068)	(46,811)	(47,554)	(48,297)	(49,040)	
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)	202,820	202,076	201,333	200,590	199,847	199,104	198,361	197,618	196,875	196,132	195,389	194,646	193,903	
6	Average Net Investment		202,448	201,705	200,962	200,219	199,476	198,733	197,990	197,247	196,504	195,761	195,018	194,275	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		1,487	1,482	1,476	1,471	1,466	1,460	1,455	1,449	1,444	1,438	1,433	1,427	17,488
b	Debt Component (Line 6 x 2.5042% x 1/12)		423	421	419	418	416	415	413	412	410	409	407	405	4,968
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)		2,653	2,646	2,638	2,632	2,625	2,618	2,611	2,604	2,597	2,590	2,583	2,575	31,372
a	Recoverable Costs Allocated to Energy		204	204	203	202	202	201	201	200	200	199	199	198	2,413
b	Recoverable Costs Allocated to Demand		2,449	2,442	2,435	2,430	2,423	2,417	2,410	2,404	2,397	2,391	2,384	2,377	28,959
10	Energy Jurisdictional Factor		0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887	
11	Demand Jurisdictional Factor		0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	
12	Retail Energy-Related Recoverable Costs (H)		197	197	196	196	196	195	195	194	193	192	192	191	2,334
13	Retail Demand-Related Recoverable Costs (I)		2,367	2,360	2,353	2,349	2,342	2,336	2,329	2,323	2,317	2,311	2,304	2,297	27,988
14	Total Juris. Recoverable Costs (Lines 12 + 13)		2,564	2,557	2,549	2,545	2,538	2,531	2,524	2,517	2,510	2,503	2,496	2,488	30,322

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project, if applicable
- (B) Beginning Balances: Crist, \$149,920; Smith \$93,023. Ending Balances: Crist, \$149,920; Smith \$93,023
- (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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2006 - December 2006
Return on Capital Investments, Depreciation and Taxes
For Project: Crist Cooling Tower Cell
P.E. 1232
(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	
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)	(411,402)	(414,554)	(417,705)	(420,857)	(424,008)	(427,160)	(430,311)	(433,463)	(436,614)	(439,766)	(442,917)	(446,068)	(449,219)	
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)	495,257	492,105	488,954	485,802	482,651	479,499	476,348	473,196	470,045	466,893	463,742	460,591	457,440	
6	Average Net Investment		493,681	490,530	487,378	484,227	481,075	477,924	474,772	471,621	468,469	465,318	462,167	459,016	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		3,627	3,604	3,581	3,558	3,534	3,511	3,488	3,465	3,442	3,419	3,396	3,372	41,997
b	Debt Component (Line 6 x 2.5042% x 1/12)		1,030	1,024	1,017	1,011	1,004	997	991	984	978	971	965	958	11,930
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)		7,809	7,779	7,750	7,720	7,690	7,659	7,631	7,600	7,572	7,541	7,512	7,481	91,744
a	Recoverable Costs Allocated to Energy		601	598	596	594	592	589	587	585	582	580	578	575	7,057
b	Recoverable Costs Allocated to Demand		7,208	7,181	7,154	7,126	7,098	7,070	7,044	7,015	6,990	6,961	6,934	6,906	84,687
10	Energy Jurisdictional Factor		0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887	
11	Demand Jurisdictional Factor		0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	
12	Retail Energy-Related Recoverable Costs (H)		580	579	576	575	574	571	569	567	563	561	558	555	6,828
13	Retail Demand-Related Recoverable Costs (I)		6,966	6,940	6,914	6,887	6,860	6,833	6,808	6,780	6,756	6,728	6,702	6,675	81,849
14	Total Juris. Recoverable Costs (Lines 12 + 13)		7,546	7,519	7,490	7,462	7,434	7,404	7,377	7,347	7,319	7,289	7,260	7,230	88,677

- 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 2006 - December 2006
Return on Capital Investments, Depreciation and Taxes
For Project: Crist 1-5 Dechlorination
P.E. 1248
(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)	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)	(114,710)	(115,702)	(116,694)	(117,686)	(118,678)	(119,670)	(120,662)	(121,654)	(122,646)	(123,638)	(124,630)	(125,622)	(126,614)	
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)	190,613	189,621	188,629	187,637	186,645	185,653	184,661	183,669	182,677	181,685	180,693	179,701	178,709	
6	Average Net Investment		190,117	189,125	188,133	187,141	186,149	185,157	184,165	183,173	182,181	181,189	180,197	179,205	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		1,397	1,390	1,382	1,375	1,368	1,360	1,353	1,346	1,338	1,331	1,324	1,317	16,281
b	Debt Component (Line 6 x 2.5042% x 1/12)		397	395	393	391	388	386	384	382	380	378	376	374	4,624
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)		2,786	2,777	2,767	2,758	2,748	2,738	2,729	2,720	2,710	2,701	2,692	2,683	32,809
a	Recoverable Costs Allocated to Energy		214	214	213	212	211	211	210	209	208	208	207	206	2,523
b	Recoverable Costs Allocated to Demand		2,572	2,563	2,554	2,546	2,537	2,527	2,519	2,511	2,502	2,493	2,485	2,477	30,286
10	Energy Jurisdictional Factor		0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887	
11	Demand Jurisdictional Factor		0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	
12	Retail Energy-Related Recoverable Costs (H)		206	207	206	205	205	205	203	202	201	201	200	199	2,440
13	Retail Demand-Related Recoverable Costs (I)		2,486	2,477	2,468	2,461	2,452	2,442	2,435	2,427	2,418	2,409	2,402	2,394	29,271
14	Total Juris. Recoverable Costs (Lines 12 + 13)		2,692	2,684	2,674	2,666	2,657	2,647	2,638	2,629	2,619	2,610	2,602	2,593	31,711

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

12

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2006 - December 2006
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		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)	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923	
3	Less: Accumulated Depreciation (C)	(19,597)	(19,821)	(20,045)	(20,269)	(20,493)	(20,717)	(20,941)	(21,165)	(21,389)	(21,613)	(21,837)	(22,061)	(22,285)	
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)	49,326	49,102	48,878	48,654	48,430	48,206	47,982	47,758	47,534	47,310	47,086	46,862	46,638	
6	Average Net Investment		49,214	48,990	48,766	48,542	48,318	48,094	47,870	47,646	47,422	47,198	46,974	46,750	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		362	360	358	357	355	353	352	350	348	347	345	343	4,230
b	Debt Component (Line 6 x 2.5042% x 1/12)		103	102	102	101	101	100	100	99	99	99	98	98	1,202
8	Investment Expenses														
a	Depreciation (E)		224	224	224	224	224	224	224	224	224	224	224	224	2,688
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)		689	686	684	682	680	677	676	673	671	670	667	665	8,120
a	Recoverable Costs Allocated to Energy		53	53	53	52	52	52	52	52	52	52	51	51	625
b	Recoverable Costs Allocated to Demand		636	633	631	630	628	625	624	621	619	618	616	614	7,495
10	Energy Jurisdictional Factor		0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887	
11	Demand Jurisdictional Factor		0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	
12	Retail Energy-Related Recoverable Costs (H)		51	51	51	50	50	50	50	50	50	50	49	49	601
13	Retail Demand-Related Recoverable Costs (I)		615	612	610	609	607	604	603	600	598	597	595	593	7,243
14	Total Juris. Recoverable Costs (Lines 12 + 13)		666	663	661	659	657	654	653	650	648	647	644	642	7,844

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 2006 - December 2006
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)	(38,070)	(38,400)	(38,730)	(39,060)	(39,390)	(39,720)	(40,050)	(40,380)	(40,710)	(41,040)	(41,370)	(41,700)	(42,030)	
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)	63,425	63,095	62,765	62,435	62,105	61,775	61,445	61,115	60,785	60,455	60,125	59,795	59,465	
6	Average Net Investment		63,260	62,930	62,600	62,270	61,940	61,610	61,280	60,950	60,620	60,290	59,960	59,630	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		465	462	460	457	455	453	450	448	445	443	441	438	5,417
b	Debt Component (Line 6 x 2.5042% x 1/12)		132	131	131	130	129	129	128	127	127	126	125	124	1,539
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)		927	923	921	917	914	912	908	905	902	899	896	892	10,916
a	Recoverable Costs Allocated to Energy		71	71	71	71	70	70	70	70	69	69	69	69	840
b	Recoverable Costs Allocated to Demand		856	852	850	846	844	842	838	835	833	830	827	823	10,076
10	Energy Jurisdictional Factor		0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887	
11	Demand Jurisdictional Factor		0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	
12	Retail Energy-Related Recoverable Costs (H)		69	69	69	69	68	68	68	68	67	67	67	67	816
13	Retail Demand-Related Recoverable Costs (I)		827	823	822	818	816	814	810	807	805	802	799	795	9,738
14	Total Juris. Recoverable Costs (Lines 12 + 13)		896	892	891	887	884	882	878	875	872	869	866	862	10,554

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 2006 - December 2006
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	
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)	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)	(22,658)	(22,852)	(23,046)	(23,240)	(23,434)	(23,628)	(23,822)	(24,016)	(24,210)	(24,404)	(24,598)	(24,792)	(24,986)	
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)	36,885	36,691	36,497	36,303	36,109	35,915	35,721	35,527	35,333	35,139	34,945	34,751	34,557	
6	Average Net Investment		36,788	36,594	36,400	36,206	36,012	35,818	35,624	35,430	35,236	35,042	34,848	34,654	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		270	269	267	266	265	263	262	260	259	257	256	255	3,149
b	Debt Component (Line 6 x 2.5042% x 1/12)		77	76	76	76	75	75	74	74	74	73	73	72	895
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)		541	539	537	536	534	532	530	528	527	524	523	521	6,372
a	Recoverable Costs Allocated to Energy		42	41	41	41	41	41	41	41	41	40	40	40	490
b	Recoverable Costs Allocated to Demand		499	498	496	495	493	491	489	487	486	484	483	481	5,882
10	Energy Jurisdictional Factor		0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887	
11	Demand Jurisdictional Factor		0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	
12	Retail Energy-Related Recoverable Costs (H)		41	40	40	40	40	40	40	40	40	39	39	39	478
13	Retail Demand-Related Recoverable Costs (I)		482	481	479	478	476	475	473	471	470	468	467	465	5,685
14	Total Juris. Recoverable Costs (Lines 12 + 13)		523	521	519	518	516	515	513	511	510	507	506	504	6,163

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 2006 - December 2006
Return on Capital Investments, Depreciation and Taxes
For Project: Sodium Injection System
P.E.'s 1214, 1413
(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	
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)	406,497	406,497	406,497	406,497	406,497	406,497	406,497	406,497	406,497	406,497	406,497	406,497	406,497	
3	Less: Accumulated Depreciation (C)	(23,943)	(25,211)	(26,479)	(27,747)	(29,015)	(30,283)	(31,551)	(32,819)	(34,087)	(35,355)	(36,623)	(37,891)	(39,159)	
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)	382,554	381,286	380,018	378,750	377,482	376,214	374,946	373,678	372,410	371,142	369,874	368,606	367,338	
6	Average Net Investment		381,920	380,652	379,384	378,116	376,848	375,580	374,312	373,044	371,776	370,508	369,240	367,972	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		2,806	2,797	2,787	2,778	2,769	2,759	2,750	2,741	2,731	2,722	2,713	2,703	33,056
b	Debt Component (Line 6 x 2.5042% x 1/12)		797	794	792	789	786	784	781	779	776	773	771	768	9,390
8	Investment Expenses														
a	Depreciation (E)		1,268	1,268	1,268	1,268	1,268	1,268	1,268	1,268	1,268	1,268	1,268	1,268	15,216
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)		4,871	4,859	4,847	4,835	4,823	4,811	4,799	4,788	4,775	4,763	4,752	4,739	57,662
a	Recoverable Costs Allocated to Energy		4,871	4,859	4,847	4,835	4,823	4,811	4,799	4,788	4,775	4,763	4,752	4,739	57,662
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	
10	Energy Jurisdictional Factor		0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887	
11	Demand Jurisdictional Factor		0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	
12	Retail Energy-Related Recoverable Costs (H)		4,700	4,702	4,683	4,682	4,678	4,666	4,648	4,638	4,618	4,604	4,591	4,576	55,786
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)		4,700	4,702	4,683	4,682	4,678	4,666	4,648	4,638	4,618	4,604	4,591	4,576	55,786

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project, if applicable
- (B) Beginning Balances: Crist, \$300,000; Smith \$106,497. Ending Balances: Crist, \$300,000; Smith \$106,497. Expenditures are expected in the last quarter of 2005 that were not expected when the 2005 estimated true-up was filed.
- (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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2006 - December 2006
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	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)	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	2,782,600
3	Less: Accumulated Depreciation (C)	(895,434)	(903,086)	(910,738)	(918,390)	(926,042)	(933,694)	(941,346)	(948,998)	(956,650)	(964,302)	(971,954)	(979,606)	(987,258)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 - 3 + 4)	1,887,166	1,879,514	1,871,862	1,864,210	1,856,558	1,848,906	1,841,254	1,833,602	1,825,950	1,818,298	1,810,646	1,802,994	1,795,342	
6	Average Net Investment		1,883,340	1,875,688	1,868,036	1,860,384	1,852,732	1,845,080	1,837,428	1,829,776	1,822,124	1,814,472	1,806,820	1,799,168	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		13,837	13,781	13,724	13,668	13,612	13,556	13,500	13,443	13,387	13,331	13,275	13,218	162,332
b	Debt Component (Line 6 x 2.5042% x 1/12)		3,931	3,915	3,899	3,883	3,867	3,851	3,835	3,819	3,803	3,787	3,771	3,755	46,116
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)		25,420	25,348	25,275	25,203	25,131	25,059	24,987	24,914	24,842	24,770	24,698	24,625	300,272
a	Recoverable Costs Allocated to Energy		1,955	1,950	1,944	1,939	1,933	1,928	1,922	1,916	1,911	1,905	1,900	1,894	23,097
b	Recoverable Costs Allocated to Demand		23,465	23,398	23,331	23,264	23,198	23,131	23,065	22,998	22,931	22,865	22,798	22,731	277,175
10	Energy Jurisdictional Factor		0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887	
11	Demand Jurisdictional Factor		0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	
12	Retail Energy-Related Recoverable Costs (H)		1,886	1,887	1,878	1,877	1,875	1,870	1,862	1,856	1,848	1,841	1,836	1,829	22,345
13	Retail Demand-Related Recoverable Costs (I)		22,679	22,614	22,549	22,484	22,421	22,356	22,292	22,227	22,163	22,099	22,034	21,969	267,887
14	Total Juris. Recoverable Costs (Lines 12 + 13)		24,565	24,501	24,427	24,361	24,296	24,226	24,154	24,083	24,011	23,940	23,870	23,798	290,232

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 2006 - December 2006
Return on Capital Investments, Depreciation and Taxes
For Project: Smith Waster Water Treatment Facilities
P.E. 1466, 1643
(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)	173,853	173,853	173,853	173,853	173,853	173,853	173,853	173,853	173,853	173,853	173,853	173,853	173,853	0
3	Less: Accumulated Depreciation (C)	89,157	88,679	88,201	87,723	87,245	86,767	86,289	85,811	85,333	84,855	84,377	83,899	83,421	0
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)	263,010	262,532	262,054	261,576	261,098	260,620	260,142	259,664	259,186	258,708	258,230	257,752	257,274	0
6	Average Net Investment		262,771	262,293	261,815	261,337	260,859	260,381	259,903	259,425	258,947	258,469	257,991	257,513	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		1,931	1,927	1,924	1,920	1,917	1,913	1,910	1,906	1,902	1,899	1,895	1,892	22,936
b	Debt Component (Line 6 x 2.5042% x I/12)		548	547	546	545	544	543	542	541	540	539	538	537	6,510
8	Investment Expenses														
a	Depreciation (E)		478	478	478	478	478	478	478	478	478	478	478	478	5,736
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)		2,957	2,952	2,948	2,943	2,939	2,934	2,930	2,925	2,920	2,916	2,911	2,907	35,182
a	Recoverable Costs Allocated to Energy		227	227	227	226	226	226	225	225	225	224	224	224	2,706
b	Recoverable Costs Allocated to Demand		2,730	2,725	2,721	2,717	2,713	2,708	2,705	2,700	2,695	2,692	2,687	2,683	32,476
10	Energy Jurisdictional Factor		0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887	
11	Demand Jurisdictional Factor		0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	
12	Retail Energy-Related Recoverable Costs (H)		219	220	219	219	219	219	218	218	218	217	216	216	2,618
13	Retail Demand-Related Recoverable Costs (I)		2,639	2,634	2,630	2,626	2,622	2,617	2,614	2,610	2,605	2,602	2,597	2,593	31,389
14	Total Juris. Recoverable Costs (Lines 12 + 13)		2,858	2,854	2,849	2,845	2,841	2,836	2,832	2,828	2,823	2,819	2,813	2,809	34,007

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 2006 - December 2006
Return on Capital Investments, Depreciation and Taxes
For Project: Daniel Ash Management Project
P.E. 1535, 1555, and 1819
(in Dollars)

Line	Description	Beginning of Period Amount	Month												End of Period Amount	
			January	February	March	April	May	June	July	August	September	October	November	December		
1	Investments (A)															
a	Expenditures/Additions		811,815	178,716	175,490	173,809	187,417	188,010	190,274	191,925	191,449	194,867	194,769	195,743		
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	3,261,168		
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	1,000,000		
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	621,817		
e	Salvage		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	15,503,637		
3	Less: Accumulated Depreciation (C)	(4,794,908)	(4,835,626)	(4,876,344)	(4,917,062)	(4,957,780)	(4,998,498)	(5,039,216)	(5,079,934)	(5,120,652)	(5,161,370)	(5,202,088)	(5,242,806)	(3,664,345)		
4	CWIP - Non Interest Bearing	386,884	1,198,699	1,377,415	1,552,905	1,726,714	1,914,131	2,102,141	2,292,415	2,484,340	2,675,789	2,870,656	3,065,425	0		
5	Net Investment (Lines 2 - 3 + 4)	8,834,445	9,605,542	9,743,540	9,878,312	10,011,403	10,158,102	10,305,394	10,454,950	10,606,157	10,756,888	10,911,037	11,065,088	11,839,292		
6	Average Net Investment		9,219,994	9,674,541	9,810,926	9,944,858	10,084,753	10,231,748	10,380,172	10,530,554	10,681,523	10,833,963	10,988,063	11,452,190		
7	Return on Average Net Investment															
a	Equity Component Grossed Up For Taxes (D)		67,739	71,079	72,081	73,065	74,093	75,173	76,263	77,368	78,477	79,597	80,729	84,139	909,803	
b	Debt Component (Line 6 x 2.5042% x 1/12)		19,242	20,191	20,475	20,755	21,047	21,354	21,663	21,977	22,292	22,610	22,932	23,901	258,439	
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	33,533	373,378	
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		25,489	25,489	25,489	25,489	25,489	25,489	25,489	25,489	25,489	25,489	25,489	25,489	305,868	
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0	
9	Total System Recoverable Expenses (Lines 7 + 8)	153,188	157,477	158,763	160,027	161,347	162,734	164,133	165,552	166,976	168,414	169,868	176,885	1,965,364		
a	Recoverable Costs Allocated to Energy	11,783	12,114	12,211	12,310	12,411	12,518	12,625	12,734	12,843	12,954	13,066	13,606	151,175		
b	Recoverable Costs Allocated to Demand	141,407	145,362	146,552	147,717	148,936	150,216	151,508	152,818	154,133	155,460	156,801	163,280	1,814,190		
10	Energy Jurisdictional Factor	0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887			
11	Demand Jurisdictional Factor	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872			
12	Retail Energy-Related Recoverable Costs (H)	11,370	11,722	11,798	11,920	12,038	12,140	12,229	12,336	12,422	12,521	12,623	13,137	146,256		
13	Retail Demand-Related Recoverable Costs (I)	136,668	140,491	141,641	142,767	143,945	145,182	146,431	147,697	148,968	150,250	151,546	157,808	1,753,394		
14	Total Juris. Recoverable Costs (Lines 12 + 13)	148,038	152,213	153,439	154,687	155,983	157,322	158,660	160,033	161,390	162,771	164,169	170,945	1,899,650		

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 2006 - December 2006
Return on Capital Investments, Depreciation and Taxes
For Project: Smith Water Conservation
P.E. 1620, 1638
(in Dollars)

Line	Description	Beginning													0	
		of Period	January	February	March	April	May	June	July	August	September	October	November	December	0	
1	Investments (A)															0
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	167,906	167,906	167,906	167,906	167,906	167,906	167,906	167,906	167,906	167,906	167,906	167,906	167,906	167,906	0
3	Less: Accumulated Depreciation (C)	(6,689)	(7,151)	(7,613)	(8,075)	(8,537)	(8,999)	(9,461)	(9,923)	(10,385)	(10,847)	(11,309)	(11,771)	(12,233)		0
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 - 3 + 4)	161,217	160,755	160,293	159,831	159,369	158,907	158,445	157,983	157,521	157,059	156,597	156,135	155,673		0
6	Average Net Investment		160,986	160,524	160,062	159,600	159,138	158,676	158,214	157,752	157,290	156,828	156,366	155,904		0
7	Return on Average Net Investment															0
a	Equity Component Grossed Up For Taxes (D)		1,183	1,179	1,176	1,173	1,169	1,166	1,162	1,159	1,156	1,152	1,149	1,145	13,969	0
b	Debt Component (Line 6 x 2.5042% x 1/12)		336	335	334	333	332	331	330	329	328	327	326	325	3,966	0
8	Investment Expenses															0
a	Depreciation (E)		462	462	462	462	462	462	462	462	462	462	462	462	5,544	0
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		1,981	1,976	1,972	1,968	1,963	1,959	1,954	1,950	1,946	1,941	1,937	1,932	23,479	0
a	Recoverable Costs Allocated to Energy		152	152	152	151	151	151	150	150	150	149	149	149	1,806	0
b	Recoverable Costs Allocated to Demand		1,829	1,824	1,820	1,817	1,812	1,808	1,804	1,800	1,796	1,792	1,788	1,783	21,673	0
10	Energy Jurisdictional Factor		0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887		0
11	Demand Jurisdictional Factor		0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872		0
12	Retail Energy-Related Recoverable Costs (H)		147	147	147	146	146	146	145	145	145	144	144	144	1,746	0
13	Retail Demand-Related Recoverable Costs (I)		1,768	1,763	1,759	1,756	1,751	1,747	1,744	1,740	1,736	1,732	1,728	1,723	20,947	0
14	Total Juris. Recoverable Costs (Lines 12 + 13)		1,915	1,910	1,906	1,902	1,897	1,893	1,889	1,885	1,881	1,876	1,872	1,867	22,693	0

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 2006 - December 2006
Return on Capital Investments, Depreciation and Taxes
For Project: Underground Fuel Tank Replacement
P.E. 4397
(in Dollars)

Line	Description	Beginning Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Amount
1	Investments (A)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Expenditures/Additions	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Changes to Plant	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Renewal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (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	457,919
3	Less: Accumulated Depreciation (C)	(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)	(457,919)
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)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Average Net Investment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Return on Average Net Investment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Equity Component Crossed Up For Taxes (D)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Debt Component (Line 6 x 2.5042% x 1/12)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0
a	Depreciation (E)	0	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	0
c	Dismantlement	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)	0	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	0	0	0	0	0	0	0	0
a	Recoverable Costs Allocated to Energy	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Recoverable Costs Allocated to Demand	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor	0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9664872	0.9665452	0.9658769	0.9653901	0.9648887	0.9648887
11	Demand Jurisdictional Factor	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872
12	Retail Energy-Related Recoverable Costs (H)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (I)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurts. Recoverable Costs (Lines 12 + 13)	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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) This project was fully amortized as of December 2004.
(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 2006 - December 2006
Return on Capital Investments, Depreciation and Taxes
For Project: Crist FDEP Agreement for Ozone Attainment
P.E. 1199 and P.E. 1287
(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 (J)		0	0	0	3,309,792	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)	129,110,304	129,110,304	129,110,304	129,110,304	132,420,096	132,420,096	132,420,096	132,420,096	132,420,096	132,420,096	132,420,096	132,420,096	132,420,096	132,420,096
3	Less: Accumulated Depreciation (C)	(4,700,570)	(5,120,178)	(5,539,786)	(5,959,394)	(6,384,381)	(6,814,746)	(7,245,111)	(7,675,476)	(8,105,841)	(8,536,206)	(8,966,571)	(9,396,936)	(9,827,301)	
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)	124,409,734	123,990,126	123,570,518	123,150,910	126,035,715	125,605,350	125,174,985	124,744,620	124,314,255	123,883,890	123,453,525	123,023,160	122,592,795	
6	Average Net Investment		124,199,930	123,780,322	123,360,714	124,593,313	125,820,533	125,390,168	124,959,803	124,529,438	124,099,073	123,668,708	123,238,343	122,807,978	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		912,497	909,414	906,331	915,387	924,403	921,242	918,080	914,918	911,756	908,594	905,432	902,270	10,950,324
b	Debt Component (Line 6 x 2.5042% x 1/12)		259,205	258,330	257,454	260,026	262,587	261,689	260,791	259,893	258,995	258,097	257,198	256,300	3,110,565
8	Investment Expenses														
a	Depreciation (E)		419,608	419,608	419,608	424,987	430,365	430,365	430,365	430,365	430,365	430,365	430,365	430,365	5,126,731
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)		1,591,310	1,587,352	1,583,393	1,600,400	1,617,355	1,613,296	1,609,236	1,605,176	1,601,116	1,597,056	1,592,995	1,588,935	19,187,620
a	Recoverable Costs Allocated to Energy		1,591,310	1,587,352	1,583,393	1,600,400	1,617,355	1,613,296	1,609,236	1,605,176	1,601,116	1,597,056	1,592,995	1,588,935	19,187,620
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887	
11	Demand Jurisdictional Factor		0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	
12	Retail Energy-Related Recoverable Costs (H)		1,535,535	1,535,973	1,529,877	1,549,638	1,568,703	1,564,623	1,558,741	1,554,971	1,548,634	1,543,639	1,538,938	1,534,219	18,563,491
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)		1,535,535	1,535,973	1,529,877	1,549,638	1,568,703	1,564,623	1,558,741	1,554,971	1,548,634	1,543,639	1,538,938	1,534,219	18,563,491

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) This project qualifies for AFUDC treatment. As portions of the project are moved to P-I-S, they are included in the ECRC.

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Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2006 - December 2006

Return on Capital Investments, Depreciation and Taxes
For Project: Crist Storm Water Projects - Switchyard & Other Areas
P.E. 1272
(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	124,950	124,950	124,950	124,950	124,950	125,250	
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	854,474	
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	854,474	
3	Less: Accumulated Depreciation (C)	0	0	0	0	0	0	0	0	0	0	0	0	(1,389)	
4	CWIP - Non Interest Bearing	104,474	104,474	104,474	104,474	104,474	104,474	104,474	229,424	354,374	479,324	604,274	729,224	0	
5	Net Investment (Lines 2 - 3 + 4)	104,474	104,474	104,474	104,474	104,474	104,474	104,474	229,424	354,374	479,324	604,274	729,224	853,085	
6	Average Net Investment		104,474	104,474	104,474	104,474	104,474	104,474	166,949	291,899	416,849	541,799	666,749	791,155	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		768	768	768	768	768	768	1,227	2,145	3,063	3,981	4,899	5,813	25,736
b	Debt Component (Line 6 x 2.5042% x 1/12)		218	218	218	218	218	218	348	609	870	1,131	1,392	1,651	7,309
8	Investment Expenses														
a	Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	1,389	1,389
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)		986	986	986	986	986	986	1,575	2,754	3,933	5,112	6,291	8,853	34,434
a	Recoverable Costs Allocated to Energy		76	76	76	76	76	76	121	212	303	393	484	681	2,650
b	Recoverable Costs Allocated to Demand		910	910	910	910	910	910	1,454	2,542	3,630	4,719	5,807	8,172	31,784
10	Energy Jurisdictional Factor		0.9642753	0.9642753	0.9642753	0.9642753	0.9642753	0.9642753	0.9642753	0.9642753	0.9642753	0.9642753	0.9642753	0.9642753	
11	Demand Jurisdictional Factor		0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	
12	Retail Energy-Related Recoverable Costs (H)		73	73	73	73	73	73	117	205	292	379	467	657	2,555
13	Retail Demand-Related Recoverable Costs (I)		880	880	880	880	880	880	1,405	2,457	3,508	4,561	5,612	7,898	30,721
14	Total Juris. Recoverable Costs (Lines 12 + 13)		953	953	953	953	953	953	1,522	2,662	3,800	4,940	6,079	8,555	33,276

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). Expenditures are expected in the last quarter of 2005 that were not expected when the 2005 estimated true-up was filed.
- (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 2006 - December 2006
Return on Capital Investments, Depreciation and Taxes
For Project: Crist Common FTIR Monitor
P.E. 1297
(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)	62,871	62,871	62,871	62,871	62,871	62,871	62,871	62,871	62,871	62,871	62,871	62,871	62,871	
3	Less: Accumulated Depreciation (C)	(3,490)	(3,694)	(3,898)	(4,102)	(4,306)	(4,510)	(4,714)	(4,918)	(5,122)	(5,326)	(5,530)	(5,734)	(5,938)	
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)	59,381	59,177	58,973	58,769	58,565	58,361	58,157	57,953	57,749	57,545	57,341	57,137	56,933	
6	Average Net Investment		59,279	59,075	58,871	58,667	58,463	58,259	58,055	57,851	57,647	57,443	57,239	57,035	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		436	434	433	431	430	428	427	425	424	422	421	419	5,130
b	Debt Component (Line 6 x 2.5042% x 1/12)		124	123	123	122	122	122	121	121	120	120	119	119	1,456
8	Investment Expenses														
a	Depreciation (E)		204	204	204	204	204	204	204	204	204	204	204	204	2,448
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)		764	761	760	757	756	754	752	750	748	746	744	742	9,034
a	Recoverable Costs Allocated to Energy		764	761	760	757	756	754	752	750	748	746	744	742	9,034
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887	
11	Demand Jurisdictional Factor		0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	
12	Retail Energy-Related Recoverable Costs (H)		737	736	734	733	733	731	728	727	723	721	719	716	8,738
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)		737	736	734	733	733	731	728	727	723	721	719	716	8,738

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 2006 - December 2006

Return on Capital Investments, Depreciation and Taxes

For Project: Precipitator Upgrades for CAM Compliance

P.E. 1461 & 1462

(in Dollars)

Line	Description	January	February	March	April	May	June	July	August	September	October	November	December	Amount
1	Investments (A)	354,750	354,750	354,750	354,750	354,750	354,750	354,750	354,750	354,750	354,750	354,750	354,750	354,750
a	Expenditures/Additions	0	0	0	0	0	0	0	0	0	0	0	0	0
b	Changes 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)	6,097,862	6,097,862	6,097,862	6,097,862	6,097,862	6,097,862	6,097,862	6,097,862	6,097,862	6,097,862	6,097,862	6,097,862	6,097,862
3	Less: Accumulated Depreciation (C)	(122,757)	(139,526)	(173,064)	(189,833)	(206,602)	(223,371)	(240,140)	(256,909)	(273,678)	(290,447)	(307,216)	(323,985)	(323,985)
4	CWIP - Non Interest Bearing	300,023	654,773	1,364,273	1,719,023	2,073,773	2,428,523	2,783,273	3,138,023	3,492,773	3,847,523	4,202,273	4,557,023	4,557,023
5	Net Investment (Lines 2 - 3 + 4)	6,275,128	6,613,109	7,289,071	7,627,052	7,965,033	8,303,014	8,640,995	8,978,976	9,316,957	9,654,938	9,992,919	10,330,900	10,330,900
6	Average Net Investment	6,444,119	6,782,100	7,120,081	7,458,062	7,796,043	8,134,024	8,472,005	8,809,986	9,147,967	9,485,948	9,823,929	10,161,910	10,161,910
7	Return on Average Net Investment	47,345	49,828	52,311	54,794	57,278	59,761	62,244	64,727	67,210	69,693	72,176	74,660	732,027
a	Equity Component Grossed Up For Taxes (D)	13,449	14,154	14,860	15,565	16,270	16,976	17,681	18,386	19,092	19,797	20,503	21,208	207,941
b	Debt Component (Line 6 x 2.5042% x 1/2)	16,769	16,769	16,769	16,769	16,769	16,769	16,769	16,769	16,769	16,769	16,769	16,769	201,228
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	Displacement	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)	77,563	80,751	83,940	87,128	90,317	93,506	96,694	99,882	103,071	106,259	109,448	112,637	1,141,196
a	Recoverable Costs Allocated to Energy	77,563	80,751	83,940	87,128	90,317	93,506	96,694	99,882	103,071	106,259	109,448	112,637	1,141,196
b	Recoverable Costs Allocated to Demand	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor	0.9642753	0.9669554	0.9696261	0.9722968	0.9749675	0.9776382	0.9803089	0.9829796	0.9856503	0.9883210	0.9909917	0.9936624	0.9963331
11	Demand Jurisdictional Factor	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872
12	Retail Energy-Related Recoverable Costs (H)	74,844	78,137	81,103	84,364	87,600	90,685	93,660	96,758	99,693	102,705	105,734	108,758	1,104,041
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)	74,844	78,137	81,103	84,364	87,600	90,685	93,660	96,758	99,693	102,705	105,734	108,758	1,104,041

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) Cost: 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 2006 - December 2006

Return on Capital Investments, Depreciation and Taxes
For Project: Plant Groundwater Investigation
P.E. 1218 & 1361
(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		5,000	5,000	25,825	25,825	25,825	25,825	57,489	57,489	57,489	57,589	78,314	78,330	
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)	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	
4	CWIP - Non Interest Bearing	0	5,000	10,000	35,825	61,650	87,475	113,300	170,789	228,278	285,767	343,356	421,670	500,000	
5	Net Investment (Lines 2 - 3 + 4)	0	5,000	10,000	35,825	61,650	87,475	113,300	170,789	228,278	285,767	343,356	421,670	500,000	
6	Average Net Investment		2,500	7,500	22,913	48,738	74,563	100,388	142,045	199,534	257,023	314,562	382,513	460,835	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		18	55	168	358	548	738	1,044	1,466	1,888	2,311	2,810	3,386	14,790
b	Debt Component (Line 6 x 2.5042% x 1/12)		5	16	48	102	156	210	296	416	536	656	798	962	4,201
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)		23	71	216	460	704	948	1,340	1,882	2,424	2,967	3,608	4,348	18,991
a	Recoverable Costs Allocated to Energy		2	5	17	35	54	73	103	145	186	228	278	334	1,460
b	Recoverable Costs Allocated to Demand		21	66	199	425	650	875	1,237	1,737	2,238	2,739	3,330	4,014	17,531
10	Energy Jurisdictional Factor		0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887	
11	Demand Jurisdictional Factor		0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	
12	Retail Energy-Related Recoverable Costs (H)		2	5	16	34	52	71	100	140	180	220	269	322	1,411
13	Retail Demand-Related Recoverable Costs (I)		20	64	192	411	628	846	1,196	1,679	2,163	2,647	3,218	3,879	16,943
14	Total Juris. Recoverable Costs (Lines 12 + 13)		22	69	208	445	680	917	1,296	1,819	2,343	2,867	3,487	4,201	18,354

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 2006 - December 2006

Return on Capital Investments, Depreciation and Taxes
For Project: Plant Crist Water Conservation Project
P.E. 1227
(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	25,000	25,000	25,000	25,000	0	0	0	0	0	0	
b	Clearings to Plant		0	0	0	0	0	100,000	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	100,000	100,000	100,000	100,000	100,000	100,000	100,000	
3	Less: Accumulated Depreciation (C)	0	0	0	0	0	0	(163)	(488)	(813)	(1,138)	(1,463)	(1,788)	(2,113)	
4	CWIP - Non Interest Bearing	0	0	0	25,000	50,000	75,000	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 - 3 + 4)	0	0	0	25,000	50,000	75,000	99,837	99,512	99,187	98,862	98,537	98,212	97,887	
6	Average Net Investment		0	0	12,500	37,500	62,500	87,419	99,675	99,350	99,025	98,700	98,375	98,050	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		0	0	92	276	459	642	732	730	728	725	723	720	5,827
b	Debt Component (Line 6 x 2.5042% x 1/12)		0	0	26	78	130	182	208	207	207	206	205	205	1,654
8	Investment Expenses														
a	Depreciation (E)		0	0	0	0	0	163	325	325	325	325	325	325	2,113
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	118	354	589	987	1,265	1,262	1,260	1,256	1,253	1,250	9,594
a	Recoverable Costs Allocated to Energy		0	0	9	27	45	76	97	97	97	97	96	96	737
b	Recoverable Costs Allocated to Demand		0	0	109	327	544	911	1,168	1,165	1,163	1,159	1,157	1,154	8,857
10	Energy Jurisdictional Factor	0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887		
11	Demand Jurisdictional Factor	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872		
12	Retail Energy-Related Recoverable Costs (H)		0	0	9	26	44	74	94	94	94	94	93	93	715
13	Retail Demand-Related Recoverable Costs (I)		0	0	105	316	526	880	1,129	1,126	1,124	1,120	1,118	1,115	8,559
14	Total Juris. Recoverable Costs (Lines 12 + 13)		0	0	114	342	570	954	1,223	1,220	1,218	1,214	1,211	1,208	9,274

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) This project was fully amortized as of December 2004.
- (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 2006 - December 2006

Return on Capital Investments, Depreciation and Taxes
For Project: Crist Condenser Tubes
P.E. 1204
(in Dollars)

Line	Description	Beginning of Period Amount	Month												End of Period Amount	
			January	February	March	April	May	June	July	August	September	October	November	December		
1	Investments (A)															
a	Expenditures/Additions		0	1,367,500	1,367,500	1,367,500	1,367,500	1,367,500	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	5,500,000	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	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	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
3	Less: Accumulated Depreciation (C)	0	0	0	0	0	(8,938)	(26,813)	(44,688)	(62,563)	(80,438)	(98,313)	(116,188)	(134,063)	(134,063)	
4	CWIP - Non Interest Bearing	30,000	30,000	1,397,500	2,765,000	4,132,500	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 - 3 + 4)	30,000	30,000	1,397,500	2,765,000	4,132,500	5,491,062	5,473,187	5,455,312	5,437,437	5,419,562	5,401,687	5,383,812	5,365,937		
6	Average Net Investment		30,000	713,750	2,081,250	3,448,750	4,811,781	5,482,125	5,464,250	5,446,375	5,428,500	5,410,625	5,392,750	5,374,875		
7	Return on Average Net Investment															
a	Equity Component Grossed Up For Taxes (D)		220	5,244	15,291	25,338	35,352	40,277	40,146	40,015	39,883	39,752	39,621	39,489	360,628	
b	Debt Component (Line 6 x 2.5042% x 1/12)		63	1,490	4,344	7,198	10,042	11,441	11,404	11,367	11,329	11,292	11,255	11,217	102,442	
8	Investment Expenses															
a	Depreciation (E)		0	0	0	0	8,938	17,875	17,875	17,875	17,875	17,875	17,875	17,875	17,875	134,063
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		283	6,734	19,635	32,536	54,332	69,593	69,425	69,257	69,087	68,919	68,751	68,581	597,133	
a	Recoverable Costs Allocated to Energy		22	518	1,510	2,503	4,179	5,353	5,340	5,327	5,314	5,301	5,289	5,275	45,931	
b	Recoverable Costs Allocated to Demand		261	6,216	18,125	30,033	50,153	64,240	64,085	63,930	63,773	63,618	63,462	63,306	551,202	
10	Energy Jurisdictional Factor		0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887		
11	Demand Jurisdictional Factor		0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872		
12	Retail Energy-Related Recoverable Costs (H)		21	501	1,459	2,424	4,053	5,191	5,172	5,160	5,140	5,124	5,110	5,093	44,448	
13	Retail Demand-Related Recoverable Costs (I)		252	6,008	17,518	29,027	48,472	62,087	61,937	61,788	61,636	61,486	61,335	61,184	532,730	
14	Total Juris. Recoverable Costs (Lines 12 + 13)		273	6,509	18,977	31,451	52,525	67,278	67,109	66,948	66,776	66,610	66,445	66,277	577,178	

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). Expenditures are expected in the last quarter of 2005 that were not expected when the 2005 estimated true-up was filed.
- (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 2006 - December 2006

Return on Capital Investments, Depreciation and Taxes
For Project: Scrubber Project
P.E. 1222
(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		3,151,666	3,170,668	3,189,785	3,209,017	3,228,365	3,247,830	3,267,413	3,287,113	4,562,735	4,590,255	4,617,931	4,645,765	
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)	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	
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	0	0	0	0	0	0	0	
6	Average Net Investment		0	0	0	0	0	0	0	0	0	0	0	0	
7	Return on Average Net Investment														
a	Equity Component Grossed Up For Taxes (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Debt Component (Line 6 x 2.5042% x 1/12)		0	0	0	0	0	0	0	0	0	0	0	0	0
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)		0	0	0	0	0	0	0	0	0	0	0	0	0
a	Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887	
11	Demand Jurisdictional Factor		0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	
12	Retail Energy-Related Recoverable Costs (H)		0	0	0	0	0	0	0	0	0	0	0	0	0
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)		0	0	0	0	0	0	0	0	0	0	0	0	0

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) This project qualifies for AFUDC treatment. As portions of the project are moved to P-I-S, they are included in the ECRC.

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Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2006 - December 2006

Return on Capital Investments, Depreciation and Taxes
For Project: Baghouse Project
P.E. 1458
(in Dollars)

Line	Description	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Amount
1	Investments (A)													
	a Expenditures/Additions	406,080	408,528	410,991	413,469	415,962	418,470	420,993	423,532	426,085	428,854	431,239	433,999	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)	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
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	0	0	0	0	0	0	0
6	Average Net Investment	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Return on Average Net Investment	0	0	0	0	0	0	0	0	0	0	0	0	0
	a Equity Component Grossed Up For Taxes (D)	0	0	0	0	0	0	0	0	0	0	0	0	0
	b Debt Component (Line 6 x 2.5042% x 1/12)	0	0	0	0	0	0	0	0	0	0	0	0	0
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)	0	0	0	0	0	0	0	0	0	0	0	0	0
	a Recoverable Costs Allocated to Energy	0	0	0	0	0	0	0	0	0	0	0	0	0
	b Recoverable Costs Allocated to Demand	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor	0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887	0.9664872
11	Demand Jurisdictional Factor	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872
12	Retail Energy-Related Recoverable Costs (H)	0	0	0	0	0	0	0	0	0	0	0	0	0
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)	0	0	0	0	0	0	0	0	0	0	0	0	0

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) This project qualifies for AFUDC treatment. As portions of the project are moved to P-I-S, they are included in the ECRC.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2006 - December 2006
Return on Capital Investments, Depreciation and Taxes
For Project: SO2 Allowances

(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	Purchases/Transfers		0	0	0	0	0	0	13,425,000	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	6,120	5,817	5,559	5,308	5,066	4,724	4,379	12,461,265	11,494,470	10,567,972	9,758,671	8,880,043	7,968,078	
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	(849,598)	(836,061)	(822,524)	(808,987)	(795,451)	(781,914)	(768,377)	(754,840)	(741,303)	(727,766)	(714,229)	(700,692)	(687,155)	
3	Total Working Capital Balance	(843,478)	(830,244)	(816,965)	(803,679)	(790,385)	(777,190)	(763,998)	11,706,425	10,753,167	9,840,206	9,044,442	8,179,351	7,280,923	
4	Average Net Working Capital Balance		(836,861)	(823,605)	(810,322)	(797,032)	(783,788)	(770,594)	5,471,214	11,229,796	10,296,687	9,442,324	8,611,897	7,730,137	
5	Return on Average Net Working Capital Balance														
a	Equity Component Grossed Up For Taxes (A)		(6,148)	(6,051)	(5,953)	(5,856)	(5,758)	(5,662)	40,197	82,505	75,650	69,373	63,272	56,793	352,362
b	Debt Component (Line 6 x 2.5042% x 1/12)		(1,747)	(1,719)	(1,691)	(1,663)	(1,636)	(1,608)	11,418	23,437	21,489	19,706	17,973	16,133	100,092
6	Total Return Component (D)		(7,895)	(7,770)	(7,644)	(7,519)	(7,394)	(7,270)	51,615	105,942	97,139	89,079	81,245	72,926	452,454
7	Expenses:														
a	Gains		(13,537)	(13,537)	(13,537)	(13,536)	(13,537)	(13,537)	(13,537)	(13,537)	(13,537)	(13,537)	(13,537)	(13,537)	(162,443)
b	Losses		0	0	0	0	0	0	0	0	0	0	0	0	0
c	SO2 Allowance Expense		303	258	251	242	342	345	968,114	966,795	926,498	809,301	878,628	911,965	5,463,042
8	Net Expenses (E)		(13,234)	(13,279)	(13,286)	(13,294)	(13,195)	(13,192)	954,577	953,258	912,961	795,764	865,091	898,428	5,300,599
9	Total System Recoverable Expenses (Lines 6 + 8)		(21,129)	(21,049)	(20,930)	(20,813)	(20,589)	(20,462)	1,006,192	1,059,200	1,010,100	884,843	946,336	971,354	5,753,053
a	Recoverable Costs Allocated to Energy		(21,129)	(21,049)	(20,930)	(20,813)	(20,589)	(20,462)	1,006,192	1,059,200	1,010,100	884,843	946,336	971,354	5,753,053
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9642753	0.9669554	0.9655261	0.9676045	0.9692403	0.9691514	0.9679441	0.9680455	0.9665452	0.9658769	0.9653901	0.9648887	
11	Demand Jurisdictional Factor		0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	0.9664872	
12	Retail Energy-Related Recoverable Costs (B)		(20,388)	(20,368)	(20,223)	(20,153)	(19,970)	(19,845)	974,619	1,026,072	976,991	855,248	914,223	937,905	5,564,111
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)		(20,388)	(20,368)	(20,223)	(20,153)	(19,970)	(19,845)	974,619	1,026,072	976,991	855,248	914,223	937,905	5,564,111

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 2006-December 2006

**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 (RATAs) 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 2002-2003 recovery period. This replacement provides Gulf with the accuracy and reliability needed to accurately measure SO₂, NO_x, CO₂, and opacity and to further maintain compliance with Clean Air Act Amendment requirements. The CEMs trailer will be replaced during fourth quarter 2005. The existing trailer is approaching the end of its useful life.

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

Project-to-Date: \$468,195 through 2006

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

**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. The upgraded Crist Unit 7 precipitator was placed in service during 2004 as part of the DEP agreement.

Project-to-Date: \$14,679,954 through 2006

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

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

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

Description:

This project includes the injection of sulfur trioxide into the flue gas to enhance particulate removal and improve the collection characteristics of fly ash. The Plant Crist Unit 7 flue gas conditioning system was retired during May 2005 although the foundations and several pieces of supporting equipment have not been removed from service.

Accomplishments:

System has proven effective in enhanced particulate removal in the precipitator.

Project-to-Date: \$2,179,245 through 2006

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

**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 low NOx burners on Unit 7 were replaced during 2003-2004 and the Unit 6 burners will be replaced during December 2005.

Project-to-Date: \$21,580,692 through 2006

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

**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, 1440, 1441, 1442, 1444, 1445, 1454, 1459, 1460, 1558, 1570

Description:

This line item includes dilution extraction continuous emission monitors that measure concentrations of sulfur dioxide (SO₂), carbon dioxide (CO₂) and nitrogen oxides (NO_x) in the flue gas. Opacity and flow monitors were also installed under this line item. All monitors were installed pursuant to the 1990 Clean Air Act Amendments.

Accomplishments:

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

Project-to-Date: \$7,700,264 through 2006

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 Crist Unit 6 & 7 flow monitors were replaced during 2005. The Plant Scholz Units 1&2 flow monitors are scheduled to be replaced during 4th quarter 2005. The two new flow monitors will be installed in a new monitoring location on the common stack. The Plant Daniel Units 1&2 gas analyzers are also scheduled for replacement during 3rd quarter 2005.

Projections:

The 2006 projection period will include the replacement of the Plant Smith Units 1&2 gas analyzers. 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 approximately \$392,000 in the remainder of 2005 and \$600,000 in 2006. The Plant Crist CEMS shelter housing replacements have been delayed until 2007 when mercury monitors are projected to be installed.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

**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 through 2006

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

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

**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 (NFWWMD). This requirement imposes a condition on any permit issued by the NFWWMD 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. The Plant Crist flow meters will need to be replaced within the next two years.

Project-to-Date: \$242,943 through 2006

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

**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 reduces 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 through 2006

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

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

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

Description:

State and Federal Pollution Discharge Elimination System 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 through 2006

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

**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.

Accomplishments: The FDEP approved concrete cap was installed during 2004.

Project-to-Date: \$68,923 through 2006

Progress Summary: Monitor wells are in service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

**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 (SPCC) regulations.

Accomplishments:

Unloading secondary containment complies with regulatory requirements.

Project-to-Date: \$101,495 through 2006

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

**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, an access dock was constructed in the discharge canal. The project included a small building for monitoring and sampling equipment.

Accomplishments:

The dock is complete and samples are collected at the required compliance point.

Project-to-Date: \$59,543 through 2006

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

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

Title: Sodium Injection System
PE's 1413, PE 1214

Description:

This project includes silo storage tank systems and associated components that inject sodium carbonate directly onto the coal feeder belt to enhance precipitator performance when burning low sulfur coal. Sodium injection is used at Plant Smith on Units 1 and 2 and at Plant Crist on Units 4 and 5. 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 at Plant Smith have been installed. The system is fully operational. The Plant Crist system will be installed during fourth quarter 2005.

Project-to-Date: \$406,497 through 2006

Progress Summary: In Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

**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) stormwater program requires industrial facilities to 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 through 2006

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

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

**Title: Smith Waste Water Treatment Facility
PEs 1466, 1643**

Description:

During the 1990's a waste water treatment facility was installed at Plant Smith to replace the septic tank system that was 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 included aeration, chlorination, and dechlorination of the wastewater prior to discharging into a drain field. In April 2004 a new waste water treatment facility with additional capacity was installed to replace the facility installed in the 1990's. The existing treatment includes aeration and chlorination of the wastewater prior to discharging into the ash pond.

Accomplishments: Compliance maintained.

Project-to-Date: \$323,804 through 2006

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

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

Title: Daniel Ash Management Project
PEs 1535, 1555, 1819

Description:

The original project included the installation of a dry ash transport system, lining the bottom of the ash pond, closure and capping of the existing fly ash pond, and the expansion of the landfill area. In preparation for the completion and closure of the existing expansion area, Plant Daniel is developing and permitting a new on-site ash storage facility. Construction is expected to begin in 2006. The Mississippi Department of Environmental Quality will require Plant Daniel to install a groundwater monitoring system around the ash storage facility.

Accomplishments: No reportable exceedances have occurred since system installation.

Project-to-Date: \$16,503,637 through 2006

Progress Summary: In-Service.

Projections: \$2,874,284 in 2006

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

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

**Title: Smith Water Conservation
PE 1620, 1638**

Description:

This project is a water conservation and consumptive use efficiency program to reduce the demand for groundwater and the potential for saltwater intrusion. 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, requesting a 25% reduction in the use of groundwater. Phase I of the project consisted of adding pumps, piping, valves and controls at Plant Smith to reclaim water from the ash pond.

Phase II, the Smith Closed Loop Cooling System will be installed during 2005. Currently, groundwater is used to cool steam cycle water samples. Plant Smith estimates that the proposed closed loop chiller for the laboratory sampling system would reduce water consumption by approximately 80,000 gallons per day. The Northwest Florida Water Management District has agreed that this is a valid project to pursue for continued implementation of the water conservation effort.

Accomplishments: The preliminary project design has been completed.

Project-to-Date: \$167,906 through 2006

Progress Summary: Phase II will be placed in-service during 2005.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

**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 aboveground 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 through 2006

Progress Summary: In-Service.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

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

**Title: Crist DEP Project
PE 1199, PE 1287**

Description:

The FDEP and Gulf Power entered into an agreement on August 28, 2002 to support Escambia/Santa Rosa County area's effort to maintain compliance with the 8-hour ozone ambient air quality standards. This agreement includes a requirement for Gulf to install Selective Catalytic Reduction (SCR) controls on Crist Unit 7, relocate the Crist Unit 7 precipitator, and install a NOx reduction technology on Plant Crist Unit 6, and Units 4 and 5 if necessary, to meet the NOx standard specified in the Agreement.

Accomplishments: The Crist Unit 7 precipitator was placed in service during 2004. The Crist Unit 7 SCR was then placed in service during April 2005.

Project-to-Date: Expenditures during the construction phase qualified for AFUDC treatment; consequently, they were not included in the ECRC during that time frame. Portions of the project were moved into the ECRC as they were placed in service.

Progress Summary: The Crist Unit 6 Selective Non-Catalytic Reduction (SNCR)/low NOX burners with Over-Fired Air (OFA) technologies are projected to be placed in service during December 2005.

Project-to-Date: \$41,032,888 through 2006

Projections: \$3,309,792 in 2006

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

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

**Title: Crist Storm Water Collection System
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 skimming sump where any potential spill would be captured, preventing the oil from reaching surface water.

Accomplishments: The project design has been completed.

Project-to-Date: \$854,474 through 2006

Progress Summary: Gulf will continue this project during 2006.

Projections: \$750,000 in 2006

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

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

**Title: Crist Common FTIR
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 under Title V regulations. The purchase of this instrument will enable Gulf Power to measure ammonia slip emissions required in the SCR air construction permit on Crist Unit 7.

Accomplishments:

Project-to-Date: \$62,871 through 2006

Progress Summary: The FTIR is fully operational.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

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

**Title: Precipitator Upgrades for Continuous Assurance Monitoring
PE 1461 and PE 1462**

Description: Compliance Assurance Monitoring (CAM) Precipitator Upgrades are required to comply with the new CAM regulations. CAM requirements are regulated under Title V of the 1990 Clean Air Act Amendments (CAAA) which require a method of continuously monitoring particulate emissions. Opacity can be used as a surrogate parameter if the precipitator demonstrates a correlation between opacity and particulate matter. Gulf demonstrated this correlation by stack testing in 2003 and 2004, and the results were included as part of the CAM plans in Gulf's Title V Air Permit effective January 2005. The precipitator upgrades are necessary to meet the more stringent surrogate opacity standards under CAM.

Accomplishments: The Plant Smith Unit 1 precipitator upgrades were placed in service during April 2005.

Project-to-Date: \$10,654,885 through 2006

Progress Summary:

Projections: \$4,257,000 in 2006

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

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

**Title: Plant Groundwater Investigation
PEs 1218, PE 1361**

Description: Florida Department of Environmental Protection (FDEP) lowered the arsenic groundwater standard from 0.05 mg/L to 0.01 mg/L effective January 1, 2005. Historical groundwater monitoring data from Plants Crist and Scholz indicate that these facilities may not be able to comply with the lower standard. Gulf expects to incur \$500,000 of capital expenditures during 2006 to address the revised arsenic standard.

Accomplishments: Gulf is currently conducting a groundwater study at Plant Scholz and Plant Crist to investigate projected groundwater impacts exceeding the new arsenic standard. The study will determine the nature of the potential impacts to groundwater and to identify solutions necessary to resolve this issue.

Project-to-Date: \$500,000 through 2006

Progress Summary:

Projections: \$500,000 in 2006

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

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

**Title: Plant Crist Water Conservation Project
PE 1227**

Description: This project is part of the Plant Crist water conservation and consumptive use efficiency program to reduce the demand for groundwater. Specific Condition six of the Northwest Florida Water Management District Individual Water Use Permit Number 19850074 issued January 27, 2005 requires Plant Crist to implement measures to increase water conservation and efficiency at the facility. Plant Crist will install automatic level controls on the fire water tanks during 2006 to reduce groundwater usage.

Accomplishments:

Project-to-Date: \$100,000 through 2006

Progress Summary: Level controls will be installed on the fire tank system during June 2006.

Projections: \$100,000 in 2006

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

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

**Title: Crist Condenser Tubes
PE 1204**

Description: The water quality based copper effluent limitations included in Chapter 62 Part 302, Florida Administrative Code (F.A.C.) were amended in April 2002 with an effective date of May 2002. The more stringent hardness based standard is included by reference in the Plant Crist National Pollution Discharge Elimination System (NPDES) industrial wastewater permit. Plant Crist plans to install stainless steel condenser tubes on Unit 6 during 2006 in an effort to meet the revised water quality standards during times of lower hardness in the river water.

Accomplishments: Surface water studies were conducted from 2003 through 2005 to determine the source of aqueous copper in the effluent. The April 2005 study concluded that the Crist Unit 6 condenser is the main source of the incremental copper increase in the Plant Crist discharge.

Project-to-Date: \$5,500,000 through 2006

Progress Summary: The condenser tubes will be installed during second quarter 2006.

Projections: \$5,500,000 in 2006

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

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

**Title: Scrubber Project
PE 1222**

Description: Clean Air Interstate Rule (Chapter 40 Code of Federal Regulations (CFR) Parts 51, 72, 73, 74, 77, 78, and 96) adopted by the Environmental Protection Agency (EPA) on March 10, 2005 restricts sulfur dioxide (“SO₂”) and nitrogen oxide (“NO_x”) air emissions that contribute to fine particulate and ground level ozone in downwind states. CAIR will use a two phase approach to reduce SO₂ emissions from electric generating units in 28 eastern states including Florida in 2010 and 2015, respectively. The Florida Department of Environmental Protection (FDEP) has proposed rulemaking to adopt CAIR by January 2006 with a State Implementation Plan due by September 2006. Gulf’s environmental compliance strategy includes the installation of a scrubber at Plant Crist to meet the CAIR emission reduction requirements.

Accomplishments:

Project-to-Date: \$44,168,543 through 2006

Progress Summary:

Projections: \$44,168,543 in 2006

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

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

**Title: Baghouse Project
PE 1458**

Description: Clean Air Mercury Rule (CAMR) (Chapter 40 CFR Parts 60, 72, and 75) adopted by the Environmental Protection Agency on March 15, 2005 limits mercury emissions from new and existing coal fired power plants. CAMR will achieve a 70% reduction in mercury emissions in two phases becoming effective in 2010 and 2018. The FDEP will begin rulemaking in 2005 to adopt a State Implementation Plan due by November 2006. This project will include mercury emission control equipment and may include emission monitoring equipment.

Accomplishments:

Project-to-Date: \$5,038,202 through 2006

Progress Summary:

Projections: \$5,038,202 in 2006

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

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

Title: SO₂ Allowances

Description: Gulf Power included the purchase of additional SO₂ allowances in the 2006 projection filing. Part of Gulf's strategy to comply with the Clean Air Act Amendments of 1990 was to bring several of Gulf's Phase II generating units into compliance early and bank the SO₂ allowances associated with those units. This bank has slowly been drawn down over the years due to more allowances being consumed than are allocated to Gulf by EPA. Gulf's allowance bank is expected to be completely depleted in 2007. Gulf's proposes to meet this shortfall by executing forward contracts to secure allowances.

Accomplishments:

Project-to-Date: N/A

Progress Summary:

Projections: \$13,425,000 in 2006

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

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

Title: Sulfur

Description:

The Crist Unit 7 sulfur trioxide (SO₃) flue gas system allowed 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. Sulfur trioxide agglomerates the particles which in turn enhances the collection efficiency of the precipitator.

Accomplishments:

The flue gas injection system was retired during 2005.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

**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: \$779,874

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

**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. Renewal of the Title V permit is on a five year cycle (i.e. 2005, 2010, etc).

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. During 2004, the Title V renewal applications were submitted for Plant Crist, Smith, and Scholz. The final permits were issued in December 2004 and February 2005.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$72,460

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

**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 2006-December 2006

**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 testing for the Periodic Monitoring and Compliance Assurance Monitoring (CAM) requirements associated with the CAAA of 1990.

Accomplishments:

All systems are in compliance.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: \$545,520

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

**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, dechlorination, surface and groundwater monitoring studies, and the cooling water intake program. During 2004 the Cooling Water Intake Program and the new arsenic groundwater standard expenses were added to this line item.

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: \$517,166

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

**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 38 sites.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: \$1,166,752

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

**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 industrial wastewater permits at Plants Crist, Smith and Scholz.

Accomplishments:

Compliance with fee due dates.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$34,500

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

**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: \$12,500

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

**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: \$1,300

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

**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: \$351,165

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

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

Title: Above Ground Storage Tanks

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.

Accomplishments:

Gulf has complied with all petroleum storage tank requirements.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$95,600

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

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

Title: Low NO_x

Description:

This activity refers to the maintenance expenses associated with the Low NO_x 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 2006-December 2006

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

Title: 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. Diversion curtains allow for the sedimentation/precipitation treatment process to be more effective in reducing levels of suspended particulate from the Plant Crist ash pond outfall.

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 2006-December 2006

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

Title: Mercury Emissions

Description: This program pertains to requirements for Gulf to periodically analyze coal shipments for mercury and chlorine content. The EPA mandated that shipments of coal would be analyzed for mercury and chlorine only during 1999. No further notices of continued sampling requirements of coal shipments beyond 1999 have been issued by EPA, therefore no expenses have been planned for this activity in 2005.

Accomplishments:

Coal shipments were being analyzed as required. Sampling and analytical requirements are not expected in 2006.

Fiscal Expenditures: N/A

Progress Summary:

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

**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 sodium injection systems at Plant Smith and Plant Crist. The activity involves sodium injection to the coal supply to enhance precipitator efficiencies when burning low sulfur coal.

Accomplishments:

Sodium carbonate is used at Plant Smith and Plant Crist as necessary when low sulfur coal is burned.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments.

Projections: \$240,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

**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 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 goal of the project is to develop strategies for ozone ambient air attainment to supplement the Florida Department of Environmental Protection (FDEP) studies to EPA for Escambia and Santa Rosa counties. Gulf expects the GCOS project to be finalized during 2006.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

**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 was 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. Additional containment has been added to the substations that were identified as having a reasonable risk of discharging oil into navigable waters of the United States or adjoining shorelines.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2006-December 2006

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.20**

Title: DEP NO_x Reduction Agreement

Description: This line item includes the O&M expenses associated with the Crist Unit 7 Selective Catalytic Reduction (SCR) and Crist Unit 6 Selective Non-Catalytic Reduction (SNCR) projects that were included as part of the FDEP and Gulf Power Agreement entered into on August 28, 2002. Anhydrous ammonia, urea, air monitoring, and general operation and maintenance expenses are included in this line item.

Accomplishments: The SCR was placed in-service during April 2005. The Crist Unit 6 SNCR is projected to be placed in service by December 2005

Fiscal Expenditures: N/A

Progress Summary:

Projections: \$4,250,000

Gulf Power Company
 Environmental Cost Recovery Clause (ECRC)
Calculation of the Energy & Demand Allocation % By Rate Class
 January 2006 - December 2006

Rate Class	(1) Average 12 CP Load Factor at Meter (%)	(2) Jan - Dec. 2006 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	61.971315%	5,315,741,000	979,194.57	1.00530100	1.00530097	5,343,919,584	984,385.28	47.19356%	53.73354%
GS	64.200053%	312,897,000	55,636.77	1.00529780	1.00529775	314,554,650	55,931.52	2.77791%	3.05307%
GSD, GSDT, GSTOU	73.167949%	2,653,182,000	413,944.44	1.00516600	1.00516604	2,666,888,444	416,082.88	23.55199%	22.71225%
LP, LPT	84.177808%	1,880,921,000	255,075.55	0.98911990	0.98911989	1,860,456,373	252,300.30	16.43018%	13.77203%
PX, PXT, RTP, SBS	101.650370%	1,020,579,000	114,612.91	0.98057250	0.98057253	1,000,751,732	112,386.27	8.83790%	6.13470%
OS-I/II	160.732077%	108,918,000	7,735.58	1.00529490	1.00529485	109,494,704	7,776.54	0.96698%	0.42449%
OS-III	100.278526%	<u>27,201,000</u>	<u>3,096.51</u>	1.00526830	1.00526827	<u>27,344,302</u>	<u>3,112.82</u>	<u>0.24148%</u>	<u>0.16992%</u>
TOTAL		<u>11,319,439,000</u>	<u>1,829,296.33</u>			<u>11,323,409,789</u>	<u>1,831,975.61</u>	<u>100.00000%</u>	<u>100.00000%</u>

Notes:

- (1) Average 12 CP load factor based on actual 2003 load research data
- (2) Projected KWH sales for the period January 2006 - December 2006
- (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 2006 - December 2006

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	47.19356%	53.73354%	16,783,634	2,559,504	19,343,138	5,315,741,000	0.364
GS	2.77791%	3.05307%	987,919	145,428	1,133,347	312,897,000	0.362
GSD, GSDT, GSTOU	23.55199%	22.71225%	8,375,888	1,081,859	9,457,747	2,653,182,000	0.356
LP, LPT	16.43018%	13.77203%	5,843,130	656,007	6,499,137	1,880,921,000	0.346
PX, PXT, RTP, SBS	8.83790%	6.13470%	3,143,057	292,216	3,435,273	1,020,579,000	0.337
OS-I, OS-II	0.96698%	0.42449%	343,891	20,220	364,111	108,918,000	0.334
OS-III	<u>0.24148%</u>	<u>0.16992%</u>	<u>85,878</u>	<u>8,094</u>	<u>93,972</u>	<u>27,201,000</u>	0.345
TOTAL	<u>100.00000%</u>	<u>100.00000%</u>	<u>\$35,563,397</u>	<u>\$4,763,328</u>	<u>\$40,326,725</u>	<u>11,319,439,000</u>	<u>0.356</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 2006 - December 2006
- (7) Col 5 / Col 6 x 100