**SUPPLEMENTAL RESPONSE TO OPC POD 34(B)**

Pursuant to an agreement with OPC, Gulf has created the attached spreadsheet to show the development of the affiliate charges to Gulf for 2012. This spreadsheet attempts to replicate in Microsoft Excel format the detailed allocations that take place in Gulf’s PowerPlant software. The spreadsheet shows the total SCS costs that are subject to allocation, shows the basis for the allocation, and supports the charges to Gulf shown for 2012 on Attachment E to OPC’s Request for Production No. 34(b).

Gulf receives three types of billing from Southern Company Services (SCS). Some costs are directly assigned, some are allocated based on a fixed percentage allocator (FXP), and some are allocated based on a direct accumulative (DA) allocation process. The first digit of a work order number designates the company to which the work order applies. A 4xxxxx number designates a Gulf work order (a distribution work order) to which costs are assigned or allocated from SCS. An 8xxxxx or 9xxxxx work order represents an SCS work order (a parent work order or allocated work order) in which costs are accumulated for later assignment or allocation to other affiliates, including Gulf.

* Direct assignments are used when all costs on an SCS direct work order relate solely to Gulf (i.e. the work order is already a 4xxxxx).
* Fixed Percentage distributions are based on standard allocation methods. They allocate from an SCS allocated work order to a Common Work Order family, meaning that the affiliates’ distribution work orders share the last five characters with the allocated work order.
* Direct Accumulative distributions are based on work order specific allocation assumptions (such as number of software “seats”) that are used when there is no established fixed percentage allocator that would appropriately apply to that work order. These allocations typically spread costs to multiple distribution work orders, which can include distributions to one or more work orders for the same affiliate (i.e., one or more 4xxxxx work orders). The last five digits of the SCS work order will not correspond to the last five digits of the Gulf work order(s) receiving the allocation.

The “Billings PT” tab is a pivot table organized by Gulf work order that summarizes data from later tabs. It summarizes the total amount billed to Gulf by work order and by the type of assignment or allocation used. The billed total for each work order ties to Attachment E of POD No. 34(b). It also summarizes the “theoretical” billing for each Gulf work order, i.e., the amount calculated by multiplying Gulf’s allocation percentage times the total SCS costs accumulated in the direct or parent work order(s). It shows that for each Gulf work order there is an immaterial variance between the theoretical billing and the amount actually billed.

The “AWO Dist PT” tab is a pivot table tab organized by SCS work order that summarizes data from later tabs. For each parent work order (other than work orders that are directly assigned), it summarizes the percentage and dollar amount allocated to Gulf.

The “Gulf Billings” tab is organized by Gulf work order (bottom up). It compares the actual amount billed to Gulf to the theoretical billing calculated on the “AWO Distributions” tab. In some cases, a single Gulf work order receives allocations from two or more SCS work orders with different allocation factors. In this situation, the “Gulf Billings” tab contains a separate line for the allocation from each parent work order. For example, Gulf work order 4030AS (lines 6 and 7) received allocations totaling $109,807.65 from SCS work orders 8030AS ($40,700.22) and 9030AS ($69,107.43).

The “AWO Distributions” tab is organized by SCS work order (top down). It includes every SCS work order from which Gulf receives an allocation. Column (P) shows the total dollar amount for each SCS work order. A portion of this amount is then allocated to Gulf in columns (R) through (Y).

* Because some Gulf work orders receive allocations from multiple SCS work orders, the amount from multiple lines in column (P) may be distributed to a single line in columns (R) through (Y). For example, the sum of lines 5 to 7 of column (P) appears in line 6 of column (X). This total SCS cost is then multiplied by the percentage allocator in column (W) in order to calculate Gulf’s theoretical billing amount in column (Y).
* Conversely, because some SCS work orders are allocated to multiple Gulf work orders, the amount from a single line in column (P) may be distributed among multiple lines in columns (R) through (Y). For example, the total SCS amount of $371,619.15 in line 109 of column (P) is allocated .0012 to Gulf work order 46AFAP and .0005 to Gulf work order 46PM35 as shown on lines 106 and 107 of columns (W) to (Y).
* Because there is not a one-to-one correspondence between lines in columns (L) to (P) and lines in columns (R) to (Y), the user must match the key in column (L) with the AWO in column (S).

The “AWO Type” tab shows the allocation type (fixed percentage or direct accumulative) that is associated with each SCS work order.

The “DA Spreads” and “FP Spreads” tabs contain the percentage allocators used in the calculations performed on the “AWO Distributions” tab. Changing a percentage allocator on this tab will flow through and recalculate the allocation to Gulf in column (V) of the “Gulf Billings” tab and column (Y) of the “AWO Distributions” tab.

The “Definitions” tab describes the methodology used to derive each of the fixed percentage allocators.