

**Gulf Power Company
Depreciation
Study
AT DECEMBER 31, 2009
Volume 1 of 2**



DOCUMENT NUMBER-DATE

05275 MAY 27 8

FPSC-COMMISSION CLEAR

2009 DEPRECIATION STUDY
GULF POWER COMPANY
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May 26, 2009

Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0870

Dear Ms. Cole:

Re: Depreciation Study 2009

Enclosed are 6 copies of Gulf Power's 2009 Depreciation Study filed in compliance with Rule 25-6.0436 of the Florida Administrative Code. Gulf Power last filed a Depreciation Study on May 27, 2005 and an amended study on October 9, 2006. The depreciation rates and amortization schedules currently in effect were approved by the Commission in Docket No. 050381-EI, effective January 1, 2006.

Gulf's depreciation and dismantlement studies are contained in four binders. Included in the binder labeled *Gulf Power Company Depreciation Study Volume 1 of 2* are the Table of Contents, a Report Organization Narrative, Dismantlement Accrual Schedules, and the various detail schedules and data required by Rule 25-6.0436(6). Included in the binder labeled *Gulf Power Company Depreciation Study, Volume 2 of 2* is supporting documentation for Volume 1 of the Depreciation Study.

The two other binders relate to dismantlement which completes the set for the 2009 Depreciation Study. One binder is labeled "Dismantling Study, Volume 1" and contains the site-specific final dismantling study for Plants Crist, Scholz, Smith and Pea Ridge. The other binder is labeled "Dismantling Study, Volume 2" and contains the site specific dismantling study for Plants Daniel and Scherer.

The effect of the proposed depreciation rates and dismantlement accruals amounts to a net increase of \$7,340,347 over the current approved rates. The primary reason for the increase is an increase in the steam production rates. The following is a summary of existing and proposed dismantlement accruals and depreciation and amortization expense:

	<u>Current</u>	<u>Proposed</u>	<u>Inc/(Dec)</u>
	\$	\$	\$
Dismantlement Costs	5,239,243	9,323,439	4,084,196
Depreciation & Amortization	<u>110,875,699</u>	<u>114,131,850</u>	<u>3,256,151</u>
TOTAL	116,114,942	123,455,289	7,340,347

These amounts are detailed in the binder labeled Gulf Power Company Depreciation Study Volume 1 of 2, Tab 5, *Proforma Expense Comparison*. The schedules reflect depreciation and amortization accruals by categories and dismantlement accrual at December 31, 2009.

The study reflects changes in the lives for Plant Smith Unit 3, Plant Daniel Units 1 and 2, and Plant Scherer Unit 3 as follows:

- Daniel Unit 1 – from 55 to 65 years – New retirement date 2042
- Daniel Unit 2 – from 55 to 65 years – New retirement date 2046
- Scherer Unit 3 – from 55 to 65 years – New retirement date 2052
- Smith Unit 3 CC – from 35 to 40 years – New retirement date 2042

With the filing of this 2009 Depreciation Study, Gulf Power Company requests approval of new depreciation rates, as proposed under Tab 4, and new accrual amounts for dismantlement costs, as reflected under Tab 9. We also request Commission approval to apply these proposed rates for depreciation and accruals for dismantlement with an effective date of January 1, 2010.

Gulf Power Company requests that, for all depreciable categories, final approved accrual rates be accompanied by separate statistics for Whole Life Equivalent Lives and Rates, Plant Dismantlement Accrual, Removal Rate for Interim Retirements, Gross Salvage Rate and Theoretical Reserves.

All staff requests for clarification and additional information will be given prompt attention. Should there be any questions regarding this submittal, please contact Connie Erickson at (850) 444-6384 or Ricky Brock at (850) 444-6467.

Sincerely,



Cc: C. J. Erickson
R.E. Brock

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May 26, 2009

Gulf Power Company
Pensacola, Florida

The attached report summarizes the study we conducted of the annual depreciation (capital recovery) rates for the projected depreciable electric plant of Gulf Power Company ("Gulf Power" or "the Company") as of December 31, 2009 ("the study date"). The study was made to determine the appropriate book depreciation factors and rates to be applied to the plant in service to enable recovery of the plant investment, adjusted for net removal, over its remaining useful life. The scope of the study included a review and analysis of the average service lives and remaining lives of the property. Also included in the study were a determination of net removal and the annual depreciation of dismantlement costs of Production Plant ("Dismantlement Costs").

The study was made using methods and procedures generally accepted in the industry and consistent with the Florida Public Service Commission ("Commission") practice and the Florida Administrative Code 25-6.0436. The Commission requires utilities in the State of Florida to file a depreciation rate study every four years and change, as necessary, the depreciation rates currently in use.

Dismantlement Costs

The annual depreciation expense for Gulf Power's Dismantlement Costs was revised as of the projected December 31, 2009 study date based on Commission requirements. The Dismantlement Costs were updated by the Company using current estimates.

Production Plant

It is recommended that Gulf Power depreciation rates of its Production Plant investment continue to be calculated using the straight-line remaining life method currently used by the Company. Specifically, depreciation of Production Plant is developed using the life span technique in which the remaining life of a generating unit is based on its estimated retirement date. The average remaining life of a generating plant reflects the adjustment for the effects of interim retirements. Under the generally accepted life span method used by the Company, the net investment of Production Plant is recovered through depreciation over the average remaining life of each generating unit.

The Production depreciation rates also reflect the effects of net removal of interim retirements. For this study, the net removal rate of interim retirements was estimated at 20%, which was the same rate used in the prior study.

The depreciation rates recommended in this report for the Company's Production Plant investment are designed to recover, through the depreciation expense provision, the total cost of plant, allowing for net removal, over the remaining useful life of the plant that result from the estimated retirement dates.

Interim Retirements

Because some investment at a generating plant is retired prior to the final retirement date of the plant, depreciation of Production Plant reflect interim retirements. In this study, consistent with prior studies, each retirement unit has been stratified into one of three life categories by Gulf Power engineers. These life categories are 1-20 years, 21-35 years, and 36 years through the life-of-plant. These categories were the basis for determining the average service lives, average remaining lives, and net removal of interim retirements for the depreciable investment at each generating plant.

Retirement Dates

The estimated retirement dates for Gulf Power's generating plants reflect the Company's current estimate of the life span of its generating units. For this study, the life span was extended by ten years for Plant Daniel Units 1 and 2 and Plant Scherer Unit 3. Also, the life span was extended five years for the Plant Smith Combined Cycle Unit. The life spans of Gulf Power's generating units are consistent with the life estimates and trends used within the Southern Company's electric system.

Parameters for Transmission, Distribution, and General Plant

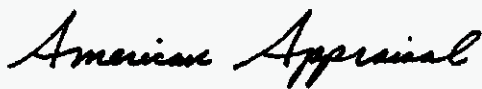
The analysis of the average service life, mortality dispersion curves, and net removal estimates for Gulf Power included a review of historical lives and trends for each property account of depreciable electric plant. Average services lives were analyzed with the aid of either the actuarial method or the Simulated Plant Record (“SPR”) method. The estimates of net removal were based on a review of Company net removal experience. The lifing and net removal analysis resulted in recommended changes in average service lives, dispersions, and/or net removal for certain Transmission, Distribution and General accounts.

Conclusion

The proposed depreciation rates are shown in Tab 6, Analysis Results. Tab 6 also shows the comparison of the recommended depreciation rates and parameters to the rates currently in use.

We recommend Gulf Power adopt the depreciation rates included in this study. Based on the study, it is our opinion that the depreciation factors as recommended are reasonable and appropriate for Gulf Power capital recovery. The depreciation factors recommended in this study are designed to recover, through the depreciation expense provision, the total cost of plant, allowing for net removal, over the remaining useful life of the plant based on the facts and conditions known at the time of the study.

Respectfully submitted,



American Appraisal

067763

2009 DEPRECIATION STUDY
GULF POWER COMPANY
REPORT ORGANIZATION

The Proposed Rates section (Tab 4) summarizes the depreciation accrual rates recommended by this study. (Florida Administrative Code 25-6.0436 (6) (a))

The Proforma Expense Comparison (Tab 5) computes depreciation expense on December 31, 2009, projected investment, using both the current and proposed accrual rates. This analysis compares the current and proposed rates, and also shows the change in expense as a result of adopting the proposed rates. (Florida Administrative Code 25-6.0436 (6) (a) & (b))

The Analysis Results section (Tab 6) contains summary pages for each of the following major functions: 1) Steam Production Plant, 2) Other Production Plant, 3) Transmission Plant, 4) Distribution Plant and 5) General Plant. Each summary page presents a narrative of pertinent information related to the analysis. Each summary page is followed by tabular analysis of each account (subaccount), similarly arranged, that comprise that function. (Florida Administrative Code 25-6.0436 (6) (a), (b), (d), (f), (g); (7) (a))

The Parameter Schedules (Tab 7) summarize the parameters used in the calculation of depreciation rates for each account (subaccount) within the five major functions of Gulf Power Company's depreciable investment. The schedules present the projected December 31, 2009, plant and reserve balances and the estimates of average service life, net salvage, and average remaining life for each account (subaccount) within the major study groupings. (Florida Administrative Code 25-6.0436 (6) (d) & (g))

The Net Removal Cost section (Tab 8) contains a summary of net removal factors used for this study, compared to factors used for the prior study. Following this summary is the detailed analysis by account. (Florida Administrative Code 25-6.0436 (6) (h))

The Fossil Dismantlement section (Tab 9) presents the annual accruals for production plant dismantlement based on future value methodology. (Rule 25-6.0436(4))

The Summary of Plant-in-Service and Accumulated Depreciation (Tab 10 & 11) presents annual activity by function and account. (Florida Administrative Code 25-6.0436 (6) (c) & (g))

Volume 2 of the Depreciation Study contains supporting documentation for Volume 1 of the Depreciation Study. The Dismantling Study (Volumes 1 & 2) for Gulf Power Company's plants includes summaries, assumptions, descriptions, cost bases, and cost reports.

2009 DEPRECIATION STUDY
 GULF POWER COMPANY
PROPOSED RATES

The depreciation rates proposed in this study are based on Gulf Power Company's (Gulf) estimated depreciable investment as of December 31, 2009. The proposed rates will provide for a systematic allocation of capital costs over the expected useful life of the property. Capital costs include the acquisition cost of the property, in addition to the estimated cost of retirement (salvage and cost of removal).

Gulf's current depreciation rates were approved by the Florida Public Service Commission under Docket # 050381-EI in Order #PSC-06-0348-PAA-EI dated April 24, 2006 for the 2005 Depreciation Study and under Docket #050381-EI in Order #PSC-07-0012-PAA-EI, dated January 2, 2007 for the 2006 Amended Study, and were effective January 1, 2006 and January 1, 2007 respectively.

The effective date of Gulf's proposed rates is requested to be January 1, 2010. As a result of this study, the following accrual rates, expressed as a percent of investment, are proposed:

<u>FUNCTION</u>	<u>RATE</u>
	%
STEAM PRODUCTION:	
Daniel Plant	2.8
Daniel RR Track	0.8
Daniel Easements	0.8
Crist Plant	3.4
Scholz Plant	7.0
Smith Plant	3.3
Scherer Plant	2.0
OTHER PRODUCTION:	
Smith CT	3.2
Pace (Pea Ridge) Plant	5.0
Smith Combined Cycle	3.2
TRANSMISSION:	
Easements	1.9
Structures and Improvements	2.1
Station Equipment	2.3
Towers and Fixtures	2.2
Poles and Fixtures	3.6
Overhead Conductors	2.5
Underground Conductors	2.1
Roads and Trails	1.4

2009 DEPRECIATION STUDY
 GULF POWER COMPANY
PROPOSED RATES (CONTINUED)

<u>FUNCTION</u>	<u>RATE</u>
	%
DISTRIBUTION:	
Easements	2.0
Structures and Improvements	2.1
Station Equipment	2.2
Poles, Towers, and Fixtures	5.0
Overhead Conductors	3.1
Underground Conduits	1.3
Underground Conductors	3.4
Line Transformers	3.8
Services - Overhead	3.8
Services - Underground	2.6
Services - House Power Panels	2.3
Meters	2.4
Street Lighting	4.9
 GENERAL:	
Structures and Improvements	2.4
Light Trucks	10.0
Heavy Trucks	9.7
Trailers	4.5
Power Operated Equipment	4.2
Communications Equipment	5.2

Gulf Power Company's depreciation expense will also include amounts for the dismantlement of fossil fueled and other production generating stations, and the amortization of general type property.

Depreciation Rates and Components
2009 Depreciation Study
Gulf Power Company

<u>Account</u>	<u>Depreciable Category</u>	(A) <u>Average Remaining Life</u>	(B) <u>Net Removal</u>	(C) <u>Book Reserve Ratio</u>	(D) <u>Remaining Life Rate (%)</u> [1+(B)-(C)]÷(A)
<u>Steam Production</u>					
	Daniel Plant	21.5	10.0%	50.28%	2.8
	Daniel RR Track	36.5	0.0%	72.02%	0.8
	Daniel Easements	36.5	0.0%	70.17%	0.8
	Crist Plant	23.7	4.2%	22.90%	3.4
	Scholz Plant	1.5	2.8%	92.36%	7.0
	Smith Plant	19.4	5.2%	41.15%	3.3
	Scherer Plant	33.3	6.2%	40.64%	2.0
<u>Other Production</u>					
	Smith CT	7.5	0.0%	75.83%	3.2
	Pace (Pea Ridge) Plant	8.5	0.0%	57.69%	5.0
	Smith Combined Cycle	31.6	0.1%	-0.68%	3.2
<u>Transmission</u>					
350.2	Easements	28.7	0.0%	45.75%	1.9
352	Structures and Impr.	35.6	5.0%	31.84%	2.1
353	Station Equipment	35.2	5.0%	23.43%	2.3
354	Towers and Fixtures	27.3	20.0%	61.41%	2.2
355	Poles and Fixtures	30.4	40.0%	30.97%	3.6
356	Overhead Conductors	37.4	30.0%	37.63%	2.5
358	Underground Conductors	26.0	0.0%	46.07%	2.1
359	Roads and Trails	22.6	0.0%	68.53%	1.4

Depreciation Rates and Components
2009 Depreciation Study
Gulf Power Company

<u>Account</u>	<u>Depreciable Category</u>	(A) Average Remaining Life	(B) Net Removal	(C) Book Reserve Ratio	(D) Remaining Life Rate (%) $[1+(B)-(C)]\div(A)$
<u>Distribution</u>					
360.2	Easements	47.2	0.0%	6.59%	2.0
361	Structures and Impr.	32.0	5.0%	39.40%	2.1
362	Station Equipment	32.8	5.0%	32.45%	2.2
364	Poles, Towers, and Fixtures	24.3	75.0%	54.62%	5.0
365	Overhead Conductors	27.1	20.0%	34.78%	3.1
366	Underground Conduit	26.6	0.0%	64.66%	1.3
367	Underground Conductors	22.8	8.0%	31.51%	3.4
368	Line Transformers	21.2	20.0%	39.96%	3.8
369.1	Services-Overhead	23.9	45.0%	53.86%	3.8
369.2	Services-Underground	31.2	10.0%	29.93%	2.6
369.3	House Power Panels	5.2	0.0%	88.35%	2.3
370	Meters	25.4	-10.0%	28.61%	2.4
373	Street Lighting	13.8	10.0%	42.01%	4.9
<u>General</u>					
390	Structures and Impr.	29.5	5.0%	34.22%	2.4
392.2	Light Trucks	4.5	-12.0%	42.40%	10.0
392.3	Heavy Trucks	5.1	-15.0%	35.54%	9.7
393.4	Trailers	6.8	-12.0%	57.58%	4.5
396	Power Operated Equip.	3.7	-20.0%	64.53%	4.2
397	Communications Equip.	9.0	0.0%	53.34%	5.2

Gulf Power Company
Proforma Change in Depreciation Expense

Function/Group	Projected 12/31/2009 Investment	Current Rate	Current Expense	Proposed Rate	Proposed Expense	Increase (Decrease)
<u>Steam Prod Excl Dismantlement</u>						
Crist Plant	1,120,953,399	3.2%	35,870,509	3.4%	38,112,416	2,241,907
Crist Units 1, 2 & 3 Retired	11,012,950	3.2%	352,414	3.4%	374,440	22,026
Amort - 5 Year	27,486	5 Yr	5,497	5 Yr	5,497	0
Base Coal, 5 Years (Fully Amortized)	141,840	5 Yr	0		0	0
Amort - 7 Year	4,181,291	7 Yr	597,327	7 Yr	597,327	0
Total Crist	<u>1,136,316,966</u>		<u>36,825,747</u>		<u>39,089,680</u>	<u>2,263,933</u>
Daniel Plant	242,563,546	3.1%	7,519,470	2.8%	6,791,779	(727,691)
Daniel RR Track	2,741,618	1.0%	27,416	0.8%	21,933	(5,483)
Easements	77,160	1.1%	849	0.8%	617	(232)
Cooling Lake-23 year Amort (Fully Amortized)	8,954,192		0		0	0
Total Daniel	<u>254,336,516</u>		<u>7,547,735</u>		<u>6,814,330</u>	<u>(733,405)</u>
Scherer Plant	234,531,173	1.9%	4,456,092	2.0%	4,690,623	234,531
Amort - 7 Year	74,838	7 Yr	8,268	7 Yr	8,268	0
	<u>234,606,011</u>		<u>4,464,360</u>		<u>4,698,891</u>	<u>234,531</u>
Scholz Plant	31,183,847	4.2%	1,309,722	7.0%	2,182,869	873,147
Amort - 5 Year (Fully Amortized)	71,300	5 Yr	0	5 Yr	0	0
Amort - 7 Year	175,035	7 Yr	20,388	7 Yr	20,388	0
Total Scholz	<u>31,430,182</u>		<u>1,330,110</u>		<u>2,203,257</u>	<u>873,147</u>
Smith Plant	169,053,430	2.5%	4,226,336	3.3%	5,578,763	1,352,427
Amort - 5 Year	135,651	5 Yr	4,577	5 Yr	4,577	0
Amort - 7 Year	1,378,772	7 Yr	153,610	7 Yr	153,610	0
Total Smith	<u>170,567,853</u>		<u>4,384,523</u>		<u>5,736,950</u>	<u>1,352,427</u>
Total Steam Prod Excl Dismantlement	<u>1,827,257,528</u>		<u>54,552,475</u>		<u>58,543,108</u>	<u>3,990,633</u>
<u>Steam Prod Dismantlement</u>						
Crist			2,659,829		6,153,381	3,493,552
Daniel			754,764		598,065	(156,699)
Scherer			107,319		76,722	(30,597)
Scholz			521,738		1,005,669	483,931
Smith			950,810		1,206,414	255,604
Total Steam Production Dismantlement			<u>4,994,460</u>		<u>9,040,251</u>	<u>4,045,791</u>
<u>Other Prod Excl Dismantlement</u>						
Smith CT	4,963,480	0.4%	19,854	3.2%	158,831	138,977
Pace ("Pea Ridge")	10,481,920	5.0%	524,096	5.0%	524,096	0
Smith CC	197,624,607	3.1%	6,126,363	3.2%	6,323,987	197,624
Total Other Prod Excl Dismantlement	<u>213,070,007</u>		<u>6,670,313</u>		<u>7,006,915</u>	<u>336,602</u>
<u>Other Prod Dismantlement</u>						
Smith CT			4,612		3,246	(1,366)
Pace ("Pea Ridge")			6,102		17,307	11,205
Smith CC			234,069		262,635	28,566
Total Other Production Dismantlement			<u>244,783</u>		<u>283,188</u>	<u>38,405</u>

Gulf Power Company
Proforma Change in Depreciation Expense

Function/Group	Projected 12/31/2009 Investment	Current Rate	Current Expense	Proposed Rate	Proposed Expense	Increase (Decrease)
Transmission Plant						
Easements	12,647,666	1.7%	215,010	1.9%	240,306	25,296
Structures and Improvements	8,346,545	2.3%	191,971	2.1%	175,277	(16,694)
Station Equipment	107,105,720	2.2%	2,356,326	2.3%	2,463,432	107,106
Towers and Fixtures	37,945,128	2.3%	872,738	2.2%	834,793	(37,945)
Poles and Fixtures	84,197,492	4.1%	3,452,097	3.6%	3,031,110	(420,987)
Overhead Conductors and Devices	63,722,197	2.6%	1,656,777	2.5%	1,593,055	(63,722)
Underground Conductors	14,094,503	2.2%	310,079	2.1%	295,985	(14,094)
Roads and Trails	61,447	2.2%	1,352	1.4%	860	(492)
Total Transmission Plant	328,120,698		9,056,350		8,634,817	(421,533)
Distribution Plant						
Easements	204,176	(A)	(A)	2.0%	4,084	4,084
Structures and Improvements	15,480,940	2.3%	356,062	2.1%	325,100	(30,962)
Station Equipment	156,946,385	2.4%	3,766,713	2.2%	3,452,820	(313,893)
Poles, Towers, and Fixtures	120,551,305	5.4%	6,509,770	5.0%	6,027,565	(482,205)
Overhead Conductors and Devices	121,779,758	2.8%	3,409,833	3.1%	3,775,172	365,339
Underground Conduit	1,217,455	1.4%	17,044	1.3%	15,827	(1,217)
Underground Conductors	112,921,326	3.3%	3,726,404	3.4%	3,839,325	112,921
Line Transformers	210,898,293	4.2%	8,857,728	3.8%	8,014,135	(843,593)
Overhead Services	49,516,361	3.7%	1,832,105	3.8%	1,881,622	49,517
Underground Services	41,887,772	2.4%	1,005,307	2.6%	1,089,082	83,775
Service Entrances - House Power Panels	1,878,668	2.6%	48,845	2.3%	43,209	(5,636)
Meters	53,390,504	2.8%	1,494,934	2.4%	1,281,372	(213,562)
Street Lighting	57,686,304	5.1%	2,942,002	4.9%	2,826,629	(115,373)
Total Distribution Plant	944,359,247		33,966,747		32,575,943	(1,390,804)
General Plant						
Structures and Improvements	64,614,364	2.3%	1,486,130	2.4%	1,550,745	64,615
Power Operated Equipment	593,660	4.9%	29,089	4.2%	24,934	(4,155)
Communications Equipment	20,346,694	4.7%	956,295	5.2%	1,058,028	101,733
Transportation Equipment						
Light Trucks	6,862,467	8.3%	569,585	10.0%	686,247	116,662
Heavy Trucks	18,540,443	7.2%	1,334,912	9.7%	1,798,423	463,511
Trailers	1,111,387	4.6%	51,124	4.5%	50,012	(1,112)
Total Transportation Equipment	26,514,297		1,955,621		2,534,682	579,061
Total Depreciable General Plant	112,069,015		4,427,135		5,168,389	741,254
Total Depreciable Excl Dismantlement	3,424,876,495		108,673,020		111,929,171	3,256,151

(A) Land Rights was added in 2006. No investment balance in 2005 Study.

Gulf Power Company
Proforma Change in Depreciation Expense

<u>Function/Group</u>	<u>Projected 12/31/2009 Investment</u>	<u>Current Rate</u>	<u>Current Expense</u>	<u>Proposed Rate</u>	<u>Proposed Expense</u>	<u>Increase (Decrease)</u>
General Plant Amortization (Estimated 2009)						
Office Furniture & Equipment						
Furniture/Non-Computer	2,450,806	7 Yr	359,255	7 Yr	359,255	0
Computer Equipment	4,307,635	5 Yr	584,293	5 Yr	584,293	0
Total Office Furn & Equip	<u>6,758,441</u>		<u>943,548</u>		<u>943,548</u>	<u>0</u>
Auxiliary General Equipment						
Marine Equipment	0	5 Yr	0	5 Yr	0	0
Stores Equipment	457,635	7 Yr	96,019	7 Yr	96,019	0
Tools, Shop & Garage Equipment	2,143,677	7 Yr	262,973	7 Yr	262,973	0
Laboratory Equipment	2,971,385	7 Yr	358,162	7 Yr	358,162	0
Communications Equipment	2,639,443	7 Yr	258,466	7 Yr	258,466	0
Miscellaneous Equipment	2,230,522	7 Yr	283,511	7 Yr	283,511	0
Total Auxiliary General Equipment	<u>10,442,662</u>		<u>1,259,131</u>		<u>1,259,131</u>	<u>0</u>
Total Amortizable General	<u>17,201,103</u>		<u>2,202,679</u>		<u>2,202,679</u>	<u>0</u>
Total Depreciable & Amortizable General Plant	<u>129,270,118</u>		<u>6,629,814</u>		<u>7,371,068</u>	<u>741,254</u>
All Property						
Total Depreciable and Amortizable Property	<u>3,442,077,598</u>		<u>110,875,699</u>		<u>114,131,850</u>	<u>3,256,151</u>
Total Dismantlement			<u>5,239,243</u>		<u>9,323,439</u>	<u>4,084,196</u>
Total Depreciable, Amortizable & Dismantlement	<u>3,442,077,598</u>		<u>116,114,942</u>		<u>123,455,289</u>	<u>7,340,347</u>

ANALYSIS RESULTS
Steam and Other Production Plant

The detailed Analysis Results (by plant) appear on pages 3 to 12 and represent Gulf Power Company's ("Gulf Power" or "the Company") projected depreciable investment in Steam and Other Production Plant as of December 31, 2009.

The net increase in the investment of Steam Production Plant since the prior study is presented in Tab 10, which summarizes annual changes to plant-in-service balances.

Dismantlement Expense has been determined using Gulf Power's most recent dismantlement cost estimate. The annual expense was calculated using the FPSC prescribed procedures included in Docket #050381-EI, Order #PSC-06-0348-PAA-EI (see Tab 9).

In interpreting the Analysis Results appearing on this and subsequent pages, it important to understand the concept of average service life relating to the "Forecast Life Span" method used in determining these rates.

Location life property is property located at a specific location, at which all surviving investment are expected to be retired at one time. All production plants are assigned an estimated retirement date, determined by the Company. Our analyses assume all surviving property located at each production plant will be retired when the plant reaches its retirement date. It, however, must be recognized that retirement dates are estimates that reflect a set of complex and dynamic market factors, not commitments by Gulf Power.

The total life span of a production plant is the maximum life expected for any investment from the original in-service year to retirement date. Not all property will survive to the plant's retirement date. Interim additions, investment added subsequent to the in-service date of the plant, will, by definition, have a shorter life than that of the original investment.

Any plant investment currently in service which is not expected to survive to the plant's retirement date is referred to as an interim retirement. As interim retirements will affect the average service life of their property group, it is important to identify and project all anticipated interim retirements as part of the rate development process. Interim retirements for this study have been estimated by stratifying each FERC account into categories of homogeneous lives per the FPSC rule. Gulf Power personnel have separated all of the retirement units in production plant into three life categories of 1-20 years, 21-35 years or 36 years through the life-of-plant. The average remaining life of each investment in a life category was the maximum period for each category not exceeding the projected retirement date of the generating unit.

A net removal cost factor of 20% was applied to all interim retirements. This factor is based on analysis of Gulf Power's actual historical salvage and cost of removal of interim retirements.

The detailed schedules for each production plant are available in Volume 2 behind the Production tab. These schedules present the calculations used to estimate the Average Service Life ("ASL"), Average Remaining Life ("ARL"), Interim Salvage, and Calculated Reserve utilizing the Forecast Life Span method noted above. A summary of the detailed calculations for each stratified account is presented in Tab 7 "Parameter Schedules". The calculations performed on these schedules are as follows:

$$\text{ASL} = \text{RET} - \text{VIN}$$

$$\text{AGE} = 2009 + 0.5 - \text{VIN} \text{ (half year convention)}$$

$$\text{ARL} = \text{ASL} - \text{AGE}$$

$$\text{AGE Weight} = \frac{\text{Balance 12/09}}{\text{AGE}}$$

$$\text{Interim Salvage} = \text{Retirements Prior to Unit Retirement Date (x) -20\% (represents Net Removal)}$$

$$\text{Calculated Reserve} = \text{Accrual} \times \text{AGE}$$

$$\text{Unrecovered} = \text{Balance 12/09} - \text{Calculated Reserve}$$

$$\text{Accrual} = \frac{\text{Balance 12/09}}{\text{ASL}}$$

$$\text{Composite ASL} = \frac{\text{Sum of Balance 12/09}}{\text{Sum of Accrual}}$$

$$\text{Composite ARL} = \frac{\text{Sum of Unrecovered}}{\text{Sum of Accrual}}$$

Retirement Date = Unit Retirement Date or VIN + ASL, whichever is shorter

ANALYSIS RESULTS
Depreciable Property

Plant Crist				2006 Amended FPSC	2009	Change
Item						
Total Investment (Incl retired Crist units 1 2 3) *				540,774,334	1,131,966,349	591,192,015
Retirement Dates:						
<u>Unit</u>	<u>MW</u>	<u>Fuel Type</u>	<u>In-Serv.</u>			
1	22.5	Oil/Gas	1945	2011	2011	
2	22.5	Oil/Gas	1949	2011	2011	
3	30.0	Oil/Gas	1952	2011	2011	
4	75.0	Coal/Gas	1959	2024	2024	
5	75.0	Coal/Gas	1961	2026	2026	
6	320.0	Coal/Gas	1970	2035	2035	
7	500.0	Coal	1973	2038	2038	
Life Span (Years):						
	Unit 1			66	66	
	Unit 2			62	62	
	Unit 3			59	59	
	Unit 4			65	65	
	Unit 5			65	65	
	Unit 6			65	65	
	Unit 7			65	65	
	Common			93	93	
Study Method/Dispersion				Forecast	Forecast	
Average Service Life				34.0	30.1	
Theoretical Reserve				202,405,432	264,696,667	62,291,235
Book/Allocated Reserve (excl dismantlement)				216,346,902	259,199,453	42,852,551
Reserve Variance				13,941,470	(5,497,214)	(19,438,684)
Book Reserve Ratio				40.01%	22.90%	
Gross Salvage				0%	0.0%	
Removal Cost excl Dismantlement				10%	4.2%	
Net Removal Cost				10%	4.2%	
Annual Dismantlement Expense				<u>Current</u> 2,659,829	<u>2009</u> 6,153,381	3,493,552
Avg Whole Life Rate				3.2%	3.5%	
AWL 2009 Expense excl Dismantlement				36,222,923	39,618,822	3,395,899
Average Remaining Life				22.3	23.7	
ARL Rate				3.2%	3.4%	
ARL 2009 Expense excl Dismantlement				36,222,923	38,486,856	2,263,933

Total investment and reserve amounts above include those of retired Crist 1, 2 and 3.

Crist Plant	1,120,953,399
Crist Units 1, 2 & 3 Retired	11,012,950
* Total Crist Plant Production above	<u>1,131,966,349</u>

ANALYSIS RESULTS
Depreciable Property

Plant Daniel				2005 FPSC	2009	Change
Item						
Total Investment				225,201,810	242,563,546	17,361,736
Retirement Dates:						
<u>Unit</u>	<u>MW</u>	<u>Fuel Type</u>	<u>In-Serv.</u>			
1	500	Coal/Oil	1977	2032	2042	
2	500	Coal/Oil	1981	2036	2046	
Life Span (Years):						
Unit 1				55	65	
Unit 2				55	65	
Common 1-2				59	69	
Common 1-4				59	65	
Study Method/Dispersion				Forecast	Forecast	
Average Service Life				39.0	41.0	
Theoretical Reserve				120,322,250	127,666,056	7,343,806
Book/Allocated Reserve (excl dismantlement)				104,655,330	121,950,255	17,294,925
Reserve Variance				(15,666,920)	(5,715,801)	9,951,119
Book Reserve Ratio				46.47%	50.28%	
Gross Salvage				0.0%	0.0%	
Removal Cost excl Dismantlement				8.0%	10.0%	
Net Removal Cost				8.0%	10.0%	
Annual Dismantlement				<u>Current</u>	<u>2009</u>	
				754,764	598,065	(156,699)
Avg Whole Life Rate				2.8%	2.7%	
AWL 2009 Expense excl Dismantlement				6,791,779	6,549,216	(242,563)
Average Remaining Life				19.6	21.5	
ARL Rate				3.1%	2.8%	
ARL 2009 Expense excl Dismantlement				7,519,470	6,791,779	(727,691)

ANALYSIS RESULTS
 Depreciable Property
 Plant Daniel Easements

Item	2005 FPSC	2009	Change
Total Investment	77,160	77,160	0
Retirement Dates	2036	2046	
Study Method/Dispersion	Forecast	Forecast	
Average Service Life	59.0	69.0	
Theoretical Reserve	38,500	36,343	(2,157)
Book/Allocated Reserve (excl dismantlement)	50,750	54,145	3,395
Reserve Variance	12,250	17,802	5,552
Book Reserve Ratio	65.77%	70.17%	
Gross Salvage	0%	0%	
Removal Cost excl Dismantlement	0%	0%	
Net Removal Cost	0%	0%	
	<u>Current</u>	<u>2009</u>	
Avg Whole Life Rate	1.7%	1.4%	
AWL 2009 Expense excl Dismantlement	1,312	1,080	(232)
Average Remaining Life	30.5	36.5	
ARL Rate	1.1%	0.8%	
ARL 2009 Expense excl Dismantlement	849	617	(232)

This investment is being recovered over the remaining span life of Daniel Unit 2.

ANALYSIS RESULTS
 Depreciable Property
 Plant Daniel Rail Tracks

Item	2005 FPSC	2009	Change
Total Investment	2,741,620	2,741,618	(2)
Retirement Dates	2036	2046	
Study Method/Dispersion	Forecast	Forecast	
Average Service Life	57.0	67.4	
Theoretical Reserve	1,284,913	1,256,914	(27,999)
Book/Allocated Reserve (excl dismantlement)	1,864,720	1,974,384	109,664
Reserve Variance	579,807	717,470	137,663
Book Reserve Ratio	68.02%	72.02%	
Gross Salvage	0%	0%	
Removal Cost excl Dismantlement	0%	0%	
Net Removal Cost	0%	0%	
	<u>Current</u>	<u>2009</u>	
Avg Whole Life Rate	1.8%	1.5%	
AWL 2009 Expense excl Dismantlement	49,349	41,124	(8,225)
Average Remaining Life	30.5	36.5	
ARL Rate	1.0%	0.8%	
ARL 2009 Expense excl Dismantlement	27,416	21,933	(5,483)

This investment is being recovered over the remaining span life of Daniel Unit 2.

ANALYSIS RESULTS

Depreciable Property

Plant Scherer

Item	2005 FPSC	2009	Change
Total Investment	181,134,390	234,531,173	53,396,783
Retirement Dates:			
<u>Unit</u> <u>MW</u> <u>Fuel Type</u> <u>In-Serv.</u>			
3 818 Coal 1987	2042	2052	
Life Span (Years):			
Unit 3	55	65	
Study Method/Dispersion	Forecast	Forecast	
Average Service Life	46.0	46.8	
Theoretical Reserve	73,599,049	83,183,301	9,584,252
Book/Allocated Reserve (excl dismantlement)	81,644,840	95,319,563	13,674,723
Reserve Variance	8,045,791	12,136,262	4,090,471
Book Reserve Ratio	45.07%	40.64%	
Gross Salvage	0%	0.0%	
Removal Cost excl Dismantlement	5%	6.2%	
Net Removal Cost	5%	6.2%	
Annual Dismantlement	<u>Current</u> 107,319	<u>2009</u> 76,722	(30,597)
Avg Whole Life Rate	2.3%	2.3%	
AWL 2009 Expense excl Dismantlement	5,394,217	5,394,217	0
Average Remaining Life	31.3	33.3	
ARL Rate	1.9%	2.0%	
ARL 2009 Expense excl Dismantlement	4,456,092	4,690,623	234,531

ANALYSIS RESULTS
Depreciable Property

Plant Scholz					
Item			2005 FPSC	2009	Change
Total Investment			29,730,490	31,183,847	1,453,357
Retirement Dates:					
<u>Unit</u>	<u>MW</u>	<u>Fuel Type</u>	<u>In-Serv.</u>		
1	40	Coal	1953	2011	2011
2	40	Coal	1953	2011	2011
Life Span (Years):					
Unit 1			58	58	
Unit 2			58	58	
Study Method/Dispersion			Forecast	Forecast	
Average Service Life			27.0	19.2	
Theoretical Reserve			25,037,359	29,782,029	4,744,670
Book/Allocated Reserve (excl dismantlement)			23,849,230	28,800,889	4,951,659
Reserve Variance			(1,188,129)	(981,140)	206,989
Book Reserve Ratio			80.22%	92.36%	
Gross Salvage			0%	0.0%	
Removal Cost excl Dismantlement			3%	2.8%	
Net Removal Cost			3%	2.8%	
			<u>Current</u>	<u>2009</u>	
Annual Dismantlement			521,738	1,005,669	483,931
Avg Whole Life Rate			3.8%	5.4%	
AWL 2009 Expense excl Dismantlement			1,184,986	1,683,928	498,942
Average Remaining Life			5.4	1.5	
ARL Rate			4.2%	7.0%	
ARL 2009 Expense excl Dismantlement			1,309,722	2,182,869	873,147

**ANALYSIS RESULTS
Depreciable Property**

Plant Smith				Amended FPSC	2009	Change
Item						
Total Investment				139,008,110	169,053,430	30,045,320
Retirement Dates:						
<u>Unit</u>	<u>MW</u>	<u>Fuel Type</u>	<u>In-Serv.</u>			
1	125	Coal	1965	2030	2030	
2	180	Coal	1967	2032	2032	
Life Span (Years):						
	Unit 1			65	65	
	Unit 2			65	65	
	Common			67	67	
Study Method/Dispersion				Forecast	Forecast	
Average Service Life				35.0	31.5	
Theoretical Reserve				61,144,448	73,893,364	12,748,916
Book/Allocated Reserve (excl dismantlement)				67,086,424	69,571,878	2,485,454
Reserve Variance				5,941,976	(4,321,486)	(10,263,462)
Book Reserve Ratio				48.26%	41.15%	
Gross Salvage				0%	0.0%	
Removal Cost excl Dismantlement				5.0%	5.2%	
Net Removal Cost				5.0%	5.2%	
				<u>Current</u>	<u>2009</u>	
Annual Dismantlement				950,810	1,206,414	255,604
Avg Whole Life Rate				3.0%	3.3%	
AWL 2009 Expense excl Dismantlement				5,071,603	5,578,763	507,160
Average Remaining Life				22.9	19.4	
ARL Rate				2.5%	3.3%	
ARL 2009 Expense excl Dismantlement				4,226,336	5,578,763	1,352,427

ANALYSIS RESULTS
Depreciable Property

Plant Smith Combustion Turbine				
Item	2005 FPSC	2009	Change	
Total Investment	4,354,570	4,963,480	608,910	
Retirement Dates:				
<u>Unit</u>	<u>MW</u>	<u>Fuel Type</u>	<u>In-Serv.</u>	
A	40	Nat. Gas	1971	
			2017	2017
Life Span (Years):				
Unit 1			46	46
Study Method/Dispersion				
Average Service Life	Forecast	Forecast		
	41.0	27.5		
Theoretical Reserve	3,143,585	3,607,076	463,491	
Book/Allocated Reserve (excl dismantlement)	4,189,390	3,763,852	(425,538)	
Reserve Variance	1,045,805	156,776	(889,029)	
Book Reserve Ratio	96.21%	75.83%		
Gross Salvage	0%	0%		
Removal Cost excl Dismantlement	0%	0%		
Net Removal Cost	0%	0%		
Annual Dismantlement				
	<u>Current</u>	<u>2009</u>		
	4,612	3,246	(1,366)	
Avg Whole Life Rate				
	2.4%	3.6%		
AWL 2009 Expense excl Dismantlement	119,124	178,685	59,561	
Average Remaining Life				
ARL Rate	11.5	7.5		
ARL 2009 Expense excl Dismantlement	0.4%	3.2%		
	19,854	158,831	138,977	

ANALYSIS RESULTS
Depreciable Property

Plant Pace ("Pea Ridge")					
Item			2005 FPSC	2009	Change
Total Investment			10,481,920	10,481,920	0
Retirement Dates:					
<u>Unit</u>	<u>MW</u>	<u>Fuel Type</u>	<u>In-Serv.</u>		
1	15	Gas	1998	2018	2018
Life Span (Years):					
Unit 1			20	20	
Study Method/Dispersion			Forecast	Forecast	
Average Service Life			20.0	20.0	
Theoretical Reserve			3,930,719	6,027,104	2,096,385
Book/Allocated Reserve (excl dismantlement)			3,971,590	6,047,199	2,075,609
Reserve Variance			40,871	20,095	(20,776)
Book Reserve Ratio			37.89%	57.69%	
Gross Salvage			0%	0%	
Removal Cost excl Dismantlement			0%	0%	
Net Removal Cost			0%	0%	
Annual Dismantlement			<u>Current</u> 6,102	<u>2009</u> 17,307	11,205
Avg Whole Life Rate			5.0%	5.0%	
AWL 2009 Expense excl Dismantlement			524,096	524,096	0
Average Remaining Life			12.5	8.5	
ARL Rate			5.0%	5.0%	
ARL 2009 Expense excl Dismantlement			524,096	524,096	0

ANALYSIS RESULTS
 Depreciable Property
 Plant Smith Combined Cycle

Item	Amended FPSC	2009	Change
Total Investment	187,646,111	197,624,607	9,978,496
Retirement Dates:			
<u>Unit</u>	<u>MW</u>	<u>Fuel Type</u>	<u>In-Serv.</u>
3		Gas	2002
	2037		2042
Life Span (Years):			
Unit 3	36	40	
Study Method/Dispersion	Forecast	Forecast	
Average Service Life	34.0	37.1	
Theoretical Reserve	20,379,181	29,255,448	8,876,267
Book/Allocated Reserve (excl dismantlement)	8,152,341	(1,334,917)	(9,487,258)
Reserve Variance	(12,226,840)	(30,590,365)	(18,363,525)
Book Reserve Ratio	4.34%	-0.68%	
Gross Salvage	0%	0%	
Removal Cost excl Dismantlement	0%	0.1%	
Net Removal Cost	0%	0.1%	
Annual Dismantlement	<u>Current</u> 234,069	<u>2009</u> 262,635	28,566
Avg Whole Life Rate	2.9%	2.7%	
AWL 2009 Expense excl Dismantlement	5,731,114	5,335,864	(395,250)
Average Remaining Life	30.8	31.6	
ARL Rate	3.1%	3.2%	
ARL 2009 Expense excl Dismantlement	6,126,363	6,323,987	197,624

ANALYSIS RESULTS
Transmission Plant

The Analysis Results presented on pages 14 to 21 represent Gulf Power's projected depreciable investment in Transmission Plant as of December 31, 2009.

The net changes by year to Transmission Plant investment and depreciation reserves are presented in Tabs 10 and 11, which summarize annual changes since the prior study.

In interpreting the Analysis Results for this and subsequent pages, it is important to understand the concept of average service life. Transmission, Distribution, and General Plant are sometimes referred to as "average life" property. Average life property is that property expected to have a continuous life. In other words, additions and retirements will continually occur creating an average service life as opposed to the location life referred to in the Production Plant Summary. The average service life used for average life properties is based in part upon the analysis of historical accounting data using the Actuarial Method or the Simulated Plant Record method ("SPR").

The Actuarial Method, employed for all Transmission Plant, is used for property that has aged data available. It measures the life of past retirements relative to the original investments, which were exposed to retirement. The results of this analysis are compared with the Iowa-type survivor curves. This analysis was performed using standard actuarial techniques.

The average remaining life ("ARL") presented on subsequent pages is a function of several variables. For example, a change in average service life, a change in the selection of Iowa Survivor curve, or a change in the investment balance all affect the ARL.

Historical analyses of net removal are addressed in Tab 8.

ANALYSIS RESULTS
Depreciable Property

Account 350.2			
Easements and Rights of Way			
Item	FPSC Approved	2009	Change
Investment	\$11,344,580	\$12,647,666	\$1,303,086
Iowa Curve	SQ	SQ	
Average Service Life	60	60	0
Theoretical Reserve	\$5,090,386	\$6,589,648	\$1,499,262
Book Reserve	\$5,083,180	\$5,786,088	\$702,908
Reserve Variance	(\$7,206)	(\$803,560)	(\$796,354)
Reserve Ratio	44.81%	45.75%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Removal Cost	0%	0%	0%
Avg. Whole Life Rate	1.7%	1.7%	0.0%
AWL Expense (2009)	\$215,010	\$215,010	\$0
Average Remaining Life	33.0	28.7	(4.3)
ARL Rate	1.7%	1.9%	0.2%
ARL Expense (2009)	\$215,010	\$240,306	\$25,296

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS
Depreciable Property

Account 352 Structures and Improvements			
Item	FPSC Approved	2009	Change
Investment	\$6,167,160	\$8,346,545	\$2,179,385
lowa Curve	R3	R4	
Average Service Life	45	50	5
Theoretical Reserve	\$2,060,158	\$2,533,378	\$473,220
Book Reserve	\$2,284,190	\$2,657,670	\$373,480
Reserve Variance	\$224,032	\$124,292	(\$99,740)
Reserve Ratio	37.04%	31.84%	
Gross Salvage	0%	0%	0%
Removal Cost	5%	5%	0%
Net Removal Cost	5%	5%	0%
Avg. Whole Life Rate	2.3%	2.1%	-0.2%
AWL Expense (2009)	\$191,971	\$175,277	(\$16,693)
Average Remaining Life	30.7	35.6	4.9
ARL Rate	2.3%	2.1%	-0.2%
ARL Expense (2009)	\$191,971	\$175,277	(\$16,694)

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS

Depreciable Property

Account 353			
Station Equipment			
Item	FPSC Approved	2009	Change
Investment	\$88,247,980	\$107,105,720	\$18,857,740
Iowa Curve	50	50	
Average Service Life	45	45	0
Theoretical Reserve	\$20,739,335	\$24,668,981	\$3,929,646
Book Reserve	\$23,576,570	\$25,092,267	\$1,515,697
Reserve Variance	\$2,837,235	\$423,286	(\$2,413,949)
Reserve Ratio	26.72%	23.43%	
Gross Salvage	2%	2%	0%
Removal Cost	7%	7%	0%
Net Removal Cost	5%	5%	0%
Avg. Whole Life Rate	2.3%	2.3%	0.0%
AWL Expense (2009)	\$2,463,432	\$2,463,432	\$0
Average Remaining Life	35.0	35.2	0.2
ARL Rate	2.2%	2.3%	0.1%
ARL Expense (2009)	\$2,356,326	\$2,463,432	\$107,106

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS
Depreciable Property

Account 354 Towers and Fixtures			
Item	FPSC Approved	2009	Change
Investment	\$35,213,730	\$37,945,128	\$2,731,398
Iowa Curve	R5	R5	
Average Service Life	50	50	0
Theoretical Reserve	\$18,554,073	\$20,718,255	\$2,164,182
Book Reserve	\$21,095,400	\$23,300,580	\$2,205,180
Reserve Variance	\$2,541,327	\$2,582,325	\$40,998
Reserve Ratio	59.91%	61.41%	
Gross Salvage	0%	0%	0%
Removal Cost	25%	20%	-5%
Net Removal Cost	25%	20%	-5%
Avg. Whole Life Rate	2.5%	2.4%	-0.1%
AWL Expense (2009)	\$948,628	\$910,683	(\$37,945)
Average Remaining Life	28.9	27.3	(1.7)
ARL Rate	2.3%	2.2%	-0.1%
ARL Expense (2009)	\$872,738	\$834,793	(\$37,945)

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS
 Depreciable Property

Account 355 Poles and Fixtures			
Item	FPSC Approved	2009	Change
Investment	\$59,026,480	\$84,197,492	\$25,171,012
Iowa Curve	S0	S0	
Average Service Life	35	38	3
Theoretical Reserve	\$18,499,056	\$23,541,296	\$5,042,240
Book Reserve	\$16,168,310	\$26,077,499	\$9,909,189
Reserve Variance	(\$2,330,746)	\$2,536,203	\$4,866,949
Reserve Ratio	27.39%	30.97%	
Gross Salvage	0%	0%	0%
Removal Cost	40%	40%	0%
Net Removal Cost	40%	40%	0%
Avg. Whole Life Rate	4.0%	3.7%	-0.3%
AWL Expense (2009)	\$3,367,900	\$3,115,307	(\$252,592)
Average Remaining Life	27.2	30.4	3.2
ARL Rate	4.1%	3.6%	-0.5%
ARL Expense (2009)	\$3,452,097	\$3,031,110	(\$420,987)

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS
Depreciable Property

Account 356 Overhead Conductor & Devices			
Item	FPSC Approved	2009	Change
Investment	\$50,364,370	\$63,722,197	\$13,357,827
Iowa Curve	R2	R2	
Average Service Life	50	50	0
Theoretical Reserve	\$16,712,824	\$20,911,337	\$4,198,513
Book Reserve	\$18,986,670	\$23,979,165	\$4,992,495
Reserve Variance	\$2,273,846	\$3,067,828	\$793,982
Reserve Ratio	37.70%	37.63%	
Gross Salvage	5%	5%	0%
Removal Cost	40%	35%	-5%
Net Removal Cost	35%	30%	-5%
Avg. Whole Life Rate	2.7%	2.6%	-0.1%
AWL Expense (2009)	\$1,720,499	\$1,656,777	(\$63,722)
Average Remaining Life	37.7	37.4	(0.3)
ARL Rate	2.6%	2.5%	-0.1%
ARL Expense (2009)	\$1,656,777	\$1,593,055	(\$63,722)

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS

Depreciable Property

Account 358			
Underground Conductor & Devices			
Item	FPSC Approved	2009	Change
Investment	\$13,612,400	\$14,094,503	\$482,103
lowa Curve	R3	R3	
Average Service Life	45	45	0
Theoretical Reserve	\$4,863,764	\$5,961,692	\$1,097,928
Book Reserve	\$5,644,310	\$6,493,566	\$849,256
Reserve Variance	\$780,546	\$531,874	(\$248,672)
Reserve Ratio	41.46%	46.07%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Removal Cost	0%	0%	0%
Avg. Whole Life Rate	2.2%	2.2%	0.0%
AWL Expense (2009)	\$310,079	\$310,079	\$0
Average Remaining Life	29.0	26.0	(3.0)
ARL Rate	2.2%	2.1%	-0.1%
ARL Expense (2009)	\$310,079	\$295,985	(\$14,094)

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS
Depreciable Property

Account 359 Roads and Trails			
Item	FPSC Approved	2009	Change
Investment	\$64,920	\$61,447	(\$3,473)
Iowa Curve	SQ	SQ	
Average Service Life	50	50	0
Theoretical Reserve	\$32,337	\$33,614	\$1,277
Book Reserve	\$26,930	\$42,111	\$15,181
Reserve Variance	(\$5,407)	\$8,497	\$13,904
Reserve Ratio	41.48%	68.53%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Removal Cost	0%	0%	0%
Avg. Whole Life Rate	2.0%	2.0%	0.0%
AWL Expense (2009)	\$1,229	\$1,229	\$0
Average Remaining Life	25.1	22.6	(2.5)
ARL Rate	2.2%	1.4%	-0.8%
ARL Expense (2009)	\$1,352	\$860	(\$492)

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS
Distribution Plant

The Analysis Results presented on pages 23 to 35 represent Gulf Power's projected depreciable investment in Distribution Plant as of 12/31/09.

The net changes by year to Distribution Plant investment and depreciation reserves are presented in Tabs 10 and 11, which summarize annual changes to plant-in-service.

The "average life property" concept as discussed under Transmission Plant also applies to Distribution Plant. The actuarial method discussed under Transmission is used for substations (Accounts 361 and 362). For mass distribution property (Accounts 364 to 373), the simulated plant record (SPR) method is utilized as an aid in estimating the ASL. The method simulates aged data for each account by matching actual account balances (or retirements) with those generated by the Iowa curves using a standard SPR program.

Historical analyses of net removal are addressed in Tab 8.

ANALYSIS RESULTS
Depreciable Property

Account 360.2			
Easements and Rights of Way			
Item	FPSC Approved	2009	Change
Investment	\$0	\$204,176	\$204,176
Iowa Curve	SQ	SQ	
Average Service Life	50	50	0
Theoretical Reserve	\$0	\$11,587	\$11,587
Book Reserve	\$0	\$13,454	\$13,454
Reserve Variance	\$0	\$1,867	\$1,867
Reserve Ratio	0.00%	6.59%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Removal Cost	0%	0%	0%
Avg. Whole Life Rate	2.0%	2.0%	0.0%
AWL Expense (2009)	\$4,084	\$4,084	\$0
Average Remaining Life	50.0	47.2	(2.8)
ARL Rate	N/A	2.0%	2.0%
ARL Expense (2009)	\$0	\$4,084	\$4,084

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS
Depreciable Property

Account 361 Structures and Improvements			
Item	FPSC Approved	2009	Change
Investment	\$12,691,930	\$15,480,940	\$2,789,010
Iowa Curve	R3	R3	
Average Service Life	45	48	3
Theoretical Reserve	\$4,594,048	\$5,406,769	\$812,721
Book Reserve	\$5,036,500	\$6,098,826	\$1,062,326
Reserve Variance	\$442,452	\$692,057	\$249,605
Reserve Ratio	39.68%	39.40%	
Gross Salvage	0%	0%	0%
Removal Cost	5%	5%	0%
Net Removal Cost	5%	5%	0%
Avg. Whole Life Rate	2.3%	2.2%	-0.1%
AWL Expense (2009)	\$356,062	\$340,581	(\$15,481)
Average Remaining Life	29.5	32.0	2.5
ARL Rate	2.3%	2.1%	-0.2%
ARL Expense (2009)	\$356,062	\$325,100	(\$30,962)

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS
Depreciable Property

Account 362 Station Equipment			
Item	FPSC Approved	2009	Change
Investment	\$135,871,830	\$156,946,385	\$21,074,555
Iowa Curve	R1.5	R1.5	
Average Service Life	43	45	2
Theoretical Reserve	\$39,230,341	\$44,734,927	\$5,504,586
Book Reserve	\$45,889,610	\$50,931,682	\$5,042,072
Reserve Variance	\$6,659,269	\$6,196,755	(\$462,514)
Reserve Ratio	33.77%	32.45%	
Gross Salvage	0%	2%	2%
Removal Cost	5%	7%	2%
Net Removal Cost	5%	5%	0%
Avg. Whole Life Rate	2.4%	2.3%	-0.1%
AWL Expense (2009)	\$3,766,713	\$3,609,767	(\$156,946)
Average Remaining Life	31.2	32.8	1.6
ARL Rate	2.4%	2.2%	-0.2%
ARL Expense (2009)	\$3,766,713	\$3,452,820	(\$313,893)

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS
Depreciable Property

Account 364 Poles, Towers and Fixtures			
Item	FPSC Approved	2009	Change
Investment	\$112,535,550	\$120,551,305	\$8,015,755
Iowa Curve	R1	R1	
Average Service Life	32	34	2
Theoretical Reserve	\$50,180,444	\$60,148,557	\$9,968,113
Book Reserve	\$45,723,340	\$65,850,009	\$20,126,669
Reserve Variance	(\$4,457,104)	\$5,701,452	\$10,158,556
Reserve Ratio	40.63%	54.62%	
Gross Salvage	10%	10%	0%
Removal Cost	85%	85%	0%
Net Removal Cost	75%	75%	0%
Avg. Whole Life Rate	5.5%	5.1%	-0.4%
AWL Expense (2009)	\$6,630,322	\$6,148,117	(\$482,205)
Average Remaining Life	23.8	24.3	0.4
ARL Rate	5.4%	5.0%	-0.4%
ARL Expense (2009)	\$6,509,770	\$6,027,565	(\$482,205)

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS

Depreciable Property

Account 365

Overhead Conductors & Devices

Item	FPSC Approved	2009	Change
Investment	\$110,189,870	\$121,779,758	\$11,589,888
Iowa Curve	R1	R1	
Average Service Life	37	38	1
Theoretical Reserve	\$32,383,464	\$41,911,989	\$9,528,525
Book Reserve	\$38,028,890	\$42,352,169	\$4,323,279
Reserve Variance	\$5,645,426	\$440,180	(\$5,205,246)
Reserve Ratio	34.51%	34.78%	
Gross Salvage	35%	30%	-5%
Removal Cost	45%	50%	5%
Net Removal Cost	10%	20%	10%
Avg. Whole Life Rate	3.0%	3.2%	0.2%
AWL Expense (2009)	\$3,653,393	\$3,896,952	\$243,559
Average Remaining Life	27.1	27.1	(0.1)
ARL Rate	2.8%	3.1%	0.3%
ARL Expense (2009)	\$3,409,833	\$3,775,172	\$365,339

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS
Depreciable Property

Account 366 Underground Conduit			
Item	FPSC Approved	2009	Change
Investment	\$1,210,870	\$1,217,455	\$6,585
Iowa Curve	R3	R3	
Average Service Life	60	60	0
Theoretical Reserve	\$600,159	\$677,652	\$77,493
Book Reserve	\$784,280	\$787,189	\$2,909
Reserve Variance	\$184,121	\$109,537	(\$74,584)
Reserve Ratio	64.77%	64.66%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Removal Cost	0%	0%	0%
Avg. Whole Life Rate	1.7%	1.7%	0.0%
AWL Expense (2009)	\$20,697	\$20,697	\$0
Average Remaining Life	30.2	26.6	(3.7)
ARL Rate	1.4%	1.3%	-0.1%
ARL Expense (2009)	\$17,044	\$15,827	(\$1,217)

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS
Depreciable Property

Account 367			
Underground Conductors & Devices			
Item	FPSC Approved	2009	Change
Investment	\$82,423,600	\$112,921,326	\$30,497,726
lowa Curve	S3	S3	
Average Service Life	30	32	2
Theoretical Reserve	\$23,622,001	\$34,908,597	\$11,286,596
Book Reserve	\$24,732,030	\$35,579,967	\$10,847,937
Reserve Variance	\$1,110,029	\$671,370	(\$438,659)
Reserve Ratio	30.01%	31.51%	
Gross Salvage	20%	12%	-8%
Removal Cost	20%	20%	0%
Net Removal Cost	0%	8%	8%
Avg. Whole Life Rate	3.3%	3.4%	0.1%
AWL Expense (2009)	\$3,726,404	\$3,839,325	\$112,921
Average Remaining Life	21.4	22.8	1.4
ARL Rate	3.3%	3.4%	0.1%
ARL Expense (2009)	\$3,726,404	\$3,839,325	\$112,921

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS
Depreciable Property

Account 368			
Line Transformers			
Item	FPSC Approved	2009	Change
Investment	\$172,026,950	\$210,898,293	\$38,871,343
Iowa Curve	50	50	
Average Service Life	30	30	0
Theoretical Reserve	\$62,610,909	\$74,341,297	\$11,730,388
Book Reserve	\$64,505,030	\$84,273,332	\$19,768,302
Reserve Variance	\$1,894,121	\$9,932,035	\$8,037,914
Reserve Ratio	37.50%	39.96%	
Gross Salvage	5%	10%	5%
Removal Cost	30%	30%	0%
Net Removal Cost	25%	20%	-5%
Avg. Whole Life Rate	4.2%	4.0%	-0.2%
AWL Expense (2009)	\$8,857,728	\$8,435,932	(\$421,796)
Average Remaining Life	21.3	21.2	(0.1)
ARL Rate	4.2%	3.8%	-0.4%
ARL Expense (2009)	\$8,857,728	\$8,014,135	(\$843,593)

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS
Depreciable Property

Account 369.1 Overhead Services			
Item	FPSC Approved	2009	Change
Investment	\$41,807,020	\$49,516,361	\$7,709,341
Iowa Curve	R1	R1	
Average Service Life	34	35	1
Theoretical Reserve	\$17,569,045	\$22,894,722	\$5,325,677
Book Reserve	\$22,314,210	\$26,668,575	\$4,354,365
Reserve Variance	\$4,745,165	\$3,773,853	(\$971,312)
Reserve Ratio	53.37%	53.86%	
Gross Salvage	10%	10%	0%
Removal Cost	45%	55%	10%
Net Removal Cost	35%	45%	10%
Avg. Whole Life Rate	4.0%	4.1%	0.1%
AWL Expense (2009)	\$1,980,654	\$2,030,171	\$49,516
Average Remaining Life	23.4	23.9	0.4
ARL Rate	3.7%	3.8%	0.1%
ARL Expense (2009)	\$1,832,105	\$1,881,622	\$49,517

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS
Depreciable Property

Account 369.2 Underground Services			
Item	FPSC Approved	2009	Change
Investment	\$33,017,020	\$41,887,772	\$8,870,752
Iowa Curve	R1	R1.5	
Average Service Life	40	40	0
Theoretical Reserve	\$5,867,591	\$10,155,904	\$4,288,313
Book Reserve	\$9,722,880	\$12,535,656	\$2,812,776
Reserve Variance	\$3,855,289	\$2,379,752	(\$1,475,537)
Reserve Ratio	29.45%	29.93%	
Gross Salvage	5%	5%	0%
Removal Cost	10%	15%	5%
Net Removal Cost	5%	10%	5%
Avg. Whole Life Rate	2.6%	2.8%	0.2%
AWL Expense (2009)	\$1,089,082	\$1,172,858	\$83,776
Average Remaining Life	33.2	31.2	(2.0)
ARL Rate	2.4%	2.6%	0.2%
ARL Expense (2009)	\$1,005,307	\$1,089,082	\$83,775

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS

Depreciable Property

Account 369.3			
Services-Housepower Boxes			
Item	FPSC Approved	2009	Change
Investment	\$3,411,680	\$1,878,668	(\$1,533,012)
Iowa Curve	R3	R3	
Average Service Life	27	27	0
Theoretical Reserve	\$2,641,644	\$1,520,130	(\$1,121,514)
Book Reserve	\$2,940,480	\$1,659,726	(\$1,280,754)
Reserve Variance	\$298,836	\$139,596	(\$159,240)
Reserve Ratio	86.19%	88.35%	
Gross Salvage	0%	0%	0%
Removal Cost	0%	0%	0%
Net Removal Cost	0%	0%	0%
Avg. Whole Life Rate	3.7%	3.7%	0.0%
AWL Expense (2009)	\$69,511	\$69,511	\$0
Average Remaining Life	6.1	5.2	(0.9)
ARL Rate	2.6%	2.3%	-0.3%
ARL Expense (2009)	\$48,845	\$43,209	(\$5,636)

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS
Depreciable Property

Account 370 Meters			
Item	FPSC Approved	2009	Change
Investment	\$45,141,070	\$53,390,504	\$8,249,434
Iowa Curve	R1	R1	
Average Service Life	33	33	0
Theoretical Reserve	\$10,470,426	\$11,099,516	\$629,090
Book Reserve	\$14,291,230	\$15,276,061	\$984,831
Reserve Variance	\$3,820,804	\$4,176,545	\$355,741
Reserve Ratio	31.66%	28.61%	
Gross Salvage	5%	25%	20%
Removal Cost	5%	15%	10%
Net Removal Cost	0%	-10%	-10%
Avg. Whole Life Rate	3.0%	2.7%	-0.3%
AWL Expense (2009)	\$1,601,715	\$1,441,544	(\$160,172)
Average Remaining Life	25.4	25.4	0.0
ARL Rate	2.8%	2.4%	-0.4%
ARL Expense (2009)	\$1,494,934	\$1,281,372	(\$213,562)

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS
Depreciable Property

Account 373 Street Lighting & Signal System			
Item	FPSC Approved	2009	Change
Investment	\$49,004,690	\$57,686,304	\$8,681,614
Iowa Curve	L1	L1	
Average Service Life	18	20	2
Theoretical Reserve	\$15,678,788	\$19,709,205	\$4,030,417
Book Reserve	\$19,769,310	\$24,234,570	\$4,465,260
Reserve Variance	\$4,090,522	\$4,525,365	\$434,843
Reserve Ratio	40.34%	42.01%	
Gross Salvage	10%	5%	-5%
Removal Cost	15%	15%	0%
Net Removal Cost	5%	10%	5%
Avg. Whole Life Rate	5.8%	5.5%	-0.3%
AWL Expense (2009)	\$3,345,806	\$3,172,747	(\$173,059)
Average Remaining Life	12.5	13.8	1.3
ARL Rate	5.1%	4.9%	-0.2%
ARL Expense (2009)	\$2,942,002	\$2,826,629	(\$115,373)

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS

General Plant

The Analysis Results presented on pages 37 to 42 represent Gulf Power Company's projected depreciable investment in General Plant as of 12/31/09.

The net changes by year to General Plant investment and depreciation reserves are presented in Tabs 10 and 11, which summarize annual changes to plant-in-service.

The General Plant accounts included in the study were analyzed using the actuarial method. The remaining General Plant accounts were excluded from the depreciation study because the investment in these account/subaccounts is amortized, not depreciated.

Historical analyses of net removal are discussed in Tab 8.

ANALYSIS RESULTS
Depreciable Property

Account 390			
Structures and Improvements			
Item	FPSC Approved	2009	Change
Investment (2001 excl Corp. HQ 3rd floor)	\$55,821,740	\$64,614,364	\$8,792,624
Iowa Curve	\$1.5	\$1.5	
Average Service Life	45	45	0
Theoretical Reserve	\$21,987,329	\$23,396,748	\$1,409,419
Book Reserve	\$23,753,790	\$22,109,722	(\$1,644,068)
Reserve Variance	\$1,766,461	(\$1,287,026)	(\$3,053,487)
Reserve Ratio	42.55%	34.22%	
Gross Salvage	5%	0%	-5%
Removal Cost	10%	5%	-5%
Net Removal Cost	5%	5%	0%
Avg. Whole Life Rate	2.3%	2.3%	0.0%
AWL Expense (2009)	\$1,486,130	\$1,486,130	\$0
Average Remaining Life	28.2	29.5	1.4
ARL Rate	2.3%	2.4%	0.1%
ARL Expense (2009)	\$1,486,130	\$1,550,745	\$64,615

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS
Depreciable Property

Account 392.2			
Light Trucks			
Item	FPSC Approved	2009	Change
Investment	\$5,284,180	\$6,862,467	\$1,578,287
Iowa Curve	S3	L3	
Average Service Life	9.5	10.0	1
Theoretical Reserve	\$2,388,250	\$3,298,386	\$910,136
Book Reserve	\$2,309,630	\$2,909,869	\$600,239
Reserve Variance	(\$78,620)	(\$388,517)	(\$309,897)
Reserve Ratio	43.71%	42.40%	
Gross Salvage	13%	12%	-1%
Removal Cost	0%	0%	0%
Net Removal Cost	-13%	-12%	1%
Avg. Whole Life Rate	9.2%	8.8%	-0.4%
AWL Expense (2009)	\$631,347	\$603,897	(\$27,450)
Average Remaining Life	4.6	4.5	(0.0)
ARL Rate	8.3%	10.0%	1.7%
ARL Expense (2009)	\$569,585	\$686,247	\$116,662

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS
Depreciable Property

Account 392.3 Heavy Trucks			
Item	FPSC Approved	2009	Change
Investment	\$19,410,960	\$18,540,443	(\$870,517)
Iowa Curve	L4	L4	
Average Service Life	11	11	0
Theoretical Reserve	\$7,484,322	\$8,435,433	\$951,111
Book Reserve	\$6,906,120	\$6,588,747	(\$317,373)
Reserve Variance	(\$578,202)	(\$1,846,686)	(\$1,268,484)
Reserve Ratio	35.58%	35.54%	
Gross Salvage	17%	15%	-2%
Removal Cost	0%	0%	0%
Net Removal Cost	-17%	-15%	2%
Avg. Whole Life Rate	7.5%	7.7%	0.2%
AWL Expense (2009)	\$1,390,533	\$1,427,614	\$37,081
Average Remaining Life	5.9	5.1	(0.8)
ARL Rate	7.2%	9.7%	2.5%
ARL Expense (2009)	\$1,334,912	\$1,798,423	\$463,511

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS
Depreciable Property

Account 392.4			
Trailers			
Item	FPSC Approved	2009	Change
Investment	\$1,202,100	\$1,111,387	(\$90,713)
Iowa Curve	S1	S1.5	
Average Service Life	17	18	1
Theoretical Reserve	\$466,569	\$610,770	\$144,201
Book Reserve	\$413,390	\$639,918	\$226,528
Reserve Variance	(\$53,179)	\$29,148	\$82,327
Reserve Ratio	34.39%	57.58%	
Gross Salvage	15%	12%	-3%
Removal Cost	0%	0%	0%
Net Removal Cost	-15%	-12%	3%
Avg. Whole Life Rate	5.0%	4.9%	-0.1%
AWL Expense (2009)	\$55,569	\$54,458	(\$1,111)
Average Remaining Life	9.2	6.8	(2.5)
ARL Rate	4.6%	4.5%	-0.1%
ARL Expense (2009)	\$51,124	\$50,012	(\$1,112)

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS
Depreciable Property

Account 396			
Power Operated Equipment			
Item	FPSC Approved	2009	Change
Investment	\$593,660	\$593,660	\$0
Iowa Curve	R5	R5	
Average Service Life	15	15	0
Theoretical Reserve	\$235,975	\$357,892	\$121,917
Book Reserve	\$259,200	\$383,104	\$123,904
Reserve Variance	\$23,225	\$25,212	\$1,987
Reserve Ratio	43.66%	64.53%	
Gross Salvage	20%	20%	0%
Removal Cost	0%	0%	0%
Net Removal Cost	-20%	-20%	0%
Avg. Whole Life Rate	5.3%	5.3%	0.0%
AWL Expense (2009)	\$31,464	\$31,464	\$0
Average Remaining Life	7.6	3.7	(3.9)
ARL Rate	4.9%	4.2%	-0.7%
ARL Expense (2009)	\$29,089	\$24,934	(\$4,155)

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

ANALYSIS RESULTS
Depreciable Property

Account 397 Communication Equipment			
Item	FPSC Approved	2009	Change
Investment	\$17,535,930	\$20,346,694	\$2,810,764
Iowa Curve	L2	S1	
Average Service Life	15	16	1
Theoretical Reserve	\$7,416,478	\$8,882,026	\$1,465,548
Book Reserve	\$9,291,500	\$10,853,821	\$1,562,321
Reserve Variance	\$1,875,022	\$1,971,795	\$96,773
Reserve Ratio	52.99%	53.34%	
Gross Salvage	2%	3%	1%
Removal Cost	2%	3%	1%
Net Removal Cost	0%	0%	0%
Avg. Whole Life Rate	6.7%	6.3%	-0.4%
AWL Expense (2009)	\$1,363,228	\$1,281,842	(\$81,387)
Average Remaining Life	8.7	9.0	0.4
ARL Rate	4.7%	5.2%	0.5%
ARL Expense (2009)	\$956,295	\$1,058,028	\$101,733

Support for selections is found in the supporting workpapers behind each account tab in volume 2.

GULF POWER COMPANY

**DEPRECIATION STUDY AS OF Estimated 12/31/05
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	12/31/2009 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	ASL WEIGHTING	CALC RESERVE	THEO. RESERVE	12/31/2009 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
<u>STEAM PRODUCTION PLANT</u>												
<u>PLANT CRIST COMMON</u>												
311 -	Structures and Improvements 36 Year Life to Life of Plant	84,165,401	-	0	44.4	1,895,617	30,091,671	30,091,671	29,469,614	54,695,787	28.5	1,919,150
312 -	Boiler Plant Equipment											
	36 Year Life to Life of Plant	19,904,579	-	0	49.3	403,744	8,387,236	8,387,236	8,213,854	11,690,725	28.5	410,201
	35 Year Life	405,499,230	1.0	4,054,992	29.2	13,886,960	17,262,142	17,434,763	17,074,350	392,479,872	28.0	14,017,138
	20 Year Life	11,289,216	20.0	2,257,843	20.0	564,461	5,153,751	6,184,501	6,056,655	7,490,404	15.1	496,053
		<u>436,693,025</u>	<u>1.4</u>	<u>6,312,835</u>	<u>29.4</u>	<u>14,855,165</u>	<u>30,803,129</u>	<u>32,006,500</u>	<u>31,344,859</u>	<u>411,661,001</u>		<u>14,923,392</u>
314 -	Turbogenerator Units											
	36 Year Life to Life of Plant	10,750,022	-	0	58.2	184,708	5,484,680	5,484,680	5,371,300	5,378,722	28.5	188,727
	35 Year Life	3,496,058	19.0	664,251	34.8	100,461	2,547,497	3,031,521	2,968,853	1,191,456	11.5	103,605
	20 Year Life	449,400	20.0	89,880	20.0	22,470	352,457	422,948	414,205	125,075	14.3	8,747
		<u>14,695,480</u>	<u>5.1</u>	<u>754,131</u>	<u>47.8</u>	<u>307,639</u>	<u>8,384,634</u>	<u>8,939,149</u>	<u>8,754,358</u>	<u>6,695,253</u>		<u>301,079</u>
315 -	Accessory Electric Equipment											
	36 Year Life to Life of Plant	3,390,755	-	0	56.6	59,907	1,684,230	1,684,230	1,649,413	1,741,342	28.5	61,100
	35 Year Life	70,618,316	2.0	1,412,366	29.5	2,393,841	6,414,897	6,543,195	6,407,934	65,622,748	27.0	2,430,472
	20 Year Life	907,967	20.0	181,593	20.0	45,398	502,923	603,508	591,032	498,528	15.8	31,552
		<u>74,917,038</u>	<u>2.1</u>	<u>1,593,959</u>	<u>30.0</u>	<u>2,499,146</u>	<u>8,602,050</u>	<u>8,830,933</u>	<u>8,648,379</u>	<u>67,862,618</u>		<u>2,523,124</u>
316 -	Miscellaneous Power Plant Equipment											
	36 Year Life to Life of Plant	10,130	-	0	55.7	182	4,917	4,917	4,815	5,315	28.5	186
	35 Year Life	1,919,200	-	0	34.4	55,791	1,181,391	1,181,391	1,156,969	762,231	15.3	49,819
	20 Year Life	1,175,564	-	0	20.0	58,778	721,037	721,037	706,132	469,432	11.5	40,820
		<u>3,104,894</u>	<u>-</u>	<u>0</u>	<u>27.1</u>	<u>114,751</u>	<u>1,907,345</u>	<u>1,907,345</u>	<u>1,867,916</u>	<u>1,236,978</u>		<u>90,825</u>
Total Crist Common		<u>613,575,838</u>	<u>1.4</u>	<u>8,660,925</u>	<u>31.2</u>	<u>19,672,318</u>	<u>79,788,829</u>	<u>81,775,598</u>	<u>80,085,127</u>	<u>542,151,636</u>		<u>19,757,570</u>

PLANT CRIST UNIT 1

Unit 1 was retired in March 2003. See Schedule of Depreciation Parameter for retired units beginning on page 15.

PLANT CRIST UNIT 2

Unit 2 was retired in May 2006. See Schedule of Depreciation Parameter for retired units beginning on page 15.

PLANT CRIST UNIT 3

Unit 3 was retired in May 2006. See Schedule of Depreciation Parameter for retired units beginning on page 15.

GULF POWER COMPANY

**DEPRECIATION STUDY AS OF Estimated 12/31/05
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	12/31/2009 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	ASL WEIGHTING	CALC RESERVE	THEO. RESERVE	12/31/2009 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARI. WEIGHT
PLANT CRIST UNIT 4												
312 -	Boiler Plant Equipment											
	36 Year Life to Life of Plant	6,484,693	-	0	52.9	122,584	4,708,012	4,708,012	4,610,688	1,874,005	14.5	129,242
	35 Year Life	22,804,961	4.0	912,198	20.4	1,117,890	8,134,160	8,459,526	8,284,650	15,432,509	13.3	1,160,339
	20 Year Life	2,863,251	10.0	286,325	19.0	150,697	1,235,722	1,359,294	1,331,195	1,818,381	11.9	152,805
		<u>32,152,905</u>	<u>3.7</u>	<u>1,198,523</u>	<u>23.1</u>	<u>1,391,171</u>	<u>14,077,894</u>	<u>14,526,832</u>	<u>14,226,532</u>	<u>19,124,896</u>		<u>1,442,386</u>
314 -	Turbogenerator Units											
	36 Year Life to Life of Plant	7,858,763	-	0	21.0	374,227	2,423,177	2,423,177	2,373,085	5,485,678	14.5	378,323
	35 Year Life	2,182,038	-	0	27.0	80,816	1,015,230	1,015,230	994,243	1,187,795	14.5	81,917
	20 Year Life	10,983	20.0	2,197	20.0	549	10,983	13,180	12,908	272		0
		<u>10,051,784</u>	<u>0.0</u>	<u>2,197</u>	<u>22.1</u>	<u>455,592</u>	<u>3,449,390</u>	<u>3,451,587</u>	<u>3,380,236</u>	<u>6,673,745</u>		<u>460,240</u>
315 -	Accessory Electric Equipment											
	36 Year Life to Life of Plant	180,614	-	0	64.5	2,800	140,013	140,013	137,119	43,495	14.5	3,000
	35 Year Life	3,131,760	5.0	156,588	19.6	159,784	1,131,682	1,188,266	1,163,702	2,124,646	14.5	146,527
	20 Year Life	111,492	20.0	22,298	20.0	5,575	111,025	133,230	130,476	3,314	2.5	1,326
		<u>3,423,866</u>	<u>5.2</u>	<u>178,886</u>	<u>20.4</u>	<u>168,159</u>	<u>1,382,720</u>	<u>1,461,509</u>	<u>1,431,297</u>	<u>2,171,455</u>		<u>150,853</u>
Total Crist Four		<u>45,628,555</u>	<u>3.0</u>	<u>1,379,606</u>	<u>22.6</u>	<u>2,014,922</u>	<u>18,910,004</u>	<u>19,439,928</u>	<u>19,038,064</u>	<u>27,970,097</u>		<u>2,053,479</u>
PLANT CRIST UNIT 5												
312 -	Boiler Plant Equipment											
	36 Year Life to Life of Plant	6,201,710	-	0	53.1	116,793	4,273,419	4,273,419	4,185,079	2,016,631	16.5	122,220
	35 Year Life	23,988,711	5.0	1,199,436	22.1	1,085,462	7,950,144	8,347,651	8,175,088	17,013,059	15.0	1,134,204
	20 Year Life	3,200,436	12.0	384,052	20.0	160,022	1,445,957	1,619,472	1,585,994	1,998,494	11.1	180,044
		<u>33,390,857</u>	<u>4.7</u>	<u>1,583,488</u>	<u>24.5</u>	<u>1,362,277</u>	<u>13,669,520</u>	<u>14,240,542</u>	<u>13,946,161</u>	<u>21,028,184</u>		<u>1,436,468</u>
314 -	Turbogenerator Units											
	36 Year Life to Life of Plant	5,533,430	-	0	40.6	136,291	3,285,782	3,285,782	3,217,858	2,315,572	16.5	140,338
	35 Year Life	816,213	10.0	81,621	30.1	27,117	401,233	441,356	432,232	465,602	16.1	28,919
	20 Year Life	44,161	20.0	8,832	20.0	2,208	20,976	25,171	24,651	28,342	10.5	2,699
		<u>6,393,804</u>	<u>1.4</u>	<u>90,453</u>	<u>38.6</u>	<u>165,616</u>	<u>3,707,991</u>	<u>3,752,309</u>	<u>3,674,741</u>	<u>2,809,516</u>		<u>171,956</u>
315 -	Accessory Electric Equipment											
	36 Year Life to Life of Plant	157,566	-	0	63.7	2,474	116,782	116,782	114,368	43,198	16.5	2,618
	35 Year Life	2,846,161	3.0	85,385	19.6	145,212	650,399	669,911	656,063	2,275,483	16.4	138,749
	20 Year Life	269,814	20.0	53,963	20.0	13,491	269,147	322,976	316,299	7,478	2.5	2,991
		<u>3,273,541</u>	<u>4.3</u>	<u>139,348</u>	<u>20.3</u>	<u>161,177</u>	<u>1,036,328</u>	<u>1,109,669</u>	<u>1,086,730</u>	<u>2,326,159</u>		<u>144,358</u>
Total Crist Five		<u>43,058,202</u>	<u>4.2</u>	<u>1,813,289</u>	<u>25.5</u>	<u>1,689,070</u>	<u>18,413,839</u>	<u>19,102,520</u>	<u>18,707,631</u>	<u>26,163,860</u>		<u>1,752,782</u>

GULF POWER COMPANY

DEPRECIATION STUDY AS OF Estimated 12/31/05
 SCHEDULE OF DEPRECIATION PARAMETERS

FERC ACCT	DESCRIPTION	12/31/2009 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	ASL WEIGHTING	CALC RESERVE	THEO. RESERVE	12/31/2009 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
PLANT CRIST UNIT 6												
312 -	Boiler Plant Equipment											
	36 Year Life to Life of Plant	11,482,938	-	0	47.3	242,768	5,287,244	5,287,244	5,177,946	6,304,992	25.5	247,255
	35 Year Life	47,190,403	12.0	5,662,848	33.3	1,417,129	19,994,212	22,393,517	21,930,597	30,922,654	20.8	1,486,666
	20 Year Life	9,824,611	20.0	1,964,922	20.0	491,231	4,099,758	4,919,710	4,818,009	6,971,524	12.6	553,296
		<u>68,497,952</u>	<u>11.1</u>	<u>7,627,770</u>	<u>31.8</u>	<u>2,151,128</u>	<u>29,381,214</u>	<u>32,600,471</u>	<u>31,926,552</u>	<u>44,199,170</u>		<u>2,287,217</u>
314 -	Turbogenerator Units											
	36 Year Life to Life of Plant	18,555,932	-	0	40.2	461,590	6,776,667	6,776,667	6,636,579	11,919,353	25.5	467,426
	35 Year Life	1,487,937	12.0	178,552	33.3	44,683	841,507	942,488	923,005	743,484	23.2	32,047
	20 Year Life	194,350	20.0	38,870	20.0	9,718	141,741	170,089	166,573	66,647	6.8	9,801
		<u>20,238,219</u>	<u>1.1</u>	<u>217,422</u>	<u>39.2</u>	<u>515,991</u>	<u>7,759,915</u>	<u>7,889,244</u>	<u>7,726,157</u>	<u>12,729,484</u>		<u>509,274</u>
315 -	Accessory Electric Equipment											
	36 Year Life to Life of Plant	1,365,046	-	0	64.4	21,196	824,194	824,194	807,156	557,890	25.5	21,878
	35 Year Life	2,308,143	17.0	392,384	34.2	67,490	1,849,096	2,163,442	2,118,719	581,808	17.1	34,024
	20 Year Life	471,408	20.0	94,282	20.0	23,570	412,381	494,857	484,627	81,063	7.6	10,666
		<u>4,144,597</u>	<u>11.7</u>	<u>486,666</u>	<u>36.9</u>	<u>112,256</u>	<u>3,085,671</u>	<u>3,482,493</u>	<u>3,410,503</u>	<u>1,220,760</u>		<u>66,568</u>
Total Crist Six		<u>92,880,768</u>	<u>9.0</u>	<u>8,331,858</u>	<u>33.4</u>	<u>2,779,375</u>	<u>40,226,800</u>	<u>43,972,208</u>	<u>43,063,211</u>	<u>58,149,415</u>		<u>2,863,059</u>
PLANT CRIST UNIT 7												
312 -	Boiler Plant Equipment											
	36 Year Life to Life of Plant	31,186,591	-	0	39.7	785,556	8,824,866	8,824,866	8,642,438	22,544,153	28.5	791,023
	35 Year Life	76,927,094	12.0	9,231,251	34.4	2,236,253	28,458,111	31,873,084	31,214,201	54,944,144	23.7	2,318,318
	20 Year Life	72,875,085	20.0	14,575,017	20.0	3,643,754	20,010,623	24,012,748	23,516,355	63,933,747	14.8	4,319,848
		<u>180,988,770</u>	<u>13.2</u>	<u>23,806,268</u>	<u>27.2</u>	<u>6,665,563</u>	<u>57,293,600</u>	<u>64,710,698</u>	<u>63,372,994</u>	<u>141,422,044</u>		<u>7,429,189</u>
314 -	Turbogenerator Units											
	36 Year Life to Life of Plant	114,120,414	-	0	31.9	3,577,442	12,017,992	12,017,992	11,769,555	102,350,859	28.5	3,591,258
	35 Year Life	7,946,066	12.0	953,528	33.7	235,788	3,259,846	3,651,028	3,575,554	5,324,040	22.1	240,907
	20 Year Life	332,211	20.0	66,442	20.0	16,611	185,017	222,020	217,430	181,223	13.0	13,940
		<u>122,398,691</u>	<u>0.8</u>	<u>1,019,970</u>	<u>32.0</u>	<u>3,829,841</u>	<u>15,462,855</u>	<u>15,891,040</u>	<u>15,562,539</u>	<u>107,856,122</u>		<u>3,846,105</u>
315 -	Accessory Electric Equipment											
	36 Year Life to Life of Plant	3,208,668	-	0	50.7	63,287	1,406,097	1,406,097	1,377,030	1,831,638	28.5	64,268
	35 Year Life	18,007,292	10.0	1,800,729	34.2	526,529	5,907,022	6,497,724	6,363,403	13,444,618	25.2	533,517
	20 Year Life	1,206,615	20.0	241,323	20.0	60,331	775,653	930,784	911,543	536,395	14.6	36,739
		<u>22,422,575</u>	<u>9.1</u>	<u>2,042,052</u>	<u>34.5</u>	<u>650,147</u>	<u>8,088,772</u>	<u>8,834,605</u>	<u>8,651,975</u>	<u>15,812,652</u>		<u>634,524</u>
Total Crist Seven		<u>325,810,036</u>	<u>8.2</u>	<u>26,868,290</u>	<u>29.2</u>	<u>11,145,551</u>	<u>80,845,227</u>	<u>89,436,343</u>	<u>87,587,509</u>	<u>265,090,817</u>		<u>11,909,818</u>
Total Plant Crist Depreciable excl Easements		<u>1,120,953,399</u>	<u>4.2</u>	<u>47,053,968</u>	<u>30.1</u>	<u>37,301,236</u>	<u>238,184,699</u>	<u>253,726,597</u>	<u>248,481,543</u>	<u>919,525,824</u>	<u>24.0</u>	<u>38,336,708</u>

GULF POWER COMPANY

DEPRECIATION STUDY AS OF Estimated 12/31/05
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FERC ACCT	DESCRIPTION	12/31/2009 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	ASL WEIGHTING	CALC RESERVE	THEO. RESERVE	12/31/2009 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
Plant Crist Other Recovery/Non-Depreciable												
310.0	Land	6,023,267							0			
312.0	Base Coal	141,840							141,840			
316.0	Amortization Property (5 yr.)	27,486							13,633			
316.0	Amortization Property (7 yr.)	4,181,291							2,705,486			
317.0	ARO	1,206,809							930,938			
	Dismantlement								53,245,150			
TOTAL PLANT CRIST		<u>1,132,534,092</u>							<u>305,518,590</u>			
PLANT SCHOLZ COMMON												
311 -	Structures and Improvements											
	36 Year Life to Life of Plant	6,226,778	-	0	27.0	230,621	5,881,656	5,881,656	5,687,891	538,887	1.5	359,258
312 -	Boiler Plant Equipment											
	36 Year Life to Life of Plant	1,534,631	-	0	34.3	44,741	1,467,522	1,467,522	1,419,176	115,455	1.5	76,970
	35 Year Life	4,334,363	5.0	216,718	9.0	481,596	3,654,196	3,836,906	3,710,503	840,578	1.5	560,385
	20 Year Life	675,836	13.0	87,859	13.1	51,591	630,560	712,533	689,059	74,636	1.5	49,757
		<u>6,544,830</u>	4.7	<u>304,577</u>	11.3	<u>577,928</u>	<u>5,752,278</u>	<u>6,016,961</u>	<u>5,818,738</u>	<u>1,030,669</u>		<u>687,112</u>
314 -	Turbogenerator Units											
	36 Year Life to Life of Plant	541,602	-	0	7.7	70,338	435,689	435,689	421,336	120,266	1.5	80,178
	35 Year Life	517,114	19.0	98,252	28.7	18,018	510,741	607,782	587,759	27,607	1.5	18,405
	20 Year Life	1,304	20.0	261	20.1	65	1,304	1,565	1,513	52		0
		<u>1,060,020</u>	9.3	<u>98,513</u>	12.0	<u>88,421</u>	<u>947,734</u>	<u>1,045,036</u>	<u>1,010,608</u>	<u>147,925</u>		<u>98,583</u>
315 -	Accessory Electric Equipment											
	36 Year Life to Life of Plant	734,836	-	0	39.4	18,651	706,845	706,845	683,559	51,277	1.5	34,185
	35 Year Life	1,837,043	11.0	202,075	21.6	85,048	1,749,983	1,942,481	1,878,488	160,630	1.5	107,087
	20 Year Life	633,102	18.0	113,958	17.9	35,369	623,259	735,446	711,217	35,843	1.5	23,895
		<u>3,204,981</u>	9.9	<u>316,033</u>	23.0	<u>139,068</u>	<u>3,080,087</u>	<u>3,384,772</u>	<u>3,273,264</u>	<u>247,750</u>		<u>165,167</u>
316 -	Miscellaneous Power Plant Equipment											
	35 Year Life	244,897	-	0	9.3	26,333	208,271	208,271	201,410	43,487	1.5	28,992
	20 Year Life	106,646	-	0	10.7	9,967	96,279	96,279	93,107	13,539	1.5	9,026
		<u>351,543</u>	-	<u>0</u>	9.7	<u>36,300</u>	<u>304,550</u>	<u>304,550</u>	<u>294,517</u>	<u>57,026</u>		<u>38,018</u>
Total Scholz Common		<u>17,388,152</u>	4.1	<u>719,123</u>	16.2	<u>1,072,338</u>	<u>15,966,305</u>	<u>16,632,975</u>	<u>16,085,018</u>	<u>2,022,257</u>		<u>1,348,138</u>

GULF POWER COMPANY

DEPRECIATION STUDY AS OF Estimated 12/31/05
 SCHEDULE OF DEPRECIATION PARAMETERS

FERC ACCT	DESCRIPTION	12/31/2009 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	ASL WEIGHTING	CALC RESERVE	THEO. RESERVE	12/31/2009 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
<u>PLANT SCHOLZ UNIT 1</u>												
312 -	Boiler Plant Equipment											
	36 Year Life to Life of Plant	2,957,711	-	0	42.8	69,105	2,854,077	2,854,077	2,760,052	197,659	1.5	131,773
	35 Year Life	1,621,775	4.0	64,871	17.4	93,205	1,496,939	1,556,817	1,505,529	181,117	1.5	120,745
	20 Year Life	158,136	2.0	3,163	7.8	20,274	128,911	131,489	127,157	34,142	1.5	22,761
		<u>4,737,622</u>	1.4	<u>68,034</u>	25.9	<u>182,584</u>	<u>4,479,927</u>	<u>4,542,383</u>	<u>4,392,739</u>	<u>412,917</u>		<u>275,279</u>
314 -	Turbogenerator Units											
	36 Year Life to Life of Plant	2,272,773	-	0	34.4	66,069	2,173,694	2,173,694	2,102,084	170,689	1.5	113,793
	35 Year Life	222,839	-	0	30.4	7,330	212,019	212,019	205,034	17,805	1.5	11,870
	20 Year Life	3,271	20.0	654	19.9	164	3,271	3,925	3,796	129		0
		<u>2,498,883</u>	0.0	<u>654</u>	34.0	<u>73,563</u>	<u>2,388,984</u>	<u>2,389,638</u>	<u>2,310,914</u>	<u>188,623</u>		<u>125,663</u>
315 -	Accessory Electric Equipment											
	36 Year Life to Life of Plant	0	-	0		0	0	0	0	0		0
	35 Year Life	64,319	-	0	23.3	2,760	60,186	60,186	58,203	6,116	1.5	4,077
	20 Year Life	32,163	2.0	643	4.6	6,992	21,824	22,260	21,527	11,279	1.5	7,520
		<u>96,482</u>	0.7	<u>643</u>	9.9	<u>9,752</u>	<u>82,010</u>	<u>82,446</u>	<u>79,730</u>	<u>17,395</u>		<u>11,597</u>
Total Scholz One		<u>7,332,987</u>	0.9	<u>69,331</u>	27.6	<u>265,899</u>	<u>6,950,921</u>	<u>7,014,467</u>	<u>6,783,382</u>	<u>618,936</u>		<u>412,539</u>
<u>PLANT SCHOLZ UNIT 2</u>												
312 -	Boiler Plant Equipment											
	36 Year Life to Life of Plant	2,776,398	-	0	29.8	93,168	2,636,687	2,636,687	2,549,824	226,574	1.5	151,049
	35 Year Life	1,435,160	5.0	71,758	13.1	109,554	1,286,361	1,350,679	1,306,182	200,736	1.5	133,824
	20 Year Life	94,035	3.0	2,821	11.7	8,037	82,873	85,359	82,547	14,309	1.5	9,539
		<u>4,305,593</u>	1.7	<u>74,579</u>	20.4	<u>210,759</u>	<u>4,005,921</u>	<u>4,072,725</u>	<u>3,938,553</u>	<u>441,619</u>		<u>294,412</u>
314 -	Turbogenerator Units											
	36 Year Life to Life of Plant	1,784,120	-	0	38.2	46,705	1,714,035	1,714,035	1,657,568	126,552	1.5	84,368
	35 Year Life	200,364	1.0	2,004	29.2	6,862	190,427	192,331	185,995	16,373	1.5	10,915
	20 Year Life	4,347	20.0	869	20.0	217	4,347	5,216	5,044	172		0
		<u>1,988,831</u>	0.1	<u>2,873</u>	37.0	<u>53,784</u>	<u>1,908,809</u>	<u>1,911,582</u>	<u>1,848,607</u>	<u>143,097</u>		<u>95,283</u>
315 -	Accessory Electric Equipment											
	36 Year Life to Life of Plant	0	-	0		0	0	0	0	0		0
	35 Year Life	57,513	-	0	13.5	4,260	51,128	51,128	49,444	8,069	1.5	5,380
	20 Year Life	110,771	10.0	11,077	6.7	16,533	90,138	99,152	95,886	25,962	1.5	17,308
		<u>168,284</u>	6.6	<u>11,077</u>	8.1	<u>20,793</u>	<u>141,266</u>	<u>150,280</u>	<u>145,329</u>	<u>34,032</u>		<u>22,688</u>
Total Scholz Two		<u>6,462,708</u>	1.4	<u>88,529</u>	22.6	<u>285,336</u>	<u>6,055,996</u>	<u>6,134,587</u>	<u>5,932,489</u>	<u>618,748</u>		<u>412,383</u>
Total Scholz Depreciable		<u>31,183,847</u>	2.8	<u>876,983</u>	19.2	<u>1,623,573</u>	<u>28,973,222</u>	<u>29,782,029</u>	<u>28,800,889</u>	<u>3,259,941</u>	1.5	<u>2,173,060</u>

GULF POWER COMPANY

DEPRECIATION STUDY AS OF Estimated 12/31/05
SCHEDULE OF DEPRECIATION PARAMETERS

FERC ACCT	DESCRIPTION	12/31/2009 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	ASL WEIGHTING	CALC RESERVE	THEO. RESERVE	12/31/2009 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
<u>Plant Scholz Other Recovery/Non-Depreciable</u>												
310	Land	44,579							0			
312	Base Coal	71,300							71,300			
316	Amortization (7 yr.)	175,035							87,231			
317	ARO	350,800							332,526			
	Dismantlement								10,902,401			
Total Plant Scholz		31,825,561							40,194,347			
<u>PLANT SMITH COMMON</u>												
311 -	Structures and Improvements											
	36 Year Life to Life of Plant	34,558,340	-	0	38.2	904,669	14,224,076	14,224,076	13,392,213	21,166,127	22.5	940.717
312 -	Boiler Plant Equipment											
	36 Year Life to Life of Plant	6,170,363	-	0	33.8	182,555	2,061,027	2,061,027	1,940,493	4,229,870	22.5	187.994
	35 Year Life	16,444,498	8.0	1,315,560	27.9	589,409	6,312,061	6,817,026	6,418,348	11,341,710	17.7	640.775
	20 Year Life	2,424,925	20.0	484,985	20.0	121,246	1,739,269	2,087,123	1,965,062	944,848	11.9	79.399
		<u>25,039,786</u>	<u>7.2</u>	<u>1,800,545</u>	<u>28.0</u>	<u>893,210</u>	<u>10,112,357</u>	<u>10,965,176</u>	<u>10,323,903</u>	<u>16,516,428</u>		<u>908.168</u>
314 -	Turbogenerator Units											
	36 Year Life to Life of Plant	1,304,560	-	0	38.4	33,973	540,675	540,675	509,055	795,505	22.5	35.356
	35 Year Life	1,149,139	20.0	229,828	35.0	32,833	828,458	994,150	936,009	442,958	9.8	45.200
	20 Year Life	129,643	20.0	25,929	20.0	6,482	75,418	90,502	85,209	70,363	12.6	5.584
		<u>2,583,342</u>	<u>9.9</u>	<u>255,757</u>	<u>35.2</u>	<u>73,288</u>	<u>1,444,551</u>	<u>1,625,327</u>	<u>1,530,273</u>	<u>1,308,826</u>		<u>86.140</u>
315 -	Accessory Electric Equipment											
	36 Year Life to Life of Plant	902,569	-	0	55.3	16,321	535,361	535,361	504,052	398,517	22.5	17.712
	35 Year Life	3,502,461	12.0	420,295	29.3	119,538	1,640,977	1,837,894	1,730,409	2,192,347	15.7	139.640
	20 Year Life	506,797	20.0	101,359	20.0	25,340	450,826	540,991	509,352	98,804	9.5	10.400
		<u>4,911,827</u>	<u>10.6</u>	<u>521,654</u>	<u>30.5</u>	<u>161,199</u>	<u>2,627,164</u>	<u>2,914,246</u>	<u>2,743,813</u>	<u>2,689,668</u>		<u>167.752</u>
316 -	Miscellaneous Power Plant Equipment											
	35 Year Life	1,144,551	-	0	25.7	44,535	244,939	244,939	230,614	913,937	21.4	42.707
	20 Year Life	705,589	-	0	20.0	35,279	456,993	456,993	430,267	275,322	8.1	33.990
		<u>1,850,140</u>	<u>-</u>	<u>0</u>	<u>23.2</u>	<u>79,814</u>	<u>701,932</u>	<u>701,932</u>	<u>660,881</u>	<u>1,189,259</u>		<u>76.697</u>
Total Smith Common		68,943,435	3.7	2,577,956	32.6	2,112,180	29,110,080	30,430,757	28,651,083	42,870,308		2,179,474

GULF POWER COMPANY

DEPRECIATION STUDY AS OF Estimated 12/31/05

SCHEDULE OF DEPRECIATION PARAMETERS

FERC ACCT	DESCRIPTION	12/31/2009 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	ASL WEIGHTING	CALC RESERVE	THEO. RESERVE	12/31/2009 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
PLANT SMITH UNIT 1												
312 -	Boiler Plant Equipment											
	36 Year Life to Life of Plant	7,786,167	-	0	38.8	200,674	3,672,300	3,672,300	3,457,534	4,328,633	20.5	211,153
	35 Year Life	14,901,160	8.0	1,192,093	27.6	539,897	5,558,119	6,002,769	5,651,711	10,441,542	19.5	535,464
	20 Year Life	6,376,758	20.0	1,275,352	20.0	318,838	1,239,169	1,487,003	1,400,039	6,252,071	16.4	381,224
		<u>29,064,085</u>	8.5	<u>2,467,445</u>	27.4	<u>1,059,409</u>	<u>10,469,588</u>	<u>11,162,072</u>	<u>10,509,283</u>	<u>21,022,247</u>		<u>1,127,841</u>
314 -	Turbogenerator Units											
	36 Year Life to Life of Plant	11,837,991	-	0	39.3	301,221	5,658,345	5,658,345	5,327,430	6,510,561	20.5	317,588
	35 Year Life	1,598,878	17.0	271,809	33.4	47,871	1,087,537	1,272,418	1,198,004	672,683	14.5	46,392
	20 Year Life	59,851	20.0	11,970	20.0	2,993	49,669	59,603	56,117	15,704	17.5	897
		<u>13,496,720</u>	2.1	<u>283,779</u>	38.3	<u>352,085</u>	<u>6,795,551</u>	<u>6,990,366</u>	<u>6,581,550</u>	<u>7,198,949</u>		<u>364,877</u>
315 -	Accessory Electric Equipment											
	36 Year Life to Life of Plant	453,075	-	0	55.9	8,105	287,057	287,057	270,269	182,806	20.5	8,917
	35 Year Life	2,004,320	11.0	220,475	28.2	71,075	1,105,685	1,227,310	1,155,534	1,069,261	16.8	63,647
	20 Year Life	1,760,411	20.0	352,082	20.0	88,021	946,490	1,135,788	1,069,364	1,043,129	11.1	93,976
		<u>4,217,806</u>	13.6	<u>572,557</u>	25.2	<u>167,201</u>	<u>2,339,232</u>	<u>2,650,155</u>	<u>2,495,167</u>	<u>2,295,196</u>		<u>166,540</u>
Total Smith One		<u>46,778,611</u>	7.1	<u>3,323,781</u>	29.6	<u>1,578,695</u>	<u>19,604,371</u>	<u>20,802,593</u>	<u>19,586,000</u>	<u>30,516,392</u>		<u>1,659,258</u>
PLANT SMITH UNIT 2												
312 -	Boiler Plant Equipment											
	36 Year Life to Life of Plant	12,679,938	-	0	38.8	326,803	5,318,493	5,318,493	5,007,453	7,672,485	22.5	340,999
	35 Year Life	22,708,893	7.0	1,589,623	29.3	775,048	8,289,915	8,870,209	8,351,455	15,947,061	20.4	781,719
	20 Year Life	3,802,609	20.0	760,522	20.0	190,130	1,178,231	1,413,877	1,331,190	3,231,941	14.1	229,216
		<u>39,191,440</u>	6.0	<u>2,350,145</u>	30.3	<u>1,291,981</u>	<u>14,786,639</u>	<u>15,602,579</u>	<u>14,690,098</u>	<u>26,851,487</u>		<u>1,351,934</u>
314 -	Turbogenerator Units											
	36 Year Life to Life of Plant	10,202,370	-	0	42.2	241,762	4,761,178	4,761,178	4,482,731	5,719,639	22.5	254,206
	35 Year Life	1,715,326	6.0	102,920	30.2	56,799	722,233	765,567	720,795	1,097,451	21.4	51,283
	20 Year Life	639,017	20.0	127,803	20.0	31,951	158,639	190,367	179,234	587,586	16.5	35,611
		<u>12,556,713</u>	1.8	<u>230,723</u>	38.0	<u>330,512</u>	<u>5,642,050</u>	<u>5,717,112</u>	<u>5,382,760</u>	<u>7,404,676</u>		<u>341,100</u>
315 -	Accessory Electric Equipment											
	36 Year Life to Life of Plant	378,984	-	0	56.7	6,684	228,533	228,533	215,168	163,816	22.5	7,281
	35 Year Life	753,738	19.0	143,210	34.7	21,722	698,549	831,273	782,658	114,290	17.1	6,684
	20 Year Life	450,509	20.0	90,102	20.0	22,525	233,764	280,517	264,112	276,499	10.6	26,085
		<u>1,583,231</u>	14.7	<u>233,312</u>	31.1	<u>50,931</u>	<u>1,160,846</u>	<u>1,340,323</u>	<u>1,261,937</u>	<u>554,606</u>		<u>40,050</u>
Total Smith Two		<u>53,331,384</u>	5.3	<u>2,814,180</u>	31.9	<u>1,673,424</u>	<u>21,589,535</u>	<u>22,660,014</u>	<u>21,334,794</u>	<u>34,810,770</u>		<u>1,733,084</u>
Total Smith Depreciable		<u>169,053,430</u>	5.2	<u>8,715,917</u>	31.5	<u>5,364,299</u>	<u>70,303,986</u>	<u>73,893,364</u>	<u>69,571,878</u>	<u>108,197,469</u>	19.4	<u>5,571,816</u>

GULF POWER COMPANY

DEPRECIATION STUDY AS OF Estimated 12/31/05

SCHEDULE OF DEPRECIATION PARAMETERS

FERC ACCT	DESCRIPTION	12/31/2009 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	ASL WEIGHTING	CALC RESERVE	THEO. RESERVE	12/31/2009 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
<u>Plant Smith Other Recovery/Non-Depreciable</u>												
310	Land	1,363,924							0			
312	Base Coal	108,300							108,300			
316	Amortization (5 yr.)	27,351							27,251			
316	Amortization (7 yr.)	1,378,772							762,296			
317	ARO	514,683							380,405			
	Dismantlement								17,856,314			
Total Plant Smith		172,446,460							88,706,444			
<u>PLANT DANIEL COMMON 1-2</u>												
311 -	Structures and Improvements											
	36 Year Life to Life of Plant	16,670,037	-	0	55.0	303,092	5,608,193	5,608,193	5,357,106	11,312,931	36.5	309.943
312 -	Boiler Plant Equipment											
	36 Year Life to Life of Plant	18,809,253	-	0	62.7	299,988	7,862,352	7,862,352	7,510,343	11,298,910	36.5	309.559
	35 Year Life	8,818,884	20.0	1,763,777	35.0	251,968	5,084,316	6,101,179	5,828,020	4,754,641	14.8	321.260
	20 Year Life	2,773,717	20.0	554,743	20.0	138,686	2,272,825	2,727,390	2,605,281	723,179	5.9	122.573
		<u>30,401,854</u>	<u>7.6</u>	<u>2,318,520</u>	<u>44.0</u>	<u>690,642</u>	<u>15,219,493</u>	<u>16,690,921</u>	<u>15,943,643</u>	<u>16,776,731</u>		<u>753.392</u>
314 -	Turbogenerator Units											
	36 Year Life to Life of Plant	2,923,768	-	0	66.7	43,835	1,323,847	1,323,847	1,264,576	1,659,192	36.5	45.457
	35 Year Life	240,954	20.0	48,191	35.0	6,884	85,567	102,680	98,083	191,062	22.6	8.454
		<u>3,164,722</u>	<u>1.5</u>	<u>48,191</u>	<u>62.4</u>	<u>50,719</u>	<u>1,409,414</u>	<u>1,426,527</u>	<u>1,362,659</u>	<u>1,850,254</u>		<u>53.911</u>
315 -	Accessory Electric Equipment											
	36 Year Life to Life of Plant	42,004	-	0	54.6	769	13,882	13,882	13,260	28,744	36.5	787
	35 Year Life	768,861	20.0	153,772	35.0	21,967	341,464	409,757	391,412	531,221	19.5	27.242
	20 Year Life	169,215	20.0	33,843	20.0	8,461	162,182	194,618	185,905	17,153	15.2	1.129
		<u>980,080</u>	<u>19.1</u>	<u>187,615</u>	<u>31.4</u>	<u>31,197</u>	<u>517,528</u>	<u>618,257</u>	<u>590,577</u>	<u>577,118</u>		<u>29.158</u>
316 -	Miscellaneous Power Plant Equipment											
	36 Year Life to Life of Plant	146,975	-	-	63.3	2,322	62,197	62,197	59,412	87,563	36.5	2,399
	35 Year Life	1,501,788	-	-	35.0	42,908	1,171,395	1,171,395	1,118,950	382,838	7.7	49.719
	20 Year Life	127,533	-	-	20.0	6,377	42,724	42,724	40,811	86,722	13.3	6,520
		<u>1,776,296</u>	<u>-</u>	<u>0</u>	<u>34.4</u>	<u>51,607</u>	<u>1,276,315</u>	<u>1,276,316</u>	<u>1,219,173</u>	<u>557,123</u>	<u>9.5</u>	<u>58.638</u>
Total Daniel Common 1-2		52,992,989	4.8	2,554,326	47.0	1,127,257	24,030,943	25,620,214	21,794,606	31,074,156		1,205.042

GULF POWER COMPANY

DEPRECIATION STUDY AS OF Estimated 12/31/05
 SCHEDULE OF DEPRECIATION PARAMETERS

FERC ACCT	DESCRIPTION	12/31/2009 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	ASL WEIGHTING	CALC RESERVE	THEO. RESERVE	12/31/2009 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
<u>PLANT DANIEL COMMON 1-4</u>												
311 -	Structures and Improvements 36 Year Life to Life of Plant	2,692,665	-	-	55.8	48,256	931,222	931,222	889,530	1,803,135	36.5	49.401
312 -	Boiler Plant Equipment 36 Year Life to Life of Plant	105,221	-	-	41.6	2,529	12,897	12,897	12,320	92,901	36.5	2.545
	35 Year Life	1,957,527	20.0	391,505	35.0	55,929	1,347,036	1,616,443	1,544,072	804,960	10.9	73.850
	20 Year Life	166,591	20.0	33,318	20.0	8,330	82,565	99,078	94,642	105,267	11.2	9.399
		<u>2,229,339</u>	<u>19.1</u>	<u>424,823</u>	<u>33.4</u>	<u>66,788</u>	<u>1,442,498</u>	<u>1,728,418</u>	<u>1,651,034</u>	<u>1,003,128</u>		<u>85.794</u>
315 -	Accessory Electric Equipment 35 Year Life	85,511	20.0	17,102	35.0	2,443	18,984	22,781	21,761	80,852	27.2	2.972
316 -	Miscellaneous Power Plant Equipment 35 Year Life	281,579	-	0	35.0	8,045	192,757	192,757	184,127	97,452	11.0	8.859
	20 Year Life	601,116	-	0	20.0	30,056	314,933	314,933	300,833	300,283	13.1	22.922
		<u>882,695</u>	<u>-</u>	<u>0</u>	<u>23.2</u>	<u>38,101</u>	<u>507,690</u>	<u>507,690</u>	<u>484,960</u>	<u>397,735</u>	<u>12.5</u>	<u>31.781</u>
Total Daniel Common 1-4		<u>5,890,210</u>	<u>7.5</u>	<u>441,925</u>	<u>37.9</u>	<u>155,588</u>	<u>2,900,394</u>	<u>3,190,111</u>	<u>3,047,285</u>	<u>3,284,850</u>	<u>19.3</u>	<u>169.948</u>
<u>PLANT DANIEL UNIT 1</u>												
311 -	Structures and Improvements 36 Year Life to Life of Plant	8,840,759	-	0	64.4	137,279	4,377,303	4,377,303	4,181,325	4,659,434	32.5	143.367
312 -	Boiler Plant Equipment 36 Year Life to Life of Plant	9,119,561	-	0	58.1	156,963	4,015,245	4,015,245	3,835,476	5,284,085	32.5	162.587
	35 Year Life	34,676,176	18.0	6,241,712	35.0	990,748	18,553,675	21,893,337	20,913,139	20,004,749	16.3	1,227.285
	20 Year Life	6,451,883	20.0	1,290,377	20.0	322,594	3,224,469	3,869,363	3,696,126	4,046,134	10.3	392.829
		<u>50,247,620</u>	<u>15.0</u>	<u>7,532,089</u>	<u>34.2</u>	<u>1,470,305</u>	<u>25,793,389</u>	<u>29,777,945</u>	<u>28,444,742</u>	<u>29,334,967</u>		<u>1,782.701</u>
314 -	Turbogenerator Units 36 Year Life to Life of Plant	11,434,260	-	0	61.3	186,530	5,372,203	5,372,203	5,131,681	6,302,579	32.5	193.925
	35 Year Life	4,631,570	20.0	926,314	35.0	132,331	2,147,628	2,577,154	2,461,771	3,096,113	18.8	164.687
	20 Year Life	291,503	20.0	58,301	20.0	14,575	91,367	109,640	104,731	245,073	16.1	15.222
		<u>16,357,333</u>	<u>6.0</u>	<u>984,615</u>	<u>49.1</u>	<u>333,436</u>	<u>7,611,198</u>	<u>8,058,997</u>	<u>7,698,184</u>	<u>9,643,764</u>		<u>373.834</u>

GULF POWER COMPANY

DEPRECIATION STUDY AS OF Estimated 12/31/05

SCHEDULE OF DEPRECIATION PARAMETERS

FERC ACCT	DESCRIPTION	12/31/2009 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	ASL WEIGHTING	CALC RESERVE	THEO. RESERVE	12/31/2009 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARI. WEIGHT
315 -	Accessory Electric Equipment											
	36 Year Life to Life of Plant	2,737,202	-	0	64.7	42.306	1,363,011	1,363,011	1,301,987	1,435,215	32.5	44.160
	35 Year Life	4,009,098	20.0	801,820	35.0	114,546	3,441,429	4,129,715	3,944,821	866,097	5.0	173.219
	20 Year Life	1,395,326	20.0	279,065	20.0	69,766	1,276,042	1,531,250	1,462,694	211,697	15.9	13.314
		<u>8,141,626</u>	13.3	<u>1,080,885</u>	35.9	<u>226,618</u>	<u>6,080,482</u>	<u>7,023,976</u>	<u>6,709,502</u>	<u>2,513,009</u>		<u>230.693</u>
316 -	Miscellaneous Power Plant Equipment											
	36 Year Life to Life of Plant	10,491	-	0	62.1	169	4,992	4,992	4,768	5,723	32.5	176
	20 Year Life	0	-	0	0.0	0	0	0	0	0	0.0	0
		<u>10,491</u>		<u>0</u>	62.1	<u>169</u>	<u>4,992</u>	<u>4,992</u>	<u>4,768</u>	<u>5,723</u>		<u>176</u>
Total Daniel One		<u>83,597,829</u>	11.5	<u>9,597,589</u>	38.6	<u>2,167,807</u>	<u>43,867,364</u>	<u>49,243,213</u>	<u>47,038,520</u>	<u>46,156,898</u>		<u>2,530,771</u>
PLANT DANIEL UNIT 2												
311 -	Structures and Improvements											
	36 Year Life to Life of Plant	8,961,941	-	0	64.6	138,730	3,900,144	3,900,144	3,725,529	5,236,412	36.5	143.463
312 -	Boiler Plant Equipment											
	36 Year Life to Life of Plant	16,049,627	-	0	62.1	258,448	6,612,117	6,612,117	6,316,083	9,733,544	36.5	266.672
	35 Year Life	40,715,095	20.0	8,143,019	35.0	1,163,288	18,035,755	21,642,906	20,673,921	28,184,193	19.5	1,445.343
	20 Year Life	4,172,190	20.0	834,438	20.0	208,610	1,739,991	2,087,989	1,994,507	3,012,121	12.3	244.888
		<u>60,936,912</u>	14.7	<u>8,977,457</u>	37.4	<u>1,630,346</u>	<u>26,387,863</u>	<u>30,343,012</u>	<u>28,984,510</u>	<u>40,929,859</u>		<u>1,956.903</u>
314 -	Turbogenerator Units											
	36 Year Life to Life of Plant	15,465,457	-	0	59.5	259,924	5,974,643	5,974,643	5,707,149	9,758,308	36.5	267.351
	35 Year Life	1,444,332	20.0	288,866	35.0	41,267	983,016	1,179,619	1,126,806	606,392	11.2	54.142
	20 Year Life	403,557	20.0	80,711	20.0	20,178	225,370	270,444	258,336	225,932	15.5	14.576
		<u>17,313,346</u>	2.1	<u>369,577</u>	53.9	<u>321,369</u>	<u>7,183,029</u>	<u>7,424,706</u>	<u>7,092,291</u>	<u>10,590,632</u>		<u>336.069</u>
315 -	Accessory Electric Equipment											
	36 Year Life to Life of Plant	1,659,617	-	0	65.0	25,533	727,320	727,320	694,757	964,860	36.5	26.435
	35 Year Life	9,765,586	20.0	1,953,117	35.0	279,017	4,798,261	5,757,913	5,500,123	6,218,580	17.8	349.358
	20 Year Life	1,383,046	20.0	276,609	20.0	69,152	1,202,331	1,442,797	1,378,201	281,454	14.2	19.821
		<u>12,808,249</u>	17.4	<u>2,229,726</u>	34.3	<u>373,702</u>	<u>6,727,912</u>	<u>7,928,030</u>	<u>7,573,080</u>	<u>7,464,895</u>		<u>395.614</u>
316 -	Miscellaneous Power Plant Equipment											
	35 Year Life	9,901	-	0	35.0	283	7,496	7,496	7,160	2,741	8.5	322
	20 Year Life	52,169	-	0	20.0	2,608	9,130	9,130	8,721	43,448	16.5	2,633
		<u>62,070</u>	-	<u>0</u>	21.5	<u>2,891</u>	<u>16,626</u>	<u>16,626</u>	<u>15,882</u>	<u>46,188</u>		<u>2,955</u>
Total Daniel Two		<u>100,082,518</u>	11.6	<u>11,576,760</u>	40.6	<u>2,467,038</u>	<u>44,215,574</u>	<u>49,612,518</u>	<u>47,391,291</u>	<u>64,267,987</u>		<u>2,835,004</u>
Total Daniel Depreciable		<u>242,563,546</u>	10.0	<u>24,170,600</u>	41.0	<u>5,917,690</u>	<u>115,014,275</u>	<u>127,666,056</u>	<u>121,950,255</u>	<u>144,783,891</u>	21.5	<u>6,740,765</u>
310 Easements		77,160	-	0	69.0		36,343	36,343	54,145	23,015	36.5	631
311 Rail Track		2,741,618	-	0	67.4		1,256,914	1,256,914	1,974,384	767,234	36.5	21,020

GULF POWER COMPANY

DEPRECIATION STUDY AS OF Estimated 12/31/05

SCHEDULE OF DEPRECIATION PARAMETERS

FERC ACCT	DESCRIPTION	12/31/2009 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	ASL WEIGHTING	CALC RESERVE	THEO. RESERVE	12/31/2009 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
Plant Daniel Other Recovery/Non-Depreciable				0								
	310 Land	967,301							0			
	310 Cooling Lake	2,621,892							2,621,892			
	311 Cooling Lake	6,331,377							6,331,377			
	316 Cooling Lake	923							923			
	317 ARO	2,020,605							1,685,334			
	Dismantlement								17,202,584			
Total Plant Daniel		<u>257,324,422</u>							<u>151,820,894</u>			
		(0)										
PLANT SCHERER COMMON A												
311 -	Structures and Improvements											
	36 Year Life to Life of Plant	654,791	-	0	65.0	10,074	226,440	226,440	259,477	395,314	42.5	9.302
312 -	Boiler Plant Equipment											
	36 Year Life to Life of Plant	3,318,475	-	0	65.0	51,053	1,147,744	1,147,744	1,315,197	2,003,278	42.5	47.136
	35 Year Life	1,501,575	20.0	300,315	35.0	42,902	584,285	701,142	803,437	998,453	21.4	46.657
	20 Year Life	522,105	20.0	104,421	20.0	26,105	358,313	429,976	492,709	133,817	12.6	10,620
		<u>5,342,155</u>	7.6	<u>404,736</u>	44.5	<u>120,060</u>	<u>2,090,342</u>	<u>2,278,862</u>	<u>2,611,343</u>	<u>3,135,548</u>		<u>104,413</u>
314 -	Turbogenerator Units											
	36 Year Life to Life of Plant	63,153	-	0	65.0	972	21,861	21,861	25,050	38,103	42.5	897
	35 Year Life	17,344	20.0	3,469	35.0	496	11,150	13,380	15,332	5,481	12.5	438
	20 Year Life	14,315	20.0	2,863	20.0	0	14,315	17,178	19,684	(2,506)	1.5	(1,671)
		<u>94,812</u>	6.7	<u>6,332</u>	64.6	<u>1,468</u>	<u>47,326</u>	<u>52,419</u>	<u>60,067</u>	<u>41,077</u>		<u>(336)</u>
315 -	Accessory Electric Equipment											
	36 Year Life to Life of Plant	71,476	-	0	65.0	1,100	24,742	24,742	28,352	43,124	42.5	1,015
	35 Year Life	24,311	20.0	4,862	35.0	695	4,515	5,418	6,208	22,965	28.5	806
		<u>95,787</u>	5.1	<u>4,862</u>	53.4	<u>1,795</u>	<u>29,257</u>	<u>30,160</u>	<u>34,560</u>	<u>66,089</u>		<u>1,821</u>
Total Scherer A Common		<u>6,187,545</u>	0.1	<u>415,930</u>	46.4	<u>133,397</u>	<u>2,393,365</u>	<u>2,587,881</u>	<u>2,965,447</u>	<u>3,638,028</u>		<u>115,200</u>
PLANT SCHERER COMMON B												
311 -	Structures and Improvements											
	36 Year Life to Life of Plant	10,214,378	-	0	68.2	149,771	3,844,746	3,844,746	4,405,686	5,808,692	42.5	136.675
312 -	Boiler Plant Equipment											
	36 Year Life to Life of Plant	4,224,773	-	0	62.0	68,142	1,327,742	1,327,742	1,521,457	2,703,316	42.5	63,607
	35 Year Life	3,986,773	20.0	797,355	35.0	113,908	2,378,903	2,854,684	3,271,176	1,512,952	14.1	107,302
	20 Year Life	585,921	20.0	117,184	20.0	29,296	534,494	641,393	734,971	(31,866)	13.7	(2,326)
		<u>8,797,467</u>	10.4	<u>914,539</u>	41.6	<u>211,346</u>	<u>4,241,139</u>	<u>4,823,819</u>	<u>5,527,604</u>	<u>4,184,402</u>		<u>168,583</u>

GULF POWER COMPANY

DEPRECIATION STUDY AS OF Estimated 12/31/05

SCHEDULE OF DEPRECIATION PARAMETERS

FERC ACCT	DESCRIPTION	12/31/2009 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	ASL WEIGHTING	CALC RESERVE	THEO. RESERVE	12/31/2009 ALLOCATED RESERVE	BALANCE TO RECOVER	ARI. YRS	ARI. WEIGHT
314 -	Turbogenerator Units											
	36 Year Life to Life of Plant	586,272	-	0	68.6	8,546	223,100	223,100	255,650	330,622	42.5	7.779
	35 Year Life	669,043	20.0	133,809	35.0	19,116	511,407	613,688	703,224	99,628	8.2	12.150
		<u>1,255,315</u>	10.7	<u>133,809</u>	45.4	<u>27,662</u>	<u>734,507</u>	<u>836,788</u>	<u>958,874</u>	<u>430,250</u>		<u>19.929</u>
315 -	Accessory Electric Equipment											
	36 Year Life to Life of Plant	320,676	-	0	68.8	4,661	122,744	122,744	140,652	180,024	42.5	4.236
	35 Year Life	64,885	20.0	12,977	35.0	1,854	43,978	52,774	60,474	17,388	11.3	1.539
	20 Year Life	5,919	20.0	1,184	20.0	296	2,812	3,374	3,866	3,237	10.5	308
		<u>391,480</u>	3.6	<u>14,161</u>	57.5	<u>6,811</u>	<u>169,534</u>	<u>178,892</u>	<u>204,992</u>	<u>200,649</u>		<u>6.083</u>
316 -	Miscellaneous Power Plant Equipment											
	36 Year Life to Life of Plant	83,569	-	0	59.8	1,397	24,176	24,176	27,703	55,865	42.5	1.314
	35 Year Life	3,649,232	-	0	35.0	104,264	2,022,717	2,022,717	2,317,827	1,331,405	15.6	85,347
	20 Year Life	397,182	-	0	20.0	19,859	340,014	340,014	389,621	7,561	14.3	529
		<u>4,129,983</u>	-	<u>0</u>	32.9	<u>125,520</u>	<u>2,386,908</u>	<u>2,386,907</u>	<u>2,735,152</u>	<u>1,394,831</u>		<u>87,190</u>
Total Scherer B Common		<u>24,788,623</u>	4.3	<u>1,062,509</u>	47.6	<u>521,110</u>	<u>11,376,834</u>	<u>12,071,152</u>	<u>13,832,307</u>	<u>12,018,825</u>		<u>418,460</u>
<u>PLANT SCHERER UNIT 3</u>												
311 -	Structures and Improvements											
	36 Year Life to Life of Plant	24,998,429	-	0	58.9	424,422	6,946,922	6,946,922	7,960,463	17,037,966	42.5	400.893
312 -	Boiler Plant Equipment											
	36 Year Life to Life of Plant	58,425,839	-	0	65.0	898,859	20,213,509	20,213,509	23,162,616	35,263,223	42.5	829.723
	35 Year Life	45,666,004	20.0	9,133,201	35.0	1,304,743	13,757,135	16,508,562	18,917,125	35,882,080	24.5	1,464,575
	20 Year Life	4,652,620	20.0	930,524	20.0	232,631	4,368,664	5,242,397	6,007,251	(424,107)	15.2	(27,902)
		<u>108,744,463</u>	9.3	<u>10,063,725</u>	44.6	<u>2,436,233</u>	<u>38,339,308</u>	<u>41,964,468</u>	<u>48,086,992</u>	<u>70,721,196</u>		<u>2,266,396</u>
314 -	Turbogenerator Units											
	36 Year Life to Life of Plant	47,600,207	-	0	55.7	854,582	11,294,387	11,294,387	12,942,213	34,657,994	42.5	815.482
	35 Year Life	1,822,571	20.0	364,514	35.0	52,073	1,141,998	1,370,398	1,645,107	541,978	13.1	41.372
	20 Year Life	427,073	20.0	85,415	20.0	21,354	427,073	512,488	512,488	0		0
		<u>49,849,851</u>	0.9	<u>449,929</u>	53.7	<u>928,009</u>	<u>12,863,458</u>	<u>13,177,273</u>	<u>15,099,808</u>	<u>35,199,972</u>		<u>856,854</u>
315 -	Accessory Electric Equipment											
	36 Year Life to Life of Plant	1,541,923	-	0	65.0	23,722	533,664	533,664	611,524	930,399	42.5	21.892
	35 Year Life	11,326,021	20.0	2,265,204	35.0	323,601	3,696,447	4,435,736	5,082,900	8,508,325	23.6	360,522
	20 Year Life	874,364	20.0	174,873	20.0	43,718	826,330	991,596	1,136,268	(87,031)	13.9	(6,261)
		<u>13,742,308</u>	17.8	<u>2,440,077</u>	35.1	<u>391,041</u>	<u>5,056,441</u>	<u>5,960,996</u>	<u>6,830,692</u>	<u>9,351,693</u>		<u>376,153</u>

GULF POWER COMPANY

DEPRECIATION STUDY AS OF Estimated 12/31/05

SCHEDULE OF DEPRECIATION PARAMETERS

FERC ACCT	DESCRIPTION	12/31/2009 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	ASL WEIGHTING	CALC RESERVE	THEO. RESERVE	12/31/2009 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
316 -	Miscellaneous Power Plant Equipment											
	36 Year Life to Life of Plant	12,903	-	0	57.1	226	3,282	3,282	3,761	9,142	42.6	215
	35 Year Life	6,157,986	-	0	35.0	175,942	422,262	422,262	491,027	5,666,959	32.6	173,833
	20 Year Life	49,065	-	0	20.0	0	49,065	49,065	49,065	0		0
		<u>6,219,954</u>	-	<u>0</u>	35.3	<u>176,168</u>	<u>474,609</u>	<u>474,609</u>	<u>543,853</u>	<u>5,676,101</u>		<u>174,048</u>
Total Scherer Three		<u>203,555,005</u>	6.4	<u>12,953,731</u>	46.7	<u>4,355,873</u>	<u>63,680,738</u>	<u>68,524,268</u>	<u>78,521,809</u>	<u>137,986,927</u>		<u>4,074,344</u>
Total Scherer Depreciable		<u>234,531,173</u>	6.2	<u>14,432,170</u>	46.8	<u>5,010,380</u>	<u>77,450,936</u>	<u>83,183,301</u>	<u>95,319,563</u>	<u>153,643,780</u>	33.3	<u>4,608,004</u>

Plant Scherer Other Recovery/Non-Depreciable

310 Land	826,260							0				
316 Amortization (7 yr.)	74,838							29,030				
317 ARO	122,717							54,923				
Dismantlement								4,748,129				
Total Plant Scherer	<u>235,554,988</u>							<u>100,151,645</u>				

OTHER PRODUCTION PLANT

PLANT SMITH COMBUSTION TURBINE

341	Structures and Improvements											
	36 Year Life to Life of Plant	793,362	-	0	31.1	25,510	601,778	601,778	635,070	158,292	7.5	21,106
342	Fuel Holders, Producers & Access											
	36 Year Life to Life of Plant	513,016	-	0	16.9	30,356	284,716	284,716	239,745	273,271	7.5	36,436
343	Prime Movers											
	36 Year Life to Life of Plant	83,106	-	0	32.8	2,534	64,081	64,081	65,453	17,653	7.5	2,354
344	Generators											
	36 Year Life to Life of Plant	3,438,921	-	0	29.1	118,176	2,552,851	2,552,851	2,717,083	721,838	7.5	96,245
345	Accessory Electric Equipment											
	36 Year Life to Life of Plant	126,272	-	0	35.1	3,597	99,281	99,281	101,926	24,346	7.5	3,246
346	Misc. Power Plant Equipment											
	36 Year Life to Life of Plant	8,803	-	0	14.9	591	4,369	4,369	4,574	4,229	7.5	564
Total Smith CT Depreciable		<u>4,963,480</u>	-	<u>0</u>	27.5	<u>180,764</u>	<u>3,607,076</u>	<u>3,607,076</u>	<u>3,763,852</u>	<u>1,199,628</u>	7.5	<u>159,951</u>

Plant Smith CT Other Recovery/Non-Depreciable

Dismantlement								163,748				
Total Plant Smith CT		<u>4,963,480</u>						<u>3,927,600</u>				

GULF POWER COMPANY

DEPRECIATION STUDY AS OF Estimated 12/31/05

SCHEDULE OF DEPRECIATION PARAMETERS

FERC ACCT	DESCRIPTION	12/31/2009 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	ASL WEIGHTING	CALC RESERVE	THEO. RESERVE	12/31/2009 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
<u>PLANT PACE</u>												
343	Prime Movers 36 Year Life to Life of Plant	6,790,595	-	0	20.0	339,530	3,904,593	3,904,593	3,917,957	2,872,638	8.5	337.957
344	Generators 36 Year Life to Life of Plant	3,107,233	-	0	20.0	155,362	1,786,659	1,786,659	1,792,775	1,314,458	8.5	154.642
345	Accessory Electric Equipment 36 Year Life to Life of Plant	584,092	-	0	20.0	29,205	335,852	335,852	336,467	247,625	8.5	29.132
Total Pace CT Depreciable		<u>10,481,920</u>	-	<u>0</u>	20.0	<u>524,097</u>	<u>6,027,104</u>	<u>6,027,104</u>	<u>6,047,199</u>	<u>4,434,721</u>	8.5	<u>521.731</u>
<u>Other Recovery/Non-Depreciable</u>												
347	ARO Dismantlement	397,195							230,043 (15,352)			
Total Plant Pace CT		<u>10,879,115</u>							<u>6,261,890</u>			
<u>PLANT SMITH COMBINED CYCLE</u>												
341	Structures and Improvements 36 Year Life to Life of Plant	11,453,414	-	0	38.8	295,191	1,869,286	1,869,286	3,204,976	8,248,438	32.5	253.798
342	Fuel Holders, Producers & Access 36 Year Life to Life of Plant	2,913,768	-	0	38.2	76,277	432,470	432,470	1,173,553	1,740,215	32.5	53.545
343	Prime Movers 36 Year Life to Life of Plant	104,008,667	-	0	36.8	2,826,322	12,117,295	12,117,295	(22,762,995)	126,771,662	32.5	3,900.667
	20 Year Life	541,278	5.0	27,064	20.0	27,064	202,979	213,128	(400,372)	968,714	12.5	77.497
		<u>104,549,945</u>	0.0	<u>27,064</u>	36.6	<u>2,853,386</u>	<u>12,320,274</u>	<u>12,330,423</u>	<u>(23,163,367)</u>	<u>127,740,376</u>		<u>3,978.164</u>
344	Generators 36 Year Life to Life of Plant	62,878,888	-	0	39.3	1,599,972	10,818,514	10,818,514	12,214,256	50,664,632	32.5	1,558.912
	20 Year Life	4,134,466	5.0	206,723	20.0	206,723	1,550,425	1,627,946	1,837,974	2,503,215	12.5	200.257
		<u>67,013,354</u>	0.3	<u>206,723</u>	37.1	<u>1,806,695</u>	<u>12,368,939</u>	<u>12,446,460</u>	<u>14,052,230</u>	<u>53,167,847</u>		<u>1,759.169</u>
345	Accessory Electric Equipment 36 Year Life to Life of Plant	10,983,321	-	0	40.0	274,583	2,058,851	2,058,851	3,123,613	7,859,708	32.5	241.837
346	Misc. Power Plant Equipment 36 Year Life to Life of Plant	710,805	-	0	39.0	18,226	117,958	117,958	274,078	436,727	32.5	13.438
Total Smith CC Depreciable		<u>197,624,607</u>	0.1	<u>233,787</u>	37.1	<u>5,324,358</u>	<u>29,167,778</u>	<u>29,255,448</u>	<u>(1,334,917)</u>	<u>199,193,311</u>	31.6	<u>6,299.951</u>
<u>Other Recovery/Non-Depreciable</u>												
340	Land Dismantlement	337,696							1,906,953 572,036			
Total Plant Smith CC		<u>197,962,303</u>							<u>572,036</u>			

GULF POWER COMPANY

DEPRECIATION STUDY AS OF Estimated 12/31/09

SCHEDULE OF DEPRECIATION PARAMETERS - RETIRED UNITS

FERC ACCT	DESCRIPTION	12/31/2009 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	ASL WEIGHTING	CALC RESERVE	THEO. RESERVE	12/31/2009 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT
STEAM PRODUCTION RETIRED PLANTS												
PLANT CRIST COMMON - RETIRED												
110103113	311 - Structures and Improvements 36 Year Life to Life of Plant		-									
110103123	312 - Boiler Plant Equipment 36 Year Life to Life of Plant	12,803	-	0	26.8	478	6,883	6,883	12,803	0	1.5	0
110103122	35 Year Life											
110103121	20 Year Life											
		<u>12,803</u>	-	<u>0</u>	<u>26.8</u>	<u>478</u>	<u>6,883</u>	<u>6,883</u>	<u>12,803</u>	<u>0</u>		<u>0</u>
110103143	314 - Turbogenerator Units 36 Year Life to Life of Plant											
110103142	35 Year Life											
110103141	20 Year Life											
		<u>0</u>		<u>0</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		<u>0</u>
110103153	315 - Accessory Electric Equipment 36 Year Life to Life of Plant											
110103152	35 Year Life											
110103151	20 Year Life											
		<u>0</u>		<u>0</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		<u>0</u>
110103163	316 - Miscellaneous Power Plant Equipment 36 Year Life to Life of Plant	9,288	-	0	34.6	268	6,539	6,539	9,288	0	1.5	0
110103162	35 Year Life											
110103161	20 Year Life											
		<u>9,288</u>	-	<u>0</u>	<u>34.7</u>	<u>268</u>	<u>6,539</u>	<u>6,539</u>	<u>9,288</u>	<u>0</u>		<u>0</u>
	Total Crist Common	<u>22,091</u>	-	<u>0</u>	<u>29.6</u>	<u>746</u>	<u>13,422</u>	<u>13,422</u>	<u>22,091</u>	<u>0</u>		<u>0</u>
PLANT CRIST UNIT I- RETIRED												
110113123	312 - Boiler Plant Equipment 36 Year Life to Life of Plant	400,035	-	-	59.5	6,723	389,952	389,952	384,368	15,667	1.5	10,444
110113122	35 Year Life	557,474	8.0	44,598	25.8	21,608	534,948	577,744	569,472	32,600	1.5	21,734
110113121	20 Year Life	18,336	20.0	3,667	20.0	917	18,336	22,003	22,003	-		0
		<u>975,845</u>	<u>4.9</u>	<u>48,265</u>	<u>33.4</u>	<u>29,248</u>	<u>943,236</u>	<u>969,699</u>	<u>975,843</u>	<u>48,267</u>		<u>32,178</u>
110113143	314 - Turbogenerator Units 36 Year Life to Life of Plant	699,903	-	-	54.3	12,890	680,572	680,572	699,904	(1)	0.0	0
110113142	35 Year Life	216,201	1.0	2,162	22.7	9,524	202,263	204,286	211,354	7,009	1.5	4,673
110113141	20 Year Life	3,166	20.0	633	19.9	159	3,166	3,799	3,799	0	0.0	0
		<u>919,270</u>	<u>0.3</u>	<u>2,795</u>	<u>40.7</u>	<u>22,573</u>	<u>886,001</u>	<u>888,657</u>	<u>919,271</u>	<u>7,008</u>		<u>4,673</u>
110113153	315 - Accessory Electric Equipment 36 Year Life to Life of Plant	30,971	-	0	61.6	503	30,216	30,216	25,891	5,080	1.5	3,387
110113152	35 Year Life	102,072	18.0	18,373	34.8	2,933	101,696	120,001	102,824	17,621	1.5	11,748
110113151	20 Year Life	153,355	20.0	30,671	20.0	7,668	153,355	184,026	157,684	26,342	0.5	52,685
		<u>286,398</u>	<u>17.1</u>	<u>49,044</u>	<u>25.8</u>	<u>11,104</u>	<u>285,267</u>	<u>334,243</u>	<u>286,398</u>	<u>49,044</u>		<u>67,820</u>
	Total Crist One	<u>2,181,513</u>	<u>4.6</u>	<u>100,104</u>	<u>34.7</u>	<u>62,925</u>	<u>2,114,504</u>	<u>2,212,599</u>	<u>2,179,405</u>	<u>104,319</u>		<u>104,671</u>

GULF POWER COMPANY

DEPRECIATION STUDY AS OF Estimated 12/31/09

SCHEDULE OF DEPRECIATION PARAMETERS - RETIRED UNITS

FERC ACCT	DESCRIPTION	12/31/2009 PLANT BALANCE	NET COR %	NET REMOVAL AMOUNT	ASL	ASL WEIGHTING	CALC RESERVE	THEO. RESERVE	12/31/2009 ALLOCATED RESERVE	BALANCE TO RECOVER	ARL YRS	ARL WEIGHT	
PLANT CRIST UNIT 2 - RETIRED													
312 - Boiler Plant Equipment													
110123123	36 Year Life to Life of Plant	559,863	-	0	58.7	9,538	545,548	545,548	528,651	31,212	1.5	20,808	
110123122	35 Year Life	579,816	11.0	63,780	27.5	21,084	562,185	624,025	604,697	38,899	1.5	25,932	
110123121	20 Year Life	31,687	20.0	6,337	20.0	1,584	31,687	38,024	38,024	0	-	0	
		1,171,366	6.0	70,117	36.4	32,206	1,139,420	1,207,597	1,171,373	70,110		46,740	
314 - Turbogenerator Units													
110123143	36 Year Life to Life of Plant	1,150,360	-	0	23.2	49,584	1,075,890	1,075,890	1,139,248	11,112	1.5	7,408	
110123142	35 Year Life	220,600	2.0	4,412	22.8	9,675	207,079	211,221	223,660	1,352	1.5	902	
110123141	20 Year Life	648	20.0	130	19.7	33	649	779	779	(1)	-	0	
		1,371,608	0.3	4,542	23.1	59,292	1,283,618	1,287,890	1,363,687	12,463		8,310	
315 - Accessory Electric Equipment													
110123153	36 Year Life to Life of Plant	39,192	-	0	59.3	661	38,200	38,200	22,980	16,212	1.5	10,808	
110123152	35 Year Life	222,800	10.0	22,280	32.5	6,855	217,444	239,188	107,004	138,076	1.5	92,051	
110123151	20 Year Life	77,139	20.0	15,428	19.9	3,876	77,043	92,567	55,685	36,882	1.5	24,588	
		339,131	11.1	37,708	29.8	11,392	332,687	369,955	222,550	191,171		127,447	
Total Crist Two		2,882,105	3.9	112,367	28.0	102,890	2,755,725	2,865,442	2,739,169	273,744		182,497	
PLANT CRIST UNIT 3 - RETIRED													
312 - Boiler Plant Equipment													
110133123	36 Year Life to Life of Plant	913,504	-	0	55.5	16,460	888,831	888,831	878,963	34,541	1.5	23,027	
110133122	35 Year Life	1,005,615	6.0	60,337	30.6	32,863	969,901	1,028,095	1,016,681	49,271	1.5	32,848	
110133121	20 Year Life	117,415	20.0	23,483	20.0	5,871	117,415	140,898	140,898	0	-	0	
		2,036,534	4.1	83,820	36.9	55,194	1,976,147	2,057,824	2,036,541	83,813		55,875	
314 - Turbogenerator Units													
110133143	36 Year Life to Life of Plant	3,097,659	-	0	38.5	80,459	2,977,024	2,977,024	3,075,537	22,122	1.5	14,748	
110133142	35 Year Life	266,446	3.0	7,993	24.1	11,056	251,773	259,326	267,907	6,532	1.5	4,354	
110133141	20 Year Life	4,842	20.0	968	19.9	243	4,842	5,810	5,810	0	-	0	
		3,368,947	0.3	8,961	36.7	91,758	3,233,639	3,242,160	3,349,254	28,654		19,102	
315 - Accessory Electric Equipment													
110133153	36 Year Life to Life of Plant	38,086	-	0	57.4	664	37,090	37,090	22,158	15,928	1.5	10,619	
110133152	35 Year Life	294,334	10.0	29,433	29.5	9,977	285,851	314,436	187,848	135,919	1.5	90,613	
110133151	20 Year Life	189,342	20.0	37,868	20.0	9,467	189,246	227,095	227,210	0	-	0	
		521,762	12.9	67,301	25.9	20,108	512,187	578,621	345,675	151,847		101,232	
Total Crist Three		5,927,243	2.7	160,082	35.5	167,060	5,721,973	5,878,605	5,777,241	264,314		176,209	
				227,210									0
Total Retired Crist One, Two & Three, incl Common		11,012,950	3.4	372,550	33.0	333,620	10,605,620	10,970,070	10,717,910	642,380	1.4	463,380	
Total In-service Crist		1,120,953,399	4.2	47,053,968	30.1	37,301,236	238,184,699	253,726,597	248,481,543	919,525,824	24.0	38,336,708	
Total Plant Crist		1,131,966,349	4.2	47,426,518	30.1	37,634,856	248,790,319	264,696,667	259,199,453	920,168,204	23.7	38,800,088	

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/2009
SCHEDULE OF DEPRECIATION PARAMETERS**

FERC ACCT	DESCRIPTION	BALANCE 12/31/2009	CURVE	ASL	NET REMOVAL COST		THEO. RESERVE	RESERVE 12/31/2009	BALANCE TO RECOVER	ARL	ANNUAL ACCRUAL
					%	AMT.					
TRANSMISSION PLANT											
350.0	Easements	12,647,666	SQ	60.0	0	0	6,589,648	5,786,088	6,861,578	28.7	239,246
352.0	Structures and Improvements	8,346,545	R4	50.0	5	417,327	2,533,378	2,657,670	6,106,202	35.6	171,764
353.0	Station Equipment	107,105,720	S0	45.0	5	5,355,286	24,668,981	25,092,267	87,368,739	35.2	2,483,478
354.0	Towers and Fixtures	37,945,128	R5	50.0	20	7,589,026	20,718,255	23,300,580	22,233,574	27.3	815,911
355.0	Poles and Fixtures	84,197,492	S0	38.0	40	33,678,997	23,541,296	26,077,499	91,798,990	30.4	3,015,736
356.0	Overhead Conductors and Devices	63,722,197	R2	50.0	30	19,116,659	20,911,337	23,979,165	58,859,691	37.4	1,574,631
358.0	Underground Conductors and Devices	14,094,503	R3	45.0	0	0	5,961,692	6,493,566	7,600,937	26.0	292,456
359.0	Roads and Trails	61,447	SQ	50.0	0	0	33,614	42,111	19,336	22.6	855
Sub-Total Excluding Easements		<u>315,473,032</u>		44.4	21	<u>66,157,295</u>	<u>98,368,553</u>	<u>107,642,858</u>	<u>273,987,469</u>		<u>8,354,829</u>
Sub-Total Including Easements		328,120,698		44.8	20	66,157,295	104,958,201	113,428,946	280,849,047		8,594,076
350	Land	<u>2,270,398</u>									
TOTAL TRANSMISSION PLANT		<u>330,391,096</u>				<u>66,157,295</u>	<u>104,958,201</u>	<u>113,428,946</u>	<u>280,849,047</u>		<u>8,594,076</u>

SCHEDULE OF DEPRECIATION PARAMETERS

FERC ACCT	DESCRIPTION	BALANCE 12/31/2009	CURVE	ASL	NET REMOVAL COST		THEO. RESERVE	RESERVE 12/31/2009	BALANCE TO RECOVER	ARL	ANNUAL ACCRUAL
					%	AMT.					
DISTRIBUTION PLANT											
360.2	Easements	204,176	SQ	50.0	0	0	11,587	13,454	190,722	47.2	4,044
361.0	Structures and Improvements	15,480,940	R3	48.0	5	774,047	5,406,769	6,098,826	10,156,161	32.0	317,380
362.0	Station Equipment	156,946,385	R1.5	45.0	5	7,847,319	44,734,927	50,931,682	113,862,022	32.8	3,468,231
364.0	Poles and Fixtures	120,551,305	R1	34.0	75	90,413,479	60,148,557	65,850,009	145,114,775	24.3	5,974,260
365.0	Overhead Conductors and Devices	121,779,758	R1	38.0	20	24,355,952	41,911,989	42,352,169	103,783,541	27.1	3,832,479
366.0	Underground Conduit	1,217,455	R3	60.0	0	0	677,652	787,189	430,266	26.6	16,206
367.0	Underground Conductors and Devices	112,921,326	S3	32.0	8	9,033,706	34,908,597	35,579,967	86,375,065	22.8	3,786,719
368.0	Line Transformers	210,898,293	S0	30.0	20	42,179,659	74,341,297	84,273,332	168,804,620	21.2	7,966,240
369.1	Overhead Services	49,516,361	R1	35.0	45	22,282,362	22,894,722	26,668,575	45,130,148	23.9	1,891,456
369.2	Underground Services	41,887,772	R1.5	40.0	10	4,188,777	10,155,904	12,535,656	33,540,893	31.2	1,075,718
369.3	House Power Panel Services	1,878,668	R3	27.0	0	0	1,520,130	1,659,726	218,942	5.2	42,431
370.0	Meters	53,390,504	R1	33.0	-10	(5,339,050)	11,099,516	15,276,061	32,775,393	25.4	1,292,915
373.0	Street Lighting and Signal Systems	57,686,304	L1	20.0	10	5,768,630	19,709,205	24,234,570	39,220,364	13.8	2,844,116
Sub-Total		<u>944,359,247</u>		33.5	21	<u>201,504,881</u>	<u>327,520,852</u>	<u>366,261,216</u>	<u>779,602,912</u>		<u>32,512,196</u>
360	Land	<u>2,491,471</u>									
TOTAL DISTRIBUTION PLANT		<u>946,850,718</u>				<u>201,504,881</u>	<u>327,520,852</u>	<u>366,261,216</u>	<u>779,602,912</u>		<u>32,512,196</u>

SCHEDULE OF DEPRECIATION PARAMETERS

FERC ACCT	DESCRIPTION	BALANCE 12/31/2009	CURVE	ASL	NET REMOVAL COST		THEO. RESERVE	RESERVE 12/31/2009	BALANCE TO RECOVER	ARL	ANNUAL ACCRUAL
					%	AMT.					
GENERAL PLANT											
390.0	Structures and Improvements	64,614,364	S1.5	45.0	5	3,230,718	23,396,748	22,109,722	45,735,360	29.5	1,549,301
396.0	Power Operated Equipment	593,660	R5	15.0	-20	(118,732)	357,892	383,104	91,824	3.7	24,817
397.0	Communications Equipment	20,346,694	S1	16.0	0	0	8,882,026	10,853,821	9,492,873	9.0	1,052,425
Transportation Equipment											
392.2	Light Trucks	6,862,467	L3	10.0	-12	(823,496)	3,298,386	2,909,869	3,129,102	4.5	689,230
392.3	Heavy Trucks	18,540,443	L4	11.0	-15	(2,781,066)	8,435,433	6,588,747	9,170,630	5.1	1,794,644
392.4	Trailers	1,111,387	S1.5	18.0	-12	(133,366)	610,770	639,918	338,103	6.8	50,015
Total Transportation Equipment		26,514,297		10.9	-14	(3,737,928)	12,344,589	10,138,534	12,637,835	5.0	2,533,889
TOTAL DEPRECIABLE GENERAL PLANT		112,069,015				(625,942)	44,981,255	43,485,181	67,957,892		5,160,432

SCHEDULE OF DEPRECIATION PARAMETERS

FERC ACCT	DESCRIPTION	BALANCE 12/31/2009	CURVE	ASL	NET REMOVAL COST		THEO. RESERVE	RESERVE 12/31/2009	BALANCE TO RECOVER	ARL	ANNUAL ACCRUAL
					%	AMT.					
<u>GENERAL PLANT AMORTIZATION</u>											
<u>Office Furniture & Equipment</u>											
391.1	Furniture/Non-Computer	2,450,806	AMORT	7.0	0.0	0		1,332,801	1,118,005		172,699
391.2	Computer Equipment	4,307,635	AMORT	5.0	0.0	0		2,054,272	2,253,363		1,034,767
Total Office Furniture & Equipment		6,758,441			0.0	0		3,387,073	3,371,368		1,207,466
<u>Auxiliary General Equipment</u>											
392.5	Marine Equipment	0	AMORT	5.0	0.0	0		(21,324)	21,324		32,880
393.0	Stores Equipment	457,635	AMORT	7.0	0.0	0		152,426	305,209		73,314
394.0	Tools, Shop & Garage Equipment	2,143,677	AMORT	7.0	0.0	0		1,433,369	710,308		354,558
395.0	Laboratory Equipment	2,971,385	AMORT	7.0	0.0	0		1,672,165	1,299,220		324,632
397.0	Communication Equip	2,639,443	AMORT	7.0	0.0	0		1,173,223	1,466,220		459,701
398.0	Miscellaneous Equipment	2,230,522	AMORT	7.0	0.0	0		(219,160)	2,449,682		1,185,033
Total Auxiliary General Equipment		10,442,662			0.0	0		4,190,699	6,230,639		2,397,238
Total Amortizable General Plant		17,201,103						7,577,772			
Total Depreciable & Amortizable General Plant		129,270,118						51,062,953			
<u>NON-DEPRECIABLE GENERAL PROPERTY</u>											
389.0	Land	6,853,413									
		6,853,413									
TOTAL GENERAL PLANT		136,123,531						51,062,953			

NET REMOVAL STUDY
GULF POWER COMPANY
1981 Through 2008

This study represents an analysis of historical Gulf Power removal costs during the period of 1981 through 2008.

The net removal study entails assembling retirements, cost of removal, and salvage. The report schedules, segregated by depreciable plant account (or functional group in the case of Production Plant), reflect activity for the period 1981 to 2008. The data reflects only items included as normal retirements, removal costs and salvage. Abnormal activity is reconciled beginning on page 28 of this section. Results by depreciable category or functional group are summarized into periods or net removal bands of last three years, last five years, last ten years, last 15 years, last 20 years, and all years. This data is shown in the following pages. Our work papers retain additional analysis, such as rolling and analysis.

**NET REMOVAL COST
SUMMARY OF HISTORICAL ANALYSIS
GULF POWER COMPANY**

<u>Account</u>	<u>Net Removal Factor</u>	
	<u>2005 % Approved</u>	<u>2009 % Proposed</u>
Steam Production	20	20
Other Production	5	5
<u>Transmission Plant</u>		
352	5	5
353	5	5
354	25	20
355	40	40
356	35	30
358	0	0
359	0	0
Easements & Clearing	0	0
<u>Distribution Plant</u>		
Easements	0	0
361	5	5
362	5	5
364	75	75
365	10	20
366	0	0
367	0	8
368	25	20
369.1	35	45
369.2	5	10
369.3	0	0
370	0	-10
373	5	10
<u>General Plant</u>		
390	5	5
391	(1)	N/A
392 - Autos	(2)	N/A
392 - Light Trucks		(12)
392 - Heavy Trucks		(15)
392 - Trailers		(12)
392 - Marine	(1)	N/A
393	(1)	N/A
394	(1)	N/A
395	(1)	N/A
396		(20)
397		0
398	(1)	N/A

(1) Net removal cost factor not applicable; account is 100% amortization property.
(2) Autos fully depreciated.

Gulf Power Company

NET REMOVAL COST

Steam Production Plant

Year	Retirements	Cost of Removal	Cost of Removal %	Salvage	Salvage %	Net Removal	Net Removal %
1981	421,850	113,237	26.84	9,363	2.22	103,874	24.62
1982	1,647,246	392,090	23.80	111,433	6.76	280,657	17.04
1983	2,639,895	828,537	31.39	93,225	3.53	735,312	27.85
1984	3,610,444	431,556	11.95	195,307	5.41	236,249	6.54
1985	3,781,871	848,640	22.44	131,573	3.48	717,067	18.96
1986	3,143,870	724,415	23.04	24,356	0.77	700,059	22.27
1987	3,501,713	845,803	24.15	15,162	0.43	830,641	23.72
1988	5,455,544	476,385	8.73	64,801	1.19	411,583	7.54
1989	6,100,196	870,732	14.27	469,085	7.69	401,646	6.58
1990	8,386,850	1,826,975	21.78	188,856	2.25	1,638,119	19.53
1991	7,624,035	997,523	13.08	106,113	1.39	891,410	11.69
1992	1,033,681	413,900	40.04	195,148	18.88	218,752	21.16
1993	7,078,262	2,862,980	40.45	393,496	5.56	2,469,485	34.89
1994	10,885,104	3,268,697	30.03	113,349	1.04	3,155,348	28.99
1995	8,420,567	1,596,005	18.95	35,825	0.43	1,560,180	18.53
1996	10,162,352	1,441,516	14.18	216,671	2.13	1,224,845	12.05
1997	1,626,118	248,570	15.29	15,160	0.93	233,410	14.35
1998	2,831,930	1,832,883	64.72	11,535	0.41	1,821,348	64.31
1999	10,673,812	1,916,249	17.95	86,116	0.81	1,830,133	17.15
2000	6,416,363	2,332,998	36.36	610,276	9.51	1,722,722	26.85
2001	4,026,491	2,704,922	67.18	50,996	1.27	2,653,926	65.91
2002	14,582,749	4,225,754	28.98	310,474	2.13	3,915,281	26.85
2003	9,741,206	3,957,644	40.63	308,678	3.17	3,648,966	37.46
2004	7,336,958	1,632,363	22.25	88,832	1.21	1,543,531	21.04
2005	17,590,812	4,847,003	27.55	346,984	1.97	4,500,019	25.58
2006	16,269,755	2,980,102	18.32	798,621	4.91	2,181,481	13.41
2007	18,349,337	6,259,978	34.12	286,297	1.56	5,973,681	32.56
2008	12,620,134	7,901,935	62.61	1,329,574	10.54	6,572,361	52.08
All Years	205,959,144	58,779,394	28.54	6,607,306	3.21	52,172,087	25.33
20-Yr Band	181,756,711	54,118,730	29.78	5,962,085	3.28	48,156,644	26.50
15-Yr Band	151,533,688	47,146,619	31.11	4,609,387	3.04	42,537,232	28.07
10-Yr Band	117,607,617	38,758,948	32.96	4,216,847	3.59	34,542,101	29.37
5-Yr Band	72,166,996	23,621,381	32.73	2,850,308	3.95	20,771,073	28.78
4-Yr Band	64,830,039	21,989,018	33.92	2,761,476	4.26	19,227,542	29.66

		Cost of Removal	20%
		Salvage	0%
Net Removal of the interim retirements in 2005:	20%	Proposed Net Removal	20%

For the net removal of interim retirements of Steam production, the data indicates no change from prior study. Continue with 20% that was concluded in the 2005 Depreciation Rate Study.

Gulf Power Company

NET REMOVAL COST

Other Production Plant

Year	Retirements	Cost of Removal	Cost of Removal %	Salvage	Salvage %	Net Removal	Net Removal %
1981	0	0		0		0	
1982	222,500	22,345	10.04	1,000	0.45	21,345	9.59
1983	0	0		0		0	
1984	0	0		0		0	
1985	633	0	0.00	0	0.00	0	0.00
1986	42,200	0	0.00	0	0.00	0	0.00
1987	0	0		0		0	
1988	0	0		0		0	
1989	0	0		0		0	
1990	10,228	200	1.96	0	0.00	200	1.96
1991	7,923	0	0.00	0	0.00	0	0.00
1992	(7,923)	0	0.00	0	0.00	0	0.00
1993	13,446	2,981	22.17	0	0.00	2,981	22.17
1994	683	96	14.02	0	0.00	96	14.02
1995	2,074	(1)	(0.03)	0	0.00	(1)	(0.03)
1996	0	0		0		0	
1997	0	0		0		0	
1998	16,574	0	0.00	0	0.00	0	0.00
1999	0	0		0		0	
2000	0	0		0		0	
2001	0	0		0		0	
2002	0	0		0		0	
2003	0	10,899		0		10,899	
2004	3,035,628	236,247	7.78	0	0.00	236,247	7.78
2005	17,614,936	1,630,525	9.26	0	0.00	1,630,525	9.26
2006	7,738,683	(1,232,583)	(15.93)	0	0.00	(1,232,583)	(15.93)
2007	14,249,350	809,665	5.68	0	0.00	809,665	5.68
2008	777,766	22,270	2.86	0	0.00	22,270	2.86
All Years	43,724,701	1,502,645	3.44	1,000	0.00	1,501,645	3.43
20-Yr Band	43,459,368	1,480,300	3.41	0	0.00	1,480,300	3.41
15-Yr Band	43,435,694	1,477,119	3.40	0	0.00	1,477,119	3.40
10-Yr Band	43,416,364	1,477,024	3.40	0	0.00	1,477,024	3.40
5-Yr Band	43,416,364	1,466,125	3.38	0	0.00	1,466,125	3.38
4-Yr Band	40,380,736	1,229,877	3.05	0	0.00	1,229,877	3.05

Cost of Removal	5%
Salvage	0%
Proposed Net Removal	5%

Net Removal of the interim retirements in 2005: 5%

Consistent with the nature of Other Production, the indicated net removal of interim retirements is low. Based on the data, it is reasonable to continue with the concluded rate of the prior study, or 5%. The large retirements in 2005-2007 is from unexpected breakdown of Smith CC.

Gulf Power Company

NET REMOVAL COST

Account 352 - Structures & Improvements

Year	Retirements	Cost of Removal	Cost of Removal %	Salvage	Salvage %	Net Removal	Net Removal %
1981	4,562	0	0.00	0	0.00	0	0.00
1982	644	1,892	293.60	0	0.00	1,892	293.60
1983	0	0		0		0	
1984	1,565	46	2.94	0	0.00	46	2.94
1985	7,130	5,446	76.38	0	0.00	5,446	76.38
1986	0	0		0		0	
1987	2,896	36	1.23	0	0.00	36	1.23
1988	23,456	2,762	11.77	0	0.00	2,762	11.77
1989	1,589	1,480	93.16	63	3.96	1,417	89.19
1990	2,032	5,333	262.45	0	0.00	5,333	262.45
1991	23,866	78	0.33	4	0.02	74	0.31
1992	17,216	2,502	14.53	0	0.00	2,502	14.53
1993	21,328	292	1.37	0	0.00	292	1.37
1994	12,877	1,258	9.77	0	0.00	1,258	9.77
1995	4,194	1,079	25.73	0	0.00	1,079	25.73
1996	6,620	176	2.66	0	0.00	176	2.66
1997	40,292	1,092	2.71	0	0.00	1,092	2.71
1998	17,650	(3)	(0.02)	0	0.00	(3)	(0.02)
1999	10,530	454	4.31	0	0.00	454	4.31
2000	0	125		0		125	
2001	3,215	0	-	0	0.00	0	0.00
2002	14,806	308	2	0	0.00	308	2.08
2003	0	0		0		0	
2004	0	151		0		151	
2005	9,836	820	8	0	0.00	820	8.34
2006	14,159	847	6	0	0.00	847	5.98
2007	6,754	0	-	0	0.00	0	0.00
2008	8,184	434	5	0	0.00	434	5.30
All Years	255,400	26,609	10.42	67	0.03	26,542	10.39
20-Yr Band	215,148	16,427	7.64	67	0.03	16,360	7.60
15-Yr Band	149,116	6,742	4.52	0	0.00	6,742	4.52
10-Yr Band	67,483	3,139	4.65	0	0.00	3,139	4.65
5-Yr Band	38,933	2,252	5.78	0	0.00	2,252	5.78
4-Yr Band	38,933	2,101	5.40	0	0.00	2,101	5.40

Net Removal FPSC approved in 2005:	5%	Cost of Removal	5%
		Salvage	0%
		Proposed Net Removal	5%

Limited retirement experience. No reason to change the current rate and is consistent with the typical nature of the property.

NET REMOVAL COST

Account 353 - Station Equipment

Year	Retirements	Cost of Removal	Cost of Removal %	Salvage	Salvage %	Net Removal	Net Removal %
1981	115,015	5,363	4.66	17,799	15.48	(12,436)	(10.81)
1982	260,783	8,482	3.25	0	0.00	8,482	3.25
1983	31,707	10,611	33.47	0	0.00	10,611	33.47
1984	265,053	1,287	0.49	3,279	1.24	(1,992)	(0.75)
1985	253,821	1,844	0.73	0	0.00	1,844	0.73
1986	197,995	0	0.00	0	0.00	0	0.00
1987	193,039	9,127	4.73	0	0.00	9,127	4.73
1988	409,973	306	0.07	0	0.00	306	0.07
1989	275,414	10,735	3.90	0	0.00	10,735	3.90
1990	193,478	4,085	2.11	0	0.00	4,085	2.11
1991	432,431	96,928	22.41	1,861	0.43	95,067	21.98
1992	704,088	101,527	14.42	4,023	0.57	97,504	13.85
1993	476,445	143,775	30.18	1,468	0.31	142,307	29.87
1994	534,600	88,859	16.62	1,048	0.20	87,811	16.43
1995	633,381	14,137	2.23	105,268	16.62	(91,132)	(14.39)
1996	80,399	8,660	10.77	23,930	29.76	(15,270)	(18.99)
1997	636,398	18,713	2.94	0	0.00	18,713	2.94
1998	932,453	8,818	0.95	5,200	0.56	3,618	0.39
1999	1,004,952	37,430	3.72	0	0.00	37,430	3.72
2000	2,294,660	12,188	0.53	0	0.00	12,188	0.53
2001	691,933	26,842	3.88	125,177	18.09	(98,335)	(14.21)
2002	222,963	48,240	21.64	0	0.00	48,240	21.64
2003	2,403,130	348,645	14.51	0	0.00	348,645	14.51
2004	220,914	58,197	26.34	40,000	18.11	18,197	8.24
2005	974,007	84,505	8.68	0	0.00	84,505	8.68
2006	1,082,433	100,105	9.25	4,762	0.44	95,343	8.81
2007	965,642	114,940	11.90	4,281	0.44	110,659	11.46
2008	1,588,427	50,957	3.21	20,668	1.30	30,289	1.91
All Years	18,075,532	1,415,306	7.83	358,764	1.98	1,056,542	5.85
20-Yr Band	16,348,147	1,378,285	8.43	337,686	2.07	1,040,599	6.37
15-Yr Band	14,266,291	1,021,235	7.16	330,334	2.32	690,901	4.84
10-Yr Band	11,449,060	882,049	7.70	194,888	1.70	687,161	6.00
5-Yr Band	4,831,423	408,704	8.46	69,711	1.44	338,993	7.02
4-Yr Band	4,610,509	350,507	7.60	29,711	0.64	320,796	6.96

Net Removal FPSC approved in 2005:	5%	Cost of Removal Salvage	7%
		Proposed Net Removal	2%
			5%

The historical data indicates net removal of about 5%, the same as that of the prior study.

NET REMOVAL COST

Account 354 - Towers

Year	Retirements	Cost of Removal	Cost of Removal %	Salvage	Salvage %	Net Removal	Net Removal %
1981	0	0		0		0	
1982	0	0		0		0	
1983	0	0		0		0	
1984	0	0		0		0	
1985	0	0		0		0	
1986	0	0		0		0	
1987	0	0		0		0	
1988	0	0		0		0	
1989	16,711	11,516	68.91	0	0.00	11,516	68.91
1990	30,576	5,775	18.89	8,023	26.24	(2,248)	(7.35)
1991	16,595	(5,934)	(35.76)	1,067	6.43	(7,001)	(42.19)
1992	18,196	9,150	50.29	0	0.00	9,150	50.29
1993	69,368	(109)	(0.16)	0	0.00	(109)	(0.16)
1994	45,152	9,859	21.83	0	0.00	9,859	21.83
1995	0	547		0		547	
1996	50,383	(3)	(0.01)	0	0.00	(3)	(0.01)
1997	80,474	1	0.00	0	0.00	1	0.00
1998	109,299	2,500	2.29	0	0.00	2,500	2.29
1999	2,632	1,915	72.76	0	0.00	1,915	72.76
2000	145	97,498	67,240.0	0	0.00	97,498	67,240.0
2001	403,450	15,810	3.92	0	0.00	15,810	3.92
2002	73,540	59,342	80.69	0	0.00	59,342	80.69
2003	189,870	49,819	26.24	0	0.00	49,819	26.24
2004	48,924	26,469	54.10	0	0.00	26,469	54.10
2005	15,924	0	0.00	0	0.00	0	0.00
2006	139,464	32,253	23.13	4,417	3.17	27,836	19.96
2007	344,766	52,336	15.18	0	0.00	52,336	15.18
2008	31,679	6,331	19.98	0	0.00	6,331	19.98
All Years	1,687,148	375,074	22.23	13,507	0.80	361,567	21.43
20-Yr Band	1,687,148	375,074	22.23	13,507	0.80	361,567	21.43
15-Yr Band	1,535,703	354,676	23.10	4,417	0.29	350,259	22.81
10-Yr Band	1,250,395	341,773	27.33	4,417	0.35	337,356	26.98
5-Yr Band	580,757	117,389	20.21	4,417	0.76	112,972	19.45
4-Yr Band	531,833	90,920	17.10	4,417	0.83	86,503	16.27

Net Removal FPSC approved in 2005:	25%	Cost of Removal	20%
		Salvage	0%
		Proposed Net Removal	20%

Relatively limited retirement experience. The data indicates about 25% net removal based on the 10-year and longer bands with recent 5-year trend of 20% or less. Nature of property is not inconsistent with net removal of less than 25%. Based on the data, including the most trends, decrease the net removal of this account to 20%.

NET REMOVAL COST

Account 355 - Poles

Year	Retirements	Cost of Removal	Cost of Removal %	Salvage	Salvage %	Net Removal	Net Removal %
1981	15,257	39,172	256.74	0	0.00	39,172	256.74
1982	203,371	75,396	37.07	6,503	3.20	68,893	33.88
1983	141,355	35,039	24.79	6,294	4.45	28,744	20.33
1984	93,972	52,181	55.53	0	0.00	52,181	55.53
1985	218,373	77,638	35.55	1,903	0.87	75,735	34.68
1986	61,312	60,187	98.17	0	0.00	60,187	98.17
1987	239,739	206,391	86.09	1,456	0.61	204,934	85.48
1988	177,291	172,984	97.57	0	0.00	172,984	97.57
1989	113,224	245,740	217.04	1,246	1.10	244,494	215.94
1990	124,449	255,862	205.60	0	0.00	255,862	205.60
1991	234,629	166,779	71.08	0	0.00	166,779	71.08
1992	155,498	273,856	176.12	12,225	7.86	261,631	168.25
1993	430,661	253,660	58.90	(3,283)	(0.76)	256,943	59.66
1994	136,901	192,328	140.49	947	0.69	191,380	139.79
1995	97,998	116,877	119.26	0	0.00	116,877	119.26
1996	1,664,590	76,421	4.59	0	0.00	76,421	4.59
1997	929,279	97,067	10.45	297	0.03	96,770	10.41
1998	1,744,635	71,475	4.10	1,500	0.09	69,975	4.01
1999	222,086	432,764	194.86	46,746	21.05	386,018	173.81
2000	57,195	376,999	659.15	488	0.85	376,511	658.29
2001	239,259	276,227	115.45	0	0.00	276,227	115.45
2002	676,972	906,677	133.93	0	0.00	906,677	133.93
2003	194,122	81,562	42.02	0	0.00	81,562	42.02
2004	271,507	278,599	102.61	0	0.00	278,599	102.61
2005	293,726	376,525	128.19	1,042	0.35	375,483	127.83
2006	115,485	315,939	273.58	0	0.00	315,939	273.58
2007	425,040	484,243	113.93	11,133	2.62	473,110	111.31
2008	804,023	365,164	45.42	0	0.00	365,164	45.42
All Years	10,081,950	6,363,752	63.12	88,498	0.88	6,275,254	62.24
20-Yr Band	8,931,279	5,644,765	63.20	72,341	0.81	5,572,423	62.39
15-Yr Band	7,872,819	4,448,867	56.51	62,153	0.79	4,386,714	55.72
10-Yr Band	3,299,415	3,894,699	118.04	59,409	1.80	3,835,290	116.24
5-Yr Band	1,909,781	1,820,470	95.32	12,175	0.64	1,808,295	94.69
4-Yr Band	1,638,274	1,541,871	94.12	12,175	0.74	1,529,696	93.37

Net Removal FPSC approved in 2005:	40%	Cost of Removal	40%
		Salvage	0%
		Proposed Net Removal	40%

Only a moderate amount of retirement experience in recent years. The concluded net removal of 40% is base on the longer bands. Overall experience is similar to that of the prior study. Also, based on typical nature of the property, the existing rate is at higher end of the typical or expected range. No compelling reason to change the current rate.

NET REMOVAL COST

Account 356 - Overhead Conductors

Year	Retirements	Cost of Removal	Cost of Removal %	Salvage	Salvage %	Net Removal	Net Removal %
1981	5,776	1,854	32.10	0	0.00	1,854	32.10
1982	145,880	16,361	11.22	15,340	10.52	1,021	0.70
1983	65,837	19,851	30.15	521	0.79	19,330	29.36
1984	14,693	6,783	46.16	222	1.51	6,560	44.65
1985	33,394	4,839	14.49	4,401	13.18	438	1.31
1986	9,092	1,818	20.00	0	0.00	1,818	20.00
1987	14,810	16,065	108.47	104	0.70	15,961	107.77
1988	5,865	7,436	126.80	0	0.00	7,436	126.80
1989	11,138	6,070	54.50	2,011	18.06	4,059	36.44
1990	52,779	138,194	261.83	1,992	3.77	136,202	258.06
1991	117,581	22,810	19.40	5,740	4.88	17,070	14.52
1992	25,251	127,481	504.86	0	0.00	127,481	504.86
1993	216,323	77,657	35.90	0	0.00	77,657	35.90
1994	13,431	(7,945)	(59.16)	0	0.00	(7,945)	(59.16)
1995	95,314	53,384	56.01	0	0.00	53,384	56.01
1996	768,898	59,235	7.70	0	0.00	59,235	7.70
1997	101,822	12,859	12.63	0	0.00	12,859	12.63
1998	557,598	39,782	7.13	0	0.00	39,782	7.13
1999	68,322	549,019	803.58	0	0.00	549,019	803.58
2000	6,900	460,839	6,678.83	166,425	2,411.96	294,414	4,266.87
2001	481,086	183,363	38.11	74,742	15.54	108,621	22.58
2002	326,727	806,900	246.96	40,609	12.43	766,291	234.54
2003	162,714	104,884	64.46	0	0.00	104,884	64.46
2004	224,236	33,482	14.93	0	0.00	33,482	14.93
2005	89,214	106,368	119.23	0	0.00	106,368	119.23
2006	123,323	3,670	2.98	0	0.00	3,670	2.98
2007	328,179	20,059	6.11	0	0.00	20,059	6.11
2008	1,882,466	34,785	1.85	0	0.00	34,785	1.85
All Years	5,948,648	2,907,902	48.88	312,107	5.25	2,595,795	43.64
20-Yr Band	5,653,302	2,832,896	50.11	291,519	5.16	2,541,376	44.95
15-Yr Band	5,230,230	2,460,684	47.05	281,776	5.39	2,178,908	41.66
10-Yr Band	3,693,167	2,303,369	62.37	281,776	7.63	2,021,593	54.74
5-Yr Band	2,647,418	198,364	7.49	0	0.00	198,364	7.49
4-Yr Band	2,423,182	164,882	6.80	0	0.00	164,882	6.80

Net Removal FPSC approved in 2005:	35%	Cost of Removal	35%
		Salvage	5%
		Proposed Net Removal	30%

The historical data indicates large and increasing net removal as a result of a few years with large cost of removal. Given typical nature of the property, the expected net removal would be less. Most recent period of last five years indicate less than 10% net removal. Move toward most recent data with decrease to 30%.

NET REMOVAL COST

Account 358 - Underground Conductors

Year	Retirements	Cost of Removal	Cost of Removal %	Salvage	Salvage %	Net Removal	Net Removal %
1981	0	0		0		0	
1982	0	0		0		0	
1983	0	0		0		0	
1984	0	0		0		0	
1985	0	0		0		0	
1986	0	0		0		0	
1987	0	0		0		0	
1988	0	0		0		0	
1989	0	0		0		0	
1990	0	0		0		0	
1991	0	0		0		0	
1992	0	0		0		0	
1993	0	0		0		0	
1994	0	0		0		0	
1995	0	0		0		0	
1996	0	0		0		0	
1997	0	0		0		0	
1998	0	0		0		0	
1999	0	0		0		0	
2000	0	0		0		0	
2001	0	0		0		0	
2002	0	0		0		0	
2003	0	0		0		0	
2004	0	8,005		0		8,005	
2005	18,423	0	0.00	0	0.00	0	0.00
2006	0	0		0		0	
2007	0	0		0		0	
2008	0	0		0		0	
All Years	18,423	8,005	43.45	0	0.00	8,005	43.45
20-Yr Band	18,423	8,005	43.45	0	0.00	8,005	43.45
15-Yr Band	18,423	8,005	43.45	0	0.00	8,005	43.45
10-Yr Band	18,423	8,005	43.45	0	0.00	8,005	43.45
5-Yr Band	18,423	8,005	43.45	0	0.00	8,005	43.45
4-Yr Band	18,423	0	0.00	0	0.00	0	0.00

					Cost of Removal	0%
					Salvage	0%
Net Removal FPSC approved in 2005:		0%			Proposed Net Removal	0%

As expected, not useful historical data. Continue to use the same 0% net removal rate of the prior study.

Gulf Power Company

NET REMOVAL COST

Account 361 - Structures & Improvements

Year	Retirements	Cost of Removal	Cost of Removal %	Salvage	Salvage %	Net Removal	Net Removal %
1981	13,925	380	2.73	0	0.00	380	2.73
1982	23,341	20,418	87.48	0	0.00	20,418	87.48
1983	11,235	121	1.08	0	0.00	121	1.08
1984	18,025	176	0.97	0	0.00	176	0.97
1985	491	245	49.92	25	5.10	220	44.83
1986	321	577	180.02	0	0.00	577	180.02
1987	54,502	10,754	19.73	752	1.38	10,002	18.35
1988	41,607	3,050	7.33	20	0.05	3,030	7.28
1989	14,862	2,578	17.34	48	0.32	2,530	17.02
1990	58,904	8,656	14.69	415	0.70	8,241	13.99
1991	207,417	13,044	6.29	502	0.24	12,542	6.05
1992	31,944	3,262	10.21	0	0.00	3,262	10.21
1993	86,776	3,649	4.21	0	0.00	3,649	4.21
1994	26,674	8,576	32.15	0	0.00	8,576	32.15
1995	25,393	456	1.79	723	2.85	(268)	(1.05)
1996	6,621	1,462	22.08	0	0.00	1,462	22.08
1997	114,903	893	0.78	0	0.00	893	0.78
1998	46,129	744	1.61	0	0.00	744	1.61
1999	73,738	640	0.87	0	0.00	640	0.87
2000	10,842	4,576	42.21	0	0.00	4,576	42.21
2001	16,725	381	2.28	0	0.00	381	2.28
2002	65,146	4,781	7.34	0	0.00	4,781	7.34
2003	33,602	1,131	3.37	0	0.00	1,131	3.37
2004	29,781	3,142	10.55	0	0.00	3,142	10.55
2005	50,784	791	1.56	0	0.00	791	1.56
2006	34,680	1,385	3.99	0	0.00	1,385	3.99
2007	19,510	0	0.00	0	0.00	0	0.00
2008	12,567	11,741	93.43	0	0.00	11,741	93.43
All Years	1,130,443	107,609	9.52	2,486	0.22	105,124	9.30
20-Yr Band	966,996	71,887	7.43	1,688	0.17	70,199	7.26
15-Yr Band	567,094	40,699	7.18	723	0.13	39,975	7.05
10-Yr Band	347,374	28,568	8.22	0	0.00	28,568	8.22
5-Yr Band	147,322	17,059	11.58	0	0.00	17,059	11.58
4-Yr Band	117,541	13,917	11.84	0	0.00	13,917	11.84

Net Removal FPSC approved in 2005:	Cost of Removal	5%
	Salvage	0%
	Proposed Net Removal	5%

Relatively few retirements. The data is relatively consistent, except for the higher net removal in 2008, and indicates net removal of about 5%, which is consistent with industry experience and similar accounts. There is no compelling reason to change the current rate.

NET REMOVAL COST

Account 362 - Station Equipment

Year	Retirements	Cost of Removal	Cost of Removal %	Salvage	Salvage %	Net Removal	Net Removal %
1981	385,667	14,981	3.88	0	0.00	14,981	3.88
1982	569,643	67,676	11.88	0	0.00	67,676	11.88
1983	338,452	14,385	4.25	0	0.00	14,385	4.25
1984	745,918	10,388	1.39	0	0.00	10,388	1.39
1985	176,650	4,494	2.54	0	0.00	4,494	2.54
1986	118,883	2,377	2.00	0	0.00	2,377	2.00
1987	487,083	24,108	4.95	0	0.00	24,108	4.95
1988	860,201	19,767	2.30	0	0.00	19,767	2.30
1989	601,523	160,116	26.62	0	0.00	160,116	26.62
1990	630,557	71,269	11.30	0	0.00	71,269	11.30
1991	1,814,875	160,866	8.86	0	0.00	160,866	8.86
1992	1,422,788	268,476	18.87	0	0.00	268,476	18.87
1993	1,047,398	284,625	27.17	0	0.00	284,625	27.17
1994	453,480	210,094	46.33	0	0.00	210,094	46.33
1995	598,512	41,219	6.89	0	0.00	41,219	6.89
1996	494,356	28,894	5.84	0	0.00	28,894	5.84
1997	2,140,446	51,512	2.41	0	0.00	51,512	2.41
1998	515,603	39,181	7.60	0	0.00	39,181	7.60
1999	1,451,604	20,008	1.38	0	0.00	20,008	1.38
2000	1,324,658	102,163	7.71	0	0.00	102,163	7.71
2001	602,130	7,550	1.25	0	0.00	7,550	1.25
2002	872,475	112,232	12.86	0	0.00	112,232	12.86
2003	1,404,145	95,432	6.80	0	0.00	95,432	6.80
2004	805,413	138,178	17.16	0	0.00	138,178	17.16
2005	1,426,223	116,847	8.19	0	0.00	116,847	8.19
2006	1,810,524	298,793	16.50	250	0.01	298,543	16.49
2007	2,378,927	382,190	16.07	215,931	9.08	166,259	6.99
2008	1,597,784	114,855	7.19	53,838	3.37	61,017	3.82
All Years	27,075,920	2,862,675	10.57	270,019	1.00	2,592,656	9.58
20-Yr Band	23,393,421	2,704,500	11.56	270,019	1.15	2,434,481	10.41
15-Yr Band	17,876,281	1,759,148	9.84	270,019	1.51	1,489,129	8.33
10-Yr Band	13,673,883	1,388,248	10.15	270,019	1.97	1,118,229	8.18
5-Yr Band	8,018,871	1,050,863	13.10	270,019	3.37	780,844	9.74
4-Yr Band	7,213,458	912,685	12.65	270,019	3.74	642,666	8.91

Net Removal FPSC approved in 2005:	5%	Cost of Removal Salvage	7%
		Proposed Net Removal	2%
			5%

The net removal indications from the data are similar to those of the prior study. Indications are generally less than 10%. Consistent with the 10-year band and experience of industry and A/C 353, conclusion is to continue with the existing 5% rate.

NET REMOVAL COST

Account 364 - Poles

Year	Retirements	Cost of Removal	Cost of Removal %	Salvage	Salvage %	Net Removal	Net Removal %
1981	275,464	147,973	53.72	111,714	40.55	36,259	13.16
1982	289,799	182,138	62.85	157,555	54.37	24,582	8.48
1983	203,693	84,306	41.39	171,382	84.14	(87,076)	(42.75)
1984	286,182	160,344	56.03	407,987	142.56	(247,643)	(86.53)
1985	488,520	446,348	91.37	367,319	75.19	79,029	16.18
1986	428,542	788,691	184.04	454,376	106.03	334,316	78.01
1987	445,889	869,993	195.11	222,448	49.89	647,545	145.23
1988	566,803	1,252,990	221.06	100,303	17.70	1,152,688	203.37
1989	657,446	944,145	143.61	245,865	37.40	698,280	106.21
1990	585,427	1,212,502	207.11	384,911	65.75	827,591	141.37
1991	722,082	1,498,194	207.48	56,981	7.89	1,441,213	199.59
1992	1,011,367	1,409,171	139.33	267,469	26.45	1,141,702	112.89
1993	1,267,929	1,259,065	99.30	682,844	53.86	576,221	45.45
1994	683,559	1,321,323	193.30	218,251	31.93	1,103,072	161.37
1995	951,753	1,383,841	145.40	377,808	39.70	1,006,033	105.70
1996	1,050,647	1,003,655	95.53	119,983	11.42	883,672	84.11
1997	698,110	888,264	127.24	406,654	58.25	481,610	68.99
1998	884,075	697,338	78.88	(218,037)	(24.66)	915,375	103.54
1999	1,042,190	648,318	62.21	(31,253)	(3.00)	679,571	65.21
2000	693,533	762,673	109.97	158,136	22.80	604,537	87.17
2001	980,220	1,301,443	132.77	157,312	16.05	1,144,131	116.72
2002	746,983	965,935	129.31	(178,971)	(23.96)	1,144,906	153.27
2003	638,431	515,784	80.79	266,992	41.82	248,793	38.97
2004	735,478	1,026,212	139.53	226,192	30.75	800,020	108.78
2005	522,896	378,010	72.29	131,630	25.17	246,380	47.12
2006	691,277	706,075	102.14	230,532	33.35	475,543	68.79
2007	795,610	816,237	102.59	57,044	7.17	759,193	95.42
2008	860,671	1,095,036	127.23	76,851	8.93	1,018,185	118.30
All Years	19,204,577	23,766,007	123.75	5,630,279	29.32	18,135,728	94.43
20-Yr Band	16,219,685	19,833,222	122.28	3,637,195	22.42	16,196,028	99.85
15-Yr Band	11,975,434	13,510,145	112.82	1,999,125	16.69	11,511,021	96.12
10-Yr Band	7,707,290	8,215,724	106.60	1,094,465	14.20	7,121,259	92.40
5-Yr Band	3,605,932	4,021,570	111.53	722,249	20.03	3,299,321	91.50
4-Yr Band	2,870,454	2,995,358	104.35	496,057	17.28	2,499,301	87.07

Net Removal FPSC approved in 2005:	75%	Cost of Removal	85%
		Salvage	10%
		Proposed Net Removal	75%

The historical data indicates significant net removal. Relatively consistent, the data is similar to that of the last study, though somewhat less. Maintain the existing net removal rate of 75%.

NET REMOVAL COST

Account 365 - Overhead Conductors

Year	Retirements	Cost of Removal	Cost of Removal %	Salvage	Salvage %	Net Removal	Net Removal %
1981	208,373	112,394	53.94	74,657	35.83	37,737	18.11
1982	212,102	124,735	58.81	110,600	52.14	14,136	6.66
1983	153,969	112,887	73.32	79,409	51.57	33,478	21.74
1984	206,121	224,751	109.04	50,711	24.60	174,040	84.44
1985	353,276	197,232	55.83	131,454	37.21	65,778	18.62
1986	392,700	132,146	33.65	157,595	40.13	(25,449)	(6.48)
1987	461,841	161,218	34.91	377,278	81.69	(216,060)	(46.78)
1988	846,928	282,415	33.35	578,461	68.30	(296,046)	(34.96)
1989	566,595	140,319	24.77	514,213	90.75	(373,894)	(65.99)
1990	547,143	206,272	37.70	545,004	99.61	(338,732)	(61.91)
1991	853,717	269,571	31.58	395,944	46.38	(126,373)	(14.80)
1992	910,350	847,938	93.14	704,566	77.40	143,372	15.75
1993	962,049	949,996	98.75	330,194	34.32	619,802	64.43
1994	724,715	775,754	107.04	546,516	75.41	229,238	31.63
1995	973,550	632,539	64.97	590,316	60.64	42,223	4.34
1996	1,419,209	220,411	15.53	661,312	46.60	(440,900)	(31.07)
1997	715,609	274,918	38.42	417,756	58.38	(142,838)	(19.96)
1998	1,079,375	371,600	34.43	527,615	48.88	(156,015)	(14.45)
1999	924,677	306,712	33.17	224,849	24.32	81,863	8.85
2000	957,158	413,261	43.18	182,929	19.11	230,332	24.06
2001	1,001,781	531,740	53.08	203,270	20.29	328,470	32.79
2002	916,215	620,388	67.71	253,781	27.70	366,607	40.01
2003	633,603	525,481	82.94	64,620	10.20	460,862	72.74
2004	635,967	528,102	83.04	67,908	10.68	460,194	72.36
2005	602,103	345,841	57.44	118,931	19.75	226,910	37.69
2006	1,324,230	696,639	52.61	135,184	10.21	561,455	42.40
2007	793,034	803,430	101.31	236,807	29.86	566,623	71.45
2008	736,229	591,709	80.37	215,155	29.22	376,554	51.15
All Years	20,112,621	11,400,400	56.68	8,497,035	42.25	2,903,366	14.44
20-Yr Band	17,277,310	10,052,622	58.18	6,936,871	40.15	3,115,751	18.03
15-Yr Band	13,437,456	7,638,526	56.85	4,446,949	33.09	3,191,577	23.75
10-Yr Band	8,524,998	5,363,304	62.91	1,703,434	19.98	3,659,869	42.93
5-Yr Band	4,091,563	2,965,721	72.48	773,985	18.92	2,191,736	53.57
4-Yr Band	3,455,596	2,437,619	70.54	706,077	20.43	1,731,542	50.11

Net Removal FPSC approved in 2005:	10%	Cost of Removal Salvage	50%
		Proposed Net Removal	30%
			20%

The data shows an increasing trend for salvage for this account. Based on the 10-and 15-year bands, move towards the data indications by increasing net removal to 20%.

NET REMOVAL COST

Account 366 - Underground Conduit

Year	Retirements	Cost of Removal	Cost of Removal %	Salvage	Salvage %	Net Removal	Net Removal %
1981	79	52	65.57	12,089	15,286.79	(12,037)	(15,221.22)
1982	2,505	1,791	71.50	2,069	82.62	(278)	(11.12)
1983	0	0		0		0	
1984	0	0		0		0	
1985	0	0		0		0	
1986	5,735	0	0.00	0	0.00	0	0.00
1987	3,084	8,017	259.95	0	0.00	8,017	259.95
1988	1,423	4,698	330.06	0	0.00	4,698	330.06
1989	474	805	169.83	0	0.00	805	169.83
1990	7,592	7,728	101.79	0	0.00	7,728	101.79
1991	1,614	9,040	560.10	0	0.00	9,040	560.10
1992	270	(5)	(1.90)	0	0.00	(5)	(1.90)
1993	135	60	44.12	0	0.00	60	44.12
1994	0	0		0		0	
1995	170	0	0.00	0	0.00	0	0.00
1996	0	0		0		0	
1997	0	0		0		0	
1998	0	0		0		0	
1999	0	0		0		0	
2000	0	0		0		0	
2001	0	0		0		0	
2002	0	0		0		0	
2003	0	0		0		0	
2004	0	0		0		0	
2005	34,385	1,450	4.22	0	0.00	1,450	4.22
2006	0	0		0		0	
2007	0	11		0		11	
2008	0	0		0		0	
All Years	57,466	33,646	58.55	14,158	24.64	19,489	33.91
20-Yr Band	44,640	19,088	42.76	0	0.00	19,088	42.76
15-Yr Band	34,555	1,461	4.23	0	0.00	1,461	4.23
10-Yr Band	34,385	1,461	4.25	0	0.00	1,461	4.25
5-Yr Band	34,385	1,461	4.25	0	0.00	1,461	4.25
4-Yr Band	34,385	1,461	4.25	0	0.00	1,461	4.25

Net Removal FPSC approved in 2005:	0%	Cost of Removal	0%
		Salvage	0%
		Proposed Net Removal	0%

As expected, this account does not have useful historical data. Continue to use the current rate of 0%.

NET REMOVAL COST

Account 367 - Underground Conductors

Year	Retirements	Cost of Removal	Cost of Removal %	Salvage	Salvage %	Net Removal	Net Removal %
1981	2,221	546	24.59	415	18.67	132	5.93
1982	6,946	4,953	71.30	5,077	73.09	(125)	(1.79)
1983	1,077	68	6.27	1,379	128.01	(1,311)	(121.74)
1984	16,843	238	1.41	3,751	22.27	(3,513)	(20.86)
1985	51,792	3,107	6.00	28,354	54.75	(25,247)	(48.75)
1986	41,297	2,475	5.99	14,409	34.89	(11,934)	(28.90)
1987	41,200	3,179	7.72	14,123	34.28	(10,944)	(26.56)
1988	84,370	16,870	20.00	31,705	37.58	(14,835)	(17.58)
1989	52,108	3,314	6.36	26,233	50.34	(22,919)	(43.98)
1990	29,823	9,847	33.02	12,056	40.43	(2,209)	(7.41)
1991	33,304	3,935	11.82	14,784	44.39	(10,849)	(32.58)
1992	92,797	10,439	11.25	1,780	1.92	8,659	9.33
1993	70,947	4,480	6.31	2,131	3.00	2,349	3.31
1994	141,689	25,910	18.29	4,162	2.94	21,748	15.35
1995	206,658	97,390	47.13	38,112	18.44	59,278	28.68
1996	165,154	23,578	14.28	58,246	35.27	(34,669)	(20.99)
1997	339,553	45,685	13.45	28,792	8.48	16,893	4.98
1998	397,981	76,568	19.24	102,153	25.67	(25,585)	(6.43)
1999	412,432	61,324	14.87	69,010	16.73	(7,686)	(1.86)
2000	651,004	85,808	13.18	182,170	27.98	(96,362)	(14.80)
2001	380,600	119,771	31.47	83,526	21.95	36,245	9.52
2002	521,005	136,261	26.15	138,863	26.65	(2,602)	(0.50)
2003	404,525	86,679	21.43	23,475	5.80	63,204	15.62
2004	293,438	69,946	23.84	24,695	8.42	45,252	15.42
2005	342,060	73,666	21.54	22,310	6.52	51,356	15.01
2006	723,509	137,812	19.05	31,539	4.36	106,273	14.69
2007	808,014	204,519	25.31	72,142	8.93	132,377	16.38
2008	364,300	141,917	38.96	21,759	5.97	120,158	32.98
All Years	6,676,647	1,450,285	21.72	1,057,152	15.83	393,133	5.89
20-Yr Band	6,430,901	1,418,850	22.06	957,939	14.90	460,911	7.17
15-Yr Band	6,151,922	1,386,835	22.54	900,955	14.65	485,880	7.90
10-Yr Band	4,900,888	1,117,704	22.81	669,490	13.66	448,215	9.15
5-Yr Band	2,531,321	627,860	24.80	172,445	6.81	455,416	17.99
4-Yr Band	2,237,883	557,914	24.93	147,750	6.60	410,164	18.33

	Cost of Removal	20%
	Salvage	12%
Net Removal FPSC approved in 2005:	Proposed Net Removal	8%

Relatively stable historical removal data with lower salvage since 2003, which results in a trend of increasing net removal. Based on the data and trends, move towards the indications by increasing the rate to 8%.

NET REMOVAL COST

Account 368 - Line Transformers

Year	Retirements	Cost of Removal	Cost of Removal %	Salvage	Salvage %	Net Removal	Net Removal %
1981	1,511,202	316,766	20.96	62,579	4.14	254,188	16.82
1982	923,853	341,802	37.00	78,527	8.50	263,275	28.50
1983	903,103	109,885	12.17	84,754	9.38	25,131	2.78
1984	949,965	122,088	12.85	79,858	8.41	42,230	4.45
1985	618,538	218,821	35.38	89,800	14.52	129,021	20.86
1986	1,211,567	339,705	28.04	120,205	9.92	219,500	18.12
1987	1,132,102	301,787	26.66	103,233	9.12	198,554	17.54
1988	922,393	423,973	45.96	93,117	10.10	330,857	35.87
1989	806,303	347,108	43.05	134,907	16.73	212,201	26.32
1990	1,489,119	568,282	38.16	84,850	5.70	483,432	32.46
1991	1,633,172	815,800	49.95	102,119	6.25	713,681	43.70
1992	1,586,670	632,060	39.84	153,332	9.66	478,727	30.17
1993	2,068,219	924,443	44.70	167,374	8.09	757,069	36.60
1994	1,387,276	647,875	46.70	112,017	8.07	535,858	38.63
1995	2,539,858	982,748	38.69	204,291	8.04	778,457	30.65
1996	1,875,974	573,201	30.55	123,915	6.61	449,286	23.95
1997	1,291,427	547,916	42.43	136,515	10.57	411,401	31.86
1998	1,856,808	555,011	29.89	184,346	9.93	370,665	19.96
1999	2,208,426	614,295	27.82	69,238	3.14	545,057	24.68
2000	2,395,541	688,741	28.75	68,603	2.86	620,138	25.89
2001	3,102,059	1,133,286	36.53	74,745	2.41	1,058,541	34.12
2002	3,712,919	830,652	22.37	100,394	2.70	730,258	19.67
2003	2,818,592	992,870	35.23	74,759	2.65	918,112	32.57
2004	1,485,941	660,122	44.42	85,491	5.75	574,630	38.67
2005	3,163,354	768,292	24.29	399,460	12.63	368,832	11.66
2006	2,988,934	724,277	24.23	308,793	10.33	415,484	13.90
2007	2,435,074	616,133	25.30	240,235	9.87	375,898	15.44
2008	2,038,958	841,019	41.25	380,066	18.64	460,953	22.61
All Years	51,057,348	16,638,959	32.59	3,917,523	7.67	12,721,436	24.92
20-Yr Band	42,884,625	14,464,131	33.73	3,205,451	7.47	11,258,680	26.25
15-Yr Band	35,301,142	11,176,438	31.66	2,562,868	7.26	8,613,570	24.40
10-Yr Band	26,349,799	7,869,687	29.87	1,801,783	6.84	6,067,904	23.03
5-Yr Band	12,112,261	3,609,843	29.80	1,414,045	11.67	2,195,797	18.13
4-Yr Band	10,626,320	2,949,721	27.76	1,328,554	12.50	1,621,167	15.26

Net Removal FPSC approved in 2005:	25%	Cost of Removal Salvage	30%
		Proposed Net Removal	10%
			20%

The significant company experience has been relatively constant with a trend recently of less net removal. Based on the data indications, the net removal is concluded to be 20%.

NET REMOVAL COST

Account 369.1 - Overhead Services

Year	Retirements	Cost of Removal	Cost of Removal %	Salvage	Salvage %	Net Removal	Net Removal %
1981	230,580	106,270	46.09	81,379	35.29	24,891	10.80
1982	102,601	66,574	64.89	67,027	65.33	(452)	(0.44)
1983	232,316	24,865	10.70	41,068	17.68	(16,203)	(6.97)
1984	141,699	79,446	56.07	30,769	21.71	48,677	34.35
1985	190,330	30,281	15.91	13,809	7.26	16,471	8.65
1986	196,372	1,520	0.77	16,506	8.41	(14,986)	(7.63)
1987	198,480	1,778	0.90	6,255	3.15	(4,476)	(2.26)
1988	232,466	3,463	1.49	3,555	1.53	(92)	(0.04)
1989	223,737	818	0.37	0	0.00	818	0.37
1990	205,017	1,610	0.79	0	0.00	1,610	0.79
1991	235,789	1,867	0.79	0	0.00	1,867	0.79
1992	421,505	2,026	0.48	0	0.00	2,026	0.48
1993	424,502	2,294	0.54	0	0.00	2,294	0.54
1994	374,403	2,770	0.74	0	0.00	2,770	0.74
1995	466,478	2,057	0.44	1,550	0.33	507	0.11
1996	258,426	2,932	1.13	0	0.00	2,932	1.13
1997	402,678	89,403	22.20	0	0.00	89,403	22.20
1998	711,123	316,292	44.48	0	0.00	316,292	44.48
1999	366,092	110,861	30.28	41,300	11.28	69,561	19.00
2000	369,655	216,048	58.45	72,500	19.61	143,548	38.83
2001	334,855	299,546	89.46	101,210	30.23	198,336	59.23
2002	242,882	118,096	48.62	61,091	25.15	57,005	23.47
2003	367,630	408,086	111.00	50,964	13.86	357,121	97.14
2004	246,408	328,039	133.13	53,504	21.71	274,534	111.41
2005	328,916	489,712	148.89	28,366	8.62	461,346	140.26
2006	299,627	356,610	119.02	17,019	5.68	339,591	113.34
2007	205,171	227,157	110.72	48,232	23.51	178,925	87.21
2008	181,951	227,245	124.89	14,887	8.18	212,358	116.71
All Years	8,191,692	3,517,667	42.94	750,992	9.17	2,766,675	33.77
20-Yr Band	6,666,846	3,203,469	48.05	490,624	7.36	2,712,845	40.69
15-Yr Band	5,156,296	3,194,854	61.96	490,624	9.52	2,704,230	52.45
10-Yr Band	2,943,187	2,781,400	94.50	489,074	16.62	2,292,325	77.89
5-Yr Band	1,262,073	1,628,763	129.05	162,008	12.84	1,466,754	116.22
4-Yr Band	1,015,665	1,300,724	128.07	108,504	10.68	1,192,220	117.38

Net Removal FPSC approved in 2005:	35%	Cost of Removal	55%
		Salvage	10%
		Proposed Net Removal	45%

Overall, the company experience for this account is increased cost of removal. Based on the data and trends, move towards the indications by increasing net removal by 10% points to 35%.

NET REMOVAL COST

Account 369.2 - Underground Services

Year	Retirements	Cost of Removal	Cost of Removal %	Salvage	Salvage %	Net Removal	Net Removal %
1981	0	0		0		0	
1982	0	0		0		0	
1983	0	0		0		0	
1984	5,077	0	0.00	571	11.24	(571)	(11.24)
1985	13,195	0	0.00	2	0.02	(2)	(0.01)
1986	12,087	0	0.00	0	0.00	0	0.00
1987	37,711	0	0.00	0	0.00	0	0.00
1988	83,128	0	0.00	0	0.00	0	0.00
1989	62,454	11	0.02	1,238	1.98	(1,227)	(1.96)
1990	64,833	17	0.03	406	0.63	(389)	(0.60)
1991	41,254	25	0.06	499	1.21	(474)	(1.15)
1992	145,472	67	0.05	1,389	0.95	(1,322)	(0.91)
1993	69,530	338	0.49	1,009	1.45	(671)	(0.97)
1994	77,510	631	0.81	1,129	1.46	(497)	(0.64)
1995	81,505	601	0.74	3,579	4.39	(2,978)	(3.65)
1996	59,322	7,748	13.06	4,131	6.96	3,617	6.10
1997	51,715	16,085	31.10	5,804	11.22	10,281	19.88
1998	115,683	8,090	6.99	14,736	12.74	(6,646)	(5.75)
1999	65,850	6,921	10.51	2,776	4.22	4,145	6.29
2000	58,633	10,258	17.50	18,342	31.28	(8,084)	(13.79)
2001	47,421	91,715	193.41	4,985	10.51	86,730	182.89
2002	36,118	6,305	17.46	0	0.00	6,305	17.46
2003	55,822	8,402	15.05	0	0.00	8,402	15.05
2004	37,324	8,164	21.87	0	0.00	8,164	21.87
2005	59,213	11,147	18.83	0	0.00	11,147	18.83
2006	132,131	46,146	34.92	0	0.00	46,146	34.92
2007	57,288	25,188	43.97	0	0.00	25,188	43.97
2008	117,471	19,668	16.74	0	0.00	19,668	16.74
All Years	1,587,746	267,528	16.85	60,597	3.82	206,931	13.03
20-Yr Band	1,436,548	267,527	18.62	60,024	4.18	207,503	14.44
15-Yr Band	1,053,005	267,069	25.36	55,482	5.27	211,587	20.09
10-Yr Band	667,271	233,914	35.06	26,103	3.91	207,810	31.14
5-Yr Band	403,427	110,313	27.34	0	0.00	110,313	27.34
4-Yr Band	366,103	102,149	27.90	0	0.00	102,149	27.90

Net Removal FPSC approved in 2005:	5%	Cost of Removal Salvage	15%
		Proposed Net Removal	5%
			10%

Relatively limited company experience. No salvage recorded in last seven years. Nature of underground property would suggest lower than the indicated rate. Based on the indicated trends, mitigated by industry experience, an increase in net removal from the current 5% to 10% is appropriate.

NET REMOVAL COST

Account 370 - Meters

Year	Retirements	Cost of Removal	Cost of Removal %	Salvage	Salvage %	Net Removal	Net Removal %
1981	197,293	14,761	7.48	195	0.10	14,565	7.38
1982	169,622	11,669	6.88	9,193	5.42	2,475	1.46
1983	188,692	8,682	4.60	579	0.31	8,102	4.29
1984	149,731	9,120	6.09	2,415	1.61	6,705	4.48
1985	257,013	25,055	9.75	12,572	4.89	12,483	4.86
1986	172,104	22,999	13.36	957	0.56	22,041	12.81
1987	224,580	12,457	5.55	2,467	1.10	9,989	4.45
1988	200,348	7,823	3.90	4,075	2.03	3,748	1.87
1989	481,584	15,293	3.18	9,636	2.00	5,657	1.17
1990	205,553	9,996	4.86	3,735	1.82	6,261	3.05
1991	384,949	13,589	3.53	5,750	1.49	7,839	2.04
1992	434,914	12,858	2.96	1,982	0.46	10,876	2.50
1993	202,527	10,578	5.22	14,984	7.40	(4,406)	(2.18)
1994	273,177	32,786	12.00	28,143	10.30	4,644	1.70
1995	199,107	25,948	13.03	4,777	2.40	21,171	10.63
1996	250,797	22,765	9.08	7,805	3.11	14,959	5.96
1997	202,164	24,698	12.22	1,617	0.80	23,081	11.42
1998	160,249	6,708	4.19	4,272	2.67	2,436	1.52
1999	254,307	11,617	4.57	7,930	3.12	3,687	1.45
2000	338,813	13,987	4.13	17,128	5.06	(3,141)	(0.93)
2001	434,282	37,149	8.55	40,330	9.29	(3,181)	(0.73)
2002	555,576	58,550	10.54	42,584	7.66	15,966	2.87
2003	521,266	39,245	7.53	20,737	3.98	18,508	3.55
2004	633,156	104,382	16.49	102,283	16.15	2,099	0.33
2005	895,191	169,953	18.99	338,801	37.85	(168,848)	(18.86)
2006	1,179,287	108,465	9.20	488,282	41.40	(379,817)	(32.21)
2007	1,386,296	224,187	16.17	506,730	36.55	(282,543)	(20.38)
2008	1,246,424	266,965	21.42	532,731	42.74	(265,766)	(21.32)
All Years	11,799,003	1,322,284	11.21	2,212,692	18.75	(890,408)	(7.55)
20-Yr Band	10,239,620	1,209,720	11.81	2,180,237	21.29	(970,518)	(9.48)
15-Yr Band	8,530,093	1,147,406	13.45	2,144,151	25.14	(996,745)	(11.69)
10-Yr Band	7,444,599	1,034,501	13.90	2,097,537	28.18	(1,063,036)	(14.28)
5-Yr Band	5,340,354	873,952	16.37	1,968,827	36.87	(1,094,875)	(20.50)
4-Yr Band	4,707,198	769,570	16.35	1,866,544	39.65	(1,096,974)	(23.30)

Net Removal FPSC approved in 2005:	0%	Cost of Removal Salvage	15%
		Proposed Net Removal	25%
			-10%

Since 2004, there has been significantly higher salvage for this account, while removal has been increasing as well recently. A lot of activity is related to preparation for AMI. Based on the data and trends, move towards the indications by decreasing net removal by 10% to negative 10%.

NET REMOVAL COST

Account 373 - Street Lighting

Year	Retirements	Cost of Removal	Cost of Removal %	Salvage	Salvage %	Net Removal	Net Removal %
1981	179,742	93,155	51.83	74,096	41.22	19,059	10.60
1982	173,132	101,524	58.64	97,615	56.38	3,909	2.26
1983	170,076	26,732	15.72	95,067	55.90	(68,335)	(40.18)
1984	286,958	37,392	13.03	18,635	6.49	18,756	6.54
1985	286,126	41,802	14.61	20,371	7.12	21,431	7.49
1986	268,770	52,316	19.46	14,410	5.36	37,906	14.10
1987	275,197	65,752	23.89	10,690	3.88	55,062	20.01
1988	799,968	105,366	13.17	23,051	2.88	82,315	10.29
1989	417,541	33,443	8.01	14,214	3.40	19,229	4.61
1990	443,090	84,120	18.98	51,928	11.72	32,192	7.27
1991	964,016	249,126	25.84	41,727	4.33	207,399	21.51
1992	716,279	141,875	19.81	36,569	5.11	105,307	14.70
1993	770,698	111,391	14.45	27,647	3.59	83,744	10.87
1994	715,564	85,116	11.89	26,462	3.70	58,654	8.20
1995	620,344	157,282	25.35	51,509	8.30	105,773	17.05
1996	604,115	95,613	15.83	90,955	15.06	4,657	0.77
1997	987,581	58,016	5.87	20,905	2.12	37,111	3.76
1998	778,799	227,567	29.22	107,221	13.77	120,346	15.45
1999	838,788	23,153	2.76	94,950	11.32	(71,797)	(8.56)
2000	707,899	100,979	14.26	157,722	22.28	(56,743)	(8.02)
2001	796,837	127,659	16.02	127,517	16.00	142	0.02
2002	675,994	144,957	21.44	139,388	20.62	5,568	0.82
2003	1,221,177	237,254	19.43	48,140	3.94	189,113	15.49
2004	1,556,805	164,751	10.58	53,975	3.47	110,776	7.12
2005	1,126,827	205,474	18.23	46,296	4.11	159,178	14.13
2006	1,308,239	660,963	50.52	111,772	8.54	549,191	41.98
2007	1,175,176	255,195	21.72	35,337	3.01	219,858	18.71
2008	1,497,785	378,414	25.26	10,626	0.71	367,788	24.56
All Years	20,363,525	4,066,385	19.97	1,648,795	8.10	2,417,591	11.87
20-Yr Band	17,923,555	3,542,347	19.76	1,294,860	7.22	2,247,487	12.54
15-Yr Band	14,611,931	2,922,391	20.00	1,122,775	7.68	1,799,617	12.32
10-Yr Band	10,905,528	2,298,799	21.08	825,723	7.57	1,473,075	13.51
5-Yr Band	6,664,832	1,664,797	24.98	258,006	3.87	1,406,791	21.11
4-Yr Band	5,108,027	1,500,046	29.37	204,031	3.99	1,296,015	25.37

Net Removal FPSC approved in 2005:	5%	Cost of Removal Salvage	Proposed Net Removal	15% 5% 10%
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Reduced salvage since 2002 and relatively consistent cost of removal, except large amount in 2006. Based on the data and trends, consistent with nature of property and industry experience, move towards the indications by increasing the rate to 10%.

Gulf Power Company

Account 390 - Structures & Improvements

Year	Retirements	Cost of Removal	Cost of Removal %	Salvage	Salvage %	Net Removal	Net Removal %
1981	147,286	31,113	21.12	200	0.14	30,913	20.99
1982	0	0		0		0	
1983	19,580	300	1.53	100	0.51	200	1.02
1984	66,964	15,008	22.41	290	0.43	14,718	21.98
1985	0	0		0		0	
1986	136,600	25,305	18.52	195	0.14	25,110	18.38
1987	830,914	96,123	11.57	22,365	2.69	73,758	8.88
1988	36,365	1,327	3.65	0	0.00	1,327	3.65
1989	241,423	8,506	3.52	5,735	2.38	2,771	1.15
1990	83,793	233	0.28	6,900	8.23	(6,667)	(7.96)
1991	277,474	2,165	0.78	23	0.01	2,142	0.77
1992	234,464	15,109	6.44	73,332	31.28	(58,223)	(24.83)
1993	16,974	4,283	25.23	0	0.00	4,283	25.23
1994	1,690	5,397	319.27	0	0.00	5,397	319.27
1995	168,287	11,121	6.61	39,838	23.67	(28,717)	(17.06)
1996	310,396	2,462	0.79	54,469	17.55	(52,007)	(16.75)
1997	236,660	48,595	20.53	0	0.00	48,595	20.53
1998	265,895	142,491	53.59	0	0.00	142,491	53.59
1999	610,967	22,579	3.70	0	0.00	22,579	3.70
2000	126,909	4,598	4	0	0.00	4,598	3.62
2001	183,538	14,035	8	0	0.00	14,035	7.65
2002	554,790	101,208	18	1,864	0.34	99,345	17.91
2003	301,326	72,194	24	1,000	0.33	71,194	23.63
2004	209,263	109,233	52	0	0.00	109,233	52.20
2005	74,931	54,578	73	0	0.00	54,578	72.84
2006	263,031	42,439	16	76,862	29.22	(34,423)	(13.09)
2007	225,781	169,141	75	0	0.00	169,141	74.91
2008	5,822,914	115,609	2	0	0.00	115,609	1.99
All Years	11,448,216	1,115,152	9.74	283,172	2.47	831,980	7.27
20-Yr Band	10,210,507	945,977	9.26	260,022	2.55	685,955	6.72
15-Yr Band	9,356,379	915,681	9.79	174,032	1.86	741,649	7.93
10-Yr Band	8,373,451	705,615	8.43	79,726	0.95	625,889	7.47
5-Yr Band	6,595,920	491,000	7.44	76,862	1.17	414,138	6.28
4-Yr Band	6,386,657	381,767	5.98	76,862	1.20	304,905	4.77

Net Removal FPSC approved in 2005:	5%	Cost of Removal	5%
		Salvage	0%
		Proposed Net Removal	5%

While not conclusive, the net removal indications by period are relatively consistent. The data supports continued use of the existing rate of 5%.

NET REMOVAL COST

Account 392.2 - Light Trucks

Year	Retirements	Cost of Removal	Cost of Removal %	Salvage	Salvage %	Net Removal	Net Removal %
1981	0	0		0		0	
1982	0	0		0		0	
1983	0	0		0		0	
1984	77,903	0	0.00	17,275	22.17	(17,275)	(22.17)
1985	229,981	0	0.00	35,828	15.58	(35,828)	(15.58)
1986	228,104	0	0.00	54,800	24.02	(54,800)	(24.02)
1987	87,840	0	0.00	13,644	15.53	(13,644)	(15.53)
1988	305,428	0	0.00	59,909	19.61	(59,909)	(19.61)
1989	160,752	0	0.00	10,544	6.56	(10,544)	(6.56)
1990	516,101	0	0.00	109,653	21.25	(109,653)	(21.25)
1991	440,223	0	0.00	76,495	17.38	(76,495)	(17.38)
1992	186,796	0	0.00	32,995	17.66	(32,995)	(17.66)
1993	203,508	0	0.00	44,565	21.90	(44,565)	(21.90)
1994	108,196	0	0.00	27,467	25.39	(27,467)	(25.39)
1995	251,529	0	0.00	87,546	34.81	(87,546)	(34.81)
1996	603,822	0	0.00	78,431	12.99	(78,431)	(12.99)
1997	460,888	0	0.00	101,172	21.95	(101,172)	(21.95)
1998	316,061	0	0.00	60,072	19.01	(60,072)	(19.01)
1999	722,153	0	0.00	67,658	9.37	(67,658)	(9.37)
2000	186,606	0	0.00	20,740	11.11	(20,740)	(11.11)
2001	274,993	0	0.00	48,791	17.74	(48,791)	(17.74)
2002	332,535	0	0.00	42,234	12.70	(42,234)	(12.70)
2003	137,514	0	0.00	13,451	9.78	(13,451)	(9.78)
2004	292,104	0	0.00	20,910	7.16	(20,910)	(7.16)
2005	309,599	0	0.00	42,684	13.79	(42,684)	(13.79)
2006	158,573	0	0.00	7,636	4.82	(7,636)	(4.82)
2007	666,102	0	0.00	76,291	11.45	(76,291)	(11.45)
2008	709,273	0	0.00	49,083	6.92	(49,083)	(6.92)
All Years	7,966,582	0	0.00	1,199,874	15.06	(1,199,874)	(15.06)
20-Yr Band	7,037,327	0	0.00	1,018,417	14.47	(1,018,417)	(14.47)
15-Yr Band	5,529,948	0	0.00	744,166	13.46	(744,166)	(13.46)
10-Yr Band	3,789,451	0	0.00	389,478	10.28	(389,478)	(10.28)
5-Yr Band	2,135,651	0	0.00	196,604	9.21	(196,604)	(9.21)
4-Yr Band	1,843,547	0	0.00	175,694	9.53	(175,694)	(9.53)

		Cost of Removal	0%
		Salvage	12%
Net Removal FPSC approved in 2005:	-13%	Proposed Net Removal	-12%

The data indicates a trend of decreasing salvage. Consistent with the data and the trends, a decrease in salvage is appropriate. Based on the 10- and 15-year band, net removal is concluded at -12%

NET REMOVAL COST

Account 392.3 - Heavy Trucks

Year	Retirements	Cost of Removal	Cost of Removal %	Salvage	Salvage %	Net Removal	Net Removal %
1981	0	0		0		0	
1982	0	0		0		0	
1983	0	0		0		0	
1984	445,650	0	0.00	28,539	6.40	(28,539)	(6.40)
1985	99,782	0	0.00	2,995	3.00	(2,995)	(3.00)
1986	989,593	0	0.00	414,541	41.89	(414,541)	(41.89)
1987	255,345	0	0.00	82,877	32.46	(82,877)	(32.46)
1988	61,215	0	0.00	24,641	40.25	(24,641)	(40.25)
1989	586,652	0	0.00	88,459	15.08	(88,459)	(15.08)
1990	79,400	0	0.00	2,526	3.18	(2,526)	(3.18)
1991	678,965	0	0.00	46,987	6.92	(46,987)	(6.92)
1992	1,043,543	0	0.00	190,387	18.24	(190,387)	(18.24)
1993	637,533	0	0.00	146,546	22.99	(146,546)	(22.99)
1994	1,686,569	0	0.00	395,055	23.42	(395,055)	(23.42)
1995	697,372	0	0.00	164,620	23.61	(164,620)	(23.61)
1996	1,261,198	0	0.00	267,893	21.24	(267,893)	(21.24)
1997	1,499,306	0	0.00	245,574	16.38	(245,574)	(16.38)
1998	917,266	0	0.00	276,228	30.11	(276,228)	(30.11)
1999	1,891,208	0	0.00	352,268	18.63	(352,268)	(18.63)
2000	427,841	0	0.00	123,399	28.84	(123,399)	(28.84)
2001	183,813	0	0.00	101,760	55.36	(101,760)	(55.36)
2002	1,511,132	0	0.00	223,142	14.77	(223,142)	(14.77)
2003	148,316	0	0.00	20,958	14.13	(20,958)	(14.13)
2004	3,455,161	0	0.00	441,424	12.78	(441,424)	(12.78)
2005	409,337	0	0.00	85,677	20.93	(85,677)	(20.93)
2006	3,410,160	0	0.00	391,635	11.48	(391,635)	(11.48)
2007	2,036,871	0	0.00	290,551	14.26	(290,551)	(14.26)
2008	1,638,026	0	0.00	202,040	12.33	(202,040)	(12.33)
All Years	26,051,254	0	0.00	4,610,723	17.70	(4,610,723)	(17.70)
20-Yr Band	24,199,669	0	0.00	4,057,129	16.77	(4,057,129)	(16.77)
15-Yr Band	21,173,576	0	0.00	3,582,224	16.92	(3,582,224)	(16.92)
10-Yr Band	15,111,865	0	0.00	2,232,854	14.78	(2,232,854)	(14.78)
5-Yr Band	10,949,555	0	0.00	1,411,327	12.89	(1,411,327)	(12.89)
4-Yr Band	7,494,394	0	0.00	969,903	12.94	(969,903)	(12.94)

Net Removal FPSC approved in 2005:	-17%	Cost of Removal	0%
		Salvage	15%
		Proposed Net Removal	-15%

The data indicates a trend of decreasing salvage. Consistent with the data and the trends, a small decrease in salvage is appropriate. Based on the 10- and 15-year band, net removal is concluded at -15%

NET REMOVAL COST

Account 392.4 - Trailers

Year	Retirements	Cost of Removal	Cost of Removal %	Salvage	Salvage %	Net Removal	Net Removal %
1981	0	0		0		0	
1982	0	0		0		0	
1983	0	0		0		0	
1984	17,658	0	0.00	4,962	28.10	(4,962)	(28.10)
1985	0	0		0		0	
1986	1,398	0	0.00	1,500	107.26	(1,500)	(107.26)
1987	0	0		0		0	
1988	0	0		0		0	
1989	20,547	0	0.00	1,803	8.77	(1,803)	(8.77)
1990	10,461	0	0.00	380	3.63	(380)	(3.63)
1991	24,155	0	0.00	2,690	11.14	(2,690)	(11.14)
1992	7,678	0	0.00	4,649	60.55	(4,649)	(60.55)
1993	68,640	0	0.00	4,129	6.02	(4,129)	(6.02)
1994	38,150	0	0.00	4,985	13.07	(4,985)	(13.07)
1995	31,259	0	0.00	3,530	11.29	(3,530)	(11.29)
1996	38,244	0	0.00	5,921	15.48	(5,921)	(15.48)
1997	6,814	0	0.00	445	6.53	(445)	(6.53)
1998	62,208	0	0.00	41,231	66.28	(41,231)	(66.28)
1999	210,006	0	0.00	20,157	9.60	(20,157)	(9.60)
2000	(7,631)	0	0.00	2,688	(35.22)	(2,688)	35.22
2001	21,392	0	0.00	5,400	25.24	(5,400)	(25.24)
2002	6,707	0	0.00	1,375	20.50	(1,375)	(20.50)
2003	7,067	0	0.00	886	12.53	(886)	(12.53)
2004	121,474	0	0.00	0	0.00	0	0.00
2005	0	0		6,090		(6,090)	
2006	68,337	0	0.00	8,436	12.34	(8,436)	(12.34)
2007	2,585	0	0.00	4,760	184.14	(4,760)	(184.14)
2008	51,539	0	0.00	0	0.00	0	0.00
All Years	808,690	0	0.00	126,017	15.58	(126,017)	(15.58)
20-Yr Band	789,633	0	0.00	119,555	15.14	(119,555)	(15.14)
15-Yr Band	658,151	0	0.00	105,904	16.09	(105,904)	(16.09)
10-Yr Band	481,477	0	0.00	49,792	10.34	(49,792)	(10.34)
5-Yr Band	243,935	0	0.00	19,286	7.91	(19,286)	(7.91)
4-Yr Band	122,461	0	0.00	19,286	15.75	(19,286)	(15.75)

Net Removal FPSC approved in 2005:	-15%	Cost of Removal	0%
		Salvage	12%
		Proposed Net Removal	-12%

Limited company experience. The indicated data and trends supports a slight decrease in the salvage, which is consistent with the nature of the property. Use -12%.

NET REMOVAL COST

Account 396 - Power Operated Equipment

Year	Retirements	Cost of Removal	Cost of Removal %	Salvage	Salvage %	Net Removal	Net Removal %
1981	0	0		0		0	
1982	0	0		0		0	
1983	0	0		0		0	
1984	0	0		0		0	
1985	0	0		0		0	
1986	0	0		0		0	
1987	0	0		0		0	
1988	815	0	0.00	0	0.00	0	0.00
1989	0	0		0		0	
1990	0	0		0		0	
1991	0	0		0		0	
1992	0	0		0		0	
1993	0	0		0		0	
1994	19,446	0	0.00	2,500	12.86	(2,500)	(12.86)
1995	0	0		0		0	
1996	0	0		0		0	
1997	0	0		0		0	
1998	0	0		0		0	
1999	290,788	0	0.00	92,383	31.77	(92,383)	(31.77)
2000	0	0		0		0	
2001	0	0		0		0	
2002	0	0		0		0	
2003	0	0		0		0	
2004	0	0		0		0	
2005	0	0		0		0	
2006	0	0		0		0	
2007	0	0		0		0	
2008	0	0		0		0	
All Years	311,049	0	0.00	94,883	30.50	(94,883)	(30.50)
20-Yr Band	310,234	0	0.00	94,883	30.58	(94,883)	(30.58)
15-Yr Band	310,234	0	0.00	94,883	30.58	(94,883)	(30.58)
10-Yr Band	290,788	0	0.00	92,383	31.77	(92,383)	(31.77)
5-Yr Band	0	0		0		0	
4-Yr Band	0	0		0		0	

Net Removal FPSC approved in 2005:	-20%	Cost of Removal	0%
		Salvage	20%
		Proposed Net Removal	-20%

Very limited company experience. No compelling reason to change the existing rate, given the data and the typical nature of the property.

NET REMOVAL COST

Account 397 - Communications Equipment

Year	Retirements	Cost of Removal	Cost of Removal %	Salvage	Salvage %	Net Removal	Net Removal %
1981	19,189	167	0.87	130	0.68	37	0.19
1982	8,371	83	0.99	0	0.00	83	0.99
1983	10,058	2,002	19.90	25	0.25	1,977	19.66
1984	3,638	449	12.33	0	0.00	449	12.33
1985	7,333	2,567	35.00	0	0.00	2,567	35.00
1986	49,092	3,493	7.11	0	0.00	3,493	7.11
1987	54,550	3,310	6.07	0	0.00	3,310	6.07
1988	3,640	1,729	47.48	0	0.00	1,729	47.48
1989	157,545	1,727	1.10	2,050	1.30	(323)	(0.21)
1990	383,983	1,614	0.42	(950)	(0.25)	2,564	0.67
1991	35,982	5,504	15.30	0	0.00	5,504	15.30
1992	7,924	6,693	84.47	679	8.57	6,014	75.90
1993	53,165	(2,262)	(4.25)	0	0.00	(2,262)	(4.25)
1994	216,135	297	0.14	1,550	0.72	(1,253)	(0.58)
1995	42,306	658	1.56	0	0.00	658	1.56
1996	40,503	2,173	5.36	1,425	3.52	748	1.85
1997	2,989,998	30,787	1.03	54,605	1.83	(23,818)	(0.80)
1998	301,604	294	0.10	43,837	14.53	(43,543)	(14.44)
1999	647,304	854	0.13	(75,616)	(11.68)	76,470	11.81
2000	0	277		0		277	
2001	76,424	1,842	2.41	49,329	64.55	(47,487)	(62.14)
2002	669,896	21,817	3.26	22,246	3.32	(429)	(0.06)
2003	391,687	7,429	1.90	29,158	7.44	(21,729)	(5.55)
2004	159,969	17,904	11.19	0	0.00	17,904	11.19
2005	302,748	14,698	4.85	26,587	8.78	(11,889)	(3.93)
2006	421,147	37,428	8.89	67,758	16.09	(30,330)	(7.20)
2007	731,377	29,006	3.97	70	0.01	28,936	3.96
2008	1,036,081	29,941	2.89	(7,719)	(0.74)	37,660	3.63
All Years	8,821,648	222,480	2.52	215,164	2.44	7,316	0.08
20-Yr Band	8,665,777	208,682	2.41	215,009	2.48	(6,327)	(0.07)
15-Yr Band	8,027,179	195,406	2.43	213,230	2.66	(17,825)	(0.22)
10-Yr Band	4,436,633	161,196	3.63	111,813	2.52	49,383	1.11
5-Yr Band	2,651,322	128,977	4.86	86,696	3.27	42,281	1.59
4-Yr Band	2,491,353	111,073	4.46	86,696	3.48	24,377	0.98

Net Removal FPSC approved in 2005:	0%	Cost of Removal	3%
		Salvage	3%
		Proposed Net Removal	0%

Data is not materially changed since the prior study. The company experience of this account is somewhat sporadic but, averaged over the various bands, the indicated net removal of this account is typically 0%.

2005 to 2008 Net Removal Cost
 Reconciliation of Abnormal Adjustments
 Gulf Power Company

Year	RETIREMENTS			COST OF REMOVAL			GROSS SALVAGE		
	Per COR Study	Abnormal/ Adjs.	Per Activity (Tabs 10-11)	Per COR Study	Abnormal/ Adjs.	Per Activity (Tabs 10-11)	Per COR Study	Abnormal/ Adjs.	Per Activity (Tabs 10-11)
STEAM PRODUCTION									
2005	17,590,812	808,073	18,398,885	4,847,003	0	4,847,003	346,984	0	346,984
2006	16,269,755	413,092	16,682,847	2,980,102	0	2,980,102	798,621	0	798,621
2007	18,349,337	130,611	18,479,948	6,259,978	0	6,259,978	286,297	0	286,297
2008	12,620,134	0	12,620,134	7,901,935	0	7,901,935	1,329,574	0	1,329,574

2005 Abnormal/Adjs. represent retirement of amortization property 808,073.
 2006 Abnormal/Adjs. represent retirement of amortization property 413,092.
 2007 Abnormal/Adjs. represent retirement of amortization property 130,611.

ACCOUNT 353

2005	974,007	444	974,451	84,505	133	84,638	0	0	0
2006	1,082,433	0	1,082,433	100,105	0	100,105	4,762	0	4,762
2007	965,642	0	965,642	114,940	0	114,940	4,281	0	4,281
2008	1,588,427	0	1,588,427	50,957	0	50,957	20,668	0	20,668

2005 Abnormal Adj. 444 Retirement due to Hurricane Dennis
 2005 Abnormal Adj 133 COR due to Hurricane Dennis

ACCOUNT 355

2005	293,726	23,233	316,959	376,525	18,750	395,275	1,042	0	1,042
2006	115,485	0	115,485	315,939	0	315,939	0	0	0
2007	425,040	0	425,040	484,243	0	484,243	11,133	0	11,133
2008	804,023	0	804,023	365,164	0	365,164	0	0	0

2005 Abnormal Adj. 23,233 Retirement due to Hurricane Dennis
 2005 Abnormal Adj 18,750 COR due to Hurricane Dennis

**2005 to 2008 Net Removal Cost
Reconciliation of Abnormal Adjustments
Gulf Power Company**

Year	RETIREMENTS			COST OF REMOVAL			GROSS SALVAGE		
	Per COR Study	Abnormal/ Adjs.	Per Activity (Tabs 10-11)	Per COR Study	Abnormal/ Adjs.	Per Activity (Tabs 10-11)	Per COR Study	Abnormal/ Adjs.	Per Activity (Tabs 10-11)
ACCOUNT 356									
2005	89,214	5,480	94,694	106,368	527	106,895	0	0	0
2006	123,323	0	123,323	3,670	0	3,670	0	0	0
2007	328,179	0	328,179	20,059	0	20,059	0	0	0
2008	1,882,466	0	1,882,466	34,785	0	34,785	0	0	0
2005		Abnormal Adj. 1,340 Retirement due to Hurricane Dennis							
2005		Abnormal Adj. 4,140 Retirement due to Hurricane Katrina							
2005		Abnormal Adj 527 COR due to Hurricane Katrina							
ACCOUNT 362									
2005	1,426,223	787	1,427,010	116,847	399	117,246	0	0	0
2006	1,810,524	0	1,810,524	298,793	0	298,793	250	0	250
2007	2,378,927	0	2,378,927	382,190	0	382,190	215,931	0	215,931
2008	1,597,784	0	1,597,784	114,855	0	114,855	53,838	0	53,838
2005		Abnormal Adj. 787 Retirement due to Hurricane Dennis							
2005		Abnormal Adj 399 COR due to Hurricane Dennis							
ACCOUNT 364									
2005	522,896	291,613	814,509	378,010	120,054	498,064	131,630	0	131,630
2006	691,277	0	691,277	706,075	0	706,075	230,532	0	230,532
2007	795,610	0	795,610	816,237	0	816,237	57,044	0	57,044
2008	860,671	0	860,671	1,095,036	0	1,095,036	76,851	0	76,851
2005		Abnormal Adj. 268,605 Retirement due to Hurricane Dennis							
2005		Abnormal Adj. 20,740 Retirement due to Hurricane Katrina							
2005		Abnormal Adj. 2,268 Retirement due to Tropical Storm Arlene							
2005		Abnormal Adj 111,012 COR due to Hurricane Dennis							
2005		Abnormal Adj 8,480 COR due to Hurricane Katrina							
2005		Abnormal Adj 562 COR due to Tropical Storm Arlene							

2005 to 2008 Net Removal Cost
 Reconciliation of Abnormal Adjustments
 Gulf Power Company

Year	RETIREMENTS			COST OF REMOVAL			GROSS SALVAGE		
	Per COR Study	Abnormal/ Adjs.	Per Activity (Tabs 10-11)	Per COR Study	Abnormal/ Adjs.	Per Activity (Tabs 10-11)	Per COR Study	Abnormal/ Adjs.	Per Activity (Tabs 10-11)
ACCOUNT 365									
2005	602,103	973,273	1,575,376	345,841	(151,496)	194,345	118,931	0	118,931
2006	1,324,230	0	1,324,230	696,639	0	696,639	135,184	0	135,184
2007	793,034	0	793,034	803,430	0	803,430	236,807	0	236,807
2008	736,229	0	736,229	591,709	0	591,709	215,155	0	215,155
2005		Abnormal Adj. 905,822 Retirement due to Hurricane Dennis							
2005		Abnormal Adj. 67,451 Retirement due to Hurricane Katrina							
2005		Abnormal Adj 209,469 COR due to Hurricane Dennis							
2005		Abnormal Adj 377,900 COR due to Hurricane Ivan							
2005		Abnormal Adj 16,935 COR due to Hurricane Katrina							
ACCOUNT 367									
2005	342,060	189,866	531,926	73,666	6,995	80,661	22,310	0	22,310
2006	723,509	0	723,509	137,812	0	137,812	31,539	0	31,539
2007	808,014	0	808,014	204,519	0	204,519	72,142	0	72,142
2008	364,300	0	364,300	141,917	0	141,917	21,759	0	21,759
2005		Abnormal Adj. 153,873 Retirement due to Hurricane Dennis							
2005		Abnormal Adj. 35,993 Retirement due to Hurricane Katrina							
2005		Abnormal Adj 5,842 COR due to Hurricane Dennis							
2005		Abnormal Adj 1,153 COR due to Hurricane Katrina							

2005 to 2008 Net Removal Cost
 Reconciliation of Abnormal Adjustments
 Gulf Power Company

Year	RETIREMENTS			COST OF REMOVAL			GROSS SALVAGE		
	Per COR Study	Abnormal/ Adjs.	Per Activity (Tabs 10-11)	Per COR Study	Abnormal/ Adjs.	Per Activity (Tabs 10-11)	Per COR Study	Abnormal/ Adjs.	Per Activity (Tabs 10-11)
ACCOUNT 368									
2005	3,163,354	1,373,279	4,536,633	768,292	167,441	935,733	399,460	0	399,460
2006	2,988,934	0	2,988,934	724,277	0	724,277	308,793	0	308,793
2007	2,435,074	0	2,435,074	616,133	0	616,133	240,235	0	240,235
2008	2,038,958	0	2,038,958	841,019	0	841,019	380,066	0	380,066
2005		Abnormal Adj. 1,200,502 Retirement due to Hurricane Dennis							
2005		Abnormal Adj. 171,442 Retirement due to Hurricane Katrina							
2005		Abnormal Adj. 1,335 Retirement due to Tropical Storm Arlene							
2005		Abnormal Adj 156,833 COR due to Hurricane Dennis							
2005		Abnormal Adj 10,145 COR due to Hurricane Katrina							
2005		Abnormal Adj 463 COR due to Stropical Storm Arlene							
ACCOUNT 370									
2005	895,191	32,711	927,902	169,953	202	170,155	338,801	0	338,801
2006	1,179,287	0	1,179,287	108,465	0	108,465	488,282	0	488,282
2007	1,386,296	0	1,386,296	224,187	0	224,187	506,730	0	506,730
2008	1,246,424	0	1,246,424	266,965	0	266,965	532,731	0	532,731
2005		Abnormal Adj. 31,698.70 Retirement due to Hurricane Dennis							
2005		Abnormal Adj. 1,012 Retirement due to Hurricane Katrina							
2005		Abnormal Adj 191 COR due to Hurricane Dennis							
2005		Abnormal Adj 11 COR due to Hurricane Katrina							

**2005 to 2008 Net Removal Cost
Reconciliation of Abnormal Adjustments
Gulf Power Company**

Year	RETIREMENTS			COST OF REMOVAL			GROSS SALVAGE		
	Per COR Study	Abnormal/ Adjs.	Per Activity (Tabs 10-11)	Per COR Study	Abnormal/ Adjs.	Per Activity (Tabs 10-11)	Per COR Study	Abnormal/ Adjs.	Per Activity (Tabs 10-11)
ACCOUNT 373									
2005	1,126,827	848,308	1,975,135	205,474	111,097	316,571	46,296	0	46,296
2006	1,308,239	0	1,308,239	660,963	0	660,963	111,772	0	111,772
2007	1,175,176	0	1,175,176	255,195	0	255,195	35,337	0	35,337
2008	1,497,785	0	1,497,785	378,414	0	378,414	10,626	0	10,626
2005		Abnormal Adj. 441,726 Retirement due to Hurricane Dennis							
2005		Abnormal Adj. 406,582 Retirement due to Hurricane Katrina							
2005		Abnormal Adj 58,430 COR due to Hurricane Dennis							
2005		Abnormal Adj 52,667 COR due to Hurricane Katrina							
ACCOUNT 397									
2005	302,748	438,809	741,557	14,698	0	14,698	26,587	0	26,587
2006	421,147	92,760	513,907	37,428	0	37,428	67,758	0	67,758
2007	731,377	24,322	755,699	29,006	0	29,006	70	0	70
2008	1,036,081	0	1,036,081	29,941	0	29,941	(7,719)	0	(7,719)
2005		Abnormal/Adjs. represent retirement of amortization property 438,809.							
2006		Abnormal/Adjs. represent retirement of amortization property 92,760.							
2007		Abnormal/Adjs. represent retirement of amortization property 24,322.							

ANNUAL DISMANTLEMENT COSTS

The "Proposed Expense" represented on Schedule 1 was determined in accordance with FPSC Rule 25-6.04364(4). As prescribed in this rule, the proposed expense amounts are a level amount to be recovered over the life of each generating unit. The indices contained in the DRI/"Review of the U.S. Economy" March 2009 (Sch. 3) were used to escalate the total dismantlement cost estimates and to determine the level funding amounts. The following assumptions were used in determining this expense:

1. The labor cost estimates for each generating unit included in the company's dismantlement cost study include materials used in the removal process. The amount of materials included as labor cost, estimated at 40%, has been reclassified as scrap (col. E, Sch. 2) in order to escalate the materials cost using the appropriate index for Intermediate Materials, Supplies, and Components.
2. The actual dismantlement of Gulf Power Company's plants is expected to take three years (column D & E of Sch. 2). Eighty-five percent of the total cost estimate will occur in the first two years after each unit's retirement date. The remaining 15% will occur during the year after the plant's retirement date (after all units are retired). This 15% represents the removal of turbine house and boiler house structures.
3. The accumulated reserve for dismantlement is currently maintained by total plant site. The estimated reserve at December 31, 2009 (col., H, Sch. 2) has been allocated to labor, disposal, and scrap based on the Future Cost Estimate (col. G, Sch. 2).
4. Gulf Power Company will review the dismantlement cost estimates every four years when depreciation rates are studied. As these costs will not be revised during the interim periods between studies, an average expense for the next four years has been determined using the average inflation rate.

Total Company and Jurisdictional current cost and future cost are reported on Schedule 1a (Rule 25-6.04364(3) (g) (h)).

**Annual Fossil Dismantlement Cost
Summary of Current and Proposed Expense
Gulf Power Company**

Schedule 1

	<u>Current Expense</u>	<u>Proposed Expense</u>	<u>Change</u>
Plant Crist	2,659,829	6,153,381	3,493,552
Plant Smith	950,810	1,206,414	255,604
Plant Scholz	521,738	1,005,669	483,931
Plant Daniel	754,764	598,065	(156,699)
Plant Scherer	<u>107,319</u>	<u>76,722</u>	<u>(30,597)</u>
Total Steam	<u>4,994,460</u>	<u>9,040,251</u>	<u>4,045,791</u>
Plant Smith CT	4,612	3,246	(1,366)
Plant Pea Ridge	6,102	17,307	11,205
Smith Comb Cycle	234,069	262,635	28,566
Total Gulf Power	<u>5,239,243</u>	<u>9,323,439</u>	<u>4,084,196</u>

Note: Crist Unit 1, Unit 2 and Unit 3 are not included in the dismantlement study as these units have been physically dismantled prior to the 2009 Dismantlement Study.

**ANNUAL FOSSIL DISMANTLEMENT COST
 JURISDICTIONAL DISMANTLEMENT COST ESTIMATES
 GULF POWER COMPANY**

PLANT/UNIT	Total Company Current Cost Estimate 12/31/2009	Jurisdictional Current Cost Estimate 12/31/2009	Future Cost Estimate	Jurisdictional Future Cost Estimate
<u>Plant Crist</u>				
Total Unit 4	5,426,000	5,237,847	7,952,900	7,677,124
Total Unit 5	5,501,000	5,310,246	8,380,344	8,089,746
Total Unit 6	13,336,000	12,873,558	24,317,471	23,474,234
Total Unit 7	23,693,000	22,871,417	45,589,689	44,008,812
Total Common	100,481,000	96,996,701	192,987,420	186,295,350
Total Plant Crist	148,437,000	143,289,769	279,227,824	269,545,264
<u>Plant Smith</u>				
Total Unit 1	5,916,000	5,710,856	9,462,043	9,133,935
Total Unit 2	6,796,000	6,560,341	11,289,131	10,897,667
Total Common	19,243,000	18,575,726	32,143,709	31,029,087
Total Plant Smith	31,955,000	30,846,922	52,894,883	51,060,689
<u>Plant Scholz</u>				
Total Unit 1	2,983,000	2,879,561	3,039,566	2,934,165
Total Unit 2	2,938,000	2,836,121	2,994,405	2,890,570
Total Common	6,886,000	6,647,220	7,085,855	6,840,144
Total Plant Scholz	12,807,000	12,362,902	13,119,826	12,664,880

**ANNUAL FOSSIL DISMANTLEMENT COST
 JURISDICTIONAL DISMANTLEMENT COST ESTIMATES
 GULF POWER COMPANY**

PLANT/UNIT	Total Company Current Cost Estimate 12/31/2009	Jurisdictional Current Cost Estimate 12/31/2009	Future Cost Estimate	Jurisdictional Future Cost Estimate
<u>Plant Daniel (Gulf %)</u>				
Total Unit 1	4,101,000	3,958,793	9,330,858	9,007,299
Total Unit 2	4,170,000	4,025,400	10,340,682	9,982,106
Total Common	13,066,000	12,612,921	30,279,592	29,229,611
Total Plant Daniel	<u>21,337,000</u>	<u>20,597,114</u>	<u>49,951,132</u>	<u>48,219,017</u>
<u>Plant Scherer</u>				
Total Unit 3	1,895,250	0	5,806,053	0
Total Common	1,709,875	0	4,485,309	0
Total Plant Scherer	<u>3,605,125</u>	<u>0</u>	<u>10,291,362</u>	<u>0</u>
<u>Plant Smith Combustion Turbine</u>				
Total Smith CT	166,000	160,244	190,647	184,036
<u>Pace (Pea Ridge) Plant</u>				
Total Unit 1	50,000	48,266	58,873	56,832
Total Unit 2	50,000	48,266	58,873	56,832
Total Unit 3	50,000	48,266	58,873	56,832
Total Pace (Pea Ridge)	<u>150,000</u>	<u>144,799</u>	<u>176,619</u>	<u>170,495</u>
<u>Smith Unit 3 - CC</u>				
Total Smith Unit 3	6,828,000	6,591,231	14,097,735	13,608,879
Total Dismantlement Costs	<u>\$ 225,285,125</u>	<u>\$ 213,992,980</u>	<u>\$ 419,950,028</u>	<u>\$ 395,453,260</u>

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
PLANT/UNIT	ITEM	COST ESTIMATE 12/31/09	EXPENDITURE DATE	AMOUNT	COMPOUND MULT.	FUTURE COST ESTIMATE	ALLOCATED RESERVE 12/31/09	UN- RECOVERED COST	AVERAGE INFLATION RATE	2010 ANNUAL EXPENSE	AVG. MULT.	FOUR YEAR AVERAGE EXPENSE
					Sch. 3	(E)x(F)	% of (G)	(G)-(H)	G+E*(1+(D-2008)-1	1+(J*(D-2008)-1		(K)x(L)
Unit 4	Labor		2024	1,621,290	1.378	2,234,138						
			2025	1,621,290	1.415	2,294,125						
			2039	572,220	2.038	1,166,184						
	Total Labor	6,358,000	2024	<u>3,814,800</u>		<u>5,694,447</u>	3,043,553	2,650,894	2.71%	145,621	1.0413	<u>151,635</u>
	Disposal		2024	118,575	1.267	150,235						
			2025	118,575	1.288	152,725						
			2039	41,850	1.589	66,500						
	Total Disposal	279,000	2024	<u>279,000</u>		<u>369,460</u>	197,468	171,992	1.89%	10,025	1.0287	<u>10,313</u>
	Scrap		2024	566,185	1.340	758,688						
	(incl. Materials @ 40% of Labor)		2025	566,185	1.366	773,409						
			2039	199,830	1.786	356,896						
	Total Scrap	(1,211,000)	2024	<u>1,332,200</u>		<u>1,888,993</u>	1,009,624	879,369	2.36%	49,558	1.0359	<u>51,337</u>
Total Unit 4		<u>5,426,000</u>		<u>5,426,000</u>		<u>7,952,900</u>	4,250,646	3,702,255		<u>205,204</u>		<u>213,285</u>
Unit 5	Labor		2026	1,634,805	1.453	2,375,372						
			2027	1,634,805	1.492	2,439,129						
			2039	576,990	2.038	1,175,906						
	Total Labor	6,411,000	2026	<u>3,846,600</u>		<u>5,990,407</u>	2,995,146	2,995,261	2.64%	141,880	1.0403	<u>147,598</u>
	Disposal		2026	127,925	1.309	167,454						
			2027	127,925	1.330	170,140						
			2039	45,150	1.589	71,743						
	Total Disposal	301,000	2026	<u>301,000</u>		<u>409,337</u>	204,665	204,672	1.82%	10,377	1.0277	<u>10,664</u>
	Scrap		2026	575,195	1.393	801,247						
	(incl. Materials @ 40% of Labor)		2027	575,195	1.420	816,777						
			2039	203,010	1.786	362,576						
	Total Scrap	(1,211,000)	2026	<u>1,353,400</u>		<u>1,980,600</u>	990,281	990,319	2.27%	48,405	1.0345	<u>50,075</u>
Total Unit 5		<u>5,501,000</u>		<u>5,501,000</u>		<u>8,380,344</u>	4,190,092	4,190,252		<u>200,662</u>		<u>208,337</u>

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
PLANT/UNIT	ITEM	COST ESTIMATE 12/31/09	EXPENDITURE DATE	AMOUNT	COMPOUND MULT.	FUTURE COST ESTIMATE	ALLOCATED RESERVE 12/31/09	UN- RECOVERED COST	AVERAGE INFLATION RATE	2010 ANNUAL EXPENSE	AVG. MULT.	FOUR YEAR AVERAGE EXPENSE
Unit 6												
	Labor		2035	3,993,045	1.840	7,347,203						
			2036	3,993,045	1.888	7,538,869						
			2039	1,409,310	2.038	2,872,174						
	Total Labor	15,659,000	2035	<u>9,395,400</u>		<u>17,758,246</u>	7,381,814	10,376,432	2.48%	288,969	1.0378	<u>299,892</u>
	Disposal		2035	249,900	1.502	375,350						
			2036	249,900	1.524	380,848						
			2039	88,200	1.589	140,150						
	Total Disposal	588,000	2035	<u>588,000</u>		<u>896,348</u>	372,597	523,751	1.63%	16,327	1.0248	<u>16,732</u>
	Scrap (incl. Materials @ 40% of Labor)		2035	1,424,855	1.656	2,359,560						
			2036	1,424,855	1.688	2,405,155						
			2039	502,890	1.786	898,162						
	Total Scrap	<u>(2,911,000)</u>	2035	<u>3,352,600</u>		<u>5,662,877</u>	2,353,966	3,308,911	2.04%	97,793	1.0310	<u>100,825</u>
Total Unit 6		<u>13,336,000</u>		<u>13,336,000</u>		<u>24,317,471</u>	10,108,377	14,209,094		<u>403,089</u>		<u>417,449</u>
Unit 7												
	Labor		2038	6,787,590	1.987	13,486,941						
			2039	6,787,590	2.038	13,833,108						
			2039	2,395,620	2.038	4,882,274						
	Total Labor	26,618,000	2038	<u>15,970,800</u>		<u>32,202,323</u>	8,233,270	23,969,053	2.45%	577,260	1.0373	<u>598,792</u>
	Disposal		2038	654,500	1.567	1,025,602						
			2039	654,500	1.589	1,040,001						
			2039	231,000	1.589	367,059						
	Total Disposal	1,540,000	2038	<u>1,540,000</u>		<u>2,432,662</u>	621,966	1,810,696	1.59%	49,639	1.0241	<u>50,835</u>
	Scrap (incl. Materials @ 40% of Labor)		2038	2,627,435	1.753	4,605,894						
			2039	2,627,435	1.786	4,692,599						
			2039	927,330	1.786	1,656,211						
	Total Scrap	<u>(4,465,000)</u>	2038	<u>6,182,200</u>		<u>10,954,704</u>	2,800,824	8,153,880	1.99%	210,437	1.0303	<u>216,813</u>
Total Unit 7		<u>23,693,000</u>		<u>23,693,000</u>		<u>45,589,689</u>	11,656,060	33,933,629		<u>837,336</u>		<u>866,440</u>

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
PLANT/UNIT	ITEM	COST ESTIMATE 12/31/09	EXPENDITURE DATE	AMOUNT	COMPOUND MULT.	FUTURE COST ESTIMATE	ALLOCATED RESERVE 12/31/09	UN- RECOVERED COST	AVERAGE INFLATION RATE	2010 ANNUAL EXPENSE	AVG. MULT.	FOUR YEAR AVERAGE EXPENSE
Common												
	Labor		2038	26,441,715	1.987	52,539,688						
			2039	26,441,715	2.038	53,888,215						
			2039	9,332,370	2.038	19,019,370						
	Total Labor	103,693,000	2038	<u>62,215,800</u>		<u>125,447,273</u>	12,337,849	113,109,424	2.45%	<u>2,724,075</u>	1.0373	<u>2,825,683</u>
	Disposal		2038	585,225	1.567	917,048						
			2039	585,225	1.589	929,923						
			2039	206,550	1.589	328,208						
	Total Disposal	1,377,000	2038	<u>1,377,000</u>		<u>2,175,179</u>	213,931	1,961,248	1.59%	<u>53,766</u>	1.0241	<u>55,062</u>
	Scrap		2038	15,677,485	1.753	27,482,631						
	(incl. Materials @ 40% of Labor)		2039	15,677,485	1.786	27,999,988						
			2039	5,533,230	1.786	9,882,349						
	Total Scrap	<u>(4,589,000)</u>	2038	<u>36,888,200</u>		<u>65,364,968</u>	6,428,702	58,936,266	1.99%	<u>1,521,038</u>	1.0303	<u>1,567,125</u>
	Total Common	<u>100,481,000</u>		<u>100,481,000</u>		<u>192,987,420</u>	18,980,482	174,006,938		<u>4,298,879</u>		<u>4,447,870</u>
Total Plant Crist												
	Labor			40,478,445		77,983,342						
				40,478,445		79,993,446						
				14,286,510		29,115,908						
	Total Labor	158,739,000		<u>95,243,400</u>		<u>187,092,696</u>	33,991,632	153,101,064		<u>3,877,805</u>		<u>4,023,600</u>
	Disposal			1,736,125		2,635,689						
				1,736,125		2,673,637						
				612,750		973,660						
	Total Disposal	4,085,000		<u>4,085,000</u>		<u>6,282,986</u>	1,610,627	4,672,359		<u>140,134</u>		<u>143,606</u>
	Scrap			20,871,155		36,008,020						
	(incl. Materials @ 40% of Labor)			20,871,155		36,687,928						
				7,366,290		13,156,194						
	Total Scrap	<u>(14,387,000)</u>		<u>49,108,600</u>		<u>85,852,142</u>	13,583,397	72,268,745		<u>1,927,231</u>		<u>1,986,175</u>
	Total Plant Crist	<u>148,437,000</u>		<u>148,437,000</u>		<u>279,227,824</u>	49,185,655	230,042,168		<u>5,945,170</u>		<u>6,153,381</u>

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
PLANT/UNIT	ITEM	COST ESTIMATE 12/31/09	EXPENDITURE DATE	AMOUNT	COMPOUND MULT.	FUTURE COST ESTIMATE	ALLOCATED RESERVE 12/31/09	UN- RECOVERED COST	AVERAGE INFLATION RATE	2010 ANNUAL EXPENSE	AVG. MULT.	FOUR YEAR AVERAGE EXPENSE
Plant Smith												
Unit 1												
	Labor		2030	1,661,580	1.615	2,683,452						
			2031	1,661,580	1.658	2,754,900						
			2033	586,440	1.747	1,024,511						
	Total Labor	6,516,000	2030	<u>3,909,600</u>		<u>6,462,863</u>	2,698,476	3,764,387	2.42%	<u>139,629</u>	1.0369	<u>144,781</u>
	Disposal		2030	256,700	1.393	357,583						
			2031	256,700	1.414	362,974						
			2033	90,600	1.457	132,004						
	Total Disposal	604,000	2030	<u>604,000</u>		<u>852,561</u>	355,975	496,586	1.65%	<u>19,969</u>	1.0251	<u>20,470</u>
	Scrap		2030	596,020	1.505	897,010						
	(incl. Materials @ 40% of Labor)		2031	596,020	1.534	914,295						
			2033	210,360	1.594	335,314						
	Total Scrap	(1,204,000)	2030	<u>1,402,400</u>		<u>2,146,619</u>	896,290	1,250,329	2.05%	<u>48,250</u>	1.0311	<u>49,751</u>
	Total Unit 1	<u>5,916,000</u>		<u>5,916,000</u>		<u>9,462,043</u>	3,950,741	5,511,302		<u>207,848</u>		<u>215,002</u>
Unit 2												
	Labor		2032	1,860,735	1.702	3,166,971						
			2033	1,860,735	1.747	3,250,704						
			2033	656,730	1.747	1,147,307						
	Total Labor	7,297,000	2032	<u>4,378,200</u>		<u>7,564,982</u>	2,830,094	4,734,888	2.41%	<u>156,531</u>	1.0367	<u>162,276</u>
	Disposal		2032	314,925	1.435	451,917						
			2033	314,925	1.457	458,846						
			2033	111,150	1.457	161,946						
	Total Disposal	741,000	2032	<u>741,000</u>		<u>1,072,709</u>	401,305	671,404	1.62%	<u>24,319</u>	1.0246	<u>24,917</u>
	Scrap		2032	712,640	1.564	1,114,569						
	(incl. Materials @ 40% of Labor)		2033	712,640	1.594	1,135,948						
			2033	251,520	1.594	400,923						
	Total Scrap	(1,242,000)	2032	<u>1,676,800</u>		<u>2,651,440</u>	991,916	1,659,524	2.01%	<u>57,451</u>	1.0306	<u>59,209</u>
	Total Unit 2	<u>6,796,000</u>		<u>6,796,000</u>		<u>11,289,131</u>	4,223,315	7,065,816		<u>238,301</u>		<u>246,402</u>

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
PLANT/UNIT	ITEM	COST ESTIMATE 12/31/09	EXPENDITURE DATE	AMOUNT	COMPOUND MULT.	FUTURE COST ESTIMATE	ALLOCATED RESERVE 12/31/09	UN- RECOVERED COST	AVERAGE INFLATION RATE	2010 ANNUAL EXPENSE	AVG. MULT.	FOUR YEAR AVERAGE EXPENSE
Common												
	Labor		2032	4,987,800	1.702	8,489,236						
			2033	4,987,800	1.747	8,713,687						
			2033	1,760,400	1.747	3,075,419						
	Total Labor	19,560,000	2032	<u>11,736,000</u>		<u>20,278,342</u>	6,770,145	13,508,197	2.41%	446,569	1.0367	<u>462,958</u>
	Disposal		2032	16,150	1.435	23,175						
			2033	16,150	1.457	23,531						
			2033	5,700	1.457	8,305						
	Total Disposal	38,000	2032	<u>38,000</u>		<u>55,011</u>	18,366	36,645	1.62%	1,327	1.0249	<u>1,360</u>
	Scrap		2032	3,174,325	1.564	4,964,644						
	(incl. Materials @ 40% of Labor)		2033	3,174,325	1.594	5,059,874						
			2033	1,120,350	1.594	1,785,838						
	Total Scrap	<u>(355,000)</u>	2032	<u>7,469,000</u>		<u>11,810,356</u>	3,943,015	7,867,341	2.01%	272,358	1.0306	<u>280,692</u>
	Total Common	<u>19,243,000</u>		<u>19,243,000</u>		<u>32,143,709</u>	10,731,526	21,412,183		<u>720,254</u>		<u>745,010</u>
Total Plant Smith												
	Labor			8,510,115		14,339,659						
				8,510,115		14,719,291						
				3,003,570		5,247,237						
	Total Labor	33,373,000		<u>20,023,800</u>		<u>34,306,187</u>	12,298,715	22,007,472		<u>742,729</u>		<u>770,015</u>
	Disposal			587,775		832,675						
				587,775		845,351						
				207,450		302,255						
	Total Disposal	1,383,000		<u>1,383,000</u>		<u>1,980,281</u>	775,646	1,204,635		<u>45,615</u>		<u>46,747</u>
	Scrap			4,482,985		6,976,223						
	(incl. Materials @ 40% of Labor)			4,482,985		7,110,117						
				1,582,230		2,522,075						
	Total Scrap	<u>(2,801,000)</u>		<u>10,548,200</u>		<u>16,608,415</u>	5,831,221	10,777,194		<u>378,059</u>		<u>389,652</u>
	Total Plant Smith	<u>31,955,000</u>		<u>31,955,000</u>		<u>52,894,883</u>	18,905,582	33,989,301		<u>1,166,403</u>		<u>1,206,414</u>

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
PLANT/UNIT	ITEM	COST ESTIMATE 12/31/09	EXPENDITURE DATE	AMOUNT	COMPOUND MULT.	FUTURE COST ESTIMATE	ALLOCATED RESERVE 12/31/09	UN- RECOVERED COST	AVERAGE INFLATION RATE	2010 ANNUAL EXPENSE	AVG. MULT.	FOUR YEAR AVERAGE EXPENSE
Plant Scholz												
Unit 1												
	Labor		2011	906,015	1.002	907,827						
			2012	906,015	1.004	909,639						
			2012	319,770	1.004	321,049						
	Total Labor	3,553,000	2011	<u>2,131,800</u>		<u>2,138,515</u>	1,872,891	265,624	0.16%	132,708	1.0024	<u>133,026</u>
	Disposal		2011	100,725	1.018	102,538						
			2012	100,725	1.036	104,351						
			2012	35,550	1.036	36,830						
	Total Disposal	237,000	2011	<u>237,000</u>		<u>243,719</u>	213,447	30,272	1.41%	15,030	1.0214	<u>15,352</u>
	Scrap		2011	261,035	1.057	275,914						
	(incl. Materials @ 40% of Labor)		2012	261,035	1.080	281,918						
			2012	92,130	1.080	99,500						
	Total Scrap	<u>(807,000)</u>	2011	<u>614,200</u>		<u>657,332</u>	575,685	81,647	3.45%	40,131	1.0530	<u>42,258</u>
	Total Unit 1	<u>2,983,000</u>		<u>2,983,000</u>		<u>3,039,566</u>	2,662,022	377,543		<u>187,869</u>		<u>190,636</u>
Unit 2												
	Labor		2011	884,085	1.002	885,853						
			2012	884,085	1.004	887,621						
			2012	312,030	1.004	313,278						
	Total Labor	3,467,000	2011	<u>2,080,200</u>		<u>2,086,752</u>	1,825,492	261,260	0.16%	130,527	1.0024	<u>130,840</u>
	Disposal		2011	105,400	1.018	107,297						
			2012	105,400	1.036	109,194						
			2012	37,200	1.036	38,539						
	Total Disposal	248,000	2011	<u>248,000</u>		<u>255,030</u>	223,100	31,930	1.41%	15,853	1.0213	<u>16,191</u>
	Scrap		2011	259,165	1.057	273,937						
	(incl. Materials @ 40% of Labor)		2012	259,165	1.080	279,898						
			2012	91,470	1.080	98,788						
	Total Scrap	<u>(777,000)</u>	2011	<u>609,800</u>		<u>652,623</u>	570,915	81,708	3.45%	40,161	1.0530	<u>42,290</u>
	Total Unit 2	<u>2,938,000</u>		<u>2,938,000</u>		<u>2,994,405</u>	2,619,507	374,898		<u>186,541</u>		<u>189,321</u>

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
PLANT/UNIT	ITEM	COST ESTIMATE 12/31/09	EXPENDITURE DATE	AMOUNT	COMPOUND MULT.	FUTURE COST ESTIMATE	ALLOCATED RESERVE 12/31/09	UN- RECOVERED COST	AVERAGE INFLATION RATE	2010 ANNUAL EXPENSE	AVG. MULT.	FOUR YEAR AVERAGE EXPENSE
Common												
	Labor		2011	1,793,160	1.002	1,796,746						
			2012	1,793,160	1.004	1,800,333						
			2012	632,880	1.004	635,412						
	Total Labor	7,032,000	2011	<u>4,219,200</u>		<u>4,232,491</u>	3,496,086	736,405	0.16%	367,913	1.0024	<u>368,796</u>
	Disposal		2011	7,225	1.018	7,355						
			2012	7,225	1.036	7,485						
			2012	2,550	1.036	2,642						
	Total Disposal	17,000	2011	<u>17,000</u>		<u>17,482</u>	14,440	3,042	1.41%	1,510	1.0214	<u>1,542</u>
	Scrap		2011	1,126,165	1.057	1,190,356						
	(incl. Materials @ 40% of Labor)		2012	1,126,165	1.080	1,216,258						
			2012	397,470	1.080	429,268						
	Total Scrap	(163,000)	2011	<u>2,649,800</u>		<u>2,835,882</u>	2,342,472	493,410	3.45%	242,520	1.0530	<u>255,374</u>
	Total Common	6,886,000		6,886,000		7,085,855	5,852,999	1,232,857		611,943		625,712
Total Plant Scholz												
	Labor			3,583,260		3,590,426						
				3,583,260		3,597,593						
				1,264,680		1,269,739						
	Total Labor	14,052,000		<u>8,431,200</u>		<u>8,457,758</u>	7,194,469	1,263,289		631,148		<u>632,662</u>
	Disposal			213,350		217,190						
				213,350		221,030						
				75,300		78,011						
	Total Disposal	502,000		<u>502,000</u>		<u>516,231</u>	450,987	65,244		32,393		<u>33,085</u>
	Scrap			1,646,365		1,740,207						
	(incl. Materials @ 40% of Labor)			1,646,365		1,778,074						
				581,070		627,556						
	Total Scrap	(1,747,000)		<u>3,873,800</u>		<u>4,145,837</u>	3,489,072	656,765		322,812		<u>339,922</u>
	Total Plant Scholz	12,807,000		12,807,000		13,119,826	11,134,528	1,985,298		986,353		1,005,669

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
PLANT/UNIT	ITEM	COST ESTIMATE 12/31/09	EXPENDITURE DATE	AMOUNT	COMPOUND MULT.	FUTURE COST ESTIMATE	ALLOCATED RESERVE 12/31/09	UN- RECOVERED COST	AVERAGE INFLATION RATE	2010 ANNUAL EXPENSE	AVG. MULT.	FOUR YEAR AVERAGE EXPENSE
Plant Daniel (Gulf %)												
Unit 1												
	Labor		2042	1,775,056	2.200	3,905,123						
			2043	1,775,055	2.257	4,006,299						
			2047	626,490	2.499	1,565,599						
	Total Labor	6,961,000	2042	<u>4,176,601</u>		<u>9,477,021</u>	4,498,795	4,978,226	2.51%	<u>98,618</u>	1.0383	<u>102,395</u>
	Disposal		2042	0	1.657	0						
			2043	0	1.680	0						
			2047	0	1.777	0						
	Total Disposal	0	2042	<u>0</u>		<u>0</u>	0	0	0.00%	<u>0</u>	0.0000	<u>0</u>
	Scrap		2042	(32,130)	1.890	(60,726)						
	(incl. Materials @ 40% of Labor)		2043	(32,130)	1.926	(61,882)						
			2047	(11,341)	2.077	(23,555)						
	Total Scrap	<u>(2,860,000)</u>	2042	<u>(75,601)</u>		<u>(146,163)</u>	(69,384)	(76,779)	2.02%	<u>(1,660)</u>	1.0304	<u>(1,710)</u>
Total Unit 1		<u>4,101,000</u>		<u>4,101,000</u>		<u>9,330,858</u>	4,429,410	4,901,447		<u>96,958</u>		<u>100,685</u>
Unit 2												
	Labor		2046	1,804,764	2.436	4,396,405						
			2047	1,804,763	2.499	4,510,103						
			2047	636,975	2.499	1,591,801						
	Total Labor	7,077,500	2046	<u>4,246,502</u>		<u>10,498,309</u>	4,726,065	5,772,244	2.48%	<u>97,095</u>	1.0378	<u>100,765</u>
	Disposal		2046	0	1.752	0						
			2047	0	1.777	0						
			2047	0	1.777	0						
	Total Disposal	0	2046	<u>0</u>		<u>0</u>	0	0	0.00%	<u>0</u>	0.0000	<u>0</u>
	Scrap		2046	(32,513)	2.038	(66,261)						
	(incl. Materials @ 40% of Labor)		2047	(32,513)	2.077	(67,530)						
			2047	(11,476)	2.077	(23,836)						
	Total Scrap	<u>(2,907,500)</u>	2046	<u>(76,502)</u>		<u>(157,627)</u>	(70,960)	(86,667)	1.97%	<u>(1,613)</u>	1.0299	<u>(1,661)</u>
Total Unit 2		<u>4,170,000</u>		<u>4,170,000</u>		<u>10,340,682</u>	4,655,105	5,685,577		<u>95,482</u>		<u>99,104</u>

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
PLANT/UNIT	ITEM	COST ESTIMATE 12/31/09	EXPENDITURE DATE	AMOUNT	COMPOUND MULT.	FUTURE COST ESTIMATE	ALLOCATED RESERVE 12/31/09	UN- RECOVERED COST	AVERAGE INFLATION RATE	2010 ANNUAL EXPENSE	AVG. MULT.	FOUR YEAR AVERAGE EXPENSE
Common												
	Labor		2046	3,513,519	2.436	8,558,932						
			2047	3,513,518	2.499	8,780,281						
			2047	1,240,065	2.499	3,098,922						
	Total Labor	13,778,500	2046	<u>8,267,102</u>		<u>20,438,135</u>	5,524,670	14,913,465	2.48%	250,860	1.0378	<u>260,343</u>
	Disposal		2046	66,938	1.752	117,275						
			2047	66,938	1.777	118,949						
			2047	23,625	1.777	41,982						
	Total Disposal	157,500	2046	<u>157,501</u>		<u>278,206</u>	75,202	203,004	1.55%	4,105	1.0236	<u>4,202</u>
	Scrap		2046	1,972,595	2.038	4,020,149						
	(incl. Materials @ 40% of Labor)		2047	1,972,595	2.077	4,097,080						
			2047	696,207	2.077	1,446,022						
	Total Scrap	<u>(870,000)</u>	2046	<u>4,641,397</u>		<u>9,563,251</u>	2,585,060	6,978,191	1.97%	129,836	1.0300	<u>133,731</u>
	Total Common	<u>13,066,000</u>		<u>13,066,000</u>		<u>30,279,592</u>	8,184,932	22,094,660		<u>384,801</u>		<u>398,276</u>
Total Plant Daniel												
	Labor			7,093,339		16,860,460						
				7,093,336		17,296,683						
				2,503,530		6,256,322						
	Total Labor	27,817,000		<u>16,690,205</u>		<u>40,413,465</u>	14,749,530	25,663,935		446,573		<u>463,503</u>
	Disposal			66,938		117,275						
				66,938		118,949						
				23,625		41,982						
	Total Disposal	157,500		<u>157,501</u>		<u>278,206</u>	75,202	203,004		4,105		<u>4,202</u>
	Scrap			1,907,952		3,893,162						
	(incl. Materials @ 40% of Labor)			1,907,952		3,967,668						
				673,390		1,398,631						
	Total Scrap	<u>(6,637,500)</u>		<u>4,489,294</u>		<u>9,259,461</u>	2,444,717	6,814,745		126,563		<u>130,360</u>
	Total Plant Daniel	<u>21,337,000</u>		<u>21,337,000</u>		<u>49,951,132</u>	17,269,449	32,681,684		<u>577,241</u>		<u>598,065</u>

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
PLANT/UNIT	ITEM	COST ESTIMATE 12/31/09	EXPENDITURE DATE	AMOUNT	COMPOUND MULT.	FUTURE COST ESTIMATE	ALLOCATED RESERVE 12/31/09	UN- RECOVERED COST	AVERAGE INFLATION RATE	2010 ANNUAL EXPENSE	AVG. MULT.	FOUR YEAR AVERAGE EXPENSE
Plant Scherer												
Unit 3												
	Labor		2052	1,062,873	2.838	3,016,434						
			2053	1,062,872	2.911	3,094,020						
			2053	375,131	2.911	1,092,006						
	Total Labor	4,168,125	2052	<u>2,500,876</u>		<u>7,202,460</u>	3,524,903	3,677,557	2.49%	48,718	1.0380	<u>50,569</u>
	Disposal		2052	0	1.906	0						
			2053	0	1.933	0						
			2053	0	1.933	0						
	Total Disposal	0	2052	<u>0</u>		<u>0</u>	0	0	0.00%	0	0.0000	<u>0</u>
	Scrap		2052	(257,391)	2.281	(587,109)						
	(incl. Materials @ 40% of Labor)		2053	(257,391)	2.324	(598,177)						
			2053	(90,844)	2.324	(211,121)						
	Total Scrap	(2,272,875)	2052	<u>(605,626)</u>		<u>(1,396,407)</u>	(683,405)	(713,002)	1.96%	(10,712)	1.0298	<u>(11,031)</u>
	Total Unit 3	1,895,250		1,895,250		5,806,053	2,841,498	2,964,555		38,006		39,538
Common												
	Labor		2052	425,118	2.838	1,206,485						
			2053	425,117	2.911	1,237,516						
			2053	150,041	2.911	436,769						
	Total Labor	1,667,125	2052	<u>1,000,276</u>		<u>2,880,770</u>	1,224,568	1,656,202	2.49%	21,940	1.0380	<u>22,774</u>
	Disposal		2052	34,956	1.906	66,626						
			2053	34,956	1.933	67,570						
			2053	12,338	1.933	23,849						
	Total Disposal	82,250	2052	<u>82,250</u>		<u>158,045</u>	67,182	90,863	1.53%	1,509	1.0230	<u>1,544</u>
	Scrap		2052	266,624	2.281	608,169						
	(incl. Materials @ 40% of Labor)		2053	266,624	2.324	619,634						
			2053	94,101	2.324	218,691						
	Total Scrap	(39,500)	2052	<u>627,349</u>		<u>1,446,494</u>	614,881	831,613	1.96%	12,494	1.0298	<u>12,866</u>
	Total Common	1,709,875		1,709,875		4,485,309	1,906,631	2,578,678		35,943		37,184

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
PLANT/UNIT	ITEM	COST ESTIMATE 12/31/09	EXPENDITURE DATE	AMOUNT	COMPOUND MULT.	FUTURE COST ESTIMATE	ALLOCATED RESERVE 12/31/09	UN- RECOVERED COST	AVERAGE INFLATION RATE	2010 ANNUAL EXPENSE	AVG. MULT.	FOUR YEAR AVERAGE EXPENSE
Total Plant Scherer												
	Labor			1,487,991		4,222,919						
				1,487,989		4,331,536						
				525,172		1,528,775						
	Total Labor	5,835,250		<u>3,501,152</u>		<u>10,083,230</u>	4,749,471	5,333,759		70,658		<u>73,343</u>
	Disposal			34,956		66,626						
				34,956		67,570						
				12,338		23,849						
	Total Disposal	82,250		<u>82,250</u>		<u>158,045</u>	67,182	90,863		1,509		<u>1,544</u>
	Scrap			9,233		21,060						
	(incl. Materials @ 40% of Labor)			9,233		21,457						
				3,257		7,570						
	Total Scrap	<u>(2,312,375)</u>		<u>21,723</u>		<u>50,087</u>	(68,524)	118,611		1,782		<u>1,835</u>
Total Plant Scherer		<u>3,605,125</u>		<u>3,605,125</u>		<u>10,291,362</u>	4,748,129	5,543,233		<u>73,949</u>		<u>76,722</u>
Plant Smith Combustion Turbine												
	Labor	183,000	2017	109,800	1.139	125,062	107,417	17,645	1.64%	2,082	1.0249	2,134
	Disposal	0	2017	0	1.128	0	0	0	0.00%	0	0.0000	0
	Scrap	(17,000)	2017	56,200	1.167	65,585	56,331	9,254	1.95%	1,080	1.0294	1,112
	(incl. Materials @ 40% of Labor)											
Total Smith CT		<u>166,000</u>		<u>166,000</u>		<u>190,647</u>	163,748	26,899		<u>3,162</u>		<u>3,246</u>

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
PLANT/UNIT	ITEM	COST ESTIMATE 12/31/09	EXPENDITURE DATE	AMOUNT	COMPOUND MULT.	FUTURE COST ESTIMATE	ALLOCATED RESERVE 12/31/09	UN- RECOVERED COST	AVERAGE INFLATION RATE	2010 ANNUAL EXPENSE	AVG. MULT.	FOUR YEAR AVERAGE EXPENSE
Pace (Pea Ridge) Plant												
Unit 1												
	Labor	55,000	2018	33,000	1.171	38,643	2,942	35,701	1.77%	3,694	1.0269	3,793
	Disposal	0	2018	0	1.147	0	0	0	0.00%	0	0.0000	0
	Scrap <i>(incl. Materials @ 40% of Labor)</i>	(5,000)	2018	17,000	1.190	20,230	1,540	18,690	1.95%	1,920	1.0294	1,976
Total Unit 1		<u>50,000</u>		<u>50,000</u>		<u>58,873</u>	<u>4,483</u>	<u>54,390</u>		<u>5,614</u>		<u>5,769</u>
Unit 2												
	Labor	55,000	2018	33,000	1.171	38,643	2,942	35,701	1.77%	3,694	1.0269	3,793
	Disposal	0	2018	0	1.147	0	0	0	0.00%	0	0.0000	0
	Scrap <i>(incl. Materials @ 40% of Labor)</i>	(5,000)	2018	17,000	1.190	20,230	1,540	18,690	1.95%	1,920	1.0294	1,976
Total Unit 2		<u>50,000</u>		<u>50,000</u>		<u>58,873</u>	<u>4,483</u>	<u>54,390</u>		<u>5,614</u>		<u>5,769</u>
Unit 3												
	Labor	55,000	2018	33,000	1.171	38,643	2,942	35,701	1.77%	3,694	1.0269	3,793
	Disposal	0	2018	0	1.147	0	0	0	0.00%	0	0.0000	0
	Scrap <i>(incl. Materials @ 40% of Labor)</i>	(5,000)	2018	17,000	1.190	20,230	1,540	18,690	1.95%	1,920	1.0294	1,976
Total Unit 3		<u>50,000</u>		<u>50,000</u>		<u>58,873</u>	<u>4,483</u>	<u>54,390</u>		<u>5,614</u>		<u>5,769</u>

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
PLANT/UNIT	ITEM	COST ESTIMATE 12/31/09	EXPENDITURE DATE	AMOUNT	COMPOUND MULT.	FUTURE COST ESTIMATE	ALLOCATED RESERVE 12/31/09	UN- RECOVERED COST	AVERAGE INFLATION RATE	2010 ANNUAL EXPENSE	AVG. MULT.	FOUR YEAR AVERAGE EXPENSE
Total Pace (Pea Ridge) Plant												
	Labor	165,000	2018	99,000		115,929	8,827	107,102		11,082		11,379
	Disposal	0	2018	0		0	0	0		0		0
	Scrap (incl. Materials @ 40% of Labor)	(15,000)	2018	51,000		60,690	4,621	56,069		5,760		5,928
	Total Pace (Pea Ridge)	150,000		150,000		176,619	13,448	163,171		16,842		17,307
Smith Unit 3 - CC												
	Labor	6,770,000	2042	4,062,000	2.200	8,936,400	1,208,797	7,727,603	2.42%	155,714	1.0369	161,460
	Disposal	285,000	2042	285,000	1.657	472,245	63,879	408,366	1.54%	9,585	1.0234	9,809
	Scrap (incl. Materials @ 40% of Labor)	(227,000)	2042	2,481,000	1.890	4,689,090	634,277	4,054,813	1.95%	88,739	1.0296	91,366
	Total Smith Unit 3	6,828,000		6,828,000		14,097,735	1,906,953	12,190,782		254,038		262,635
	Total Dismantlement Costs	225,285,125		225,285,125		419,950,028	103,327,492	316,622,536		9,023,158		9,323,439

ESCALATION RATES
 "REVIEW OF THE U.S. ECONOMY"
 March, 2009 - 25 Year Forecast

SCHEDULE 3

(A) PERIODS	(B) RET YEAR	(C) COMPENSATION PER HOUR (Labor)		(E) GDP DEFLATOR (Disposal)		(G) INTERMEDIATE MATERIALS, SUPPLIES, AND COMPONENTS (Scrap)	
		ANNUAL RATE OF CHANGE	COMPOUNDED MULTIPLIER (D) x (1+(C))	ANNUAL RATE OF CHANGE	COMPOUNDED MULTIPLIER (F) x (1+(E))	ANNUAL RATE OF CHANGE	COMPOUNDED MULTIPLIER (H) x (1+(G))
0	2009		1.000		1.000		1.000
1	2010	0.7	1.007	0.3	1.003	2.2	1.022
2	2011	-0.5	1.002	1.5	1.018	3.4	1.057
3	2012	0.2	1.004	1.8	1.036	2.2	1.080
4	2013	1.7	1.021	1.9	1.055	1.2	1.093
5	2014	2.7	1.048	1.6	1.072	0.9	1.103
6	2015	2.9	1.078	1.7	1.090	1.7	1.122
7	2016	2.8	1.108	1.7	1.109	2.0	1.144
8	2017	2.8	1.139	1.7	1.128	2.0	1.167
9	2018	2.8	1.171	1.7	1.147	1.9	1.190
10	2019	2.8	1.204	1.7	1.166	1.9	1.213
11	2020	2.8	1.238	1.7	1.186	1.9	1.237
12	2021	2.8	1.272	1.7	1.206	2.0	1.261
13	2022	2.7	1.307	1.7	1.226	2.0	1.287
14	2023	2.7	1.342	1.7	1.246	2.1	1.313
15	2024	2.7	1.378	1.7	1.267	2.0	1.340
16	2025	2.7	1.415	1.6	1.288	2.0	1.366
17	2026	2.7	1.453	1.6	1.309	1.9	1.393
18	2027	2.7	1.492	1.6	1.330	1.9	1.420
19	2028	2.7	1.532	1.6	1.351	2.0	1.448
20	2029	2.7	1.573	1.6	1.372	2.0	1.476
21	2030	2.7	1.615	1.5	1.393	2.0	1.505
22	2031	2.7	1.658	1.5	1.414	2.0	1.534
23	2032	2.7	1.702	1.5	1.435	2.0	1.564
24	2033	2.7	1.747	1.5	1.457	1.9	1.594
25	2034	2.6	1.793	1.5	1.479	1.9	1.625
26	2035	2.6	1.840	1.6	1.502	1.9	1.656
27	2036	2.6	1.888	1.5	1.524	1.9	1.688
28	2037	2.6	1.937	1.4	1.545	1.9	1.720
29	2038	2.6	1.987	1.4	1.567	1.9	1.753
30	2039	2.6	2.038	1.4	1.589	1.9	1.786
31	2040	2.6	2.091	1.4	1.611	1.9	1.820
32	2041	2.6	2.145	1.4	1.634	1.9	1.855
33	2042	2.6	2.200	1.4	1.657	1.9	1.890
34	2043	2.6	2.257	1.4	1.680	1.9	1.926
35	2044	2.6	2.315	1.4	1.704	1.9	1.963
36	2045	2.6	2.375	1.4	1.728	1.9	2.000
37	2046	2.6	2.436	1.4	1.752	1.9	2.038
38	2047	2.6	2.499	1.4	1.777	1.9	2.077
39	2048	2.6	2.563	1.4	1.802	1.9	2.116
40	2049	2.6	2.629	1.4	1.827	1.9	2.156
41	2050	2.6	2.697	1.4	1.853	1.9	2.197
42	2051	2.6	2.767	1.4	1.879	1.9	2.239
43	2052	2.6	2.838	1.4	1.906	1.9	2.281
44	2053	2.6	2.911	1.4	1.933	1.9	2.324
45	2054	2.6	2.986	1.4	1.960	1.9	2.368
46	2055	2.6	3.063	1.4	1.988	1.9	2.413
47	2056	2.6	3.142	1.4	2.016	1.9	2.459
48	2057	2.6	3.223	1.4	2.044	1.9	2.506
49	2058	2.6	3.306	1.4	2.073	1.9	2.554
50	2059	2.6	3.391	1.4	2.102	1.9	2.602
51	2060	2.6	3.478	1.4	2.132	1.9	2.651
52	2061	2.6	3.568	1.4	2.162	1.9	2.701
53	2062	2.6	3.660	1.4	2.193	1.9	2.752
54	2063	2.6	3.754	1.4	2.224	1.9	2.804
55	2064	2.6	3.851	1.4	2.255	1.9	2.857
56	2065	2.6	3.950	1.4	2.287	1.9	2.911
57	2066	2.6	4.052	1.4	2.319	1.9	2.966
58	2067	2.6	4.156	1.4	2.352	1.9	3.022
59	2068	2.6	4.263	1.4	2.385	1.9	3.079

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
2009 BUDGET

Sheet 1 of 3

	Balance First of Year	Additions	Retirements	Adjustments	Transfers	Balance End of Year
INTANGIBLE:						
Organization	301 7,418	0	0	0	0	7,418
Franchises and Consents	302 594	0	0	0	0	594
TOTAL INTANGIBLE:	8,012	0	0	0	0	8,012
STEAM PRODUCTION:						
DANIEL PLANT:						
Plant	241,955,418	608,128	0	0	0	242,563,546
Land	967,301	0	0	0	0	967,301
Easements	77,160	0	0	0	0	77,160
Cooling Lake, 23 Year	8,954,192	0	0	0	0	8,954,192
Rail Track System	2,741,618	0	0	0	0	2,741,618
Asset Retirement Obligation	2,020,605	0	0	0	0	2,020,605
TOTAL DANIEL PLANT:	256,716,294	608,128	0	0	0	257,324,422
CRIST PLANT:						
Plant	586,948,026	536,580,711	(2,575,338)	0	0	1,120,953,399
Land	6,023,267	0	0	0	0	6,023,267
Base Coal, 5 Year	141,840	0	0	0	0	141,840
- 5 Year	27,486	0	0	0	0	27,486
- 7 Year	4,181,291	0	0	0	0	4,181,291
Asset Retirement Obligation	1,206,809	0	0	0	0	1,206,809
TOTAL CRIST PLANT:	598,528,719	536,580,711	(2,575,338)	0	0	1,132,534,092
SCHOLZ PLANT:						
Plant	30,943,847	240,000	0	0	0	31,183,847
Land	44,579	0	0	0	0	44,579
Base Coal, 5 Year	71,300	0	0	0	0	71,300
- 7 Year	175,035	0	0	0	0	175,035
Asset Retirement Obligation	350,800	0	0	0	0	350,800
TOTAL SCHOLZ PLANT:	31,585,561	240,000	0	0	0	31,825,561
SMITH PLANT:						
Plant	164,847,876	4,572,457	(366,903)	0	0	169,053,430
Land	1,363,924	0	0	0	0	1,363,924
Base Coal, 5 Year	108,300	0	0	0	0	108,300
- 5 Year	27,351	0	0	0	0	27,351
- 7 Year	1,378,772	0	0	0	0	1,378,772
Asset Retirement Obligation	514,683	0	0	0	0	514,683
TOTAL SMITH PLANT:	168,240,906	4,572,457	(366,903)	0	0	172,446,460
SCHERER PLANT:						
Plant	183,285,566	51,262,282	(16,675)	0	0	234,531,173
Land	826,260	0	0	0	0	826,260
- 7 Year	74,838	0	0	0	0	74,838
Asset Retirement Obligation	122,717	0	0	0	0	122,717
TOTAL SCHERER PLANT:	184,309,381	51,262,282	(16,675)	0	0	235,554,988
TOTAL STEAM PRODUCTION:	1,239,380,861	593,263,578	(2,958,916)	0	0	1,829,685,523

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
2009 BUDGET

Sheet 2 of 3

		Balance First of Year	Additions	Retirements	Adjustments	Transfers	Balance End of Year
OTHER PRODUCTION:							
LAND - NON-DEPRECIABLE:							
Land - Non-Depreciable	340	337,696	0	0	0	0	337,696
TOTAL LAND - NON-DEPRECIABLE:		337,696	0	0	0	0	337,696
SMITH PLANT CT:							
Structures and Improvements	341	793,362	0	0	0	0	793,362
Fuel Holders and Accessories	342	513,016	0	0	0	0	513,016
Prime Movers	343	83,106	0	0	0	0	83,106
Generators	344	3,438,921	0	0	0	0	3,438,921
Accessory Electric Equipment	345	126,272	0	0	0	0	126,272
Miscellaneous Equipment	346	8,803	0	0	0	0	8,803
TOTAL SMITH PLANT CT:		4,963,480	0	0	0	0	4,963,480
SMITH PLANT UNIT 3 COMBINED CYCLE:							
Structures and Improvements	341	11,453,414	0	0	0	0	11,453,414
Fuel Holders and Accessories	342	2,913,768	0	0	0	0	2,913,768
Prime Movers	343	94,143,828	29,431,194	(19,025,077)	0	0	104,549,945
Generators	344	67,013,354	0	0	0	0	67,013,354
Accessory Electric Equipment	345	10,983,321	0	0	0	0	10,983,321
Miscellaneous Equipment	346	710,805	0	0	0	0	710,805
TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:		187,218,490	29,431,194	(19,025,077)	0	0	197,624,607
PACE PLANT:							
Prime Movers	343	6,790,597	0	0	0	0	6,790,597
Generators	344	3,107,233	0	0	0	0	3,107,233
Accessory Electric Equipment	345	584,090	0	0	0	0	584,090
Asset Retirement Obligation	347	397,195	0	0	0	0	397,195
TOTAL PACE PLANT:		10,879,115	0	0	0	0	10,879,115
TOTAL OTHER PRODUCTION:		203,398,781	29,431,194	(19,025,077)	0	0	213,804,898
TOTAL PRODUCTION:		1,442,779,642	622,694,772	(21,983,993)	0	0	2,043,490,421
TRANSMISSION:							
Land	350.0	2,270,398	0	0	0	0	2,270,398
Easements	350.2	12,647,666	0	0	0	0	12,647,666
Structures and Improvements	352	8,346,545	0	0	0	0	8,346,545
Station Equipment	353	97,865,005	9,332,715	(92,000)	0	0	107,105,720
Towers and Fixtures	354	37,945,128	0	0	0	0	37,945,128
Poles and Fixtures	355	70,906,223	13,791,269	(500,000)	0	0	84,197,492
Overhead Conductors & Devices	356	61,084,179	2,638,018	0	0	0	63,722,197
Underground Conductors & Devices	358	14,094,503	0	0	0	0	14,094,503
Roads and Trails	359	61,447	0	0	0	0	61,447
Asset Retirement Obligation	359.1	7,860	0	0	0	0	7,860
TOTAL TRANSMISSION:		305,228,954	25,762,002	(592,000)	0	0	330,398,956

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
2009 BUDGET

Sheet 3 of 3

		Balance First of Year	Additions	Retirements	Adjustments	Transfers	Balance End of Year
DISTRIBUTION:							
Land	360.0	2,491,471	0	0	0	0	2,491,471
Land Rights	360.1	204,176	0	0	0	0	204,176
Structures and Improvements	361	15,480,940	0	0	0	0	15,480,940
Station Equipment	362	149,588,918	7,432,467	(75,000)	0	0	156,946,385
Poles, Towers & Fixtures	364	114,389,598	7,052,704	(890,997)	0	0	120,551,305
Overhead Conductors & Devices	365	115,818,581	6,774,576	(813,399)	0	0	121,779,758
Underground Conduit	366	1,217,455	0	0	0	0	1,217,455
Underground Conductors & Devices	367	106,833,192	6,746,489	(658,355)	0	0	112,921,326
Line Transformers	368	200,184,625	12,345,169	(1,631,501)	0	0	210,898,293
Services:							
- Overhead	369.1	48,092,720	1,470,330	(46,689)	0	0	49,516,361
- Underground	369.2	40,047,031	1,871,330	(30,589)	0	0	41,887,772
- House Power Panel	369.3	1,962,386	0	(83,718)	0	0	1,878,668
Meters	370	48,773,807	5,258,701	(642,004)	0	0	53,390,504
Street Lighting & Signal Systems	373	55,664,376	2,819,771	(797,843)	0	0	57,686,304
Asset Retirement Obligation	374	43,465	0	0	0	0	43,465
TOTAL DISTRIBUTION:		<u>900,792,741</u>	<u>51,771,537</u>	<u>(5,670,095)</u>	<u>0</u>	<u>0</u>	<u>946,894,183</u>
GENERAL PLANT:							
Land	389.0	6,853,413	0	0	0	0	6,853,413
Structures and Improvements	390	61,105,303	3,630,766	(121,705)	0	0	64,614,364
Office Furniture & Equipment:			0				
- Computer, 5 Year	391	4,308,859	100,000	(101,224)	0	0	4,307,635
- Non-Computer, 7 Year	391	2,802,092	100,000	(451,286)	0	0	2,450,806
Transportation Equipment:							
- Light Trucks	392.2	5,974,467	1,000,000	(112,000)	0	0	6,862,467
- Heavy Trucks	392.3	19,028,443	1,000,000	(1,488,000)	0	0	18,540,443
- Trailers	392.4	1,111,387	0	0	0	0	1,111,387
- Marine, 5 Year	392	69,611	0	(69,611)	0	0	0
Stores Equipment - 7 Year	393	673,034	21,643	(237,042)	0	0	457,635
Tools, Shop & Garage Equip. - 7 Year	394	2,481,909	46,961	(385,193)	0	0	2,143,677
Laboratory Equipment - 7 Year	395	2,971,302	326,016	(325,933)	0	0	2,971,385
Power Operated Equipment	396	593,660	0	0	0	0	593,660
Communication Equipment:							
- Other	397	17,913,969	2,644,246	(211,521)	0	0	20,346,694
- 7 Year	397	2,639,443	0	0	0	0	2,639,443
Miscellaneous Equipment - 7 year	398	4,005,880	239,500	(2,014,858)	0	0	2,230,522
Asset Retirement Obligation	399.1	196,573	0	0	0	0	196,573
TOTAL GENERAL:		<u>132,729,345</u>	<u>9,109,132</u>	<u>(5,518,373)</u>	<u>0</u>	<u>0</u>	<u>136,320,104</u>
TOTAL ELECTRIC PLANT-IN-SERVICE:		<u>2,781,538,694</u>	<u>709,337,443</u>	<u>(33,764,461)</u>	<u>0</u>	<u>0</u>	<u>3,457,111,676</u>

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
ACTUAL: DECEMBER, 2008

Sheet 1 of 3

	Balance First of Year	Additions	Retirements	Adjustments	Transfers	Balance End of Year
INTANGIBLE:						
Organization	301 7,418	0	0	0	0	7,418
Franchises and Consents	302 594	0	0	0	0	594
TOTAL INTANGIBLE:	8,012	0	0	0	0	8,012
STEAM PRODUCTION:						
DANIEL PLANT:						
Plant	234,923,056	9,422,606	(2,390,244)	0	0	241,955,418
Land	967,301	0	0	0	0	967,301
Easements	77,160	0	0	0	0	77,160
Cooling Lake, 23 Year	8,954,192	0	0	0	0	8,954,192
Rail Track System	2,741,618	0	0	0	0	2,741,618
Asset Retirement Obligation	2,020,605	0	0	0	0	2,020,605
TOTAL DANIEL PLANT:	249,683,932	9,422,606	(2,390,244)	0	0	256,716,294
CRIST PLANT:						
Plant	551,518,199	44,250,138	(9,322,816)	0	502,505	586,948,026
Land	6,002,843	20,424	0	0	0	6,023,267
Base Coal, 5 Year	141,840	0	0	0	0	141,840
- 5 Year	27,486	0	0	0	0	27,486
- 7 Year	4,181,291	0	0	0	0	4,181,291
Asset Retirement Obligation	1,315,519	0	(108,710)	0	0	1,206,809
TOTAL CRIST PLANT:	563,187,178	44,270,562	(9,431,526)	0	502,505	598,528,719
SCHOLZ PLANT:						
Plant	29,968,869	989,589	(248,647)	0	234,036	30,943,847
Land	44,579	0	0	0	0	44,579
Base Coal, 5 Year	71,300	0	0	0	0	71,300
- 7 Year	142,716	32,319	0	0	0	175,035
Asset Retirement Obligation	358,442	0	(7,642)	0	0	350,800
TOTAL SCHOLZ PLANT:	30,585,906	1,021,908	(256,289)	0	234,036	31,585,561
SMITH PLANT:						
Plant	152,698,701	12,468,195	(319,020)	0	0	164,847,876
Land	1,403,764	0	0	(39,840)	0	1,363,924
Base Coal, 5 Year	108,300	0	0	0	0	108,300
- 5 Year	22,886	4,465	0	0	0	27,351
- 7 Year	1,084,279	294,493	0	0	0	1,378,772
Asset Retirement Obligation	515,988	0	(1,305)	0	0	514,683
TOTAL SMITH PLANT:	155,833,918	12,767,153	(320,325)	(39,840)	0	168,240,906
SCHERER PLANT:						
Plant	182,823,598	682,252	(220,284)	0	0	183,285,566
Land	818,108	8,857	0	(705)	0	826,260
- 7 Year	57,880	16,958	0	0	0	74,838
Asset Retirement Obligation	124,183	0	(1,466)	0	0	122,717
TOTAL SCHERER PLANT:	183,823,769	708,067	(221,750)	(705)	0	184,309,381
TOTAL STEAM PRODUCTION:	1,183,114,703	68,190,296	(12,620,134)	(40,545)	736,541	1,239,380,861

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
ACTUAL: DECEMBER, 2008

Sheet 2 of 3

		Balance First of Year	Additions	Retirements	Adjustments	Transfers	Balance End of Year
OTHER PRODUCTION:							
LAND - NON-DEPRECIABLE:							
Land - Non-Depreciable	340	337,696	0	0	0	0	337,696
TOTAL LAND - NON-DEPRECIABLE:		<u>337,696</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>337,696</u>
SMITH PLANT CT:							
Structures and Improvements	341	793,228	0	134	0	0	793,362
Fuel Holders and Accessories	342	495,524	17,492	0	0	0	513,016
Prime Movers	343	83,106	0	0	0	0	83,106
Generators	344	3,438,921	0	0	0	0	3,438,921
Accessory Electric Equipment	345	126,272	0	0	0	0	126,272
Miscellaneous Equipment	346	4,332	4,471	0	0	0	8,803
TOTAL SMITH PLANT CT:		<u>4,941,383</u>	<u>21,963</u>	<u>134</u>	<u>0</u>	<u>0</u>	<u>4,963,480</u>
SMITH PLANT UNIT 3 COMBINED CYCLE:							
Structures and Improvements	341	11,021,243	498,499	(66,328)	0	0	11,453,414
Fuel Holders and Accessories	342	2,913,768	0	0	0	0	2,913,768
Prime Movers	343	95,770,856	(1,054,821)	(572,207)	0	0	94,143,828
Generators	344	67,104,101	48,618	(139,365)	0	0	67,013,354
Accessory Electric Equipment	345	10,683,515	34,146	0	0	265,660	10,983,321
Miscellaneous Equipment	346	705,927	4,878	0	0	0	710,805
TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:		<u>188,199,410</u>	<u>(468,680)</u>	<u>(777,900)</u>	<u>0</u>	<u>265,660</u>	<u>187,218,490</u>
PACE PLANT:							
Prime Movers	343	6,790,597	0	0	0	0	6,790,597
Generators	344	3,107,233	0	0	0	0	3,107,233
Accessory Electric Equipment	345	584,090	0	0	0	0	584,090
Asset Retirement Obligation	347	397,195	0	0	0	0	397,195
TOTAL PACE PLANT:		<u>10,879,115</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,879,115</u>
TOTAL OTHER PRODUCTION:		<u>204,357,604</u>	<u>(446,717)</u>	<u>(777,766)</u>	<u>0</u>	<u>265,660</u>	<u>203,398,781</u>
TOTAL PRODUCTION:		<u>1,387,472,307</u>	<u>67,743,579</u>	<u>(13,397,900)</u>	<u>(40,545)</u>	<u>1,002,201</u>	<u>1,442,779,642</u>
TRANSMISSION:							
Land	350.0	2,126,945	143,453	0	0	0	2,270,398
Easements	350.2	10,706,808	72,195	(158)	1,868,821	0	12,647,666
Structures and Improvements	352	6,979,849	1,197,127	(8,184)	0	177,753	8,346,545
Station Equipment	353	87,260,150	13,964,205	(1,588,427)	0	(1,770,923)	97,865,005
Towers and Fixtures	354	37,118,150	1,113,527	(31,679)	0	(254,870)	37,945,128
Poles and Fixtures	355	65,350,312	6,177,664	(804,023)	0	182,270	70,906,223
Overhead Conductors & Devices	356	58,699,248	4,194,093	(1,882,466)	0	73,304	61,084,179
Underground Conductors & Devices	358	14,094,503	0	0	0	0	14,094,503
Roads and Trails	359	83,010	0	(1,563)	0	0	61,447
Asset Retirement Obligation	359.1	8,987	0	(1,127)	0	0	7,860
TOTAL TRANSMISSION:		<u>282,407,962</u>	<u>26,862,264</u>	<u>(4,317,627)</u>	<u>1,868,821</u>	<u>(1,592,466)</u>	<u>305,228,954</u>

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
ACTUAL: DECEMBER, 2008

Sheet 3 of 3

		Balance First of Year	Additions	Retirements	Adjustments	Transfers	Balance End of Year
DISTRIBUTION:							
Land	360.0	2,490,697	774	0	0	0	2,491,471
Land Rights	360.1	224,395	0	0	0	(20,219)	204,176
Structures and Improvements	361	15,397,603	95,904	(12,567)	0	0	15,480,940
Station Equipment	362	149,250,573	1,899,160	(1,597,784)	0	36,969	149,588,918
Poles, Towers & Fixtures	364	110,201,017	5,029,033	(860,671)	0	20,219	114,389,598
Overhead Conductors & Devices	365	114,370,807	3,151,764	(736,229)	0	(967,761)	115,818,581
Underground Conduit	366	1,217,455	0	0	0	0	1,217,455
Underground Conductors & Devices	367	100,391,515	5,838,216	(364,300)	0	967,761	106,833,192
Line Transformers	368	191,952,471	10,249,892	(2,038,958)	0	21,220	200,184,625
Services:							
- Overhead	369.1	46,700,719	1,573,952	(181,951)	0	0	48,092,720
- Underground	369.2	38,122,335	2,042,167	(117,471)	0	0	40,047,031
- House Power Panel	369.3	2,287,168	0	(324,782)	0	0	1,962,386
Meters	370	47,252,798	2,767,433	(1,246,424)	0	0	48,773,807
Street Lighting & Signal Systems	373	53,737,080	3,425,081	(1,497,785)	0	0	55,664,376
Asset Retirement Obligation	374	45,741	0	(2,276)	0	0	43,465
TOTAL DISTRIBUTION:		<u>873,642,374</u>	<u>36,073,376</u>	<u>(8,981,198)</u>	<u>0</u>	<u>58,189</u>	<u>900,792,741</u>
GENERAL PLANT:							
Land	389.0	6,844,616	109,647	0	(100,850)	0	6,853,413
Structures and Improvements	390	63,122,613	3,805,604	(5,822,914)	0	0	61,105,303
Office Furniture & Equipment:							
- Computer, 5 Year	391	2,921,466	922,704	0	0	464,689	4,308,859
- Non-Computer, 7 Year	391	2,514,788	287,304	0	0	0	2,802,092
Transportation Equipment:							
- Light Trucks	392.2	5,407,793	1,275,947	(709,273)	0	0	5,974,467
- Heavy Trucks	392.3	19,562,178	1,254,575	(1,838,026)	0	(150,284)	19,028,443
- Trailers	392.4	1,009,133	3,780	(51,539)	0	150,013	1,111,387
- Marine, 5 Year	392	40,105	29,236	0	0	270	69,611
Stores Equipment - 7 Year	393	672,135	899	0	0	0	673,034
Tools, Shop & Garage Equip. - 7 Year	394	1,862,702	619,207	0	0	0	2,481,909
Laboratory Equipment - 7 Year	395	2,507,792	463,510	0	0	0	2,971,302
Power Operated Equipment	396	593,660	0	0	0	0	593,660
Communication Equipment:							
- Other	397	17,439,309	1,443,353	(1,036,081)	0	67,388	17,913,969
- 7 Year	397	1,852,223	787,220	0	0	0	2,639,443
Miscellaneous Equipment - 7 year	398	2,149,139	1,856,741	0	0	0	4,005,880
Asset Retirement Obligation	399.1	196,573	0	0	0	0	196,573
TOTAL GENERAL:		<u>128,696,225</u>	<u>12,859,727</u>	<u>(9,257,833)</u>	<u>(100,850)</u>	<u>532,076</u>	<u>132,729,345</u>
TOTAL ELECTRIC PLANT-IN-SERVICE:		<u>2,672,226,880</u>	<u>143,538,946</u>	<u>(35,954,558)</u>	<u>1,727,426</u>	<u>0</u>	<u>2,781,538,694</u>

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
ACTUAL: DECEMBER, 2007

Sheet 1 of 3

		Balance First of Year	Additions	Retirements	Adjustments	Transfers	Balance End of Year
INTANGIBLE:							
Organization	301	7,418	0	0	0	0	7,418
Franchises and Consents	302	594	0	0	0	0	594
TOTAL INTANGIBLE:		<u>8,012</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,012</u>
STEAM PRODUCTION:							
DANIEL PLANT:							
Plant		234,629,554	5,293,255	(4,999,753)	0	0	234,923,056
Land		967,301	0	0	0	0	967,301
Easements		77,160	0	0	0	0	77,160
Cooling Lake, 23 Year		8,954,192	0	0	0	0	8,954,192
Rail Track System		2,741,618	0	0	0	0	2,741,618
Asset Retirement Obligation		1,629,456	391,149	0	0	0	2,020,605
TOTAL DANIEL PLANT:		<u>248,999,281</u>	<u>5,684,404</u>	<u>(4,999,753)</u>	<u>0</u>	<u>0</u>	<u>249,683,932</u>
CRIST PLANT:							
Plant		525,536,038	34,354,015	(8,371,854)	0	0	551,518,199
Land		6,002,843	0	0	0	0	6,002,843
Base Coal, 5 Year		141,840	0	0	0	0	141,840
- 5 Year		18,897	23,654	(15,065)	0	0	27,486
- 7 Year		4,048,204	283,387	(150,300)	0	0	4,181,291
Asset Retirement Obligation		1,171,624	356,393	(212,498)	0	0	1,315,519
TOTAL CRIST PLANT:		<u>536,919,446</u>	<u>35,017,449</u>	<u>(8,749,717)</u>	<u>0</u>	<u>0</u>	<u>563,187,178</u>
SCHOLZ PLANT:							
Plant		29,829,210	268,477	(128,818)	0	0	29,968,869
Land		44,579	0	0	0	0	44,579
Base Coal, 5 Year		71,300	0	0	0	0	71,300
- 7 Year		110,583	32,133	0	0	0	142,716
Asset Retirement Obligation		358,442	0	0	0	0	358,442
TOTAL SCHOLZ PLANT:		<u>30,414,114</u>	<u>300,610</u>	<u>(128,818)</u>	<u>0</u>	<u>0</u>	<u>30,585,906</u>
SMITH PLANT:							
Plant		140,507,852	16,593,234	(4,402,385)	0	0	152,698,701
Land		1,403,764	0	0	0	0	1,403,764
Base Coal, 5 Year		108,300	0	0	0	0	108,300
- 5 Year		22,886	0	0	0	0	22,886
- 7 Year		1,045,783	59,153	(20,657)	0	0	1,084,279
Asset Retirement Obligation		555,235	0	(39,247)	0	0	515,988
TOTAL SMITH PLANT:		<u>143,643,820</u>	<u>16,652,387</u>	<u>(4,462,289)</u>	<u>0</u>	<u>0</u>	<u>155,833,918</u>
SCHERER PLANT:							
Plant		182,531,261	487,119	(194,782)	0	0	182,823,598
Land		820,622	0	0	(2,514)	0	818,108
- 7 Year		(6,377)	8,846	55,411	0	0	57,880
Asset Retirement Obligation		124,183	0	0	0	0	124,183
TOTAL SCHERER PLANT:		<u>183,469,689</u>	<u>495,965</u>	<u>(139,371)</u>	<u>(2,514)</u>	<u>0</u>	<u>183,823,769</u>
TOTAL STEAM PRODUCTION:		<u>1,143,446,350</u>	<u>58,150,815</u>	<u>(18,479,948)</u>	<u>(2,514)</u>	<u>0</u>	<u>1,183,114,703</u>

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
ACTUAL: DECEMBER, 2007

Sheet 2 of 3

		Balance First of Year	Additions	Retirements	Adjustments	Transfers	Balance End of Year
OTHER PRODUCTION:							
LAND - NON-DEPRECIABLE:							
Land - Non-Depreciable	340	337,696	0	0	0	0	337,696
TOTAL LAND - NON-DEPRECIABLE:		<u>337,696</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>337,696</u>
SMITH PLANT CT:							
Structures and Improvements	341	793,228	0	0	0	0	793,228
Fuel Holders and Accessories	342	283,274	212,250	0	0	0	495,524
Prime Movers	343	83,106	0	0	0	0	83,106
Generators	344	3,063,476	554,326	(178,881)	0	0	3,438,921
Accessory Electric Equipment	345	126,272	0	0	0	0	126,272
Miscellaneous Equipment	346	4,332	0	0	0	0	4,332
TOTAL SMITH PLANT CT:		<u>4,353,688</u>	<u>766,576</u>	<u>(178,881)</u>	<u>0</u>	<u>0</u>	<u>4,941,383</u>
SMITH PLANT UNIT 3 COMBINED CYCLE:							
Structures and Improvements	341	10,647,457	373,786	0	0	0	11,021,243
Fuel Holders and Accessories	342	2,913,768	0	0	0	0	2,913,768
Prime Movers	343	93,654,436	16,186,889	(14,070,469)	0	0	95,770,856
Generators	344	67,096,204	7,897	0	0	0	67,104,101
Accessory Electric Equipment	345	10,683,515	0	0	0	0	10,683,515
Miscellaneous Equipment	346	705,927	0	0	0	0	705,927
TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:		<u>185,701,307</u>	<u>16,568,572</u>	<u>(14,070,469)</u>	<u>0</u>	<u>0</u>	<u>188,199,410</u>
PACE PLANT:							
Prime Movers	343	6,790,597	0	0	0	0	6,790,597
Generators	344	3,107,233	0	0	0	0	3,107,233
Accessory Electric Equipment	345	584,090	0	0	0	0	584,090
Asset Retirement Obligation	347	397,195	0	0	0	0	397,195
TOTAL PACE PLANT:		<u>10,879,115</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,879,115</u>
TOTAL OTHER PRODUCTION:		<u>201,271,806</u>	<u>17,335,148</u>	<u>(14,249,350)</u>	<u>0</u>	<u>0</u>	<u>204,357,604</u>
TOTAL PRODUCTION:		<u>1,344,718,156</u>	<u>75,485,963</u>	<u>(32,729,298)</u>	<u>(2,514)</u>	<u>0</u>	<u>1,387,472,307</u>
TRANSMISSION:							
Land	350.0	2,157,027	(30,082)	0	0	0	2,126,945
Easements	350.2	10,646,189	79,005	0	0	(18,386)	10,706,808
Structures and Improvements	352	6,971,061	15,542	(6,754)	0	0	6,979,849
Station Equipment	353	86,215,797	1,964,527	(965,642)	0	45,468	87,260,150
Towers and Fixtures	354	35,714,485	1,726,656	(344,766)	0	21,775	37,118,150
Poles and Fixtures	355	60,743,256	5,148,205	(425,040)	0	(116,109)	65,350,312
Overhead Conductors & Devices	356	54,041,474	5,066,972	(328,179)	0	(81,019)	58,699,248
Underground Conductors & Devices	358	14,094,503	0	0	0	0	14,094,503
Roads and Trails	359	64,917	0	(1,907)	0	0	63,010
Asset Retirement Obligation	359.1	8,987	0	0	0	0	8,987
TOTAL TRANSMISSION:		<u>270,657,696</u>	<u>13,970,825</u>	<u>(2,072,288)</u>	<u>0</u>	<u>(148,271)</u>	<u>282,407,962</u>

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
ACTUAL: DECEMBER, 2007

Sheet 3 of 3

		Balance First of Year	Additions	Retirements	Adjustments	Transfers	Balance End of Year
DISTRIBUTION:							
Land	360.0	1,959,968	535,957	0	(5,228)	0	2,490,697
Land Rights	360.1	64,076	140,100	0	0	20,219	224,395
Structures and Improvements	361	13,431,400	1,985,713	(19,510)	0	0	15,397,603
Station Equipment	362	139,846,071	11,936,330	(2,378,927)	0	(152,901)	149,250,573
Poles, Towers & Fixtures	364	106,262,675	4,642,170	(795,610)	(720)	92,502	110,201,017
Overhead Conductors & Devices	365	111,201,069	4,466,511	(793,034)	0	(503,739)	114,370,807
Underground Conduit	366	1,217,591	(136)	0	0	0	1,217,455
Underground Conductors & Devices	367	91,382,239	9,232,531	(808,014)	0	584,759	100,391,515
Line Transformers	368	184,756,276	9,521,902	(2,435,074)	0	109,367	191,952,471
Services:							
- Overhead	369.1	45,045,379	1,860,511	(205,171)	0	0	46,700,719
- Underground	369.2	36,180,012	1,999,611	(57,288)	0	0	38,122,335
- House Power Panel	369.3	2,638,586	0	(351,418)	0	0	2,287,168
Meters	370	46,013,110	2,625,984	(1,386,296)	0	0	47,252,798
Street Lighting & Signal Systems	373	51,445,805	3,466,451	(1,175,176)	0	0	53,737,080
Asset Retirement Obligation	374	49,827	0	(4,086)	0	0	45,741
TOTAL DISTRIBUTION:		<u>831,494,084</u>	<u>52,413,635</u>	<u>(10,409,604)</u>	<u>(5,948)</u>	<u>150,207</u>	<u>873,642,374</u>
GENERAL PLANT:							
Land	389.0	7,132,609	1,343,240	0	(1,631,233)	0	6,844,616
Structures and Improvements	390	56,438,169	7,007,333	(225,781)	(97,108)	0	63,122,613
Office Furniture & Equipment:			0				
- Computer, 5 Year	391	1,761,359	1,256,108	(96,001)	0	0	2,921,466
- Non-Computer, 7 Year	391	2,344,265	170,523	0	0	0	2,514,788
Transportation Equipment:							
- Light Trucks	392.2	5,286,372	787,523	(666,102)	0	0	5,407,793
- Heavy Trucks	392.3	19,321,820	2,277,229	(2,036,871)	0	0	19,562,178
- Trailers	392.4	1,138,110	(126,392)	(2,585)	0	0	1,009,133
- Marine, 5 Year	392	55,065	16,203	(31,163)	0	0	40,105
Stores Equipment - 7 Year	393	652,716	70,207	(50,788)	0	0	672,135
Tools, Shop & Garage Equip. - 7 Year	394	2,099,344	12,499	(249,141)	0	0	1,862,702
Laboratory Equipment - 7 Year	395	2,586,490	133,394	(212,092)	0	0	2,507,792
Power Operated Equipment	396	593,660	0	0	0	0	593,660
Communication Equipment:							
- Other	397	17,210,632	961,990	(731,377)	0	(1,936)	17,439,309
- 7 Year	397	1,516,643	359,702	(24,322)	0	0	1,852,223
Miscellaneous Equipment - 7 year	398	2,320,382	30,385	(201,628)	0	0	2,149,139
Asset Retirement Obligation	399.1	200,809	0	(4,236)	0	0	196,573
TOTAL GENERAL:		<u>120,658,645</u>	<u>14,299,944</u>	<u>(4,532,087)</u>	<u>(1,728,341)</u>	<u>(1,936)</u>	<u>128,696,225</u>
TOTAL ELECTRIC PLANT-IN-SERVICE:		<u>2,567,536,593</u>	<u>156,170,367</u>	<u>(49,743,277)</u>	<u>(1,736,803)</u>	<u>0</u>	<u>2,672,226,880</u>

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
ACTUAL: DECEMBER, 2006

Sheet 1 of 3

	Balance First of Year	Additions	Retirements	Adjustments	Transfers	Balance End of Year
INTANGIBLE:						
Organization	301 7,418	0	0	0	0	7,418
Franchises and Consents	302 594	0	0	0	0	594
TOTAL INTANGIBLE:	8,012	0	0	0	0	8,012
STEAM PRODUCTION:						
DANIEL PLANT:						
Plant	220,517,115	17,030,905	(2,918,466)	0	0	234,629,554
Land	967,301	0	0	0	0	967,301
Easements	77,160	0	0	0	0	77,160
Cooling Lake, 23 Year	8,954,192	0	0	0	0	8,954,192
Rail Track System	2,741,618	0	0	0	0	2,741,618
Asset Retirement Obligation	1,629,456	0	0	0	0	1,629,456
TOTAL DANIEL PLANT:	234,886,842	17,030,905	(2,918,466)	0	0	248,999,281
CRIST PLANT:						
Plant	518,682,604	19,371,366	(12,517,932)	0	0	525,536,038
Land	4,488,001	1,514,842	0	0	0	6,002,843
Base Coal, 5 Year	141,840	0	0	0	0	141,840
- 5 Year	25,140	142	(6,385)	0	0	18,897
- 7 Year	3,266,196	1,029,710	(247,702)	0	0	4,048,204
Asset Retirement Obligation	1,171,624	0	0	0	0	1,171,624
TOTAL CRIST PLANT:	527,775,405	21,916,060	(12,772,019)	0	0	536,919,446
SCHOLZ PLANT:						
Plant	29,783,586	148,268	(102,644)	0	0	29,829,210
Land	44,579	0	0	0	0	44,579
Base Coal, 5 Year	71,300	0	0	0	0	71,300
- 7 Year	170,317	0	(59,734)	0	0	110,583
Asset Retirement Obligation	358,442	0	0	0	0	358,442
TOTAL SCHOLZ PLANT:	30,428,224	148,268	(162,378)	0	0	30,414,114
SMITH PLANT:						
Plant	137,759,074	3,011,011	(262,233)	0	0	140,507,852
Land	1,403,764	0	0	0	0	1,403,764
Base Coal, 5 Year	108,300	0	0	0	0	108,300
- 5 Year	22,886	0	0	0	0	22,886
- 7 Year	877,715	202,546	(34,478)	0	0	1,045,783
Asset Retirement Obligation	555,235	0	0	0	0	555,235
TOTAL SMITH PLANT:	140,726,974	3,213,557	(296,711)	0	0	143,643,820
SCHERER PLANT:						
Plant	181,465,811	1,533,930	(468,480)	0	0	182,531,261
Land	823,713	0	0	(3,091)	0	820,622
- 7 Year	23,519	34,897	(64,793)	0	0	(6,377)
Asset Retirement Obligation	124,183	0	0	0	0	124,183
TOTAL SCHERER PLANT:	182,437,226	1,568,827	(533,273)	(3,091)	0	183,469,689
TOTAL STEAM PRODUCTION:	1,116,254,671	43,877,617	(16,682,847)	(3,091)	0	1,143,446,350

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
ACTUAL: DECEMBER, 2006

Sheet 2 of 3

		Balance First of Year	Additions	Retirements	Adjustments	Transfers	Balance End of Year
OTHER PRODUCTION:							
LAND - NON-DEPRECIABLE:							
Land - Non-Depreciable	340	337,696	0	0	0	0	337,696
TOTAL LAND - NON-DEPRECIABLE:		<u>337,696</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>337,696</u>
SMITH PLANT CT:							
Structures and Improvements	341	793,228	0	0	0	0	793,228
Fuel Holders and Accessories	342	283,274	0	0	0	0	283,274
Prime Movers	343	83,106	0	0	0	0	83,106
Generators	344	3,063,476	0	0	0	0	3,063,476
Accessory Electric Equipment	345	126,272	0	0	0	0	126,272
Miscellaneous Equipment	346	4,332	0	0	0	0	4,332
TOTAL SMITH PLANT CT:		<u>4,353,688</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,353,688</u>
SMITH PLANT UNIT 3 COMBINED CYCLE:							
Structures and Improvements	341	10,643,916	3,541	0	0	0	10,647,457
Fuel Holders and Accessories	342	2,873,226	53,942	(13,400)	0	0	2,913,768
Prime Movers	343	94,647,894	6,710,959	(7,704,417)	0	0	93,654,436
Generators	344	67,096,204	0	0	0	0	67,096,204
Accessory Electric Equipment	345	10,676,258	28,123	(20,866)	0	0	10,683,515
Miscellaneous Equipment	346	705,927	0	0	0	0	705,927
TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:		<u>186,643,425</u>	<u>6,796,565</u>	<u>(7,738,683)</u>	<u>0</u>	<u>0</u>	<u>185,701,307</u>
PACE PLANT:							
Prime Movers	343	6,790,597	0	0	0	0	6,790,597
Generators	344	3,107,233	0	0	0	0	3,107,233
Accessory Electric Equipment	345	584,090	0	0	0	0	584,090
Asset Retirement Obligation	347	397,195	0	0	0	0	397,195
TOTAL PACE PLANT:		<u>10,879,115</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,879,115</u>
TOTAL OTHER PRODUCTION:		<u>202,213,924</u>	<u>6,796,565</u>	<u>(7,738,683)</u>	<u>0</u>	<u>0</u>	<u>201,271,806</u>
TOTAL PRODUCTION:		<u>1,318,468,595</u>	<u>50,674,182</u>	<u>(24,421,530)</u>	<u>(3,091)</u>	<u>0</u>	<u>1,344,718,156</u>
TRANSMISSION:							
Land	350.0	1,992,555	166,829	0	(3,857)	1,500	2,157,027
Easements	350.2	10,936,134	(288,445)	0	0	(1,500)	10,646,189
Structures and Improvements	352	6,317,602	667,618	(14,159)	0	0	6,971,061
Station Equipment	353	82,385,452	4,981,327	(1,082,433)	0	(68,549)	86,215,797
Towers and Fixtures	354	35,253,619	600,330	(139,464)	0	0	35,714,485
Poles and Fixtures	355	59,120,785	1,724,207	(115,485)	0	13,749	60,743,256
Overhead Conductors & Devices	356	51,954,280	2,256,594	(123,323)	0	(46,077)	54,041,474
Underground Conductors & Devices	358	14,094,209	294	0	0	0	14,094,503
Roads and Trails	359	64,917	0	0	0	0	64,917
Asset Retirement Obligation	359.1	8,987	0	0	0	0	8,987
TOTAL TRANSMISSION:		<u>262,128,540</u>	<u>10,108,754</u>	<u>(1,474,864)</u>	<u>(3,857)</u>	<u>(100,877)</u>	<u>270,657,696</u>

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
ACTUAL: DECEMBER, 2006

Sheet 3 of 3

	Balance First of Year	Additions	Retirements	Adjustments	Transfers	Balance End of Year	
DISTRIBUTION:							
Land	360.0	1,835,301	126,373	0	(1,706)	0	1,959,968
Land Rights	360.1	0	64,076	0	0	0	64,076
Structures and Improvements	361	13,348,284	117,796	(34,680)	0	0	13,431,400
Station Equipment	362	135,057,654	6,468,787	(1,810,524)	0	130,154	139,846,071
Poles, Towers & Fixtures	364	101,873,827	5,054,316	(691,277)	0	25,809	106,262,675
Overhead Conductors & Devices	365	107,769,922	5,163,928	(1,324,230)	0	(408,551)	111,201,069
Underground Conduit	366	1,210,866	6,725	0	0	0	1,217,591
Underground Conductors & Devices	367	82,823,981	8,871,030	(723,509)	0	410,737	91,382,239
Line Transformers	368	172,944,752	14,861,011	(2,988,934)	0	(60,553)	184,756,276
Services:							
- Overhead	369.1	43,049,740	2,295,266	(299,627)	0	0	45,045,379
- Underground	369.2	33,761,264	2,550,879	(132,131)	0	0	36,180,012
- House Power Panel	369.3	3,013,871	0	(375,285)	0	0	2,638,586
Meters	370	43,775,715	3,413,401	(1,179,287)	0	3,281	46,013,110
Street Lighting & Signal Systems	373	47,747,012	5,007,032	(1,308,239)	0	0	51,445,805
Asset Retirement Obligation	374	49,827	0	0	0	0	49,827
TOTAL DISTRIBUTION:		788,262,016	54,000,620	(10,867,723)	(1,706)	100,877	831,494,084
GENERAL PLANT:							
Land	389.0	6,862,708	1,631,232	0	(1,361,331)	0	7,132,609
Structures and Improvements	390	55,837,194	864,006	(263,031)	0	0	56,438,169
Office Furniture & Equipment:							
- Computer, 5 Year	391	1,201,328	560,031	0	0	0	1,761,359
- Non-Computer, 7 Year	391	2,038,163	592,227	(286,125)	0	0	2,344,265
Transportation Equipment:							
- Light Trucks	392.2	5,199,397	245,548	(158,573)	0	0	5,286,372
- Heavy Trucks	392.3	21,390,426	1,341,554	(3,410,160)	0	0	19,321,820
- Trailers	392.4	1,183,060	23,387	(68,337)	0	0	1,138,110
- Marine, 5 Year	392	93,567	0	(38,502)	0	0	55,065
Stores Equipment - 7 Year	393	357,096	295,620	0	0	0	652,716
Tools, Shop & Garage Equip. - 7 Year	394	2,179,073	31,093	(110,822)	0	0	2,099,344
Laboratory Equipment - 7 Year	395	2,460,054	333,005	(206,569)	0	0	2,586,490
Power Operated Equipment	396	593,660	0	0	0	0	593,660
Communication Equipment:							
- Other	397	16,881,169	750,610	(421,147)	0	0	17,210,632
- 7 Year	397	1,360,595	249,008	(92,760)	0	0	1,516,843
Miscellaneous Equipment - 7 Year	398	2,131,090	389,139	(199,847)	0	0	2,320,382
Asset Retirement Obligation	399.1	200,809	0	0	0	0	200,809
TOTAL GENERAL:		119,969,389	7,306,460	(5,255,873)	(1,361,331)	0	120,658,645
TOTAL ELECTRIC PLANT-IN-SERVICE:		2,488,836,552	122,090,016	(42,019,990)	(1,369,985)	0	2,567,536,593

GULF POWER CO.
ELECTRIC PLANT IN SERVICE
ACTUAL: DECEMBER, 2005

Sheet 1 of 3

	Balance First of Year	Additions	Retirements	Adjustments	Transfers	Balance End of Year
INTANGIBLE:						
Organization	301 7,418	0	0	0	0	7,418
Franchise and Consents	302 594	0	0	0	0	594
TOTAL INTANGIBLE:	8,012	0	0	0	0	8,012
STEAM PRODUCTION:						
DANIEL PLANT:						
Plant	220,532,527	1,102,678	(1,127,315)	9,225	0	220,517,115
Land	967,301	0	0	0	0	967,301
Easements	77,160	0	0	0	0	77,160
Cooling Lake, 23 Year	8,954,192	0	0	0	0	8,954,192
Rail Track System	2,741,618	0	0	0	0	2,741,618
Asset Retirement Obligation	1,629,456	0	0	0	0	1,629,456
TOTAL DANIEL PLANT:	234,902,254	1,102,678	(1,127,315)	9,225	0	234,886,842
CRIST PLANT:						
Plant	429,799,096	97,979,521	(9,096,013)	0	0	518,682,604
Land	4,488,001	0	0	0	0	4,488,001
Base Coal, 5 Year	141,840	0	0	0	0	141,840
- 5 Year	35,542	853	(11,255)	0	0	25,140
- 7 Year	2,723,000	1,206,595	(663,399)	0	0	3,266,196
Asset Retirement Obligation	156,571	1,015,053	0	0	0	1,171,624
TOTAL CRIST PLANT:	437,344,050	100,202,022	(9,770,667)	0	0	527,775,405
SCHOLZ PLANT:						
Plant	29,346,536	598,097	(161,047)	0	0	29,783,586
Land	44,579	0	0	0	0	44,579
Base Coal, 5 Year	71,300	0	0	0	0	71,300
- 5 Year	3,013	0	(3,013)	0	0	0
- 7 Year	149,373	20,944	0	0	0	170,317
Asset Retirement Obligation	0	358,442	0	0	0	358,442
TOTAL SCHOLZ PLANT:	29,614,801	977,483	(164,060)	0	0	30,428,224
SMITH PLANT:						
Plant	130,584,290	13,985,371	(6,810,587)	0	0	137,759,074
Land	1,403,803	(39)	0	0	0	1,403,764
Base Coal, 5 Year	108,300	0	0	0	0	108,300
- 5 Year	22,367	519	0	0	0	22,886
- 7 Year	690,191	305,358	(117,834)	0	0	877,715
Asset Retirement Obligation	132,732	422,503	0	0	0	555,235
TOTAL SMITH PLANT:	132,941,683	14,713,712	(6,928,421)	0	0	140,726,974
SCHERER PLANT:						
Plant	180,652,409	1,209,253	(395,851)	0	0	181,465,811
Land	823,915	688	0	(890)	0	823,713
- 7 Year	36,586	(496)	(12,571)	0	0	23,519
Asset Retirement Obligation	78,221	45,962	0	0	0	124,183
TOTAL SCHERER PLANT:	181,591,131	1,255,407	(408,422)	(890)	0	182,437,226
TOTAL STEAM PRODUCTION:	1,016,393,919	118,251,302	(18,398,885)	8,335	0	1,116,254,671

GULF POWER CO.
ELECTRIC PLANT IN SERVICE
ACTUAL: DECEMBER, 2005

Sheet 2 of 3

		Balance First of Year	Additions	Retirements	Adjustments	Transfers	Balance End of Year
OTHER PRODUCTION:							
LAND - NON-DEPRECIABLE:							
Land - Non-Depreciable	340.00	337,696	0	0	0	0	337,696
TOTAL LAND - NON-DEPRECIABLE:		<u>337,696</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>337,696</u>
SMITH PLANT CT:							
Structures and Improvements	341	793,228	0	0	0	0	793,228
Fuel Holders and Accessories	342	283,274	0	0	0	0	283,274
Prime Movers	343	83,106	0	0	0	0	83,106
Generators	344	3,063,476	0	0	0	0	3,063,476
Accessory Electric Equipment	345	127,146	11,589	(12,463)	0	0	126,272
Miscellaneous Equipment	346	4,332	0	0	0	0	4,332
TOTAL SMITH PLANT CT:		<u>4,354,562</u>	<u>11,589</u>	<u>(12,463)</u>	<u>0</u>	<u>0</u>	<u>4,353,688</u>
SMITH PLANT UNIT 3 COMBINED CYCLE:							
Structures and Improvements	341	9,023,399	201,994	(55,888)	1,474,411	0	10,643,916
Fuel Holders and Accessories	342	529,401	0	0	2,343,825	0	2,873,226
Prime Movers	343	107,980,883	1,718,831	(17,544,211)	2,492,591	0	94,647,894
Generators	344	73,389,247	17,182	0	(6,310,225)	0	67,096,204
Accessory Electric Equipment	345	10,629,937	49,307	(2,375)	(611)	0	10,676,258
Miscellaneous Equipment	346	504,686	201,232	0	9	0	705,927
TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:		<u>202,057,353</u>	<u>2,188,546</u>	<u>(17,602,474)</u>	<u>0</u>	<u>0</u>	<u>186,643,425</u>
PACE PLANT:							
Prime Movers	343	6,790,597	0	0	0	0	6,790,597
Generators	344	3,107,233	0	0	0	0	3,107,233
Accessory Electric Equipment	345	584,090	0	0	0	0	584,090
Asset Retirement Obligation	347	397,195	0	0	0	0	397,195
TOTAL PACE PLANT:		<u>10,879,115</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,879,115</u>
TOTAL OTHER PRODUCTION:		<u>217,628,726</u>	<u>2,200,135</u>	<u>(17,614,937)</u>	<u>0</u>	<u>0</u>	<u>202,213,924</u>
TOTAL PRODUCTION:		<u>1,234,022,645</u>	<u>120,451,437</u>	<u>(36,013,822)</u>	<u>8,335</u>	<u>0</u>	<u>1,318,468,595</u>
TRANSMISSION:							
Land	350.0	1,989,752	2,803	0	0	0	1,992,555
Easements	350	11,264,582	(328,448)	0	0	0	10,936,134
Structures and Improvements	352	6,167,163	160,275	(9,836)	0	0	6,317,602
Station Equipment	353	79,305,599	4,140,896	(974,451)	0	(86,592)	82,385,452
Towers and Fixtures	354	35,213,728	55,815	(15,924)	0	0	35,253,619
Poles and Fixtures	355	56,454,251	2,983,493	(316,959)	0	0	59,120,785
Overhead Conductors & Devices	356	50,433,767	1,615,207	(94,694)	0	0	51,954,280
Underground Conductors & Devices	358	13,612,397	500,235	(18,423)	0	0	14,094,209
Roads and Trails	359	64,917	0	0	0	0	64,917
Asset Retirement Obligation	359.1	0	8,987	0	0	0	8,987
TOTAL TRANSMISSION:		<u>254,506,156</u>	<u>9,139,263</u>	<u>(1,430,287)</u>	<u>0</u>	<u>(86,592)</u>	<u>262,128,540</u>

GULF POWER CO.
ELECTRIC PLANT IN SERVICE
ACTUAL: DECEMBER, 2005

Sheet 3 of 3

	Balance First of Year	Additions	Retirements	Adjustments	Transfers	Balance End of Year	
DISTRIBUTION:							
Land	360.0	1,836,561	0	0	(1,260)	0	1,835,301
Structures and Improvements	361	12,691,934	707,134	(50,784)	0	0	13,348,284
Station Equipment	362	131,257,928	5,201,473	(1,427,010)	0	25,263	135,057,654
Poles, Towers & Fixtures	364	97,977,370	4,710,966	(814,509)	0	0	101,873,827
Overhead Conductors & Devices	365	104,702,031	5,162,311	(1,575,376)	0	(519,044)	107,769,922
Underground Conduit	366	1,210,865	34,386	(34,385)	0	0	1,210,866
Underground Conductors & Devices	367	77,024,907	5,811,956	(531,926)	0	519,044	82,823,981
Line Transformers	368	165,481,922	11,938,134	(4,536,633)	0	61,329	172,944,752
Services:							
- Overhead	369.1	40,280,576	3,098,080	(328,916)	0	0	43,049,740
- Underground	369.2	31,811,521	2,008,956	(59,213)	0	0	33,761,264
- House Power Panel	369.3	3,411,676	0	(397,805)	0	0	3,013,871
Meters	370	39,647,011	5,056,606	(927,902)	0	0	43,775,715
Street Lighting & Signal Systems	373	45,587,463	4,134,684	(1,975,135)	0	0	47,747,012
Asset Retirement Obligation	374.00	0	49,827	0	0	0	49,827
TOTAL DISTRIBUTION:		<u>752,921,765</u>	<u>47,914,513</u>	<u>(12,659,594)</u>	<u>(1,260)</u>	<u>86,592</u>	<u>788,262,016</u>
GENERAL PLANT:							
Land	389.0	6,862,708	0	0	0	0	6,862,708
Structures and Improvements	390	55,722,551	189,574	(74,931)	0	0	55,837,194
Office Furniture & Equipment:							
- Computer, 5 Year	391	898,035	391,744	(88,451)	0	0	1,201,328
- Non-Computer, 7 Year	391	2,123,947	273,465	(359,249)	0	0	2,038,163
Transportation Equipment:							
- Light Trucks	392.2	5,068,642	440,354	(309,599)	0	0	5,199,397
- Heavy Trucks	392.3	18,619,191	3,180,572	(409,337)	0	0	21,390,426
- Trailers	392.4	1,153,069	29,991	0	0	0	1,183,060
- Marine, 5 Year	392	156,876	5,263	(68,572)	0	0	93,567
Stores Equipment - 7 Year	393	310,666	144,865	(98,435)	0	0	357,096
Tools, Shop & Garage Equip. - 7 Year	394	2,179,364	151,122	(151,413)	0	0	2,179,073
Laboratory Equipment - 7 Year	395	2,513,168	445,793	(498,907)	0	0	2,460,054
Power Operated Equipment	396	593,660	0	0	0	0	593,660
Communication Equipment:							
- Other	397	16,141,686	1,042,231	(302,748)	0	0	16,881,169
- 7 Year	397	1,326,579	472,825	(438,809)	0	0	1,360,595
Miscellaneous Equipment - 7 Year	398	2,520,975	156,894	(546,779)	0	0	2,131,090
Asset Retirement Obligation	399.1	0	200,809	0	0	0	200,809
TOTAL GENERAL:		<u>116,191,117</u>	<u>7,126,502</u>	<u>(3,347,230)</u>	<u>0</u>	<u>0</u>	<u>119,969,389</u>
TOTAL ELECTRIC PLANT-IN-SERVICE:		<u>2,357,649,695</u>	<u>184,630,715</u>	<u>(53,450,933)</u>	<u>7,075</u>	<u>0</u>	<u>2,488,836,562</u>

GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
2009 BUDGET

Sheet 1 of 3

	Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Balance End of Year
STEAM PRODUCTION:							
DANIEL PLANT:							
Plant	115,358,662	7,519,470	-	(927,877)	-	-	121,950,255
Easements	53,296	849	-	-	-	-	54,145
Cooling Lake, 23 Year (Fully Amortized)	8,954,192	-	-	-	-	-	8,954,192
Rail Track System	1,946,968	27,416	-	-	-	-	1,974,384
Dismantlement - Fixed	16,464,536	738,048	-	-	-	-	17,202,584
Asset Retirement Obligation	1,665,612	19,722	-	-	-	-	1,685,334
TOTAL DANIEL PLANT:	144,443,266	8,305,505	-	(927,877)	-	-	151,820,894
CRIST PLANT:							
Plant	216,251,357	35,870,509	(2,575,338)	(1,064,985)	-	-	248,481,543
Base Coal, 5 Year (Fully Amortized)	141,840	-	-	-	-	-	141,840
- 5 Year	8,136	5,497	-	-	-	-	13,633
- 7 Year	2,108,159	597,327	-	-	-	-	2,705,486
Dismantlement - Fixed	50,905,745	2,339,405	-	-	-	-	53,245,150
Asset Retirement Obligation	755,927	175,011	-	-	-	-	930,938
TOTAL CRIST PLANT:	270,171,164	38,987,749	(2,575,338)	(1,064,985)	-	-	305,518,590
SCHOLZ PLANT:							
Plant	27,492,167	1,309,722	-	(1,000)	-	-	28,800,889
Base Coal, 5 Year (Fully Amortized)	71,300	-	-	-	-	-	71,300
- 7 Year	66,843	20,388	-	-	-	-	87,231
Dismantlement - Fixed	10,438,695	463,706	-	-	-	-	10,902,401
Asset Retirement Obligation	323,389	9,137	-	-	-	-	332,526
TOTAL SCHOLZ PLANT:	38,392,394	1,802,953	-	(1,000)	-	-	40,194,347
SMITH PLANT:							
Plant	65,729,445	4,228,336	(366,903)	(17,000)	-	-	69,571,878
Base Coal, 5 Year	108,300	-	-	-	-	-	108,300
- 5 Year	22,674	4,577	-	-	-	-	27,251
- 7 Year	608,686	153,610	-	-	-	-	762,296
Dismantlement - Fixed	17,155,584	700,730	-	-	-	-	17,856,314
Asset Retirement Obligation	375,610	4,795	-	-	-	-	380,405
TOTAL SMITH PLANT:	84,000,299	5,090,048	(366,903)	(17,000)	-	-	88,706,444
SCHERER PLANT:							
Plant	90,881,146	4,456,092	(16,675)	(1,000)	-	-	95,319,563
Dismantlement - Fixed	4,640,810	107,319	-	-	-	-	4,748,129
- 7 Year	20,762	8,268	-	-	-	-	29,030
Asset Retirement Obligation	53,090	1,833	-	-	-	-	54,923
TOTAL SCHERER PLANT:	95,595,808	4,573,512	(16,675)	(1,000)	-	-	100,151,645
TOTAL STEAM PRODUCTION:	632,602,931	58,759,767	(2,958,916)	(2,011,862)	-	-	686,391,920

GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
2009 BUDGET

Sheet 2 of 3

		Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Balance End of Year
OTHER PRODUCTION:								
SMITH PLANT CT:								
Structures and Improvements	341	631,856	3,214	0	0	0	0	635,070
Fuel Holders and Accessories	342	238,532	1,213	0	0	0	0	239,745
Prime Movers	343	65,122	331	0	0	0	0	65,453
Generators	344	2,702,527	14,556	0	0	0	0	2,717,083
Accessory Electric Equipment	345	101,410	516	0	0	0	0	101,926
Miscellaneous Equipment	346	4,551	23	0	0	0	0	4,574
Dismantlement - Fixed		159,136	4,612	0	0	0	0	163,748
TOTAL SMITH PLANT CT:		3,903,134	24,466	0	0	0	0	3,927,600
SMITH PLANT UNIT 3 COMBINED CYCLE:								
Structures and Improvements	341	3,035,655	204,455	0	(35,134)	0	0	3,204,976
Fuel Holders and Accessories	342	834,912	408,910	0	(70,269)	0	0	1,173,553
Prime Movers	343	(6,148,075)	2,478,244	(19,025,077)	(468,459)	0	0	(23,163,367)
Generators	344	12,129,248	2,356,307	0	(433,325)	0	0	14,052,230
Accessory Electric Equipment	345	2,711,908	505,397	0	(93,692)	0	0	3,123,613
Miscellaneous Equipment	346	136,162	173,050	0	(35,134)	0	0	274,078
Dismantlement - Fixed		1,672,884	234,069	0	0	0	0	1,906,953
TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:		14,372,694	6,360,432	(19,025,077)	(1,136,013)	0	0	572,036
PACE PLANT:								
Prime Movers	343	3,578,397	339,580	0	0	0	0	3,917,957
Generators	344	1,637,400	155,375	0	0	0	0	1,792,775
Accessory Electric Equipment	345	307,306	29,161	0	0	0	0	336,467
Asset Retirement Obligation	347	210,183	19,860	0	0	0	0	230,043
Dismantlement - Fixed		(14,254)	(1,098)	0	0	0	0	(15,352)
TOTAL PACE PLANT:		5,719,032	542,858	0	0	0	0	6,261,890
TOTAL OTHER PRODUCTION:		23,994,860	6,927,756	(19,025,077)	(1,136,013)	0	0	10,761,526
TOTAL PRODUCTION:		656,597,791	65,687,523	(21,983,993)	(3,147,875)	0	0	697,153,446
TRANSMISSION:								
Easements	350.2	5,571,054	215,010	0	0	0	0	5,786,064
Structures and Improvements	352	2,650,865	191,971	0	0	0	0	2,842,836
Station Equipment	353	25,121,648	2,356,326	(92,000)	(16,000)	0	0	27,369,974
Towers and Fixtures	354	22,022,551	872,738	0	0	0	0	22,895,289
Poles and Fixtures	355	22,675,020	3,452,097	(500,000)	(150,000)	0	0	25,477,117
Overhead Conductors & Devices	356	21,740,039	1,656,777	0	(50,000)	0	0	23,346,816
Underground Conductors & Devices	358	6,038,975	310,079	0	0	0	0	6,349,054
Roads and Trails	359	27,551	1,352	0	0	0	0	28,903
Asset Retirement Obligation	359.1	3,983	143	0	0	0	0	4,126
TOTAL TRANSMISSION:		105,851,686	9,056,493	(592,000)	(216,000)	0	0	114,100,179

GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
2009 BUDGET

Sheet 3 of 3

	Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Balance End of Year
DISTRIBUTION:							
Easements	360.1	8,574	4,084	0	0	0	12,658
Structures and Improvements	361	5,735,681	356,062	0	0	0	6,091,743
Station Equipment	362	47,406,184	3,766,713	(75,000)	(130,000)	0	50,967,897
Poles, Towers & Fixtures	364	61,132,973	6,509,770	(890,997)	(697,499)	0	66,054,247
Overhead Conductors & Devices	365	40,381,594	3,409,833	(813,399)	(566,870)	0	42,411,158
Underground Conduit	366	770,682	17,044	0	0	0	787,726
Underground Conductors & Devices	367	32,971,192	3,726,404	(658,355)	(265,289)	0	#REF!
Line Transformers	368	77,793,914	8,857,728	(1,631,501)	(439,514)	0	79,449,303
Services:							
- Overhead	369.1	25,014,536	1,832,105	(46,689)	(115,002)	0	26,684,950
- Underground	369.2	11,575,847	1,005,307	(30,589)	0	0	12,550,565
- House Power Panel	369.3	1,677,417	48,845	(83,718)	0	0	1,642,544
Meters	370	14,561,512	1,494,934	(642,004)	(30,003)	0	15,384,439
Street Lighting & Signal Systems	373	22,476,225	2,942,002	(797,843)	(348,980)	0	24,271,404
Asset Retirement Obligation	374	21,351	1,005	0	0	0	22,356
TOTAL DISTRIBUTION:	341,527,682	33,971,836	(5,670,095)	(2,593,157)	0	0	367,236,266
GENERAL PLANT:							
Structures and Improvements	390	20,828,991	1,486,130	(121,705)	(42,500)	0	22,150,916
Office Furniture & Equipment:							
- Computer, 5 Year	391	1,508,888	584,293	(101,224)	0	0	1,991,957
- Non-Computer, 7 Year	391	1,416,536	359,255	(451,286)	0	0	1,324,505
Transportation Equipment:							
- Light Trucks	392.2	2,531,377	569,585	(112,000)	0	0	2,988,962
- Heavy Trucks	392.3	6,737,325	1,334,912	(1,488,000)	0	0	6,584,237
- Trailers	392.4	583,323	51,124	0	0	0	634,447
- Marine, 5 Year	392	34,366	0	(69,611)	0	0	(35,245)
Stores Equipment - 7 Year	393	260,471	96,019	(237,042)	0	0	119,448
Tools, Shop & Garage Equip. - 7 Year	394	1,464,863	262,973	(385,193)	0	0	1,342,643
Laboratory Equipment - 7 Year	395	1,515,405	358,162	(325,933)	0	0	1,547,634
Power Operated Equipment	396	342,879	29,089	0	0	0	371,968
Communication Equipment:							
- Other	397	10,167,492	956,295	(211,521)	(9,500)	0	10,902,766
- 7 Year	397	802,298	258,466	0	0	0	1,060,764
Miscellaneous Equipment - 7 Year	398	1,414,260	283,511	(2,014,858)	0	0	(317,087)
Asset Retirement Obligation	399.1	103,367	4,053	0	0	0	107,420
TOTAL GENERAL:	49,711,841	6,633,867	(5,518,373)	(52,000)	0	0	50,775,335
TOTAL ELECTRIC PLANT-IN-SERVICE:	1,153,689,000	115,349,719	(33,764,461)	(6,009,032)	0	0	1,229,265,226

GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
ACTUAL: DECEMBER, 2008

Sheet 1 of 3

	Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Balance End of Year
STEAM PRODUCTION:							
DANIEL PLANT:							
Plant	110,534,238	7,316,579	(2,390,244)	(1,120,691)	1,018,780	0	115,358,662
Easements	52,447	849	0	0	0	0	53,296
Cooling Lake, 23 Year	8,954,192	0	0	0	0	0	8,954,192
Rail Track System	1,919,552	27,416	0	0	0	0	1,946,968
Dismantlement - Fixed	15,726,488	738,048	0	0	0	0	16,464,536
Asset Retirement Obligation	1,645,890	19,722	0	0	0	0	1,665,612
TOTAL DANIEL PLANT:	138,832,807	8,102,614	(2,390,244)	(1,120,691)	1,018,780	0	144,443,266
CRIST PLANT:							
Plant	213,067,370	18,443,367	(9,322,816)	(6,349,384)	191,065	221,755	216,251,357
Base Coal, 5 Year	141,840	0	0	0	0	0	141,840
- 5 Year	2,639	5,497	0	0	0	0	8,136
- 7 Year	1,510,832	597,327	0	0	0	0	2,108,159
Dismantlement - Fixed	48,566,340	2,339,405	0	0	0	0	50,905,745
Asset Retirement Obligation	689,626	175,011	(108,710)	0	0	0	755,927
TOTAL CRIST PLANT:	263,978,647	21,560,607	(9,431,526)	(6,349,384)	191,065	221,755	270,171,164
SCHOLZ PLANT:							
Plant	26,273,526	1,268,021	(248,647)	(5,389)	0	204,656	27,492,167
Base Coal, 5 Year	71,300	0	0	0	0	0	71,300
- 7 Year	46,455	20,388	0	0	0	0	66,843
Dismantlement - Fixed	9,974,989	463,706	0	0	0	0	10,438,695
Asset Retirement Obligation	321,894	9,137	(7,642)	0	0	0	323,389
TOTAL SCHOLZ PLANT:	36,688,164	1,761,252	(256,289)	(5,389)	0	204,656	38,392,394
SMITH PLANT:							
Plant	62,537,777	3,850,284	(319,020)	(339,596)	0	0	65,729,445
Base Coal, 5 Year	108,300	0	0	0	0	0	108,300
- 5 Year	18,097	4,577	0	0	0	0	22,674
- 7 Year	455,076	153,610	0	0	0	0	608,686
Dismantlement - Fixed	16,454,854	700,730	0	0	0	0	17,155,584
Asset Retirement Obligation	372,120	4,795	(1,305)	0	0	0	375,610
TOTAL SMITH PLANT:	79,946,224	4,713,996	(320,325)	(339,596)	0	0	84,000,299
SCHERER PLANT:							
Plant	87,594,876	3,473,892	(220,284)	(87,067)	119,729	0	90,881,146
Dismantlement - Fixed	4,533,491	107,319	0	0	0	0	4,640,810
- 7 Year	12,494	8,268	0	0	0	0	20,762
Asset Retirement Obligation	52,531	1,833	(1,466)	192	0	0	53,090
TOTAL SCHERER PLANT:	92,193,392	3,591,312	(221,750)	(86,875)	119,729	0	95,595,808
TOTAL STEAM PRODUCTION:	611,639,234	39,729,781	(12,620,134)	(7,901,935)	1,329,574	426,411	632,602,931

GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
ACTUAL: DECEMBER, 2008

Sheet 2 of 3

		Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Balance End of Year
OTHER PRODUCTION:								
SMITH PLANT CT:								
Structures and Improvements	341	628,549	3,173	134	0	0	0	631,856
Fuel Holders and Accessories	342	236,491	2,041	0	0	0	0	238,532
Prime Movers	343	64,790	332	0	0	0	0	65,122
Generators	344	2,688,771	13,756	0	0	0	0	2,702,527
Accessory Electric Equipment	345	100,905	505	0	0	0	0	101,410
Miscellaneous Equipment	346	4,526	25	0	0	0	0	4,551
Dismantlement - Fixed		154,524	4,612	0	0	0	0	159,136
TOTAL SMITH PLANT CT:		3,878,556	24,444	134	0	0	0	3,903,134
SMITH PLANT UNIT 3 COMBINED CYCLE:								
Structures and Improvements	341	2,769,460	345,640	(66,328)	(13,117)	0	0	3,035,655
Fuel Holders and Accessories	342	744,585	90,327	0	0	0	0	834,912
Prime Movers	343	(8,842,592)	2,672,303	(572,207)	(9,077)	0	603,498	(6,148,075)
Generators	344	10,191,141	2,077,548	(139,365)	(76)	0	0	12,129,248
Accessory Electric Equipment	345	2,337,366	332,704	0	0	0	41,838	2,711,908
Miscellaneous Equipment	346	114,171	21,991	0	0	0	0	136,162
Dismantlement - Fixed		1,438,815	234,069	0	0	0	0	1,672,884
TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:		8,752,946	5,774,582	(777,900)	(22,270)	0	645,336	14,372,694
PACE PLANT:								
Prime Movers	343	3,238,867	339,530	0	0	0	0	3,578,397
Generators	344	1,482,038	155,362	0	0	0	0	1,637,400
Accessory Electric Equipment	345	278,101	29,205	0	0	0	0	307,306
Asset Retirement Obligation	347	190,323	19,860	0	0	0	0	210,183
Dismantlement - Fixed		(13,156)	(1,098)	0	0	0	0	(14,254)
TOTAL PACE PLANT:		5,176,173	542,859	0	0	0	0	5,719,032
TOTAL OTHER PRODUCTION:		17,807,675	6,341,885	(777,766)	(22,270)	0	645,336	23,994,860
TOTAL PRODUCTION:		629,446,909	46,071,666	(13,397,900)	(7,924,205)	1,329,574	1,071,747	656,597,791
TRANSMISSION:								
Easements	350.2	5,449,164	191,548	(158)	0	(69,500)	0	5,571,054
Structures and Improvements	352	2,474,728	178,435	(8,184)	(434)	0	6,320	2,650,865
Station Equipment	353	25,294,365	2,060,702	(1,588,427)	(50,957)	20,668	(614,703)	25,121,648
Towers and Fixtures	354	21,252,263	862,678	(31,679)	(6,331)	0	(54,380)	22,022,551
Poles and Fixtures	355	21,057,946	2,745,547	(804,023)	(365,164)	0	40,714	22,675,020
Overhead Conductors & Devices	356	22,094,233	1,549,256	(1,882,466)	(34,785)	0	13,801	21,740,039
Underground Conductors & Devices	358	5,728,896	310,079	0	0	0	0	6,038,975
Roads and Trails	359	27,732	1,382	(1,563)	0	0	0	27,551
Asset Retirement Obligation	359.1	4,967	143	(1,127)	0	0	0	3,983
TOTAL TRANSMISSION:		103,384,294	7,899,770	(4,317,627)	(457,671)	(48,832)	(608,248)	105,851,686

GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
ACTUAL: DECEMBER, 2008

Sheet 3 of 3

	Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Balance End of Year
DISTRIBUTION:							
Easements	360.1	22,322	4,269	0	0	(18,017)	8,574
Structures and Improvements	361	5,404,179	355,810	(12,567)	(11,741)	0	5,735,681
Station Equipment	362	45,487,100	3,589,590	(1,597,784)	(114,855)	53,838	47,406,184
Poles, Towers & Fixtures	364	56,945,199	6,048,613	(860,671)	(1,095,036)	76,851	61,132,973
Overhead Conductors & Devices	365	38,931,341	3,229,047	(736,229)	(591,709)	215,155	40,381,594
Underground Conduit	366	753,638	17,044	0	0	0	770,682
Underground Conductors & Devices	367	29,380,113	3,409,526	(364,300)	(141,917)	21,759	32,971,192
Line Transformers	368	72,039,758	8,228,249	(2,038,958)	(841,019)	380,066	77,793,914
Services:							
- Overhead	369.1	23,655,692	1,753,153	(181,951)	(227,245)	14,887	25,014,536
- Underground	369.2	10,775,411	937,575	(117,471)	(19,668)	0	11,575,847
- House Power Panel	369.3	1,944,492	57,707	(324,782)	0	0	1,677,417
Meters	370	14,212,912	1,329,258	(1,246,424)	(266,965)	532,731	14,561,512
Street Lighting & Signal Systems	373	21,545,825	2,795,973	(1,497,785)	(378,414)	10,626	22,476,225
Asset Retirement Obligation	374	22,622	1,005	(2,276)	0	0	21,351
TOTAL DISTRIBUTION:	321,120,604	31,756,819	(8,981,198)	(3,688,569)	1,305,913	14,113	341,527,682
GENERAL PLANT:							
Structures and Improvements	390	23,889,422	1,432,213	(5,822,914)	(115,609)	0	20,828,991
Office Furniture & Equipment:							
- Computer, 5 Year	391	818,906	584,293	0	0	105,689	1,508,888
- Non-Computer, 7 Year	391	1,057,281	359,255	0	0	0	1,416,536
Transportation Equipment:							
- Light Trucks	392.2	2,699,618	491,949	(709,273)	0	49,083	2,531,377
- Heavy Trucks	392.3	6,845,560	1,366,177	(1,638,026)	0	202,040	6,737,325
- Trailers	392.4	556,347	50,975	(51,539)	0	0	583,323
- Marine, 5 Year	392	15,459	8,021	0	0	10,886	34,366
Stores Equipment - 7 Year	393	164,452	96,019	0	0	0	260,471
Tools, Shop & Garage Equip. - 7 Year	394	1,201,890	262,973	0	0	0	1,464,863
Laboratory Equipment - 7 Year	395	1,157,243	358,162	0	0	0	1,515,405
Power Operated Equipment	396	313,790	29,089	0	0	0	342,879
Communication Equipment:							
- Other	397	10,397,467	823,569	(1,036,081)	(29,941)	(7,719)	10,167,492
- 7 Year	397	543,832	258,466	0	0	0	802,298
Miscellaneous Equipment - 7 Year	398	1,130,749	283,511	0	0	0	1,414,260
Asset Retirement Obligation	399.1	99,314	4,053	0	0	0	103,367
TOTAL GENERAL:	50,891,330	6,408,725	(9,257,833)	(145,550)	243,404	1,571,765	49,711,841
TOTAL ELECTRIC PLANT-IN-SERVICE:	1,104,843,137	92,136,980	(35,954,558)	(12,215,995)	2,830,059	2,049,377	1,153,689,000

GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
ACTUAL: DECEMBER, 2007

Sheet 1 of 3

	Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Balance End of Year
STEAM PRODUCTION:							
DANIEL PLANT:							
Plant	109,027,017	7,185,092	(4,999,753)	(766,021)	87,903	0	110,534,238
Easements	51,598	849	0	0	0	0	52,447
Cooling Lake, 23 Year	8,954,192	0	0	0	0	0	8,954,192
Rail Track System	1,892,136	27,416	0	0	0	0	1,919,552
Dismantlement - Fixed	14,988,440	738,048	0	0	0	0	15,726,488
Asset Retirement Obligation	1,494,687	151,203	0	0	0	0	1,645,890
TOTAL DANIEL PLANT:	136,408,070	8,102,608	(4,999,753)	(766,021)	87,903	0	138,832,807
CRIST PLANT:							
Plant	206,078,090	17,259,027	(8,371,854)	(2,011,819)	113,926	0	213,067,370
Base Coal, 5 Year	141,840	0	0	0	0	0	141,840
- 5 Year	14,695	3,009	(15,065)	0	0	0	2,639
- 7 Year	1,082,818	578,314	(150,300)	0	0	0	1,510,832
Dismantlement - Fixed	46,226,935	2,339,405	0	0	0	0	48,566,340
Asset Retirement Obligation	704,279	107,005	(212,498)	0	0	90,840	689,626
TOTAL CRIST PLANT:	254,248,657	20,286,760	(8,749,717)	(2,011,819)	113,926	90,840	263,978,647
SCHOLZ PLANT:							
Plant	25,151,019	1,252,892	(128,818)	(1,567)	0	0	26,273,526
Base Coal, 5 Year	71,300	0	0	0	0	0	71,300
- 7 Year	30,857	15,798	0	0	0	0	46,655
Dismantlement - Fixed	9,511,283	463,706	0	0	0	0	9,974,989
Asset Retirement Obligation	312,757	9,137	0	0	0	0	321,894
TOTAL SCHOLZ PLANT:	35,077,016	1,741,533	(128,818)	(1,567)	0	0	36,688,164
SMITH PLANT:							
Plant	66,668,183	3,712,251	(4,402,385)	(3,440,272)	0	0	62,537,777
Base Coal, 5 Year	108,300	0	0	0	0	0	108,300
- 5 Year	13,520	4,577	0	0	0	0	18,097
- 7 Year	326,337	149,396	(20,657)	0	0	0	455,076
Dismantlement - Fixed	15,754,124	700,730	0	0	0	0	16,454,854
Asset Retirement Obligation	406,572	4,795	(39,247)	0	0	0	372,120
TOTAL SMITH PLANT:	83,277,036	4,571,749	(4,462,289)	(3,440,272)	0	0	79,946,224
SCHERER PLANT:							
Plant	84,278,338	3,466,943	(194,782)	(40,091)	84,468	0	87,594,876
Dismantlement - Fixed	4,426,172	107,319	0	0	0	0	4,533,491
- 7 Year	(49,922)	7,005	55,411	0	0	0	12,494
Asset Retirement Obligation	50,695	2,044	0	(208)	0	0	52,531
TOTAL SCHERER PLANT:	88,705,283	3,583,311	(139,371)	(40,299)	84,468	0	92,193,392
TOTAL STEAM PRODUCTION:	597,716,062	38,285,961	(18,479,948)	(6,259,978)	286,297	90,840	611,639,234

GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
ACTUAL: DECEMBER, 2007

Sheet 2 of 3

		Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Balance End of Year
OTHER PRODUCTION:								
SMITH PLANT CT:								
Structures and Improvements	341	625,376	3,173	0	0	0	0	628,549
Fuel Holders and Accessories	342	235,323	1,188	0	0	0	0	236,491
Prime Movers	343	64,457	333	0	0	0	0	64,790
Generators	344	3,161,868	13,007	(178,881)	(307,023)	0	0	2,688,771
Accessory Electric Equipment	345	100,400	505	0	0	0	0	100,905
Miscellaneous Equipment	346	4,509	17	0	0	0	0	4,526
Dismantlement - Fixed		149,912	4,612	0	0	0	0	154,524
TOTAL SMITH PLANT CT:		4,341,645	22,815	(178,881)	(307,023)	0	0	3,878,556
SMITH PLANT UNIT 3 COMBINED CYCLE:								
Structures and Improvements	341	2,473,456	331,178	0	(35,174)	0	0	2,769,460
Fuel Holders and Accessories	342	654,258	90,327	0	0	0	0	744,585
Prime Movers	343	(5,157,251)	3,019,507	(14,070,469)	(466,145)	0	7,831,766	(8,842,592)
Generators	344	8,112,471	2,079,993	0	(1,323)	0	0	10,191,141
Accessory Electric Equipment	345	2,006,177	331,189	0	0	0	0	2,337,366
Miscellaneous Equipment	346	92,287	21,884	0	0	0	0	114,171
Dismantlement - Fixed		1,204,746	234,069	0	0	0	0	1,438,815
TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:		9,386,144	6,108,147	(14,070,469)	(502,642)	0	7,831,766	8,752,946
PACE PLANT:								
Prime Movers	343	2,899,337	339,530	0	0	0	0	3,238,867
Generators	344	1,326,676	155,362	0	0	0	0	1,482,038
Accessory Electric Equipment	345	248,897	29,204	0	0	0	0	278,101
Asset Retirement Obligation	347	170,463	19,860	0	0	0	0	190,323
Dismantlement - Fixed		(12,058)	(1,098)	0	0	0	0	(13,156)
TOTAL PACE PLANT:		4,633,315	542,858	0	0	0	0	5,176,173
TOTAL OTHER PRODUCTION:		18,361,104	6,673,820	(14,249,350)	(809,665)	0	7,831,766	17,807,675
TOTAL PRODUCTION:		616,077,166	44,959,781	(32,729,298)	(7,069,643)	286,297	7,922,606	629,446,909
TRANSMISSION:								
Easements	350.2	5,285,591	181,557	0	0	0	(17,984)	5,449,164
Structures and Improvements	352	2,321,448	160,036	(6,754)	0	0	0	2,474,728
Station Equipment	353	24,443,132	1,902,068	(965,642)	(114,940)	4,281	25,466	25,294,365
Towers and Fixtures	354	20,815,204	835,625	(344,766)	(52,336)	0	(1,464)	21,252,263
Poles and Fixtures	355	19,391,382	2,579,786	(425,040)	(484,243)	11,133	(15,072)	21,057,946
Overhead Conductors & Devices	356	21,012,801	1,466,775	(328,179)	(20,059)	0	(37,105)	22,094,233
Underground Conductors & Devices	358	5,418,817	310,079	0	0	0	0	5,728,896
Roads and Trails	359	28,227	1,412	(1,907)	0	0	0	27,732
Asset Retirement Obligation	359.1	4,824	143	0	0	0	0	4,967
TOTAL TRANSMISSION:		96,721,424	7,437,481	(2,072,288)	(671,578)	15,414	(46,159)	103,384,294

GULF POWER COMPANY
 ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
 ACTUAL: DECEMBER, 2007

Sheet 3 of 3

		Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Balance End of Year
DISTRIBUTION:								
Easements	360.1	0	3,188	0	0	0	19,134	22,322
Structures and Improvements	361	5,084,363	339,326	(19,510)	0	0	0	5,404,179
Station Equipment	362	44,459,053	3,503,002	(2,378,927)	(382,190)	215,931	70,231	45,487,100
Poles, Towers & Fixtures	364	52,643,630	5,841,161	(795,610)	(816,237)	57,044	15,211	56,945,199
Overhead Conductors & Devices	365	37,288,965	3,158,651	(793,034)	(803,430)	238,807	(156,618)	38,931,341
Underground Conduit	366	736,580	17,047	0	11	0	0	753,638
Underground Conductors & Devices	367	26,967,612	3,159,170	(808,014)	(204,519)	72,142	193,722	29,380,113
Line Transformers	368	67,014,427	7,931,760	(2,435,074)	(616,133)	240,235	(95,457)	72,039,758
Services:								
- Overhead	369.1	22,344,159	1,695,629	(205,171)	(227,157)	48,232	0	23,655,692
- Underground	369.2	9,964,307	893,580	(57,288)	(25,188)	0	0	10,775,411
- House Power Panel	369.3	2,229,209	66,701	(351,418)	0	0	0	1,944,492
Meters	370	14,004,486	1,312,179	(1,386,296)	(224,187)	506,730	0	14,212,912
Street Lighting & Signal Systems	373	20,259,697	2,681,162	(1,175,176)	(255,195)	35,337	0	21,545,825
Asset Retirement Obligation	374	25,703	1,005	(4,086)	0	0	0	22,622
TOTAL DISTRIBUTION:		<u>303,022,191</u>	<u>30,603,561</u>	<u>(10,409,604)</u>	<u>(3,554,225)</u>	<u>1,412,458</u>	<u>46,223</u>	<u>321,120,604</u>
GENERAL PLANT:								
Structures and Improvements	390	22,969,897	1,314,447	(225,781)	(169,141)	0	0	23,889,422
Office Furniture & Equipment:								
- Computer, 5 Year	391	574,046	340,861	(96,001)	0	0	0	818,906
- Non-Computer, 7 Year	391	722,386	334,895	0	0	0	0	1,057,281
Transportation Equipment:								
- Light Trucks	392.2	2,826,369	463,060	(666,102)	0	76,291	0	2,699,618
- Heavy Trucks	392.3	7,154,668	1,437,212	(2,036,871)	0	290,551	0	6,845,560
- Trailers	392.4	502,465	51,707	(2,585)	0	4,760	0	556,347
- Marine, 5 Year	392	37,167	9,455	(31,163)	0	0	0	15,459
Stores Equipment - 7 Year	393	117,688	97,552	(50,788)	0	0	0	164,452
Tools, Shop & Garage Equip. - 7 Year	394	1,154,252	296,779	(249,141)	0	0	0	1,201,890
Laboratory Equipment - 7 Year	395	1,001,977	367,358	(212,082)	0	0	0	1,157,243
Power Operated Equipment	396	284,701	29,089	0	0	0	0	313,790
Communication Equipment:								
- Other	397	10,342,315	815,530	(731,377)	(29,006)	70	(65)	10,397,467
- 7 Year	397	357,967	210,187	(24,322)	0	0	0	543,832
Miscellaneous Equipment - 7 Year	398	1,007,918	324,459	(201,628)	0	0	0	1,130,749
Asset Retirement Obligation	399.1	99,497	4,053	(4,236)	0	0	0	99,314
TOTAL GENERAL:		<u>49,153,313</u>	<u>6,096,644</u>	<u>(4,532,087)</u>	<u>(198,147)</u>	<u>371,672</u>	<u>(65)</u>	<u>50,891,330</u>
TOTAL ELECTRIC PLANT-IN-SERVICE:		<u>1,066,974,094</u>	<u>89,097,467</u>	<u>(49,743,277)</u>	<u>(11,493,593)</u>	<u>2,085,841</u>	<u>7,922,605</u>	<u>1,104,843,137</u>

GULF POWER COMPANY
 ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
 ACTUAL: DECEMBER, 2006

Sheet 1 of 3

	Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Balance End of Year
STEAM PRODUCTION:							
DANIEL PLANT:							
Plant	105,865,183	7,091,713	(2,918,466)	(1,122,805)	111,392	0	109,027,017
Easements	50,749	849	0	0	0	0	51,598
Cooling Lake, 23 Year	8,954,192	0	0	0	0	0	8,954,192
Rail Track System	1,864,720	27,416	0	0	0	0	1,892,136
Dismantlement - Fixed	14,264,188	724,252	0	0	0	0	14,988,440
Asset Retirement Obligation	955,614	539,073	0	0	0	0	1,494,687
TOTAL DANIEL PLANT:	131,954,646	8,383,303	(2,918,466)	(1,122,805)	111,392	0	136,408,070
CRIST PLANT:							
Plant	198,899,003	19,879,556	(12,517,932)	(1,357,512)	513,971	661,004	206,078,090
Base Coal, 5 Year	141,840	0	0	0	0	0	141,840
- 5 Year	16,052	5,028	(6,385)	0	0	0	14,695
- 7 Year	863,921	466,599	(247,702)	0	0	0	1,082,818
Dismantlement - Fixed	43,583,760	2,643,175	0	0	0	0	46,226,935
Asset Retirement Obligation	619,748	84,531	0	0	0	0	704,279
TOTAL CRIST PLANT:	244,124,324	23,078,889	(12,772,019)	(1,357,512)	513,971	661,004	254,248,657
SCHOLZ PLANT:							
Plant	24,008,790	1,252,210	(102,644)	(7,337)	0	0	25,151,019
Base Coal, 5 Year	71,300	0	0	0	0	0	71,300
- 7 Year	66,060	24,331	(59,734)	0	0	0	30,657
Dismantlement - Fixed	9,045,779	465,504	0	0	0	0	9,511,283
Asset Retirement Obligation	303,620	9,137	0	0	0	0	312,757
TOTAL SCHOLZ PLANT:	33,495,549	1,751,182	(162,378)	(7,337)	0	0	35,077,016
SMITH PLANT:							
Plant	61,790,048	5,419,680	(262,233)	(279,312)	0	0	66,668,183
Base Coal, 5 Year	108,300	0	0	0	0	0	108,300
- 5 Year	8,943	4,577	0	0	0	0	13,520
- 7 Year	235,427	125,388	(34,478)	0	0	0	326,337
Dismantlement - Fixed	14,885,551	868,573	0	0	0	0	15,754,124
Asset Retirement Obligation	395,748	10,824	0	0	0	0	406,572
TOTAL SMITH PLANT:	77,424,017	6,429,042	(296,711)	(279,312)	0	0	83,277,036
SCHERER PLANT:							
Plant	81,341,214	3,445,482	(468,480)	(213,136)	173,258	0	84,278,338
Dismantlement - Fixed	4,312,688	113,484	0	0	0	0	4,426,172
- 7 Year	10,762	4,109	(64,793)	0	0	0	(49,922)
Asset Retirement Obligation	48,655	2,040	0	0	0	0	50,695
TOTAL SCHERER PLANT:	85,713,319	3,565,115	(533,273)	(213,136)	173,258	0	88,705,283
TOTAL STEAM PRODUCTION:	572,711,855	43,207,531	(16,682,847)	(2,980,102)	798,621	661,004	597,716,062

GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
ACTUAL: DECEMBER, 2006

Sheet 2 of 3

		Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Balance End of Year
OTHER PRODUCTION:								
SMITH PLANT CT:								
Structures and Improvements	341	622,203	3,173	0	0	0	0	625,376
Fuel Holders and Accessories	342	234,190	1,133	0	0	0	0	235,323
Prime Movers	343	64,125	332	0	0	0	0	64,457
Generators	344	3,149,414	12,254	0	0	0	0	3,161,668
Accessory Electric Equipment	345	99,895	505	0	0	0	0	100,400
Miscellaneous Equipment	346	4,492	17	0	0	0	0	4,509
Dismantlement - Fixed		143,084	6,828	0	0	0	0	149,912
TOTAL SMITH PLANT CT:		4,317,403	24,242	0	0	0	0	4,341,645
SMITH PLANT UNIT 3 COMBINED CYCLE:								
Structures and Improvements	341	2,048,147	425,789	0	(480)	0	0	2,473,456
Fuel Holders and Accessories	342	553,963	115,948	(13,400)	(2,253)	0	0	654,258
Prime Movers	343	(952,591)	3,761,087	(7,704,417)	1,236,625	0	(1,497,955)	(5,157,251)
Generators	344	5,428,623	2,683,848	0	0	0	0	8,112,471
Accessory Electric Equipment	345	1,601,164	427,188	(20,866)	(1,309)	0	0	2,006,177
Miscellaneous Equipment	346	64,050	28,237	0	0	0	0	92,287
Dismantlement - Fixed		921,492	283,254	0	0	0	0	1,204,746
TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:		9,664,848	7,725,351	(7,738,683)	1,232,583	0	(1,497,955)	9,386,144
PACE PLANT:								
Prime Movers	343	2,559,808	339,529	0	0	0	0	2,899,337
Generators	344	1,171,314	155,362	0	0	0	0	1,326,676
Accessory Electric Equipment	345	219,892	29,205	0	0	0	0	248,897
Asset Retirement Obligation	347	150,603	19,860	0	0	0	0	170,463
Dismantlement - Fixed		(10,455)	(1,603)	0	0	0	0	(12,058)
TOTAL PACE PLANT:		4,090,962	542,353	0	0	0	0	4,633,315
TOTAL OTHER PRODUCTION:		18,073,213	8,291,946	(7,738,683)	1,232,583	0	(1,497,955)	18,361,104
TOTAL PRODUCTION:		590,785,068	51,499,477	(24,421,530)	(1,747,519)	798,621	(836,951)	616,077,166
TRANSMISSION:								
Land	350	0	(684)	0	0	0	684	0
Easements	350.2	5,100,269	186,006	0	0	0	(684)	5,285,591
Structures and Improvements	352	2,186,207	150,245	(14,159)	(847)	0	0	2,321,446
Station Equipment	353	23,789,112	1,834,135	(1,082,433)	(100,105)	4,762	(2,339)	24,443,132
Towers and Fixtures	354	20,172,450	810,054	(139,464)	(32,253)	4,417	0	20,815,204
Poles and Fixtures	355	17,377,828	2,448,208	(115,485)	(315,939)	0	(3,230)	19,391,382
Overhead Conductors & Devices	356	19,789,409	1,367,472	(123,323)	(3,670)	0	(17,087)	21,012,801
Underground Conductors & Devices	358	5,108,739	310,078	0	0	0	0	5,418,817
Roads and Trails	359	28,799	1,428	0	0	0	0	28,227
Asset Retirement Obligation	359.1	4,681	143	0	0	0	0	4,824
TOTAL TRANSMISSION:		93,555,494	7,107,085	(1,474,864)	(452,814)	9,179	(22,656)	98,721,424

GULF POWER COMPANY
 ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
 ACTUAL: DECEMBER, 2006

Sheet 3 of 3

		Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Balance End of Year
DISTRIBUTION:								
Structures and Improvements	361	4,809,742	310,686	(34,680)	(1,385)	0	0	5,084,363
Station Equipment	362	43,255,379	3,324,868	(1,810,524)	(298,793)	250	(12,127)	44,459,053
Poles, Towers & Fixtures	364	48,177,032	5,625,408	(691,277)	(706,075)	230,532	8,010	52,643,630
Overhead Conductors & Devices	365	36,228,446	3,071,397	(1,324,230)	(696,639)	135,184	(125,193)	37,288,965
Underground Conduit	366	719,593	16,987	0	0	0	0	736,580
Underground Conductors & Devices	367	24,803,963	2,857,198	(723,509)	(137,812)	31,539	136,233	26,967,612
Line Transformers	368	62,872,759	7,531,258	(2,988,934)	(724,277)	308,793	14,828	67,014,427
Services:								
- Overhead	369.1	21,352,540	1,630,837	(299,627)	(356,610)	17,019	0	22,344,159
- Underground	369.2	9,299,300	843,284	(132,131)	(46,146)	0	0	9,964,307
- House Power Panel	369.3	2,527,353	77,141	(375,285)	0	0	0	2,229,209
Meters	370	13,535,936	1,267,115	(1,179,287)	(108,465)	488,282	905	14,004,486
Street Lighting & Signal Systems	373	19,584,886	2,532,241	(1,308,239)	(660,963)	111,772	0	20,259,697
Asset Retirement Obligation	374	24,698	1,005	0	0	0	0	25,703
TOTAL DISTRIBUTION:		<u>287,191,627</u>	<u>29,089,425</u>	<u>(10,867,723)</u>	<u>(3,737,165)</u>	<u>1,323,371</u>	<u>22,656</u>	<u>303,022,191</u>
GENERAL PLANT:								
Structures and Improvements	390	21,911,560	1,287,891	(263,031)	(42,439)	76,862	(946)	22,969,897
Office Furniture & Equipment:								
- Computer, 5 Year	391	333,781	240,265	0	0	0	0	574,046
- Non-Computer, 7 Year	391	717,345	291,166	(286,125)	0	0	0	722,386
Transportation Equipment:								
- Light Trucks	392.2	2,537,938	439,368	(158,573)	0	7,636	0	2,826,369
- Heavy Trucks	392.3	8,727,716	1,445,477	(3,410,160)	0	391,635	0	7,154,668
- Trailers	392.4	508,818	53,548	(68,337)	0	8,436	0	502,465
- Marine, 5 Year	392	41,236	34,433	(38,502)	0	0	0	37,167
Stores Equipment - 7 Year	393	86,395	31,293	0	0	0	0	117,688
Tools, Shop & Garage Equip. - 7 Year	394	956,905	308,169	(110,822)	0	0	0	1,154,252
Laboratory Equipment - 7 Year	395	857,671	350,875	(206,569)	0	0	0	1,001,977
Power Operated Equipment	396	255,612	29,089	0	0	0	0	284,701
Communication Equipment:								
- Other	397	9,935,283	797,961	(421,147)	(37,428)	67,758	(112)	10,342,315
- 7 Year	397	262,056	188,946	(92,780)	0	0	(275)	357,967
Miscellaneous Equipment - 7 Year	398	894,135	313,630	(199,847)	0	0	0	1,007,918
Asset Retirement Obligation	399.1	95,444	4,053	0	0	0	0	99,497
TOTAL GENERAL:		<u>48,121,895</u>	<u>5,816,164</u>	<u>(5,255,873)</u>	<u>(79,867)</u>	<u>552,327</u>	<u>(1,333)</u>	<u>49,153,313</u>
TOTAL ELECTRIC PLANT-IN-SERVICE:		<u>1,019,654,084</u>	<u>93,512,151</u>	<u>(42,019,990)</u>	<u>(6,017,365)</u>	<u>2,683,498</u>	<u>(838,284)</u>	<u>1,066,974,094</u>

GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
ACTUAL: DECEMBER, 2005

Sheet 1 of 3

	Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Balance End of Year
STEAM PRODUCTION:							
DANIEL PLANT:							
Plant	101,691,755	6,169,709	(1,127,315)	(1,048,799)	179,833	0	105,865,183
Easements	49,437	1,312	0	0	0	0	50,749
Cooling Lake, 23 Year	8,954,192	0	0	0	0	0	8,954,192
Rail Track System	1,820,854	43,866	0	0	0	0	1,864,720
Dismantlement - Fixed	13,567,530	696,658	0	0	0	0	14,264,188
Asset Retirement Obligation	416,541	539,073	0	0	0	0	955,614
TOTAL DANIEL PLANT:	126,500,309	7,450,618	(1,127,315)	(1,048,799)	179,833	0	131,954,646
CRIST PLANT:							
Plant	190,547,611	18,914,098	(9,096,013)	(1,466,693)	0	0	198,899,003
Base Coal, 5 Year	141,840	0	0	0	0	0	141,840
- 5 Year	20,199	7,108	(11,255)	0	0	0	16,052
- 7 Year	1,138,320	389,000	(663,399)	0	0	0	863,921
Dismantlement - Fixed	45,732,108	2,789,066	0	0	0	(4,937,414)	43,583,760
Asset Retirement Obligation	112,383	10,341	0	0	0	497,024	619,748
TOTAL CRIST PLANT:	237,692,461	22,109,613	(9,770,667)	(1,466,693)	0	(4,440,390)	244,124,324
SCHOLZ PLANT:							
Plant	23,295,720	852,450	(161,047)	21,667	0	0	24,008,790
Base Coal, 5 Year	71,300	0	0	0	0	0	71,300
- 5 Year	2,411	602	(3,013)	0	0	0	0
- 7 Year	45,788	20,272	0	0	0	0	66,060
Dismantlement - Fixed	9,672,127	527,395	0	0	0	(1,153,743)	9,045,779
Asset Retirement Obligation	0	761	0	0	0	302,859	303,620
TOTAL SCHOLZ PLANT:	33,087,346	1,401,480	(164,060)	21,667	0	(850,884)	33,495,549
SMITH PLANT:							
Plant	66,356,708	4,488,389	(6,810,587)	(2,273,153)	28,691	0	61,790,048
Base Coal, 5 Year	108,300	0	0	0	0	0	108,300
- 5 Year	4,469	4,474	0	0	0	0	8,943
- 7 Year	255,918	97,343	(117,834)	0	0	0	235,427
Dismantlement - Fixed	18,691,252	1,240,212	0	0	0	(5,045,913)	14,885,551
Asset Retirement Obligation	79,568	5,050	0	0	0	311,130	395,748
TOTAL SMITH PLANT:	85,496,215	5,835,468	(6,928,421)	(2,273,153)	28,691	(4,734,783)	77,424,017
SCHERER PLANT:							
Plant	78,056,053	3,622,577	(395,851)	(80,025)	138,460	0	81,341,214
Dismantlement - Fixed	4,186,875	125,813	0	0	0	0	4,312,688
- 7 Year	23,043	290	(12,571)	0	0	0	10,762
Asset Retirement Obligation	29,362	1,349	0	0	0	17,944	48,655
TOTAL SCHERER PLANT:	82,295,333	3,750,029	(408,422)	(80,025)	138,460	17,944	85,713,319
TOTAL STEAM PRODUCTION:	565,071,864	40,547,208	(18,398,885)	(4,847,003)	346,984	(10,008,113)	572,711,855

GULF POWER COMPANY
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
ACTUAL: DECEMBER, 2005

Sheet 2 of 3

		Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Balance End of Year
OTHER PRODUCTION:								
SMITH PLANT CT:								
Structures and Improvements	341	615,064	7,139	0	0	0	0	622,203
Fuel Holders and Accessories	342	231,640	2,550	0	0	0	0	234,190
Prime Movers	343	63,377	748	0	0	0	0	64,125
Generators	344	3,121,843	27,571	0	0	0	0	3,149,414
Accessory Electric Equipment	345	113,762	1,143	(12,463)	(2,547)	0	0	99,895
Miscellaneous Equipment	346	4,453	39	0	0	0	0	4,492
Dismantlement - Fixed		131,825	11,259	0	0	0	0	143,084
TOTAL SMITH PLANT CT:		4,281,964	50,449	(12,463)	(2,547)	0	0	4,317,403
SMITH PLANT UNIT 3 COMBINED CYCLE:								
Structures and Improvements	341	1,524,126	388,236	(55,888)	0	0	191,673	2,048,147
Fuel Holders and Accessories	342	185,120	64,146	0	0	0	304,697	553,963
Prime Movers	343	12,351,301	4,046,241	(17,544,211)	(1,627,914)	0	1,821,992	(952,591)
Generators	344	3,428,889	2,820,063	0	0	0	(820,329)	5,428,623
Accessory Electric Equipment	345	1,177,331	426,352	(2,375)	(64)	0	(80)	1,601,164
Miscellaneous Equipment	346	36,549	27,500	0	0	0	1	64,050
Dismantlement - Fixed		670,176	251,316	0	0	0	0	921,492
TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:		19,373,492	8,023,854	(17,602,474)	(1,627,978)	0	1,497,954	9,664,848
PACE PLANT:								
Prime Movers	343	2,220,278	339,530	0	0	0	0	2,559,808
Generators	344	1,015,952	155,362	0	0	0	0	1,171,314
Accessory Electric Equipment	345	190,488	29,204	0	0	0	0	219,692
Asset Retirement Obligation	347	130,743	19,860	0	0	0	0	150,603
Dismantlement - Fixed		(7,842)	(2,613)	0	0	0	0	(10,455)
TOTAL PACE PLANT:		3,549,619	541,343	0	0	0	0	4,090,962
TOTAL OTHER PRODUCTION:		27,205,075	8,615,646	(17,614,937)	(1,630,525)	0	1,497,954	18,073,213
TOTAL PRODUCTION:		592,276,739	49,162,854	(36,013,822)	(6,477,528)	346,984	(8,510,159)	590,785,068
TRANSMISSION:								
Easements	350.2	4,912,632	187,637	0	0	0	0	5,100,269
Structures and Improvements	352	2,060,213	136,650	(9,836)	(820)	0	0	2,186,207
Station Equipment	353	23,158,367	1,692,107	(974,451)	(84,638)	0	(2,273)	23,789,112
Towers and Fixtures	354	19,343,148	845,226	(15,924)	0	0	0	20,172,450
Poles and Fixtures	355	15,650,876	2,438,144	(316,959)	(395,275)	1,042	0	17,377,828
Overhead Conductors & Devices	356	18,714,785	1,276,213	(94,694)	(106,895)	0	0	19,789,409
Underground Conductors & Devices	358	4,826,050	301,112	(18,423)	0	0	0	5,108,739
Roads and Trails	359	25,178	1,623	0	0	0	0	26,799
Asset Retirement Obligation	359.1	0	12	0	0	0	4,669	4,681
TOTAL TRANSMISSION:		88,691,247	6,878,724	(1,430,287)	(587,628)	1,042	2,396	93,555,494

GULF POWER COMPANY
 ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
 ACTUAL: DECEMBER, 2005

Sheet 3 of 3

		Balance First of Year	Provisions	Retirements	Cost of Removal	Salvage and Other Credits	Transfers and Adjustments	Balance End of Year
DISTRIBUTION:								
Structures and Improvements	361	4,581,769	279,548	(50,784)	(791)	0	0	4,809,742
Station Equipment	362	41,541,230	3,290,692	(1,427,010)	(117,246)	0	(32,287)	43,255,379
Poles, Towers & Fixtures	364	43,559,800	5,798,175	(814,509)	(498,064)	131,630	0	48,177,032
Overhead Conductors & Devices	365	35,527,707	2,657,059	(1,575,376)	(194,345)	118,931	(305,530)	36,228,446
Underground Conduit	366	740,899	14,529	(34,385)	(1,450)	0	0	719,593
Underground Conductors & Devices	367	22,706,734	2,381,976	(531,926)	(80,661)	22,310	305,530	24,803,963
Line Transformers	368	60,653,943	7,107,762	(4,536,633)	(935,733)	399,460	183,960	62,872,759
Services:								
- Overhead	369.1	20,895,757	1,247,045	(328,916)	(489,712)	28,366	0	21,352,540
- Underground	369.2	8,582,922	786,738	(59,213)	(11,147)	0	0	9,299,300
- House Power Panel	369.3	2,825,294	99,864	(397,805)	0	0	0	2,527,353
Meters	370	13,335,333	959,859	(927,902)	(170,155)	338,801	0	13,535,936
Street Lighting & Signal Systems	373	19,121,699	2,708,597	(1,975,135)	(316,571)	46,296	0	19,584,886
Asset Retirement Obligation	374	0	84	0	0	0	24,614	24,698
TOTAL DISTRIBUTION:		<u>274,073,087</u>	<u>27,331,928</u>	<u>(12,659,594)</u>	<u>(2,815,875)</u>	<u>1,085,794</u>	<u>176,287</u>	<u>287,191,627</u>
GENERAL PLANT:								
Structures and Improvements	390	20,704,818	1,228,090	(74,931)	54,578	0	(995)	21,911,560
Office Furniture & Equipment:								
- Computer, 5 Year	391	242,825	179,607	(88,451)	0	0	0	333,781
- Non-Computer, 7 Year	391	773,173	303,421	(359,249)	0	0	0	717,345
Transportation Equipment:								
- Light Trucks	392.2	2,390,844	414,009	(309,599)	0	42,684	0	2,537,938
- Heavy Trucks	392.3	7,279,921	1,771,455	(409,337)	0	85,677	0	8,727,716
- Trailers	392.4	437,164	65,565	0	0	6,089	0	508,818
- Marine, 5 Year	392	78,433	31,375	(68,572)	0	0	0	41,236
Stores Equipment - 7 Year	393	141,337	43,493	(98,435)	0	0	0	86,395
Tools, Shop & Garage Equip. - 7 Year	394	800,107	308,211	(151,413)	0	0	0	956,905
Laboratory Equipment - 7 Year	395	999,971	356,707	(498,907)	0	0	0	857,671
Power Operated Equipment	396	221,773	33,839	0	0	0	0	255,612
Communication Equipment:								
- Other	397	8,719,603	1,559,826	(302,748)	(14,698)	(26,587)	(113)	9,935,283
- 7 Year	397	515,825	185,373	(438,809)	0	0	(333)	262,056
Miscellaneous Equipment - 7 Year	398	1,087,045	353,869	(546,779)	0	0	0	894,135
Asset Retirement Obligation	399.1	0	338	0	0	0	95,106	95,444
TOTAL GENERAL:		<u>44,392,539</u>	<u>6,835,178</u>	<u>(3,347,230)</u>	<u>39,880</u>	<u>107,863</u>	<u>93,665</u>	<u>48,121,895</u>
TOTAL ELECTRIC PLANT-IN-SERVICE:		<u>999,433,612</u>	<u>90,208,684</u>	<u>(53,450,933)</u>	<u>(9,841,151)</u>	<u>1,541,683</u>	<u>(8,237,811)</u>	<u>1,019,654,084</u>