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August 27, 2012

Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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COMMISSION
CLERK

Dear Ms. Cole:

Enclosed for official filing in Docket No. 120007-EI are an original and fifteen copies of the following:

1. Petition of Gulf Power Company
2. Prepared direct testimony of James O. Vick.
3. Prepared direct testimony and exhibit of Richard W. Dodd.

Also enclosed is a compact disc containing the Petition in Microsoft Word as prepared on a Windows XP operating system.

Sincerely,

Susan D. Ritenour

wb

Enclosures

cc w/encl.: Gunster, Yoakley & Stewart, P.A.
Charles A. Guyton, Esq.
Beggs & Lane
Jeffrey A. Stone, Esq.

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AFD	4 + CD
APA	1
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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Environmental Cost Recovery Clause)
)
) Docket No.: 120007-EI
) Filed: August 28, 2012
)
_____)

**PETITION OF GULF POWER COMPANY FOR APPROVAL OF
FINAL ENVIRONMENTAL COST RECOVERY TRUE-UP AMOUNT FOR
JANUARY 2011 THROUGH DECEMBER 2011; ESTIMATED ENVIRONMENTAL
COST RECOVERY TRUE-UP AMOUNT FOR JANUARY 2012 THROUGH
DECEMBER 2012; PROJECTED ENVIRONMENTAL COST RECOVERY AMOUNTS
FOR JANUARY 2013 THROUGH DECEMBER 2013; AND ENVIRONMENTAL COST
RECOVERY FACTORS TO BE APPLIED BEGINNING WITH THE PERIOD
JANUARY 2013 THROUGH DECEMBER 2013**

Notices and communications with respect to this petition and docket should be addressed to:

Jeffrey A. Stone
Russell A. Badders
Steven R. Griffin
Beggs & Lane
P. O. Box 12950
Pensacola, FL 32591

Susan D. Ritenour
Secretary and Treasurer
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0780

GULF POWER COMPANY (“Gulf Power”, “Gulf”, or “the Company”), by and through its undersigned counsel, and pursuant to section 366.8255, Florida Statutes and various orders of the Florida Public Service Commission (“Commission”) implementing and defining the Environmental Cost Recovery Clause (“ECRC”), hereby petitions the Commission for approval of the Company's final environmental cost recovery true-up amount for the period January 2011 through December 2011; for approval of the Company’s estimated environmental cost recovery true-up amount for the period January 2012 through December 2012; for approval of the Company’s projected environmental cost recovery amounts for the period January 2013 through December 2013; and for approval of environmental cost recovery factors to be applied in customer billings beginning with the period January 2013 through December 2013. As grounds for the relief requested by this petition, the Company would respectfully show:

BACKGROUND

(1) Section 366.8255, Florida Statutes, (the "Statute") authorizes the Commission to review and decide whether Gulf's environmental compliance costs are recoverable through an environmental cost recovery factor. Pursuant to the Statute, environmental compliance costs include "[a]ll costs or expenses incurred by an electric utility in complying with environmental laws or regulations...". The term "environmental laws or regulations" is defined in the Statute to include "all federal, state, or local statutes, administrative regulations, orders, ordinances, resolutions, or other requirements that apply to electric utilities and are designed to protect the environment." Pursuant to the Statute, the Commission shall allow a utility to recover its prudently incurred environmental compliance costs through the ECRC which is separate and apart from the utility's base rates. Only prudently incurred environmental compliance costs may be recovered through the ECRC. In Order No. PSC-94-0044-FOF-EI, issued January 12, 1994, the Commission identified three criteria for eligibility for cost recovery through the ECRC: 1) the costs must have been incurred after April 13, 1993; 2) the activity is legally required to comply with a governmentally imposed environmental regulation which was enacted, or became effective, or whose effect was triggered after the company's last test year upon which rates are based; and, 3) the costs are not recovered through some other cost recovery mechanism or through base rates.

(2) Gulf Power initially petitioned the Commission to establish the ECRC in Docket No. 930613-EI. The Commission considered Gulf's petition at hearings held in December 1993 and ultimately issued Order No. PSC-94-0044-FOF-EI which established the ECRC for Gulf Power and approved the commencement of recovery through initial factors effective with the first billing cycle for February 1994. Since that initial order, Gulf has periodically petitioned for and received Commission approval for recovery of the Company's revenue requirements associated with new environmental compliance activities consistent with the ECRC statutes and

Commission precedent. Also since that initial order and subsequent orders of the Commission approving the Company's environmental compliance activities for recovery through the ECRC, Gulf has periodically submitted true-up and projection filings to the Commission with updated actual and projected costs for the various environmental compliance activities recovered through the ECRC pursuant to Commission authorization.

(3) Consistent with the foregoing, Gulf submits its petition, supporting schedules, testimony and exhibits as the Company's request herein for approval of ECRC factors to be effective in calendar year 2013. As detailed in the following paragraphs and accompanying supporting schedules, testimony and exhibits, Gulf's environmental compliance activities are consistent with the ECRC statutes and Commission precedent for recovery of eligible activities through the ECRC subject to the ongoing audit, review and true-up processes established by the Commission.

FINAL ENVIRONMENTAL COST RECOVERY TRUE-UP

(4) By vote of the Commission following hearings in November 2011, estimated true-up environmental cost recovery amounts were approved by the Commission for the period January 2011 through December 2011, subject to establishing the final environmental cost recovery true-up amounts. Gulf has calculated its final environmental cost recovery true-up amounts for the period January 2011 through December 2011 in accordance with the principles and policies for environmental cost recovery established by the Commission. According to the data filed by Gulf for the period ending December 31, 2011, the final environmental cost recovery true-up amount for the period ending December 31, 2011, is an actual under-recovery of \$5,275,632. This amount is submitted for approval by the Commission to be collected in the next period. The supporting data has been prepared in accordance with the uniform system of accounts as applicable to the Company's environmental cost recovery and fairly presents the Company's environmental costs to be considered for recovery through the ECRC for the period. The environmental activities and related expenditures reflected in the true-up amounts shown for

the period ending December 31, 2011 are reasonable and necessary to achieve or maintain compliance with environmental requirements applicable to Gulf Power Company and, therefore, the amounts identified are prudent expenditures which have been incurred for utility purposes.

ESTIMATED ENVIRONMENTAL COST RECOVERY TRUE-UP

(5) Gulf has calculated its estimated environmental cost recovery true-up amounts for the period January 2012 through December 2012 in accordance with the principles and policies for environmental cost recovery established by the Commission. Based on six months actual and six months projected data, the Company's estimated environmental cost recovery true-up amount for the period January 2012 through December 2012 is an over-recovery of \$7,453,359. The estimated environmental cost recovery true-up is combined with the final environmental cost recovery true-up for the period ending December 31, 2011 to reach the total environmental cost recovery true-up that is to be addressed in the next cost recovery period (January 2013 through December 2013). Gulf is requesting that the Commission approve this total environmental cost recovery true-up amount excluding revenue taxes, \$2,177,727 for refund during the January 2013 through December 2013 recovery period.

PROJECTED ENVIRONMENTAL COST RECOVERY AMOUNTS

(6) Gulf has calculated its projected environmental cost recovery amounts for the months January 2013 through December 2013 in accordance with the principles and policies for environmental cost recovery found in section 366.8255 of the Florida Statutes and Commission Order No. PSC-94-0044-FOF-EI. The calculated factors reflect the recovery of the projected environmental cost recovery amount of \$139,004,247 for the period January 2013 through December 2013, less the net true-up amount adjusted for revenue taxes.

The computations and supporting data for the Company's environmental cost recovery factors are set forth on true-up and projection schedules that are attached as part of the exhibits to the final true-up testimony and actual/estimated true-up testimony of R.W. Dodd filed previously

in this docket (*See* DN 02026-12 and 05189-12) and the projection testimony of Mr. Dodd filed herewith. Additional supporting data for the environmental cost recovery factors is provided in the final true-up testimony and estimated/actual true-up testimony of J. O. Vick also previously filed in this docket (*See* DN 02026-12 and 05189-12) and the projection testimony of Mr. Vick also filed herewith. Gulf's Environmental Compliance Program Update (*See* DN 01950-12) provides further support for the Company's environmental cost recovery factors. These schedules, the Environmental Compliance Program Update which are sponsored and/or supported by the testimony of Gulf witnesses Dodd and Vick are an integral part of this petition and are hereby incorporated herein by reference. The methodology used by Gulf in determining the amounts to include in these factors and the allocation to rate classes is in accordance with the requirements of the Commission as set forth in Order No. PSC-94-0044-FOF-EI. The amounts included in the calculated factors for the projection period are based on reasonable projections of the costs for environmental compliance activities that are expected to be incurred during the period January 2013 through December 2013. The calculated factors and supporting data have been prepared in accordance with the uniform system of accounts and fairly present the Company's best estimate of environmental compliance costs for the projected period. The activities described in the testimony of Mr. Vick are reasonable and necessary to achieve or maintain compliance with environmental requirements applicable to Gulf Power Company and the actual or projected costs resulting from the described compliance activities are also reasonable and necessary. Therefore, the costs identified are prudent expenditures that have been or will be incurred for utility purposes and for which the Company should be allowed to recover the associated revenue requirements.

ENVIRONMENTAL COST RECOVERY FACTORS

(7) The calculated environmental cost recovery factors by rate class, including true-up, are:

RATE CLASS	ENVIRONMENTAL COST RECOVERY FACTORS ¢/KWH
RS, RSVP	1.253
GS	1.245
GSD, GSDT, GSTOU	1.233
LP, LPT	1.195
PX, PXT, RTP, SBS	1.168
OS-I/II	1.193
OSIII	1.215

WHEREFORE, Gulf Power Company respectfully requests the Commission to approve the final environmental cost recovery true-up amounts for the period January 2011 through December 2011; estimated environmental cost recovery true-up amounts for the period January 2012 through December 2012; the projected environmental cost recovery amounts for the period January 2013 through December 2013; the reasonableness and prudence of environmental projects consistent with this petition; and the environmental cost recovery factors to be applied in customer billings beginning with the period January 2013 through December 2013.

Dated the 27th day of August, 2012.



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ENVIRONMENTAL COST RECOVERY CLAUSE

DOCKET NO. 120007-EI

PREPARED DIRECT TESTIMONY OF
JAMES O. VICK

PROJECTION FILING
FOR THE PERIOD

JANUARY 2013 - DECEMBER 2013

August 28, 2012



1 GULF POWER COMPANY
2 Before the Florida Public Service Commission
3 Prepared Direct Testimony of
4 James O. Vick
5 Docket No. 120007-EI
6 August 28, 2012

7 Q. Please state your name and business address.

8 A. My name is James O. Vick, and my business address is One Energy
9 Place, Pensacola, Florida, 32520.

10 Q. By whom are you employed and in what capacity?

11 A. I am employed by Gulf Power Company as the Director of Environmental
12 Affairs.

13 Q. Mr. Vick, will you please describe your education and experience?

14 A. I graduated from Florida State University, Tallahassee, Florida, in 1975
15 with a Bachelor of Science Degree in Marine Biology. I also hold a
16 Bachelor's Degree in Civil Engineering from the University of South Florida
17 in Tampa, Florida. In addition, I have a Masters of Science Degree in
18 Management from Troy State University, Pensacola, Florida. I joined Gulf
19 Power Company in August 1978 as an Associate Engineer. I have since
20 held various engineering positions with increasing responsibilities such as
21 Air Quality Engineer, Senior Environmental Licensing Engineer, and
22 Manager of Environmental Affairs. In 2003, I assumed my present
23 position as Director of Environmental Affairs.

24

25

1 Q. What are your responsibilities with Gulf Power Company?

2 A. As Director of Environmental Affairs, my primary responsibility is
3 overseeing the activities of the Environmental Affairs section to ensure the
4 Company is, and remains, in compliance with environmental laws and
5 regulations, i.e., both existing laws and such laws and regulations that
6 may be enacted or amended in the future. In performing this function, I
7 have the responsibility for numerous environmental activities.

8

9 Q. Are you the same James O. Vick who has previously testified before this
10 Commission on various environmental matters?

11 A. Yes.

12

13 Q. Mr. Vick, what is the purpose of your testimony?

14 A. The purpose of my testimony is to support Gulf Power Company's
15 projection of environmental compliance costs recoverable through the
16 Environmental Cost Recovery Clause (ECRC) for the period from January
17 2013 through December 2013.

18

19 Q. Mr. Vick, please identify the capital projects included in Gulf's ECRC
20 projection filing.

21 A. The environmental capital projects for which Gulf seeks recovery through
22 the ECRC are described in Schedules 3P, 4P, and 5P. I am supporting
23 the expenditures, clearings, retirements, salvage and cost of removal
24 currently projected for each of these projects. Mr. Dodd compiled these
25 schedules and has calculated the associated revenue requirements for

1 Gulf's requested recovery. Of the projects shown on Mr. Dodd's
2 schedules, there are three projects that were previously approved by the
3 Commission with activities that have projected capital expenditures during
4 2013. These projects include: Substation Contamination Remediation,
5 Smith Water Conservation, and the CAIR/CAMR/CAVR Compliance
6 program.

7
8 Q. Mr. Vick, please describe the project included in the 2013 projection for
9 (Line Item 1.6) the Substation Contamination Remediation.

10 A. During 2013 Gulf Power will be removing contaminated soils from the
11 Highland City substation site. Substation equipment will be relocated in
12 order to allow access for excavation of contaminated soils. Removal of
13 impacted soils is the most cost effective means of remediation for that
14 area of the site. The projected 2013 expenditures for this line item are
15 \$704,000.

16
17 Q. Mr. Vick, please provide an update on the Smith Water Conservation
18 project (Line item 1.17).

19 A. As stated in previous filings, Gulf is determining whether the existing Plant
20 Smith site properties make it feasible for injection of used reclaimed water.
21 Both the test injection well and monitoring well required by the Florida
22 Department of Environmental Protection (FDEP) have been installed. Gulf
23 is currently in the testing phase of the project. Since the testing and
24 evaluation process is not complete and a final agreement has not been
25 reached with the applicable suppliers of reclaimed water, the decision to

1 move forward with the project has not yet been made. During 2013, Gulf
2 anticipates designing a pump system and conducting longer term testing
3 of the well system. Based on the testing results, Gulf will make a final
4 determination on whether to move forward with the Plant Smith Reclaimed
5 Water project. If it is determined that the project should be pursued,
6 additional activities such as installation of additional injection well(s), a
7 pumping system, monitoring well(s) and permitting the wells as a class I
8 injection system would take place. Costs associated with these activities
9 reflected in the 2013 projection filing for this line item are \$6.9 million.
10

11 Q. Mr. Vick, please describe the projected 2013 capital expenditures for the
12 CAIR/CAMR/CAVR Compliance program (Line Item 1.26).

13 A. Gulf plans to add an additional catalyst layer to the Plant Crist Unit 6 SCR
14 during 2014. A new catalyst layer will be purchased in late 2013 for
15 installation during the spring of 2014 outage. The 2013 projected cost for
16 this line item is \$332,000.
17

18 Q. Mr. Vick, are you including the purchase of allowances in your 2013
19 projection filing?

20 A. No, we are not currently projecting the need to purchase additional
21 allowances during 2013. On August 21, 2012, the D.C. Circuit Court of
22 Appeals vacated and remanded the Cross State Air Pollution Rule
23 (CSAPR) to EPA. It cannot be determined at this time what, if any, impact
24 the court's action will have on Gulf's need for allowances.
25

1 Q. Mr. Vick, please provide an update on the status of the Daniel scrubber
2 projects?

3 A. The Plant Daniel scrubber project team is continuing engineering design
4 and is in the early stages of construction. The primary construction
5 activities for this year include site preparation, relocations, and the
6 installation of foundations required to support the Unit 1 and 2 absorber
7 vessels and new stack. By year end 2012, the Plant Daniel scrubber
8 project will be approximately 22% complete. During 2013, completion of
9 the scrubber site development and installation of foundations are
10 projected to take place. Fabrication of the stack liner and construction of
11 the stack shell and absorber vessels will begin during 2013. Projected
12 2013 capital expenditures for Gulf's ownership portion of the Daniel
13 scrubber project are \$111 million. This project qualifies for AFUDC
14 treatment and therefore these expenditures are not included in Gulf's
15 projected 2013 ECRC factor.

16

17 Q. Mr. Vick, are there any other updates that you would like to discuss?

18 A. Yes, as discussed in the 2012 Environmental Compliance Program
19 Update, Gulf Power is currently evaluating potential options to comply with
20 the Mercury Air Toxics Standards (MATS) rule. Compliance with this rule
21 is likely to require substantial capital expenditures and compliance costs at
22 the Company's facilities. These costs may arise from unit retirements,
23 installation of additional emission controls, changing fuel sources for
24 certain existing units, the addition of new generating resources, and/or
25 upgrades to the transmission system. The MATS rule also requires

1 installation of additional continuous emission monitors and/or additional
2 emissions testing. Once the Company determines the most cost-effective
3 compliance options, Gulf will submit revisions to the Environmental
4 Compliance Program for the Commission's review.

5
6 Q. How do the Environmental Operation and Maintenance (O&M) activities
7 listed on Schedule 2P of Mr. Dodd's exhibit compare to the O&M activities
8 approved for cost recovery in past ECRC proceedings?

9 A. All of the O & M activities listed on Schedule 2P have been approved for
10 recovery through the ECRC in past proceedings.

11
12 Q. Please describe the O&M activities included in the air quality category that
13 have projected expenses during 2013.

14 A. There are five O&M activities included in the air quality category that have
15 projected expenses in 2013. On Schedule 2P, Air Emission Fees (Line
16 Item 1.2), represents the expenses projected for the annual fees required
17 by the Clean Air Act Amendments (CAAA) of 1990 that are payable to the
18 FDEP and Mississippi Department of Environmental Quality. The
19 expenses projected for the 2013 recovery period total \$632,000.

20 Included in the air quality category, Title V (Line Item 1.3) represents
21 projected ongoing expenses associated with implementation of the Title V
22 permits. The total 2013 estimated expenses for the Title V Program are
23 \$125,044.

24 On Schedule 2P, Asbestos Fees (Line Item 1.4) consists of the fees
25 required to be paid to the FDEP for asbestos abatement projects.

1 The expenses projected for the recovery period total \$900.

2 Emission Monitoring (Line Item 1.5) on Schedule 2P reflects an
3 ongoing O&M expense associated with the Continuous Emission
4 Monitoring equipment as required by the CAAA. These expenses are
5 incurred in response to EPA's requirements that the Company perform
6 Quality Assurance/Quality Control (QA/QC) testing for the CEMS,
7 including Relative Accuracy Test Audits (RATAs) and Linearity Tests.
8 The expenses expected to be incurred during the 2013 recovery period for
9 these activities total \$645,576.

10 The FDEP NOx Reduction Agreement (Line Item 1.19) includes
11 O&M costs associated with the Plant Crist Unit 6 and Unit 7 SCRs and the
12 Crist Units 4 and 5 Selective Non-Catalytic Reduction (SNCR) projects
13 that were included as part of the 2002 agreement with FDEP. This line
14 item includes the cost of anhydrous ammonia, urea, air monitoring, and
15 general O&M expenses related to activities undertaken in connection with
16 the agreement. Gulf was granted approval for recovery of the costs
17 incurred to complete these activities in FPSC Order No. PSC-02-1396-
18 PAA-EI in Docket No. 020943-EI. The projected expenses for the 2013
19 recovery period total \$1.7 million.

20

21 Q. What O&M activities are included in the water quality category?

22 A. General Water Quality (Line Item 1.6), identified in Schedule 2P, includes
23 costs associated with Soil Contamination Studies, Dechlorination,
24 Groundwater Monitoring, Surface Water Studies, the Cooling Water Intake
25 Program, the Impaired Waters Rule, and Storm Water Maintenance. The

1 expenses expected to be incurred during the projection period for this line
2 item totals \$851,953.

3

4 Q. What other O&M activities are included in the water quality category?

5 A. Groundwater Contamination Investigation (Line Item 1.7) was previously
6 approved for environmental cost recovery in Docket No. 930613-EI. This
7 line item includes expenses related to substation investigation and
8 remediation activities. Gulf has projected \$2.2 million of incremental
9 expenses for this line item during the 2013 recovery period.

10 Line Item 1.8, State National Pollutant Discharge Elimination
11 System (NPDES) Administration, was previously approved for recovery in
12 the ECRC and reflects expenses associated with NPDES annual fees for
13 Gulf's three generating facilities in Florida. These expenses are expected
14 to be \$34,500 during the projected recovery period.

15 Finally, Line Item 1.9, Lead and Copper Rule, was also previously
16 approved for ECRC recovery and reflects sampling, analytical, and
17 chemical costs related to the lead and copper drinking water quality
18 standards. These expenses are expected to total \$16,480 during the
19 2013 projection period.

20

21 Q. What activities are included in the environmental affairs administration
22 category?

23 A. Only one O&M activity is included in this category on Schedule 2P (Line
24 Item 1.10) of Mr. Dodd's exhibit. This line item refers to the Company's
25 Environmental Audit/Assessment function. This program is an on-going

1 compliance activity previously approved for ECRC recovery. Expenses
2 totaling \$7,000 are expected during the 2013 recovery period.

3

4 Q. What O&M activities are included in the General Solid and Hazardous
5 waste category?

6 A. This solid and hazardous waste activity involves the proper identification,
7 handling, storage, transportation, and disposal of solid and hazardous
8 wastes as required by federal and state regulations. The program
9 includes expenses for Gulf's generating and power delivery facilities. This
10 program is a previously approved program that is projected to incur
11 incremental expenses totaling \$469,157 in 2013.

12

13 Q. Are there any other O&M activities that have been approved for recovery
14 that have projected expenses?

15 A. There are five other O&M activities that have been approved in past
16 proceedings which have projected expenses during 2013. They are the
17 Above Ground Storage Tanks program, the Sodium Injection System, the
18 CAIR/CAMR/CAVR Compliance Program, Crist Water Conservation, and
19 Emission Allowances.

20

21 Q. What O&M activities are included in the Above Ground Storage Tanks line
22 item?

23 A. Above Ground Storage Tanks (Line Item 1.12) includes maintenance
24 activities and fees required by Florida's above ground storage tank

25

1 regulation, Chapter 62 Part 762, F.A.C. Expenses totaling \$186,582 are
2 projected to be incurred during 2013.

3

4 Q. What activity is included in the Sodium Injection line item?

5 A. The Sodium Injection System (Line Item 1.16) was originally approved for
6 inclusion in the ECRC in Order No. PSC-99-1954-PAA-EI. The activities
7 in this line item involve sodium injection to the coal supply that enhances
8 precipitator efficiencies when burning certain low sulfur coals at Plant Crist
9 and Plant Smith. Expenses totaling \$74,000 are projected to be incurred
10 during 2013 for this line item.

11

12 Q. What activities are included in the CAIR/CAMR/CAVR Compliance
13 Program (Line Item 1.20)?

14 A. This line item includes O&M expenses associated with the capital projects
15 approved for ECRC recovery under the CAIR/CAMR/CAVR Compliance
16 Program. The projected 2013 expenses for this line item total
17 approximately \$16.5 million which includes \$7.9 million for limestone costs
18 associated with operation of the Plant Crist scrubber.

19

20 Q. What activities are included in the Crist Water Conservation line item (Line
21 Item 1.22)?

22 A. The Crist Water Conservation line item includes general O&M expenses
23 associated with the Plant Crist reclaimed water system, such as piping
24 and valve maintenance and pump replacements. Expenses totaling
25 \$291,840 are projected to be incurred during 2013 for this line item.

1 Q. Please describe the emission allowance line items 1.24 and 1.26.

2 A. These line items include projected allowance expenses for Gulf's
3 generation. Line Items 1.24 and 1.26 include projected expenses for
4 Annual NOx and SO₂ emission allowances of \$412,304 and \$602,887,
5 respectively.

6

7 Q. Do each of the capital projects and O&M activities that have
8 projected costs in 2013 meet the ECRC statutory guidelines?

9 A. Yes. The projects included in Gulf's 2013 ECRC projection filing meet the
10 requirements of the ECRC statute and are consistent with the
11 Commission's precedents regarding environmental cost recovery. Each of
12 the capital projects and O&M activities set forth in Mr. Dodd's schedules
13 include only prudent costs that are not recovered through some other cost
14 recovery mechanism or base rates. The projected environmental costs
15 are necessary to achieve and/or maintain compliance with environmental
16 laws, rules, and regulations.

17

18 Q. Mr. Vick, does this conclude your testimony?

19 A. Yes.

20

21

22

23

24


25

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 120007-EI

Before me, the undersigned authority, personally appeared James O. Vick, who being first duly sworn, deposes and says that he is the Director of Environmental Affairs of Gulf Power Company, a Florida corporation, that the foregoing is true and correct to the best of his knowledge and belief. He is personally known to me.



James O. Vick

Director of Environmental Affairs

Sworn to and subscribed before me this 24th day of August, 2012.



Notary Public, State of Florida at Large



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ENVIRONMENTAL COST RECOVERY CLAUSE

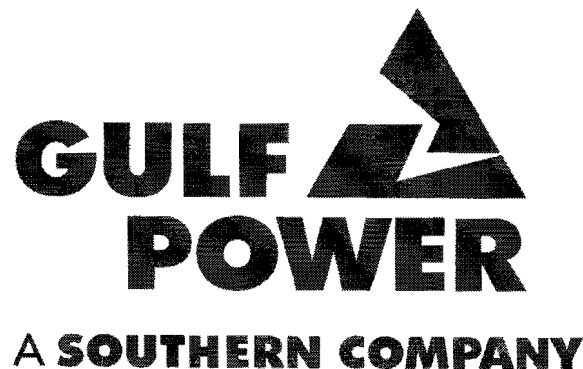
DOCKET NO. 120007-EI

PREPARED DIRECT TESTIMONY
AND EXHIBIT OF
RICHARD W. DODD

PROJECTION FILING
FOR THE PERIOD

JANUARY 2013 - DECEMBER 2013

August 28, 2012



1 GULF POWER COMPANY

2 Before the Florida Public Service Commission

3 Prepared Direct Testimony and Exhibit of

4 Richard W. Dodd

Docket No. 120007-EI

Date of Filing: August 28, 2012

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

6 A. My name is Richard W. Dodd. My business address is One Energy Place,
7 Pensacola, Florida 32520-0780. I am the Supervisor of Rates and
8 Regulatory Matters at Gulf Power Company.

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

12 A. I graduated from the University of West Florida in Pensacola, Florida in
13 1991 with a Bachelor of Arts Degree in Accounting. I also received a
14 Bachelor of Science Degree in Finance in 1998 from the University of
15 West Florida. I joined Gulf Power in 1987 as a Co-op Accountant and
16 worked in various areas until I joined the Rates and Regulatory Matters
17 area in 1990. After spending one year in the Financial Planning area, I
18 transferred to Georgia Power Company in 1994 where I worked in the
19 Regulatory Accounting department and in 1997 I transferred to Mississippi
20 Power Company where I worked in the Rate and Regulation Planning
21 department for six years followed by one year in Financial Planning. In
22 2004 I returned to Gulf Power Company working in the General
23 Accounting area as Internal Controls Coordinator. In 2007 I was promoted
24 to Internal Controls Supervisor and in July 2008, I assumed my current
25 position in the Rates and Regulatory Matters area. My responsibilities

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

4

5 Q. What is the purpose of your testimony?

6 A. The purpose of my testimony is to present both the calculation of the
7 revenue requirements and the development of the environmental cost
8 recovery factors for the period of January 2013 through December 2013.

9

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

12 A. Yes, I have. My exhibit consists of 8 schedules, each of which was
13 prepared under my direction, supervision, or review.

14 Counsel: We ask that Mr. Dodd's exhibit
15 consisting of eight schedules be marked as
16 Exhibit No. _____(RWD-3).

17

18 Q. What environmental costs is Gulf requesting for recovery through the
19 Environmental Cost Recovery Clause (ECRC)?

20 A. As discussed in the testimony of J. O. Vick, Gulf is requesting recovery for
21 certain environmental compliance operating expenses and capital costs
22 that are consistent with both the decision of the Commission in Order No.
23 PSC-94-0044-FOF-EI in Docket No. 930613-EI and with past proceedings
24 in this ongoing recovery docket. The costs we have identified for recovery

25

1 through the ECRC are not currently being recovered through base rates or
2 any other cost recovery mechanism.

3

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

6 A. Mr. Vick has provided me with projected recoverable O&M expenses for
7 January 2013 through December 2013. Schedule 2P of my exhibit shows
8 the calculation of the recoverable O&M expenses broken down between
9 demand-related and energy-related expenses. Schedule 2P also provides
10 the appropriate jurisdictional factors and amounts related to these
11 expenses. All O&M expenses associated with compliance with the Clean
12 Air Act Amendments of 1990 (CAAA) were considered to be energy-
13 related, consistent with Commission Order No. PSC-94-0044-FOF-EI.
14 O&M expenses associated with Gulf's Clean Air Interstate Rule (CAIR)
15 and Clean Air Visibility Rule (CAVR) Compliance Program were
16 considered to be energy-related pursuant to FPSC Order No. PSC-06-
17 0972-FOF-EI issued November 22, 2006. The remaining expenses were
18 broken down between demand and energy consistent with Gulf's last
19 approved cost-of-service methodology in Docket No. 110138-EI.

20

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

22 A. Schedule 3P summarizes the monthly recoverable revenue requirements
23 associated with each capital investment project for the recovery period.
24 Schedule 4P shows the detailed calculation of the revenue requirements
25 associated with each investment project. These schedules also include

1 the calculation of the jurisdictional amount of recoverable revenue
2 requirements. Mr. Vick has provided me with the expenditures, clearings,
3 retirements, salvage, and cost of removal related to each capital project as
4 well as the monthly costs for emission allowances. From that information,
5 plant-in-service and construction work in progress (non interest bearing)
6 was calculated. Additionally, depreciation, amortization and
7 dismantlement expense and the associated accumulated depreciation
8 balances were calculated based on Gulf's approved depreciation rates,
9 amortization periods, and dismantlement accruals. The capital projects
10 identified for recovery through the ECRC are those environmental projects
11 which were not included in the approved January 2012 through December
12 2012 test year on which present base rates were set.

13
14 Q. How was the amount of property taxes to be recovered through the ECRC
15 derived?

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

24
25

1 Q. What capital structure and return on equity were used to develop the rate
2 of return used to calculate the revenue requirements as shown on 8P?

3 A. Consistent with Commission Order No. PSC-12-0425-PAA-EU dated
4 August 16, 2012 in Docket No. 120007-EI, the capital structure used in
5 calculating the rate of return for recovery clause purposes is based on the
6 weighted average cost of capital (WACC) presented in Gulf's May 2012
7 Earnings Surveillance Report. This rate of return used to calculate ECRC
8 revenue requirements includes a return on equity of 10.25% for the period
9 January 1, 2013 through December 31, 2013.

10

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

13 A. The investment costs associated with compliance with the CAAA were
14 considered to be energy-related consistent with Commission Order No.
15 PSC-94-0044-FOF-EI, dated January 12, 1994, in Docket No. 930613-EI.
16 The investment costs associated with Gulf's CAIR and CAVR Compliance
17 Program were considered to be energy-related pursuant to FPSC Order
18 No. PSC-06-0972-FOF-EI issued November 22, 2006. The remaining
19 investment costs of environmental compliance were allocated 12/13th
20 based on demand and 1/13th based on energy, consistent with Gulf's last
21 approved cost-of-service study. The calculation of this breakdown is
22 shown on Schedule 4P and summarized on Schedule 3P.

23

24

25

1 Q. What is the total amount of projected recoverable costs related to the
2 period January 2013 through December 2013?

3 A. The total projected jurisdictional recoverable costs for the period January
4 2013 through December 2013 is \$141,081,963 as shown on line 1c of
5 Schedule 1P. This includes costs related to O&M activities of
6 \$23,951,253 and costs related to capital projects of \$117,130,710 as
7 shown on lines 1a and 1b of Schedule 1P.

8
9 Q. What is the total recoverable revenue requirement to be recovered in the
10 projection period January 2013 through December 2013 and how was it
11 allocated to each rate class?

12 A. The total recoverable revenue requirement including revenue taxes is
13 \$139,004,247 for the period January 2013 through December 2013 as
14 shown on line 5 of Schedule 1P. This amount includes the recoverable
15 costs related to the projection period and the total true-up cost of
16 \$2,177,727 to be refunded. Schedule 1P also summarizes the energy and
17 demand components of the requested revenue requirement. These
18 amounts are allocated by rate class using the appropriate energy and
19 demand allocators as shown on Schedules 6P and 7P.

20
21 Q. How were the allocation factors calculated for use in the Environmental
22 Cost Recovery Clause?

23 A. The demand allocation factors used in the ECRC were calculated using
24 the 2009 load data filed with the Commission in accordance with FPSC
25 Rule 25-6.0437. The energy allocation factors were calculated based on

1 projected KWH sales for the period adjusted for losses. The calculation of
2 the allocation factors for the period is shown in columns 1 through 9 on
3 Schedule 6P.

4

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

7 A. As I described earlier in my testimony, Schedule 1P summarizes the
8 energy and demand portions of the total requested revenue requirement.
9 The energy-related recoverable revenue requirement of \$130,671,227 for
10 the period January 2013 through December 2013 was allocated using the
11 energy allocator, as shown in column 3 on Schedule 7P. The demand-
12 related recoverable revenue requirement of \$8,333,020 for the period
13 January 2013 through December 2013 was allocated using the demand
14 allocator, as shown in column 4 on Schedule 7P. The energy-related and
15 demand-related recoverable revenue requirements are added together to
16 derive the total amount assigned to each rate class, as shown in
17 column 5.

18

19 Q. What is the monthly amount related to environmental costs recovered
20 through this factor that will be included on a residential customer's bill for
21 1,000 kWh?

22 A. The environmental costs recovered through the clause from the residential
23 customer who uses 1,000 kWh will be \$12.53 monthly for the period
24 January 2013 through December 2013.

25

1 Q. When does Gulf propose to collect its environmental cost recovery
2 charges?

3 A. The factors will be effective beginning with Cycle 1 billings in January
4 2013 and will continue through the last billing cycle of December 2013.
5

6 Q. Mr. Dodd, does this conclude your testimony?

7 A. Yes.
8
9
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25

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 120007-EI

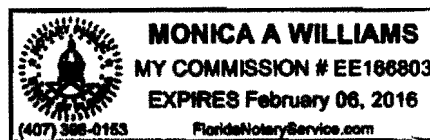
Before me, the undersigned authority, personally appeared Richard W. Dodd, who being first duly sworn, deposes and says that he is the Supervisor of Rates and Regulatory Matters of Gulf Power Company, a Florida corporation, that the foregoing is true and correct to the best of his knowledge and belief. He is personally known to me.



Richard W. Dodd

Supervisor of Rates and Regulatory Matters

Sworn to and subscribed before me this 24th day of August, 2012.


Notary Public, State of Florida at Large

Schedule 1P

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

For the Projected Period
January 2013 - December 2013

Line No.	Energy (\$)	Demand (\$)	Total (\$)
1			
a			
b			
c			
2			
3			
4			
5			
1			
a	20,069,669	3,881,584	23,951,253
b	<u>112,557,519</u>	<u>4,573,191</u>	<u>117,130,710</u>
c	132,627,188	8,454,775	141,081,963
2			
a	7,001,685	451,674	7,453,359
3			
a	<u>(4,951,708)</u>	<u>(323,924)</u>	<u>(5,275,632)</u>
4			
a	<u>130,577,211</u>	<u>8,327,025</u>	<u>138,904,236</u>
5			
a	<u>130,671,227</u>	<u>8,333,020</u>	<u>139,004,247</u>

Notes:

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

Gulf Power Company
 Environmental Cost Recovery Clause (ECRC)
 Calculation of the Projected Period Amount
 January 2013 - December 2013

O & M Activities
 (in Dollars)

Line	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period 12-Month	Method of Classification Demand	Energy
1	Description of O & M Activities														
.1	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0
.2	-	492,000	-	-	-	-	-	-	-	-	140,000	-	632,000	0	632,000
.3	8,575	9,575	9,031	11,131	13,247	9,031	9,831	10,131	9,831	10,831	13,247	10,581	125,044	0	125,044
.4	-	-	-	-	-	-	-	-	-	900	-	-	900	900	0
.5	57,054	42,054	42,682	71,682	70,506	45,682	54,682	52,682	48,682	43,182	70,506	46,182	645,576	0	645,576
.6	49,645	57,750	75,578	57,378	95,138	66,466	51,353	67,078	81,021	68,923	90,728	90,895	851,953	851,953	0
.7	117,921	117,921	119,129	169,129	199,801	119,129	282,464	283,264	233,264	183,264	203,138	132,470	2,160,894	2,160,894	0
.8	-	-	-	-	-	-	-	-	-	-	-	34,500	34,500	34,500	0
.9	1,373	1,373	1,373	1,373	1,373	1,373	1,373	1,373	1,373	1,373	1,373	1,377	16,480	16,480	0
.10	-	-	-	-	-	-	-	-	-	3,500	3,500	-	7,000	7,000	0
.11	34,000	35,637	38,720	37,920	45,830	39,220	41,220	37,720	38,720	36,120	44,130	39,920	469,157	469,157	0
.12	1,055	31,055	23,970	770	23,356	44,470	3,170	4,570	26,370	3,070	1,356	23,370	186,582	186,582	0
.13	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0
.14	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0
.15	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0
.16	10,833	1,500	10,833	1,500	10,833	1,500	10,833	1,500	10,833	1,500	10,835	1,500	74,000	0	74,000
.17	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0
.18	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0
.19	123,831	123,212	117,259	141,663	164,055	164,391	157,391	158,391	134,767	149,435	120,103	115,828	1,670,326	0	1,670,326
.20	1,153,093	1,081,934	1,304,319	1,336,176	1,420,283	1,589,090	1,574,273	1,516,735	1,322,004	1,234,926	1,267,890	1,741,841	16,542,564	0	16,542,564
.21	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0
.22	22,400	22,400	22,400	22,400	22,400	28,160	28,160	28,160	28,160	22,400	22,400	22,400	291,840	291,840	0
.23	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0
.24	25,920	26,589	30,920	36,460	32,130	34,964	46,841	48,433	38,498	27,895	27,958	35,696	412,304	0	412,304
.25	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0
.26	32,432	31,647	48,736	57,600	40,677	51,484	77,581	82,623	52,434	37,268	34,685	55,720	602,887	0	602,887
2	<u>1,638,132</u>	<u>2,074,647</u>	<u>1,844,950</u>	<u>1,945,182</u>	<u>2,139,629</u>	<u>2,194,960</u>	<u>2,339,172</u>	<u>2,292,660</u>	<u>2,025,957</u>	<u>1,824,587</u>	<u>2,051,849</u>	<u>2,352,280</u>	<u>24,724,007</u>	<u>4,019,306</u>	<u>20,704,701</u>
3	1,411,738	1,808,511	1,563,780	1,656,212	1,751,731	1,896,142	1,931,432	1,870,495	1,617,049	1,505,037	1,685,224	2,007,348	20,704,701		
4	226,394	266,136	281,170	288,970	387,898	298,818	407,740	422,165	408,908	319,550	366,625	344,932	4,019,306		
5	0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016			
6	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346			
7	1,366,227	1,750,528	1,512,856	1,605,806	1,699,542	1,843,326	1,876,753	1,815,088	1,570,358	1,459,658	1,628,924	1,940,603	20,069,669		
8	<u>218,637</u>	<u>257,017</u>	<u>271,536</u>	<u>279,068</u>	<u>374,607</u>	<u>288,579</u>	<u>393,769</u>	<u>407,692</u>	<u>394,897</u>	<u>308,600</u>	<u>354,062</u>	<u>333,113</u>	<u>3,881,584</u>		
9	<u>1,584,864</u>	<u>2,007,545</u>	<u>1,784,392</u>	<u>1,884,874</u>	<u>2,074,149</u>	<u>2,131,905</u>	<u>2,270,522</u>	<u>2,222,787</u>	<u>1,965,255</u>	<u>1,768,258</u>	<u>1,982,986</u>	<u>2,273,716</u>	<u>23,951,253</u>		

Notes:

- (A) Line 3 x Line 5 x line loss multiplier
 (B) Line 4 x Line 6

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)

January 2013 - December 2013
Calculation of the Current Period True-Up Amount
Capital Investment Projects - Recoverable Costs
(in Dollars)

Line	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	End of	Method of Classification	
	January	February	March	April	May	June	July	August	September	October	November	December	12-Month	Demand	Energy
1	Description of Investment Projects (A)														
.1	6,737	6,706	6,676	6,645	6,614	6,584	6,553	6,523	6,492	6,461	6,430	6,400	78,821	0	78,821
.2	416,012	415,254	414,498	413,742	412,986	412,230	411,473	410,717	409,961	409,205	408,448	407,692	4,942,218	0	4,942,218
.3	10,702	10,702	10,702	10,702	10,702	10,702	10,702	10,702	10,702	10,702	10,702	10,702	128,424	0	128,424
.4	130,464	130,270	130,074	129,880	129,684	129,490	129,294	129,100	128,905	128,710	128,515	128,320	1,552,706	0	1,552,706
.5	95,361	95,204	95,045	94,888	94,731	94,572	94,415	94,256	94,099	93,941	93,783	93,626	1,133,921	0	1,133,921
.6	9,834	10,846	11,858	12,943	13,845	14,284	15,641	15,616	15,590	15,564	15,538	15,513	167,072	154,222	12,850
.7	1,772	1,766	1,761	1,756	1,751	1,747	1,741	1,736	1,731	1,726	1,721	1,715	20,922	19,313	1,609
.8	3,660	3,660	3,660	3,660	3,660	3,660	3,660	3,660	3,660	3,660	3,660	3,660	43,920	40,536	3,384
.9	2,674	2,666	2,658	2,650	2,642	2,633	2,625	2,617	2,609	2,601	2,592	2,584	31,551	29,124	2,427
.10	442	440	439	438	435	434	432	431	430	428	427	426	5,202	4,802	400
.11	583	580	578	576	574	572	570	567	566	563	561	559	6,849	6,322	527
.12	339	338	337	335	335	334	333	331	330	329	327	326	3,994	3,687	307
.13	3,167	3,159	3,151	3,143	3,134	3,126	3,118	3,110	3,101	3,093	3,085	3,077	37,464	0	37,464
.14	17,131	17,074	17,019	16,962	16,906	16,850	16,794	16,737	16,682	16,625	16,569	16,512	201,861	186,334	15,527
.15	2,376	2,372	2,369	2,365	2,361	2,358	2,355	2,351	2,347	2,343	2,340	2,336	28,273	26,098	2,175
.16	128,717	128,460	128,204	127,947	127,692	127,436	127,179	126,923	126,667	126,411	126,155	125,898	1,527,689	1,410,175	117,514
.17	1,095	1,092	1,088	1,086	1,083	1,080	1,078	1,075	1,072	1,070	26,404	51,739	88,962	82,119	6,843
.18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
.19	1,099,260	1,096,605	1,093,950	1,091,295	1,088,640	1,085,985	1,083,330	1,080,676	1,078,020	1,075,365	1,072,710	1,070,056	13,015,892	0	13,015,892
.20	8,223	8,203	8,183	8,163	8,143	8,123	8,103	8,083	8,062	8,042	8,023	8,003	97,354	89,865	7,489
.21	508	507	506	504	503	502	500	499	498	496	495	494	6,012	0	6,012
.22	264,135	263,515	262,894	262,273	261,653	261,033	260,413	259,792	259,172	258,552	257,930	257,310	3,128,672	0	3,128,672
.23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
.24	191,629	191,201	190,771	190,341	189,912	189,482	189,053	188,623	188,193	187,765	187,335	186,905	2,271,210	2,096,501	174,709
.25	53,375	53,243	53,112	52,979	52,847	52,716	52,584	52,452	52,320	52,189	52,057	51,925	631,799	583,198	48,601
.26	7,678,897	7,661,791	7,644,686	7,627,581	7,610,475	7,593,371	7,576,266	7,559,160	7,542,055	7,524,950	7,508,457	7,492,576	91,020,265	0	91,020,265
.27	557	553	549	545	541	537	533	529	525	521	517	513	3,421	3,157	264
.28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
.29	6,905	6,712	6,501	6,253	6,001	5,755	5,455	5,105	4,786	4,541	4,336	4,102	66,452	0	66,452
.30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
.31	53,548	53,313	53,018	52,628	52,267	51,929	51,454	50,866	50,370	50,041	49,777	49,445	618,656	0	618,656
2	<u>10,188,103</u>	<u>10,166,232</u>	<u>10,144,287</u>	<u>10,122,280</u>	<u>10,100,117</u>	<u>10,077,525</u>	<u>10,055,260</u>	<u>10,031,708</u>	<u>10,008,420</u>	<u>9,985,373</u>	<u>9,988,376</u>	<u>9,991,901</u>	<u>120,859,582</u>	<u>4,735,453</u>	<u>116,124,129</u>
3	9,798,190	9,776,239	9,754,207	9,732,055	9,709,907	9,687,760	9,665,458	9,642,906	9,620,489	9,598,312	9,578,798	9,559,808	116,124,129		
4	389,913	389,993	390,080	390,225	390,210	389,765	389,802	388,802	387,931	387,061	409,578	432,093	4,735,453		
5	0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016			
6	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346			
7	9,482,323	9,462,800	9,436,565	9,435,865	9,420,621	9,417,912	9,391,826	9,357,268	9,342,703	9,308,906	9,258,790	9,241,940	112,557,519		
8	<u>376,552</u>	<u>376,630</u>	<u>376,714</u>	<u>376,854</u>	<u>376,839</u>	<u>376,410</u>	<u>376,445</u>	<u>375,480</u>	<u>374,638</u>	<u>373,798</u>	<u>395,544</u>	<u>417,287</u>	<u>4,573,191</u>		
9	<u>9,858,875</u>	<u>9,839,430</u>	<u>9,813,279</u>	<u>9,812,719</u>	<u>9,797,460</u>	<u>9,794,322</u>	<u>9,768,271</u>	<u>9,732,748</u>	<u>9,717,341</u>	<u>9,682,704</u>	<u>9,654,334</u>	<u>9,659,227</u>	<u>117,130,710</u>		

Notes:

- (A) Pages 1-27 of Schedule 4P, Line 9, Pages 28-31 of Schedule 4P, Line 6
- (B) Line 3 x Line 5 x Line loss multiplier
- (C) Line 4 x Line 6

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: Air Quality Assurance Testing
P.E.s 1006 & 1244
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812
3	Less: Accumulated Depreciation (C)	0	(4,176)	(8,353)	(12,529)	(16,705)	(20,882)	(25,058)	(29,234)	(33,411)	(37,587)	(41,763)	(45,940)	(50,116)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4) (A)	350,812	346,636	342,459	338,283	334,107	329,930	325,754	321,578	317,401	313,225	309,049	304,872	300,696	
6	Average Net Investment		348,724	344,548	340,371	336,195	332,019	327,842	323,666	319,490	315,313	311,137	306,961	302,784	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		1,937	1,914	1,891	1,868	1,844	1,821	1,798	1,775	1,752	1,728	1,705	1,682	21,715
b	Debt Component (Line 6 x Debt Component x 1/12)		624	616	609	601	594	587	579	572	564	557	549	542	6,994
8	Investment Expenses														
a	Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Amortization (F)		4,176	4,176	4,176	4,176	4,176	4,176	4,176	4,176	4,176	4,176	4,176	4,176	50,112
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		6,737	6,706	6,676	6,645	6,614	6,584	6,553	6,523	6,492	6,461	6,430	6,400	78,821
a	Recoverable Costs Allocated to Energy		6,737	6,706	6,676	6,645	6,614	6,584	6,553	6,523	6,492	6,461	6,430	6,400	78,821
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		6,520	6,491	6,459	6,443	6,417	6,401	6,367	6,330	6,305	6,266	6,215	6,187	76,401
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		6,520	6,491	6,459	6,443	6,417	6,401	6,367	6,330	6,305	6,266	6,215	6,187	76,401

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable.
- (B) Applicable beginning of period and end of period depreciable base by production plant name(s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) Applicable depreciation rate or rates.
- (F) PE 1006 is fully amortized; PE 1244 has a 7-year amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: Crist 5, 6 & 7 Precipitator Projects
P.E.s 1038, 1119, 1216, 1243, 1249
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	35,301,539	35,301,539	35,301,539	35,301,539	35,301,539	35,301,539	35,301,539	35,301,539	35,301,539	35,301,539	35,301,539	35,301,539	35,301,539	35,301,539
3	Less: Accumulated Depreciation (C)	7,374,703	7,271,728	7,168,753	7,065,779	6,962,804	6,859,830	6,756,855	6,653,881	6,550,906	6,447,931	6,344,957	6,241,982	6,139,008	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4) (A)	42,676,242	42,573,267	42,470,292	42,367,318	42,264,343	42,161,369	42,058,394	41,955,420	41,852,445	41,749,470	41,646,496	41,543,521	41,440,547	
6	Average Net Investment		42,624,755	42,521,780	42,418,805	42,315,831	42,212,856	42,109,882	42,006,907	41,903,933	41,800,958	41,697,983	41,595,009	41,492,034	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		236,781	236,208	235,636	235,064	234,492	233,920	233,348	232,776	232,204	231,632	231,060	230,488	2,803,609
b	Debt Component (Line 6 x Debt Component x 1/12)		76,256	76,071	75,887	75,703	75,519	75,335	75,150	74,966	74,782	74,598	74,413	74,229	902,909
8	Investment Expenses														
a	Depreciation (E)		102,975	102,975	102,975	102,975	102,975	102,975	102,975	102,975	102,975	102,975	102,975	102,975	1,235,700
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		416,012	415,254	414,498	413,742	412,986	412,230	411,473	410,717	409,961	409,205	408,448	407,692	4,942,218
a	Recoverable Costs Allocated to Energy		416,012	415,254	414,498	413,742	412,986	412,230	411,473	410,717	409,961	409,205	408,448	407,692	4,942,218
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		402,601	401,940	401,000	401,150	400,682	400,748	399,824	398,551	398,124	396,867	394,803	394,136	4,790,426
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		402,601	401,940	401,000	401,150	400,682	400,748	399,824	398,551	398,124	396,867	394,803	394,136	4,790,426

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable.
- (B) Applicable beginning of period and end of period depreciable base by production plant name(s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) 3.5% annually.
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: Crist 7 Flue Gas Conditioning
P.E. 1228
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Less: Accumulated Depreciation (C)	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4) (A)	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158
6	Average Net Investment		1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158	1,457,158
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		8,095	8,095	8,095	8,095	8,095	8,095	8,095	8,095	8,095	8,095	8,095	8,095	97,140
b	Debt Component (Line 6 x Debt Component x 1/12)		2,607	2,607	2,607	2,607	2,607	2,607	2,607	2,607	2,607	2,607	2,607	2,607	31,284
8	Investment Expenses														
a	Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		10,702	10,702	10,702	10,702	10,702	10,702	10,702	10,702	10,702	10,702	10,702	10,702	128,424
a	Recoverable Costs Allocated to Energy		10,702	10,702	10,702	10,702	10,702	10,702	10,702	10,702	10,702	10,702	10,702	10,702	128,424
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		10,357	10,359	10,353	10,376	10,383	10,404	10,399	10,385	10,393	10,379	10,344	10,346	124,478
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		10,357	10,359	10,353	10,376	10,383	10,404	10,399	10,385	10,393	10,379	10,344	10,346	124,478

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable.
- (B) Applicable beginning of period and end of period depreciable base by production plant name(s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) 3.5% annually.
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: Low NOx Burners, Crist 6 & 7
P.E.s 1234, 1236, 1242, 1284
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	
3	Less: Accumulated Depreciation (C)	5,066,384	5,039,845	5,013,306	4,986,768	4,960,229	4,933,690	4,907,152	4,880,613	4,854,074	4,827,536	4,800,997	4,774,458	4,747,920	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	14,164,308	14,137,769	14,111,230	14,084,692	14,058,153	14,031,614	14,005,076	13,978,537	13,951,998	13,925,460	13,898,921	13,872,382	13,845,844	
6	Average Net Investment		14,151,039	14,124,500	14,097,961	14,071,423	14,044,884	14,018,345	13,991,807	13,965,268	13,938,729	13,912,191	13,885,652	13,859,113	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		78,609	78,462	78,314	78,167	78,019	77,872	77,724	77,577	77,430	77,282	77,135	76,987	933,578
b	Debt Component (Line 6 x Debt Component x 1/12)		25,316	25,269	25,221	25,174	25,126	25,079	25,031	24,984	24,936	24,889	24,841	24,794	300,660
8	Investment Expenses														
a	Depreciation (E)		26,539	26,539	26,539	26,539	26,539	26,539	26,539	26,539	26,539	26,539	26,539	26,539	318,468
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		130,464	130,270	130,074	129,880	129,684	129,490	129,294	129,100	128,905	128,710	128,515	128,320	1,552,706
a	Recoverable Costs Allocated to Energy		130,464	130,270	130,074	129,880	129,684	129,490	129,294	129,100	128,905	128,710	128,515	128,320	1,552,706
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		126,258	126,093	125,838	125,927	125,820	125,883	125,634	125,276	125,183	124,829	124,222	124,053	1,505,016
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		126,258	126,093	125,838	125,927	125,820	125,883	125,634	125,276	125,183	124,829	124,222	124,053	1,505,016

Notes:

- (A) Description and reason for "Other" adjustments to net investment for this project, if applicable.
- (B) Applicable beginning of period and end of period depreciable base by production plant name(s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) 3.5% annually.
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013

Return on Capital Investments, Depreciation and Taxes
For Project: CEMS - Plants Crist, Scholz, Smith, & Daniel

P.E.s 1001, 1060, 1154, 1164, 1188, 1217, 1240, 1245, 1247, 1256, 1283, 1286, 1289, 1290, 1311, 1316, 1323, 1324, 1357, 1358, 1364, 1440, 1441, 1442, 1444, 1445, 1454, 1459, 1460, 1558, 1570, 1592, 1658, 1829 & 1830
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	7,411,265	7,411,265	7,411,265	7,411,265	7,411,265	7,411,265	7,411,265	7,411,265	7,411,265	7,411,265	7,411,265	7,411,265	7,411,265	7,411,265
3	Less: Accumulated Depreciation (C)	2,498,469	2,476,984	2,455,500	2,434,016	2,412,532	2,391,048	2,369,564	2,348,080	2,326,595	2,305,111	2,283,627	2,262,143	2,240,659	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4) (A)	9,909,734	9,888,249	9,866,765	9,845,281	9,823,797	9,802,313	9,780,829	9,759,345	9,737,860	9,716,376	9,694,892	9,673,408	9,651,924	
6	Average Net Investment		9,898,992	9,877,507	9,856,023	9,834,539	9,813,055	9,791,571	9,770,087	9,748,603	9,727,118	9,705,634	9,684,150	9,662,666	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		54,989	54,870	54,750	54,631	54,512	54,392	54,273	54,153	54,034	53,915	53,795	53,676	651,990
b	Debt Component (Line 6 x Debt Component x 1/12)		17,709	17,671	17,632	17,594	17,556	17,517	17,479	17,440	17,402	17,363	17,325	17,287	209,975
8	Investment Expenses														
a	Depreciation (E)		21,388	21,388	21,388	21,388	21,388	21,388	21,388	21,388	21,388	21,388	21,388	21,388	256,656
b	Amortization (F)		96	96	96	96	96	96	96	96	96	96	96	96	1,152
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	14,148
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		95,361	95,204	95,045	94,888	94,731	94,572	94,415	94,256	94,099	93,941	93,783	93,626	1,133,921
a	Recoverable Costs Allocated to Energy		95,361	95,204	95,045	94,888	94,731	94,572	94,415	94,256	94,099	93,941	93,783	93,626	1,133,921
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		92,287	92,152	91,950	92,000	91,909	91,938	91,742	91,464	91,382	91,109	90,650	90,513	1,099,096
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		92,287	92,152	91,950	92,000	91,909	91,938	91,742	91,464	91,382	91,109	90,650	90,513	1,099,096

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable.
- (B) Beginning Balances and Ending Balances: Crist, \$4,175,213; Scholz \$916,802; Smith \$1,734,877; Daniel \$584,373.
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) Crist 3.5%; Crist 1-3 CEMS 3.2%; Smith 3.3%; Scholz 4.1%; Daniel 2.8% annually.
- (F) Part of PE 1283 has a 7 year amortization period. PEs 1364 & 1658 are fully amortized.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: Substation Contamination Remediation
P.E.s 1007, 2859, 3400, 3412, & 3477
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		150,000	130,000	150,000	150,000	100,000	24,000	0	0	0	0	0	0	
b	Clearings to Plant		0	0	0	0	0	704,000	0	0	0	0	0	0	
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	1,247,024	1,247,024	1,247,024	1,247,024	1,247,024	1,247,024	1,951,024	1,951,024	1,951,024	1,951,024	1,951,024	1,951,024	1,951,024	
3	Less: Accumulated Depreciation (C)	(285,591)	(287,822)	(290,053)	(292,284)	(294,515)	(296,746)	(298,977)	(302,499)	(306,021)	(309,543)	(313,065)	(316,587)	(320,109)	
4	CWIP - Non Interest Bearing	0	150,000	280,000	430,000	580,000	680,000	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	961,433	1,109,202	1,236,971	1,384,740	1,532,509	1,630,278	1,652,047	1,648,525	1,645,003	1,641,481	1,637,959	1,634,437	1,630,915	
6	Average Net Investment		1,035,318	1,173,087	1,310,856	1,458,625	1,581,394	1,641,163	1,650,286	1,646,764	1,643,242	1,639,720	1,636,198	1,632,676	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		5,751	6,516	7,282	8,103	8,785	9,117	9,167	9,148	9,128	9,109	9,089	9,070	100,265
b	Debt Component (Line 6 x Debt Component x 1/12)		1,852	2,099	2,345	2,609	2,829	2,936	2,952	2,946	2,940	2,933	2,927	2,921	32,289
8	Investment Expenses														
a	Depreciation (E)		2,231	2,231	2,231	2,231	2,231	2,231	3,522	3,522	3,522	3,522	3,522	3,522	34,518
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		9,834	10,846	11,858	12,943	13,845	14,284	15,641	15,616	15,590	15,564	15,538	15,513	167,072
a	Recoverable Costs Allocated to Energy		756	834	912	996	1,065	1,099	1,203	1,201	1,199	1,197	1,195	1,193	12,850
b	Recoverable Costs Allocated to Demand		9,078	10,012	10,946	11,947	12,780	13,185	14,438	14,415	14,391	14,367	14,343	14,320	154,222
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		732	807	882	966	1,033	1,068	1,169	1,165	1,164	1,161	1,155	1,153	12,455
13	Retail Demand-Related Recoverable Costs (I)		8,767	9,669	10,571	11,538	12,342	12,733	13,943	13,921	13,898	13,875	13,852	13,829	148,938
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		9,499	10,476	11,453	12,504	13,375	13,801	15,112	15,086	15,062	15,036	15,007	14,982	161,393

Notes:

- (A) Description and reason for "Other" adjustments to net investment for this project, if applicable.
- (B) Applicable beginning of period and end of period depreciable base by production plant name(s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) Part of PE 1007 depreciable at 2.2% annually; PEs 3400 and 3412 are depreciable at 2.2% annually; PE 2859 depreciable at 2.0% annually.
- (F) The amortizable portion of PE 1007 is fully amortized.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: Raw Water Well Flowmeters - Plants Crist & Smith
P.E.s 1155 & 1606
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	242,973	242,973	242,973	242,973	242,973	242,973	242,973	242,973	242,973	242,973	242,973	242,973	242,973	242,973
3	Less: Accumulated Depreciation (C)	(95,773)	(96,466)	(97,159)	(97,852)	(98,545)	(99,238)	(99,931)	(100,624)	(101,317)	(102,010)	(102,703)	(103,396)	(104,089)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4) (A)	147,200	146,507	145,814	145,121	144,428	143,735	143,042	142,349	141,656	140,963	140,270	139,577	138,884	
6	Average Net Investment		146,854	146,161	145,468	144,775	144,082	143,389	142,696	142,003	141,310	140,617	139,924	139,231	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		816	812	808	804	800	797	793	789	785	781	777	773	9,535
b	Debt Component (Line 6 x Debt Component x 1/12)		263	261	260	259	258	257	255	254	253	252	250	249	3,071
8	Investment Expenses														
a	Depreciation (E)		693	693	693	693	693	693	693	693	693	693	693	693	8,316
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		1,772	1,766	1,761	1,756	1,751	1,747	1,741	1,736	1,731	1,726	1,720	1,715	20,922
a	Recoverable Costs Allocated to Energy		136	136	135	135	135	134	134	134	133	133	132	132	1,609
b	Recoverable Costs Allocated to Demand		1,636	1,630	1,626	1,621	1,616	1,613	1,607	1,602	1,598	1,593	1,588	1,583	19,313
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		132	132	131	131	131	130	130	130	129	129	128	128	1,561
13	Retail Demand-Related Recoverable Costs (I)		1,580	1,574	1,570	1,565	1,561	1,558	1,552	1,547	1,543	1,538	1,534	1,529	18,651
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		1,712	1,706	1,701	1,696	1,692	1,688	1,682	1,677	1,672	1,667	1,662	1,657	20,212

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable.
- (B) Beginning and Ending Balances: Crist, \$149,950; Smith \$93,023.
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) Crist 3.5%; Smith 3.3% annually
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: Crist Cooling Tower Cell
P.E. 1232
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Less: Accumulated Depreciation (C)	498,339	498,339	498,339	498,339	498,339	498,339	498,339	498,339	498,339	498,339	498,339	498,339	498,339	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	498,339	498,339	498,339	498,339	498,339	498,339	498,339	498,339	498,339	498,339	498,339	498,339	498,339	
6	Average Net Investment		498,339	498,339	498,339	498,339	498,339	498,339	498,339	498,339	498,339	498,339	498,339	498,339	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		2,768	2,768	2,768	2,768	2,768	2,768	2,768	2,768	2,768	2,768	2,768	2,768	33,216
b	Debt Component (Line 6 x Debt Component x 1/12)		892	892	892	892	892	892	892	892	892	892	892	892	10,704
8	Investment Expenses														
a	Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		3,660	3,660	3,660	3,660	3,660	3,660	3,660	3,660	3,660	3,660	3,660	3,660	43,920
a	Recoverable Costs Allocated to Energy		282	282	282	282	282	282	282	282	282	282	282	282	3,384
b	Recoverable Costs Allocated to Demand		3,378	3,378	3,378	3,378	3,378	3,378	3,378	3,378	3,378	3,378	3,378	3,378	40,536
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		273	273	273	273	274	274	274	274	274	273	273	273	3,281
13	Retail Demand-Related Recoverable Costs (I)		3,262	3,262	3,262	3,262	3,262	3,262	3,262	3,262	3,262	3,262	3,262	3,262	39,144
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		3,535	3,535	3,535	3,535	3,536	3,536	3,536	3,536	3,536	3,535	3,535	3,535	42,425

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable.
- (B) Applicable beginning of period and end of period depreciable base by production plant name(s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) 3.5% annually.
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: Crist Dechlorination System
P.E.s 1180 & 1248
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	382,060	382,060	382,060	382,060	382,060	382,060	382,060	382,060	382,060	382,060	382,060	382,060	382,060	382,060
3	Less: Accumulated Depreciation (C)	(169,204)	(170,319)	(171,434)	(172,549)	(173,664)	(174,779)	(175,894)	(177,009)	(178,124)	(179,239)	(180,354)	(181,469)	(182,584)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4) (A)	212,856	211,741	210,626	209,511	208,396	207,281	206,166	205,051	203,936	202,821	201,706	200,591	199,476	
6	Average Net Investment		212,299	211,184	210,069	208,954	207,839	206,724	205,609	204,494	203,379	202,264	201,149	200,034	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		1,179	1,173	1,167	1,161	1,155	1,148	1,142	1,136	1,130	1,124	1,117	1,111	13,743
b	Debt Component (Line 6 x Debt Component x 1/12)		380	378	376	374	372	370	368	366	364	362	360	358	4,428
8	Investment Expenses														
a	Depreciation (E)		1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	13,380
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)	2,674	2,666	2,666	2,658	2,650	2,642	2,633	2,625	2,617	2,609	2,601	2,592	2,584	31,551
a	Recoverable Costs Allocated to Energy	206	205	205	204	204	203	203	202	201	201	200	199	199	2,427
b	Recoverable Costs Allocated to Demand	2,468	2,461	2,461	2,454	2,446	2,439	2,430	2,423	2,416	2,408	2,401	2,393	2,385	29,124
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		199	198	197	198	197	197	196	195	195	194	192	192	2,350
13	Retail Demand-Related Recoverable Costs (I)		2,383	2,377	2,370	2,362	2,355	2,347	2,340	2,333	2,325	2,319	2,311	2,303	28,125
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		2,582	2,575	2,567	2,560	2,552	2,544	2,536	2,528	2,520	2,513	2,503	2,495	30,475

Notes:

- (A) Description and reason for "Other" adjustments to net investment for this project, if applicable.
- (B) Applicable beginning of period and end of period depreciable base by production plant name(s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) 3.5% annually.
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 fine loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: Crist Diesel Fuel Oil Remediation
P.E. 1270
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923
3	Less: Accumulated Depreciation (C)	(36,067)	(36,268)	(36,469)	(36,670)	(36,871)	(37,072)	(37,273)	(37,474)	(37,675)	(37,876)	(38,077)	(38,278)	(38,479)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4) (A)	32,856	32,655	32,454	32,253	32,052	31,851	31,650	31,449	31,248	31,047	30,846	30,645	30,444	
6	Average Net Investment		32,756	32,555	32,354	32,153	31,952	31,751	31,550	31,349	31,148	30,947	30,746	30,545	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		182	181	180	179	177	176	175	174	173	172	171	170	2,110
b	Debt Component (Line 6 x Debt Component x 1/12)		59	58	58	58	57	57	56	56	56	55	55	55	680
8	Investment Expenses														
a	Depreciation (E)		201	201	201	201	201	201	201	201	201	201	201	201	2,412
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		442	440	439	438	435	434	432	431	430	428	427	426	5,202
a	Recoverable Costs Allocated to Energy		34	34	34	34	33	33	33	33	33	33	33	33	400
b	Recoverable Costs Allocated to Demand		408	406	405	404	402	401	399	398	397	395	394	393	4,802
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		33	33	33	33	32	32	32	32	32	32	32	32	388
13	Retail Demand-Related Recoverable Costs (I)		394	392	391	390	388	387	385	384	383	381	380	380	4,635
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		427	425	424	423	420	419	417	416	415	413	412	412	5,023

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable.
- (B) Applicable beginning of period and end of period depreciable base by production plant name(s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) 3.5% annually.
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: Crist Bulk Tanker Unload Sec Contain Struc
P.E. 1271
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495	
3	Less: Accumulated Depreciation (C)	(62,325)	(62,621)	(62,917)	(63,213)	(63,509)	(63,805)	(64,101)	(64,397)	(64,693)	(64,989)	(65,285)	(65,581)	(65,877)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	39,170	38,874	38,578	38,282	37,986	37,690	37,394	37,098	36,802	36,506	36,210	35,914	35,618	
6	Average Net Investment		39,022	38,726	38,430	38,134	37,838	37,542	37,246	36,950	36,654	36,358	36,062	35,766	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		217	215	213	212	210	209	207	205	204	202	200	199	2,493
b	Debt Component (Line 6 x Debt Component x 1/12)		70	69	69	68	68	67	67	66	66	65	65	64	804
8	Investment Expenses														
a	Depreciation (E)		296	296	296	296	296	296	296	296	296	296	296	296	3,552
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		583	580	578	576	574	572	570	567	566	563	561	559	6,849
a	Recoverable Costs Allocated to Energy		45	45	44	44	44	44	44	44	44	43	43	43	527
b	Recoverable Costs Allocated to Demand		538	535	534	532	530	528	526	523	522	520	518	516	6,322
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		44	44	43	43	43	43	43	43	43	42	42	42	515
13	Retail Demand-Related Recoverable Costs (I)		520	517	516	514	512	510	508	505	504	502	500	498	6,106
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		564	561	559	557	555	553	551	548	547	544	542	540	6,621

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable.
- (B) Applicable beginning of period and end of period depreciable base by production plant name(s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) 3.5% annually.
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: Crist IWW Sampling System
P.E. 1275
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543	
3	Less: Accumulated Depreciation (C)	(36,886)	(37,060)	(37,234)	(37,408)	(37,582)	(37,756)	(37,930)	(38,104)	(38,278)	(38,452)	(38,626)	(38,800)	(38,974)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	22,657	22,483	22,309	22,135	21,961	21,787	21,613	21,439	21,265	21,091	20,917	20,743	20,569	
6	Average Net Investment		22,570	22,396	22,222	22,048	21,874	21,700	21,526	21,352	21,178	21,004	20,830	20,656	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		125	124	123	122	122	121	120	119	118	117	116	115	1,442
b	Debt Component (Line 6 x Debt Component x 1/12)		40	40	40	39	39	39	39	38	38	38	37	37	464
8	Investment Expenses														
a	Depreciation (E)		174	174	174	174	174	174	174	174	174	174	174	174	2,088
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		339	338	337	335	335	334	333	331	330	329	327	326	3,994
a	Recoverable Costs Allocated to Energy		26	26	26	26	26	26	26	25	25	25	25	25	307
b	Recoverable Costs Allocated to Demand		313	312	311	309	309	308	307	306	305	304	302	301	3,687
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		25	25	25	25	25	25	25	24	24	24	24	24	295
13	Retail Demand-Related Recoverable Costs (I)		302	301	300	298	298	297	296	296	295	294	292	291	3,560
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		327	326	325	323	323	322	321	320	319	318	316	315	3,855

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable.
- (B) Applicable beginning of period and end of period depreciable base by production plant name(s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) 3.5% annually.
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: Sodium Injection System
P.E.s 1214 & 1413
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	391,119	391,119	391,119	391,119	391,119	391,119	391,119	391,119	391,119	391,119	391,119	391,119	391,119	391,119
3	Less: Accumulated Depreciation (C)	(112,193)	(113,316)	(114,439)	(115,562)	(116,685)	(117,808)	(118,931)	(120,054)	(121,177)	(122,300)	(123,423)	(124,546)	(125,669)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4) (A)	278,926	277,803	276,680	275,557	274,434	273,311	272,188	271,065	269,942	268,819	267,696	266,573	265,450	
6	Average Net Investment		278,365	277,242	276,119	274,996	273,873	272,750	271,627	270,504	269,381	268,258	267,135	266,012	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		1,546	1,540	1,534	1,528	1,521	1,515	1,509	1,503	1,496	1,490	1,484	1,478	18,144
b	Debt Component (Line 6 x Debt Component x 1/12)		498	496	494	492	490	488	486	484	482	480	478	476	5,844
8	Investment Expenses														
a	Depreciation (E)		1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	13,476
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		3,167	3,159	3,151	3,143	3,134	3,126	3,118	3,110	3,101	3,093	3,085	3,077	37,464
a	Recoverable Costs Allocated to Energy		3,167	3,159	3,151	3,143	3,134	3,126	3,118	3,110	3,101	3,093	3,085	3,077	37,464
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		3,065	3,058	3,048	3,047	3,041	3,039	3,030	3,018	3,011	3,000	2,982	2,975	36,314
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		3,065	3,058	3,048	3,047	3,041	3,039	3,030	3,018	3,011	3,000	2,982	2,975	36,314

Notes:

- (A) Description and reason for "Other" adjustments to net investment for this project, if applicable.
- (B) Beginning and Ending Balances: Crist \$284,622 and Smith \$106,497.
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) Crist 3.5% annually; Smith 3.3% annually.
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: Smith Stormwater Collection System
P.E. 1446
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600
3	Less: Accumulated Depreciation (C)	(1,488,100)	(1,495,752)	(1,503,404)	(1,511,056)	(1,518,708)	(1,526,360)	(1,534,012)	(1,541,664)	(1,549,316)	(1,556,968)	(1,564,620)	(1,572,272)	(1,579,924)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4) (A)	1,294,500	1,286,848	1,279,196	1,271,544	1,263,892	1,256,240	1,248,588	1,240,936	1,233,284	1,225,632	1,217,980	1,210,328	1,202,676	
6	Average Net Investment		1,290,674	1,283,022	1,275,370	1,267,718	1,260,066	1,252,414	1,244,762	1,237,110	1,229,458	1,221,806	1,214,154	1,206,502	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		7,170	7,127	7,085	7,042	7,000	6,957	6,915	6,872	6,830	6,787	6,745	6,702	83,232
b	Debt Component (Line 6 x Debt Component x 1/12)		2,309	2,295	2,282	2,268	2,254	2,241	2,227	2,213	2,200	2,186	2,172	2,158	26,805
8	Investment Expenses														
a	Depreciation (E)		7,652	7,652	7,652	7,652	7,652	7,652	7,652	7,652	7,652	7,652	7,652	7,652	91,824
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		17,131	17,074	17,019	16,962	16,906	16,850	16,794	16,737	16,682	16,625	16,569	16,512	201,861
a	Recoverable Costs Allocated to Energy		1,318	1,313	1,309	1,305	1,300	1,296	1,292	1,287	1,283	1,279	1,275	1,270	15,527
b	Recoverable Costs Allocated to Demand		15,813	15,761	15,710	15,657	15,606	15,554	15,502	15,450	15,399	15,346	15,294	15,242	186,334
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		1,276	1,271	1,266	1,265	1,261	1,260	1,255	1,249	1,246	1,240	1,232	1,228	15,049
13	Retail Demand-Related Recoverable Costs (I)		15,271	15,221	15,172	15,121	15,071	15,021	14,971	14,921	14,871	14,820	14,770	14,720	179,950
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		16,547	16,492	16,438	16,386	16,332	16,281	16,226	16,170	16,117	16,060	16,002	15,948	194,999

Notes:

- (A) Description and reason for "Other" adjustments to net investment for this project, if applicable.
- (B) Applicable beginning of period and end of period depreciable base by production plant name(s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) 3.3% annually.
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: Smith Waste Water Treatment Facility
P.E.s 1466 & 1643
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	178,962	178,962	178,962	178,962	178,962	178,962	178,962	178,962	178,962	178,962	178,962	178,962	178,962	178,962
3	Less: Accumulated Depreciation (C)	77,814	77,322	76,830	76,338	75,846	75,354	74,862	74,370	73,878	73,386	72,894	72,402	71,910	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	256,776	256,284	255,792	255,300	254,808	254,316	253,824	253,332	252,840	252,348	251,856	251,364	250,872	
6	Average Net Investment		256,530	256,038	255,546	255,054	254,562	254,070	253,578	253,086	252,594	252,102	251,610	251,118	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		1,425	1,422	1,420	1,417	1,414	1,411	1,409	1,406	1,403	1,400	1,398	1,395	16,920
b	Debt Component (Line 6 x Debt Component x 1/12)		459	458	457	456	455	455	454	453	452	451	450	449	5,449
8	Investment Expenses														
a	Depreciation (E)		492	492	492	492	492	492	492	492	492	492	492	492	5,904
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		2,376	2,372	2,369	2,365	2,361	2,358	2,355	2,351	2,347	2,343	2,340	2,336	28,273
a	Recoverable Costs Allocated to Energy		183	182	182	182	182	181	181	181	181	180	180	180	2,175
b	Recoverable Costs Allocated to Demand		2,193	2,190	2,187	2,183	2,179	2,177	2,174	2,170	2,166	2,163	2,160	2,156	26,098
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		177	176	176	176	177	176	176	176	176	175	174	174	2,109
13	Retail Demand-Related Recoverable Costs (I)		2,118	2,115	2,112	2,108	2,104	2,102	2,100	2,096	2,092	2,089	2,086	2,082	25,204
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		2,295	2,291	2,288	2,284	2,281	2,278	2,276	2,272	2,268	2,264	2,260	2,256	27,313

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable.
- (B) Applicable beginning of period and end of period depreciable base by production plant name(s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) 3.3% annually.
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: Daniel Ash Management Project
P.E.s 1501, 1535, 1555, & 1819
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	14,950,124	14,950,124	14,950,124	14,950,124	14,950,124	14,950,124	14,950,124	14,950,124	14,950,124	14,950,124	14,950,124	14,950,124	14,950,124	14,950,124
3	Less: Accumulated Depreciation (C)	(5,695,307)	(5,730,186)	(5,765,065)	(5,799,944)	(5,834,823)	(5,869,702)	(5,904,581)	(5,939,460)	(5,974,339)	(6,009,218)	(6,044,097)	(6,078,976)	(6,113,855)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4) (A)	9,254,817	9,219,938	9,185,059	9,150,180	9,115,301	9,080,422	9,045,543	9,010,664	8,975,785	8,940,906	8,906,027	8,871,148	8,836,269	
6	Average Net Investment		9,237,378	9,202,499	9,167,620	9,132,741	9,097,862	9,062,983	9,028,104	8,993,225	8,958,346	8,923,467	8,888,588	8,853,709	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		51,314	51,120	50,926	50,732	50,539	50,345	50,151	49,957	49,764	49,570	49,376	49,182	602,976
b	Debt Component (Line 6 x Debt Component x 1/12)		16,526	16,463	16,401	16,338	16,276	16,214	16,151	16,089	16,026	15,964	15,902	15,839	194,189
8	Investment Expenses														
a	Depreciation (E)		34,879	34,879	34,879	34,879	34,879	34,879	34,879	34,879	34,879	34,879	34,879	34,879	418,548
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		25,998	25,998	25,998	25,998	25,998	25,998	25,998	25,998	25,998	25,998	25,998	25,998	311,976
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		128,717	128,460	128,204	127,947	127,692	127,436	127,179	126,923	126,667	126,411	126,155	125,898	1,527,689
a	Recoverable Costs Allocated to Energy		9,901	9,882	9,862	9,842	9,822	9,803	9,783	9,763	9,744	9,724	9,704	9,684	117,514
b	Recoverable Costs Allocated to Demand		118,816	118,578	118,342	118,105	117,870	117,633	117,396	117,160	116,923	116,687	116,451	116,214	1,410,175
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		9,582	9,565	9,541	9,542	9,529	9,530	9,506	9,474	9,463	9,431	9,380	9,362	113,905
13	Retail Demand-Related Recoverable Costs (I)		114,745	114,515	114,287	114,058	113,831	113,602	113,373	113,145	112,917	112,689	112,461	112,232	1,361,855
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		124,327	124,080	123,828	123,600	123,360	123,132	122,879	122,619	122,380	122,120	121,841	121,594	1,475,760

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable.
- (B) Applicable beginning of period and end of period depreciable base by production plant name(s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) 2.8% annually.
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: Smith Water Conservation
P.E.s 1601, 1620 & 1638
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	6,900,000	0	
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	134,134	134,134	134,134	134,134	134,134	134,134	134,134	134,134	134,134	134,134	134,134	134,134	134,134	
3	Less: Accumulated Depreciation (C)	(35,201)	(35,570)	(35,939)	(36,308)	(36,677)	(37,046)	(37,415)	(37,784)	(38,153)	(38,522)	(38,891)	(39,260)	(39,629)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	6,900,000	6,900,000	
5	Net Investment (Lines 2 + 3 + 4) (A)	98,933	98,564	98,195	97,826	97,457	97,088	96,719	96,350	95,981	95,612	95,243	6,994,874	6,994,505	
6	Average Net Investment		98,749	98,380	98,011	97,642	97,273	96,904	96,535	96,166	95,797	95,428	3,545,059	6,994,690	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		549	547	544	542	540	538	536	534	532	530	19,693	38,856	63,941
b	Debt Component (Line 6 x Debt Component x 1/12)		177	176	175	175	174	173	173	172	171	171	6,342	12,514	20,593
8	Investment Expenses														
a	Depreciation (E)		369	369	369	369	369	369	369	369	369	369	369	369	4,428
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		1,095	1,092	1,088	1,086	1,083	1,080	1,078	1,075	1,072	1,070	26,404	51,739	88,962
a	Recoverable Costs Allocated to Energy		84	84	84	84	83	83	83	83	82	82	2,031	3,980	6,843
b	Recoverable Costs Allocated to Demand		1,011	1,008	1,004	1,002	1,000	997	995	992	990	988	24,373	47,759	82,119
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		81	81	81	81	81	81	81	81	80	80	1,963	3,848	6,619
13	Retail Demand-Related Recoverable Costs (I)		976	973	970	968	966	963	961	958	956	954	23,538	46,123	79,306
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		1,057	1,054	1,051	1,049	1,047	1,044	1,042	1,039	1,036	1,034	25,501	49,971	85,925

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable.
- (B) Applicable beginning of period and end of period depreciable base by production plant name(s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) 3.3% annually.
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: Underground Fuel Tank Replacement
P.E. 4397
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Less: Accumulated Depreciation (C)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4) (A)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Average Net Investment		0	0	0	0	0	0	0	0	0	0	0	0	0
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Debt Component (Line 6 x Debt Component x 1/12)		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
a	Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		0	0	0	0	0	0	0	0	0	0	0	0	0
a	Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		0	0	0	0	0	0	0	0	0	0	0	0	0

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable.
- (B) Applicable beginning of period and end of period depreciable base by production plant name(s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) Applicable depreciation rate or rates.
- (F) PE 4397 fully amortized.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: Crist FDEP Agreement for Ozone Attainment
P.E.s 1031, 1158, 1167, 1199, 1250, 1287
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	123,281,904	123,281,904	123,281,904	123,281,904	123,281,904	123,281,904	123,281,904	123,281,904	123,281,904	123,281,904	123,281,904	123,281,904	123,281,904	123,281,904
3	Less: Accumulated Depreciation (C)	(22,645,684)	(23,007,199)	(23,368,714)	(23,730,229)	(24,091,744)	(24,453,259)	(24,814,774)	(25,176,289)	(25,537,804)	(25,899,319)	(26,260,834)	(26,622,349)	(26,983,864)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4) (A)	100,636,220	100,274,705	99,913,190	99,551,675	99,190,160	98,828,645	98,467,130	98,105,615	97,744,100	97,382,585	97,021,070	96,659,555	96,298,040	
6	Average Net Investment		100,455,463	100,093,948	99,732,433	99,370,918	99,009,403	98,647,888	98,286,373	97,924,858	97,563,343	97,201,828	96,840,313	96,478,798	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		558,030	556,022	554,014	552,005	549,997	547,989	545,981	543,973	541,964	539,956	537,948	535,940	6,563,819
b	Debt Component (Line 6 x Debt Component x 1/12)		179,715	179,068	178,421	177,775	177,128	176,481	175,834	175,188	174,541	173,894	173,247	172,601	2,113,893
8	Investment Expenses														
a	Depreciation (E)		358,996	358,996	358,996	358,996	358,996	358,996	358,996	358,996	358,996	358,996	358,996	358,996	4,307,952
b	Amortization (F)		2,519	2,519	2,519	2,519	2,519	2,519	2,519	2,519	2,519	2,519	2,519	2,519	30,228
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		1,099,260	1,096,605	1,093,950	1,091,295	1,088,640	1,085,985	1,083,330	1,080,676	1,078,020	1,075,365	1,072,710	1,070,056	13,015,892
a	Recoverable Costs Allocated to Energy		1,099,260	1,096,605	1,093,950	1,091,295	1,088,640	1,085,985	1,083,330	1,080,676	1,078,020	1,075,365	1,072,710	1,070,056	13,015,892
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		1,063,823	1,061,446	1,058,326	1,058,082	1,056,206	1,055,735	1,052,661	1,048,665	1,046,893	1,042,941	1,036,873	1,034,476	12,616,127
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		1,063,823	1,061,446	1,058,326	1,058,082	1,056,206	1,055,735	1,052,661	1,048,665	1,046,893	1,042,941	1,036,873	1,034,476	12,616,127

Notes:

- (A) Description and reason for "Other" adjustments to net investment for this project, if applicable.
- (B) Applicable beginning of period and end of period depreciable base by production plant name(s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) 3.5 % annually; Part of PE 1158 and 1287 depreciable at 3.5% annually.
- (F) Portions of PE 1158 and 1287 have a 7-year amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: SPCC Compliance
P.E.s 1272, 1404, & 1628
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	936,679	936,679	936,679	936,679	936,679	936,679	936,679	936,679	936,679	936,679	936,679	936,679	936,679	936,679
3	Less: Accumulated Depreciation (C)	(187,218)	(189,947)	(192,676)	(195,405)	(198,134)	(200,863)	(203,592)	(206,321)	(209,050)	(211,779)	(214,508)	(217,237)	(219,966)	(219,966)
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4) (A)	749,461	746,732	744,003	741,274	738,545	735,816	733,087	730,358	727,629	724,900	722,171	719,442	716,713	
6	Average Net Investment		748,097	745,368	742,639	739,910	737,181	734,452	731,723	728,994	726,265	723,536	720,807	718,078	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		4,156	4,141	4,125	4,110	4,095	4,080	4,065	4,050	4,034	4,019	4,004	3,989	48,868
b	Debt Component (Line 6 x Debt Component x 1/12)		1,338	1,333	1,329	1,324	1,319	1,314	1,309	1,304	1,299	1,294	1,290	1,285	15,738
8	Investment Expenses														
a	Depreciation (E)		2,729	2,729	2,729	2,729	2,729	2,729	2,729	2,729	2,729	2,729	2,729	2,729	32,748
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		8,223	8,203	8,183	8,163	8,143	8,123	8,103	8,083	8,062	8,042	8,023	8,003	97,354
a	Recoverable Costs Allocated to Energy		633	631	629	628	626	625	623	622	620	619	617	616	7,489
b	Recoverable Costs Allocated to Demand		7,590	7,572	7,554	7,535	7,517	7,498	7,480	7,461	7,442	7,423	7,406	7,387	89,865
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		613	611	609	609	607	608	605	604	602	600	596	596	7,260
13	Retail Demand-Related Recoverable Costs (I)		7,330	7,313	7,295	7,277	7,259	7,241	7,224	7,205	7,187	7,169	7,152	7,134	86,786
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		7,943	7,924	7,904	7,886	7,866	7,849	7,829	7,809	7,789	7,769	7,748	7,730	94,046

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable.
- (B) Beginning and Ending Balances: Crist, \$919,836; Smith \$16,843.
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) Crist 3.5%; Smith 3.3% annually.
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: Crist Common FTIR Monitor
P.E. 1297
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	62,870	62,870	62,870	62,870	62,870	62,870	62,870	62,870	62,870	62,870	62,870	62,870	62,870	
3	Less: Accumulated Depreciation (C)	(18,517)	(18,700)	(18,883)	(19,066)	(19,249)	(19,432)	(19,615)	(19,798)	(19,981)	(20,164)	(20,347)	(20,530)	(20,713)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	44,353	44,170	43,987	43,804	43,621	43,438	43,255	43,072	42,889	42,706	42,523	42,340	42,157	
6	Average Net Investment		44,262	44,079	43,896	43,713	43,530	43,347	43,164	42,981	42,798	42,615	42,432	42,249	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		246	245	244	243	242	241	240	239	238	237	236	235	2,886
b	Debt Component (Line 6 x Debt Component x 1/12)		79	79	79	78	78	78	77	77	77	76	76	76	930
8	Investment Expenses														
a	Depreciation (E)		183	183	183	183	183	183	183	183	183	183	183	183	2,196
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		508	507	506	504	503	502	500	499	498	496	495	494	6,012
a	Recoverable Costs Allocated to Energy		508	507	506	504	503	502	500	499	498	496	495	494	6,012
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		492	491	490	489	488	488	486	484	484	481	478	478	5,829
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		492	491	490	489	488	488	486	484	484	481	478	478	5,829

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable.
- (B) Applicable beginning of period and end of period depreciable base by production plant name(s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) 3.5% annually.
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: Precipitator Upgrades for CAM Compliance
P.E.s 1175, 1191, 1305, 1330, 1461, 1462
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678
3	Less: Accumulated Depreciation (C)	(5,334,741)	(5,419,222)	(5,503,703)	(5,588,184)	(5,672,665)	(5,757,146)	(5,841,627)	(5,926,108)	(6,010,589)	(6,095,070)	(6,179,551)	(6,264,032)	(6,348,513)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4) (A)	24,504,937	24,420,456	24,335,975	24,251,494	24,167,013	24,082,532	23,998,051	23,913,570	23,829,089	23,744,608	23,660,127	23,575,646	23,491,165	
6	Average Net Investment		24,462,697	24,378,216	24,293,735	24,209,254	24,124,773	24,040,292	23,955,811	23,871,330	23,786,849	23,702,368	23,617,887	23,533,406	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		135,890	135,421	134,952	134,482	134,013	133,544	133,075	132,605	132,136	131,667	131,197	130,728	1,599,710
b	Debt Component (Line 6 x Debt Component x 1/12)		43,764	43,613	43,461	43,310	43,159	43,008	42,857	42,706	42,555	42,404	42,252	42,101	515,190
8	Investment Expenses														
a	Depreciation (E)		84,481	84,481	84,481	84,481	84,481	84,481	84,481	84,481	84,481	84,481	84,481	84,481	1,013,772
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		264,135	263,515	262,894	262,273	261,653	261,033	260,413	259,792	259,172	258,552	257,930	257,310	3,128,672
a	Recoverable Costs Allocated to Energy		264,135	263,515	262,894	262,273	261,653	261,033	260,413	259,792	259,172	258,552	257,930	257,310	3,128,672
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.96659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		255,620	255,066	254,333	254,291	253,858	253,762	253,041	252,097	251,689	250,756	249,313	248,754	3,032,580
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		255,620	255,066	254,333	254,291	253,858	253,762	253,041	252,097	251,689	250,756	249,313	248,754	3,032,580

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable.
- (B) Beginning Balances and Ending Balances: Crist \$13,997,696; Smith \$15,715,201; Scholz \$126,781.
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) Crist 3.5%; Smith 3.3%; Scholz 4.1% annually.
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: Plant Groundwater Investigation
P.E.s 1218 & 1361
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Less: Accumulated Depreciation (C)	0	0	0	0	0	0	0	0	0	0	0	0	0	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	0	0	0	0	0	0	0	0	0	0	0	0	0	
6	Average Net Investment		0	0	0	0	0	0	0	0	0	0	0	0	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Debt Component (Line 6 x Debt Component x 1/12)		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
a	Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		0	0	0	0	0	0	0	0	0	0	0	0	0
a	Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		0	0	0	0	0	0	0	0	0	0	0	0	0

Notes:

- (A) Description and reason for "Other" adjustments to net investment for this project, if applicable.
- (B) Applicable beginning of period and end of period depreciable base by production plant name(s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) Applicable depreciation rate or rates.
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: Plant Crist Water Conservation Project
P.E.s 1178, 1227 & 1298
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	20,049,424	20,049,424	20,049,424	20,049,424	20,049,424	20,049,424	20,049,424	20,049,424	20,049,424	20,049,424	20,049,424	20,049,424	20,049,424	20,049,424
3	Less: Accumulated Depreciation (C)	(1,890,300)	(1,948,784)	(2,007,268)	(2,065,752)	(2,124,236)	(2,182,720)	(2,241,204)	(2,299,688)	(2,358,172)	(2,416,656)	(2,475,140)	(2,533,624)	(2,592,108)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4) (A)	18,159,124	18,100,640	18,042,156	17,983,672	17,925,188	17,866,704	17,808,220	17,749,736	17,691,252	17,632,768	17,574,284	17,515,800	17,457,316	
6	Average Net Investment		18,129,882	18,071,398	18,012,914	17,954,430	17,895,946	17,837,462	17,778,978	17,720,494	17,662,010	17,603,526	17,545,042	17,486,558	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		100,711	100,387	100,062	99,737	99,412	99,087	98,762	98,437	98,112	97,788	97,463	97,138	1,187,096
b	Debt Component (Line 6 x Debt Component x 1/12)		32,434	32,330	32,225	32,120	32,016	31,911	31,807	31,702	31,597	31,493	31,388	31,283	382,306
8	Investment Expenses														
a	Depreciation (E)		58,484	58,484	58,484	58,484	58,484	58,484	58,484	58,484	58,484	58,484	58,484	58,484	701,808
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		191,629	191,201	190,771	190,341	189,912	189,482	189,053	188,623	188,193	187,765	187,335	186,905	2,271,210
a	Recoverable Costs Allocated to Energy		14,741	14,708	14,675	14,642	14,609	14,576	14,543	14,509	14,476	14,443	14,410	14,377	174,709
b	Recoverable Costs Allocated to Demand		176,888	176,493	176,096	175,699	175,303	174,906	174,510	174,114	173,717	173,322	172,925	172,528	2,096,501
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		14,266	14,236	14,197	14,196	14,174	14,170	14,131	14,079	14,058	14,008	13,929	13,899	169,343
13	Retail Demand-Related Recoverable Costs (I)		170,827	170,445	170,062	169,679	169,296	168,913	168,530	168,148	167,765	167,383	167,000	166,616	2,024,664
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		185,093	184,681	184,259	183,875	183,470	183,083	182,661	182,227	181,823	181,391	180,929	180,515	2,194,007

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable.
- (B) Applicable beginning of period and end of period depreciable base by production plant name(s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) 3.5% annually.
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: Plant NPDES Permit Compliance Projects
P.E.s 1204 & 1299
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	6,154,686	6,154,686	6,154,686	6,154,686	6,154,686	6,154,686	6,154,686	6,154,686	6,154,686	6,154,686	6,154,686	6,154,686	6,154,686	
3	Less: Accumulated Depreciation (C)	(1,322,454)	(1,340,407)	(1,358,360)	(1,376,313)	(1,394,266)	(1,412,219)	(1,430,172)	(1,448,125)	(1,466,078)	(1,484,031)	(1,501,984)	(1,519,937)	(1,537,890)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	4,832,232	4,814,279	4,796,326	4,778,373	4,760,420	4,742,467	4,724,514	4,706,561	4,688,608	4,670,655	4,652,702	4,634,749	4,616,796	
6	Average Net Investment		4,823,256	4,805,303	4,787,350	4,769,397	4,751,444	4,733,491	4,715,538	4,697,585	4,679,632	4,661,679	4,643,726	4,625,773	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		26,793	26,693	26,594	26,494	26,394	26,295	26,195	26,095	25,995	25,896	25,796	25,696	314,936
b	Debt Component (Line 6 x Debt Component x 1/12)		8,629	8,597	8,565	8,532	8,500	8,468	8,436	8,404	8,372	8,340	8,308	8,276	101,427
8	Investment Expenses														
a	Depreciation (E)		17,953	17,953	17,953	17,953	17,953	17,953	17,953	17,953	17,953	17,953	17,953	17,953	215,436
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		53,375	53,243	53,112	52,979	52,847	52,716	52,584	52,452	52,320	52,189	52,057	51,925	631,799
a	Recoverable Costs Allocated to Energy		4,106	4,096	4,086	4,075	4,065	4,055	4,045	4,035	4,025	4,015	4,004	3,994	48,601
b	Recoverable Costs Allocated to Demand		49,269	49,147	49,026	48,904	48,782	48,661	48,539	48,417	48,295	48,174	48,053	47,931	583,198
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		3,974	3,965	3,953	3,951	3,944	3,942	3,930	3,915	3,909	3,894	3,870	3,861	47,108
13	Retail Demand-Related Recoverable Costs (I)		47,581	47,463	47,346	47,228	47,110	46,994	46,876	46,758	46,640	46,523	46,406	46,289	563,214
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		51,555	51,428	51,299	51,179	51,054	50,936	50,806	50,673	50,549	50,417	50,276	50,150	610,322

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable.
- (B) Applicable beginning of period and end of period depreciable base by production plant name(s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) 3.5% annually.
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: CAIR/CAMR/CAVR Compliance
P.E.s 1034, 1035, 1036, 1037, 1067, 1095, 1222, 1233, 1279, 1362, 1468, 1469, 1512, 1513, 1517, 1551, 1552, 1646, 1647, 1684, 1810, 1824, & 1826
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	166,666	166,666	
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	798,624,487	798,624,487	798,624,487	798,624,487	798,624,487	798,624,487	798,624,487	798,624,487	798,624,487	798,624,487	798,624,487	798,624,487	798,624,487	
3	Less: Accumulated Depreciation (C)	(83,153,235)	(85,482,364)	(87,811,493)	(90,140,622)	(92,469,751)	(94,798,880)	(97,128,009)	(99,457,138)	(101,786,267)	(104,115,396)	(106,444,525)	(108,773,654)	(111,102,783)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	166,666	333,332	
5	Net Investment (Lines 2 + 3 + 4) (A)	715,471,252	713,142,123	710,812,994	708,483,865	706,154,736	703,825,607	701,496,478	699,167,349	696,838,220	694,509,091	692,179,962	690,017,499	687,855,036	
6	Average Net Investment		714,306,688	711,977,559	709,648,430	707,319,301	704,990,172	702,661,043	700,331,914	698,002,785	695,673,656	693,344,527	691,098,731	688,936,268	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		3,967,974	3,955,035	3,942,097	3,929,159	3,916,220	3,903,282	3,890,344	3,877,405	3,864,467	3,851,529	3,839,053	3,827,041	46,763,606
b	Debt Component (Line 6 x Debt Component x 1/12)		1,277,895	1,273,728	1,269,561	1,265,394	1,261,227	1,257,061	1,252,894	1,248,727	1,244,560	1,240,393	1,236,376	1,232,507	15,060,323
8	Investment Expenses														
a	Depreciation (E)		2,316,362	2,316,362	2,316,362	2,316,362	2,316,362	2,316,362	2,316,362	2,316,362	2,316,362	2,316,362	2,316,362	2,316,362	27,796,344
b	Amortization (F)		12,767	12,767	12,767	12,767	12,767	12,767	12,767	12,767	12,767	12,767	12,767	12,767	153,204
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		103,899	103,899	103,899	103,899	103,899	103,899	103,899	103,899	103,899	103,899	103,899	103,899	1,246,788
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		7,678,897	7,661,791	7,644,686	7,627,581	7,610,475	7,593,371	7,576,266	7,559,160	7,542,055	7,524,950	7,508,457	7,492,576	91,020,265
a	Recoverable Costs Allocated to Energy		7,678,897	7,661,791	7,644,686	7,627,581	7,610,475	7,593,371	7,576,266	7,559,160	7,542,055	7,524,950	7,508,457	7,492,576	91,020,265
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		7,431,351	7,416,144	7,395,740	7,395,440	7,383,737	7,381,861	7,361,779	7,335,245	7,324,283	7,298,059	7,257,615	7,243,444	88,224,698
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		7,431,351	7,416,144	7,395,740	7,395,440	7,383,737	7,381,861	7,361,779	7,335,245	7,324,283	7,298,059	7,257,615	7,243,444	88,224,698

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project, if applicable
- (B) Beginning and Ending Balances: Crist \$778,545,848; Smith \$12,931,385; Daniel \$6,772,129; Scholz \$375,125.
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) Crist 3.5%; Smith 3.3%; Smith CT 3.6%; Daniel 2.8%; Scholz 4.1%. Portions of PE 1222 are transmission: 2.0%, 2.3%, 3.6%, and 2.5%.
- (F) Portions of PE 1222 and 1233 have a 7 year amortization period. PE 1279 amortization begins in 2013.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: General Water Quality
P.E.1280
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	32,021	32,021	32,021	32,021	32,021	32,021	32,021	32,021	32,021	32,021	32,021	32,021	32,021	32,021
3	Less: Accumulated Depreciation (C)	(28,678)	(29,212)	(29,746)	(30,280)	(30,814)	(31,348)	(31,882)	(32,021)	(32,021)	(32,021)	(32,021)	(32,021)	(32,021)	(32,021)
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4) (A)	3,343	2,809	2,275	1,741	1,207	673	139	0	0	0	0	0	0	0
6	Average Net Investment		3,076	2,542	2,008	1,474	940	406	70	0	0	0	0	0	0
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		17	14	11	8	5	2	0	0	0	0	0	0	57
b	Debt Component (Line 6 x Debt Component x 1/12)		6	5	4	3	2	1	0	0	0	0	0	0	21
8	Investment Expenses														
a	Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Amortization (F)		534	534	534	534	534	534	139	0	0	0	0	0	3,343
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		557	553	549	545	541	537	139	0	0	0	0	0	3,421
a	Recoverable Costs Allocated to Energy		43	43	42	42	42	41	11	0	0	0	0	0	264
b	Recoverable Costs Allocated to Demand		514	510	507	503	499	496	128	0	0	0	0	0	3,157
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		42	42	41	41	41	40	11	0	0	0	0	0	258
13	Retail Demand-Related Recoverable Costs (I)		496	493	490	486	482	479	124	0	0	0	0	0	3,050
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		538	535	531	527	523	519	135	0	0	0	0	0	3,308

Notes:

- (A) Description and reason for 'Other' adjustments to net Investment for this project, if applicable
- (B) Applicable beginning of period and end of period depreciable base by production plant name(s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) Applicable depreciation rate or rates.
- (F) 5 year amortization beginning 2008.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Working Capital, Mercury Allowance Expenses
For Project: Mercury Allowances
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Purchases/Transfers		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Sales/Transfers		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Auction Proceeds/Other		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Working Capital														
a	FERC 158.1 Allowance Inventory	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	FERC 158.2 Allowances Withheld	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	FERC 182.3 Other Regl. Assc'ts - Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	FERC 254 Regulatory Liabilities - Gains	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Total Working Capital Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Average Net Working Capital Balance		0	0	0	0	0	0	0	0	0	0	0	0	0
5	Return on Average Net Working Capital Balance														
a	Equity Component (Line 4 x Equity Component x 1/12) (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Debt Component (Line 4 x Debt Component x 1/12)		0	0	0	0	0	0	0	0	0	0	0	0	0
6	Total Return Component (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
7	Expenses														
a	Gains		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Losses		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Mercury Allowance Expense		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Net Expenses (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 6 + 8)		0	0	0	0	0	0	0	0	0	0	0	0	0
a	Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (B)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (C)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		0	0	0	0	0	0	0	0	0	0	0	0	0

Notes:

- (A) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (B) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (C) Line 9b x Line 11.
- (D) Line 6 is reported on Schedule 3P.
- (E) Line 8 is reported on Schedule 2P.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Working Capital, Annual NOx Expenses
For Project: Annual Nox Allowances
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Purchases/Transfers		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Sales/Transfers		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Auction Proceeds/Other		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Working Capital														
a	FERC 158.1 Allowance Inventory	953,131	927,211	900,622	869,702	833,242	801,112	766,148	719,307	670,874	632,376	604,481	576,523	540,827	
b	FERC 158.2 Allowances Withheld	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	FERC 182.3 Other Regl. Assets - Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	FERC 254 Regulatory Liabilities - Gains	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Total Working Capital Balance	953,131	927,211	900,622	869,702	833,242	801,112	766,148	719,307	670,874	632,376	604,481	576,523	540,827	
4	Average Net Working Capital Balance		940,171	913,917	885,162	851,472	817,177	783,630	742,728	695,091	651,625	618,429	590,502	558,675	
5	Return on Average Net Working Capital Balance														
a	Equity Component (Line 4 x Equity Component x 1/12) (A)		5,223	5,077	4,917	4,730	4,539	4,353	4,126	3,861	3,620	3,435	3,280	3,103	50,264
b	Debt Component (Line 4 x Debt Component x 1/12)		1,682	1,635	1,584	1,523	1,462	1,402	1,329	1,244	1,166	1,106	1,056	999	16,188
6	Total Return Component (D)		6,905	6,712	6,501	6,253	6,001	5,755	5,455	5,105	4,786	4,541	4,336	4,102	66,452
7	Expenses														
a	Gains		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Losses		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Annual Nox Allowance Expense		25,920	26,589	30,920	36,460	32,130	34,964	46,841	48,433	38,498	27,895	27,958	35,696	412,304
8	Net Expenses (E)		25,920	26,589	30,920	36,460	32,130	34,964	46,841	48,433	38,498	27,895	27,958	35,696	412,304
9	Total System Recoverable Expenses (Lines 6 + 8)		32,825	33,301	37,421	42,713	38,131	40,719	52,296	53,538	43,284	32,436	32,294	39,798	478,756
a	Recoverable Costs Allocated to Energy		32,825	33,301	37,421	42,713	38,131	40,719	52,296	53,538	43,284	32,436	32,294	39,798	478,756
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor	0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016		
11	Demand Jurisdictional Factor	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346		
12	Retail Energy-Related Recoverable Costs (B)		31,767	32,233	36,202	41,413	36,995	39,585	50,815	51,952	42,034	31,458	31,215	38,475	464,144
13	Retail Demand-Related Recoverable Costs (C)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		31,767	32,233	36,202	41,413	36,995	39,585	50,815	51,952	42,034	31,458	31,215	38,475	464,144

Notes:

- (A) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (B) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (C) Line 9b x Line 11.
- (D) Line 6 is reported on Schedule 3P.
- (E) Line 8 is reported on Schedule 2P.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Working Capital, Seasonal NOx Expenses
For Project: Seasonal Nox Allowances
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Purchases/Transfers		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Sales/Transfers		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Auction Proceeds/Other		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Working Capital														
a	FERC 158.1 Allowance Inventory	4	4	4	4	4	4	4	4	4	4	4	4	4	4
b	FERC 158.2 Allowances Withheld	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	FERC 182.3 Other Regl. Assets - Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	FERC 254 Regulatory Liabilities - Gains	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Total Working Capital Balance	4	4	4	4	4	4	4	4	4	4	4	4	4	4
4	Average Net Working Capital Balance		4	4	4	4	4	4	4	4	4	4	4	4	4
5	Return on Average Net Working Capital Balance														
a	Equity Component (Line 4 x Equity Component x 1/12) (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Debt Component (Line 4 x Debt Component x 1/12)		0	0	0	0	0	0	0	0	0	0	0	0	0
6	Total Return Component (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
7	Expenses														
a	Gains		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Losses		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Seasonal NOx Allowance Expense		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Net Expenses (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 6 + 8)		0	0	0	0	0	0	0	0	0	0	0	0	0
a	Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (B)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (C)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		0	0	0	0	0	0	0	0	0	0	0	0	0

Notes:

- (A) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (B) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (C) Line 9b x Line 11.
- (D) Line 6 is reported on Schedule 3P.
- (E) Line 8 is reported on Schedule 2P.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Working Capital, SO2 Expenses
For Project: SO2 Allowances
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Purchases/Transfers		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Sales/Transfers		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Auction Proceeds/Other		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Working Capital														
a	FERC 158.1 Allowance Inventory	7,841,670	7,788,876	7,736,867	7,667,769	7,589,807	7,528,768	7,456,922	7,358,979	7,255,994	7,183,198	7,125,568	7,070,521	6,994,439	
b	FERC 158.2 Allowances Withheld	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	FERC 182.3 Other Regl. Assets - Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	FERC 254 Regulatory Liabilities - Gains	(533,973)	(513,611)	(493,249)	(472,887)	(452,525)	(432,163)	(411,801)	(391,439)	(371,077)	(350,715)	(330,353)	(309,991)	(289,629)	
3	Total Working Capital Balance	7,307,697	7,275,265	7,243,618	7,194,882	7,137,282	7,096,605	7,045,121	6,967,540	6,884,917	6,832,483	6,795,215	6,760,530	6,704,810	
4	Average Net Working Capital Balance		7,291,481	7,259,442	7,219,250	7,166,082	7,116,944	7,070,863	7,006,331	6,926,229	6,858,700	6,813,849	6,777,873	6,732,670	
5	Return on Average Net Working Capital Balance														
a	Equity Component (Line 4 x Equity Component x 1/12) (A)		40,504	40,326	40,103	39,808	39,535	39,279	38,920	38,475	38,100	37,851	37,651	37,400	467,952
b	Debt Component (Line 4 x Debt Component x 1/12)		13,044	12,987	12,915	12,820	12,732	12,650	12,534	12,391	12,270	12,190	12,126	12,045	150,704
6	Total Return Component (D)		53,548	53,313	53,018	52,628	52,267	51,929	51,454	50,866	50,370	50,041	49,777	49,445	618,656
7	Expenses														
a	Gains		(20,362)	(20,362)	(20,362)	(20,362)	(20,362)	(20,362)	(20,362)	(20,362)	(20,362)	(20,362)	(20,362)	(20,362)	(244,344)
b	Losses		0	0	0	0	0	0	0	0	0	0	0	0	0
c	SO2 Allowance Expense		52,794	52,009	69,098	77,962	61,039	71,846	97,943	102,985	72,796	57,630	55,047	76,082	847,231
8	Net Expenses (E)		32,432	31,647	48,736	57,600	40,677	51,484	77,581	82,623	52,434	37,268	34,685	55,720	602,887
9	Total System Recoverable Expenses (Lines 6 + 8)		85,980	84,960	101,754	110,228	92,944	103,413	129,035	133,489	102,804	87,309	84,462	105,165	1,221,543
a	Recoverable Costs Allocated to Energy		85,980	84,960	101,754	110,228	92,944	103,413	129,035	133,489	102,804	87,309	84,462	105,165	1,221,543
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (B)		83,208	82,236	98,440	106,873	90,175	100,532	125,382	129,535	99,836	84,676	81,640	101,668	1,184,201
13	Retail Demand-Related Recoverable Costs (C)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		83,208	82,236	98,440	106,873	90,175	100,532	125,382	129,535	99,836	84,676	81,640	101,668	1,184,201

Notes:

- (A) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (B) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (C) Line 9b x Line 11.
- (D) Line 6 is reported on Schedule 3P.
- (E) Line 8 is reported on Schedule 2P.

Schedule 5P
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Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

**Title: Air Quality Assurance Testing
PEs 1006 and 1244**

FPSC Approval: Order No. PSC-94-0044-FOF-EI

Description:

This line item includes the audit test trailer and associated support equipment used to conduct Relative Accuracy Test Audits (RATAs) on the Continuous Emission Monitoring Systems (CEMS) as required by the 1990 Clean Air Act Amendments (CAAA).

Accomplishments:

The RATA test trailer CEM system was replaced during the 2002-2003 recovery period. The CEMS trailer was also replaced in 2010. These replacements provide Gulf with the accuracy and reliability needed to accurately measure SO₂, NO_x, and CO₂ and to further maintain compliance with CAAA requirements.

Project-to-Date: Plant-in-service of \$350,812 projected at December 2013.

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Crist 5, 6 & 7 Precipitator Projects
PEs 1038, 1119, 1216, 1243, and 1249

FPSC Approval: Order No. PSC-94-0044-FOF-EI
Order No. PSC-09-0759-FOF-EI

Description:

The Crist precipitator projects are necessary to improve particulate removal capabilities as a result of burning low sulfur coal. The larger more efficient precipitators with increased collection areas improve particulate collection efficiency.

Accomplishments:

The precipitators have successfully reduced particulate emissions while burning low sulfur coal. The upgraded Crist Unit 7 precipitator was placed in service during 2004 as part of the FDEP agreement.

Project-to-Date: Plant-in-service of \$35,301,539 projected at December 2013.

Progress Summary: The Plant Crist Unit 6 precipitator upgrade was placed in service in April 2012. Prudently incurred costs associated with the Crist Unit 6 precipitator project were approved for inclusion in the ECRC in Order No. PSC-09-0759-FOF-EI.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

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

FPSC Approval: Order No. PSC-94-0044-FOF-EI

Description:

This project included the injection of sulfur trioxide into the flue gas to enhance particulate removal and improve the collection characteristics of fly ash. Retirement of the Plant Crist Unit 7 flue gas conditioning system was completed during July 2005.

Accomplishments:

The system enhanced particulate removal in the precipitator.

Project-to-Date: \$0

Progress Summary: Retired

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Low NO_x Burners, Crist 6 & 7
PEs 1234, 1236, 1242, and 1284

FPSC Approval: Order No. PSC-94-0044-FOF-EI

Description:

Low NO_x burners are unique burners installed to decrease the NO_x emissions that are formed during the combustion process. This equipment was installed to meet the requirements of the 1990 Clean Air Act Amendments.

Accomplishments:

The Low NO_x burner systems have proven effective in reducing NO_x emissions. The low NO_x burners on Crist Unit 7 were replaced during the 2003-2004 time frame and the Crist Unit 6 burners were replaced during December 2005.

Project-to-Date: Plant-in-service of \$9,097,924 projected at December 2013.

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: CEMs – Plant Crist, Scholz, Smith, and Daniel
PEs 1001, 1060, 1154, 1164, 1188, 1217, 1240, 1245, 1247, 1256, 1283, 1286,
1289, 1290, 1311, 1316, 1323, 1324, 1357, 1358, 1364, 1440, 1441, 1442, 1444,
1454, 1459, 1460, 1558, 1570, 1592, 1658, 1829, and 1830

FPSC Approval: Order No. PSC-94-0044-FOF-EI

Description:

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

Accomplishments:

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

Project-to-Date: Plant-in-service of \$7,411,265 projected at December 2013.

Progress Summary:

The Plant Scholz Units 1 & 2 CEMS analyzer replacements and the Smith Unit 1 gas analyzers and opacity monitor replacements were completed in 2001 and 2002. The Plant Crist Unit 6 & 7 and the Plant Scholz Units 1&2 flow monitors were replaced during 2005. The Plant Daniel Units 1&2 gas analyzers were also replaced during 2005 and the flow monitors were replaced during 2007. During 2008, the opacity, flow, and gas monitors at Plant Smith and opacity and gas monitors at Plant Scholz were replaced. During the 2009 recovery period, the CEMS project included replacement of opacity monitors at Plant Crist on Units 4 through 7 and the installation of CEMs equipment for the new Plant Crist scrubber stack to monitor SO₂, NO_x, CO₂ and flow. Plant Crist completed the installation of two CEMS bypass monitoring systems for Units 4 through 7 in 2011.

Projections: In-Service

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Substation Contamination Remediation
PEs 1007, 2859, 3400, 3412, and 3477

FPSC Approval: Order No. PSC-95-1051-FOF-EI

Description:

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

Accomplishments:

Systems have proven effective in groundwater remediation.

Project-to-Date: Plant-in-service of \$1,951,024 projected at December 2013.

Progress Summary: In-Service

Projections: Projected 2013 expenditures total \$704,000 for the Highland City substation remediation project.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

**Title: Raw Water Flow Meters; Crist and Smith
PEs 1155 and 1606**

FPSC Approval: Order No. PSC-96-1171-FOF-EI

Description:

The Raw Water Flow Meters capital project was necessary for Gulf to comply with the Plant Crist and Plant Smith Consumptive Use and Individual Water Use permits issued by the Northwest Florida Water Management District (NFWFMD). These permits require the installation and monitoring of in-line totaling water flow meters on all existing and future water supply wells. Gulf incurred costs related to the installation and operation of new in-line totaling water flow meters at Plant Crist and Plant Smith for implementation of this new activity.

Accomplishments:

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

Project-to-Date: Plant-in-service of \$242,973 projected at December 2013.

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Crist Cooling Tower Cell
PE 1232

FPSC Approval: Order No. PSC-94-0044-FOF-EI

Description:

The Crist Cooling Tower cell is a pollution control device which allows condenser cooling water to be continually reinjected into the condenser. The cooling tower reduces water discharge temperatures to meet the National Pollution Discharge Elimination System (NPDES) industrial wastewater requirements.

Accomplishments:

Plant Crist has maintained compliance with the temperature discharge limits as required by the facility's NPDES Permit. The original cooling tower cell was retired during July 2007 when the new Crist Unit 7 cooling tower was placed-in-service.

Project-to-Date: \$0

Progress Summary: Retired

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Crist Dechlorination System
PE 1248 and PE 1180

FPSC Approval: Order No. PSC-94-1207-FOF-EI

Description:

State and Federal Pollution Discharge Elimination System permits require significant reductions in chlorine concentrations prior to discharge from the plant. The Crist dechlorination system uses sodium bisulfite to chemically eliminate the residual chlorine present in the plant industrial wastewater prior to discharge.

Accomplishments:

The system has been effective in maintaining chlorine discharge limits.

Project-to-Date: Plant-in-service of \$382,060 projected at December 2013.

Progress Summary: During 2011 Plant Crist replaced the existing sodium bisulfate storage tank and installed a new dechlorination system for the Unit 6 and Unit 7 cooling tower blowdowns and the ECUA return water pit. These systems are necessary in order to dechlorinate the industrial wastewater prior to discharge.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

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

FPSC Approval: Order No. PSC-94-1207-FOF-EI

Description:

The Crist diesel fuel oil remediation project included installing monitoring wells in the vicinity of the Crist diesel tank systems to determine if groundwater contamination was present. The project also included the installation of an impervious cap to reduce migration of contaminants to groundwater.

Accomplishments: Monitoring wells and an impervious cap were installed.

Project-to-Date: Plant-in-service of \$68,923 projected at December 2013.

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

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

FPSC Approval: Order No. PSC-94-1207-FOF-EI

Description:

The Crist Bulk Tanker Unloading Secondary Containment project was necessary to minimize the potential risk of an uncontrolled discharge of pollutants into the waters of the United States. Secondary containment must be installed for tank unloading racks pursuant to the Federal Spill Prevention Control and Countermeasures (SPCC) regulation (40 CFR Part 112).

Accomplishments:

The Plant Crist unloading area secondary containment complies with current SPCC regulatory requirements.

Project-to-Date: Plant-in-service of \$101,495 projected at December 2013.

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Crist IWW Sampling System
PE 1275

FPSC Approval: Order No. PSC-94-1207-FOF-EI

Description:

The 1993 revision to Plant Crist's National Pollutant Discharge Elimination System (NPDES) industrial wastewater permit moved the compliance point from the end of the discharge canal to a point upstream of Thompson's Bayou. To allow for this sample point modification, an access dock was constructed in the discharge canal. The Crist Industrial Wastewater (IWW) project also included a small building for monitoring and sampling equipment.

Accomplishments:

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

Project-to-Date: Plant-in-service of \$59,543 projected at December 2013.

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Sodium Injection System
PEs 1214 and 1413

FPSC Approval: Order No. PSC-99-1954-FOF-EI

Description:

The Sodium Injection System line item includes silo storage systems and associated components that inject sodium carbonate directly onto the coal feeder belt to enhance precipitator performance when burning low sulfur coal. Sodium injection is used at Plant Smith on Units 1 and 2 and at Plant Crist on Units 4 and 5. The injection of sodium carbonate as an additive to low sulfur coal reduces opacity levels to maintain compliance with the Clean Air Act provisions.

Accomplishments:

The silo storage and injection system components at Plants Smith and Crist have been installed. These systems are fully operational.

Project-to-Date: Plant-in-service of \$391,119 projected at December 2013.

Progress Summary: In Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

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

FPSC Approval: Order No. PSC-94-1207-FOF-EI

Description:

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

Accomplishments:

No unpermitted discharges have occurred since system installation.

Project-to-Date: Plant-in-service of \$2,782,600 projected at December 2013.

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

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

FPSC Approval: Order No. PSC-94-0044-FOF-EI

Description:

During the 1990's a wastewater treatment facility was installed at Plant Smith to replace the septic tank system that was installed in the early 1960's. In April 2004 a new wastewater treatment facility with additional capacity was installed to replace the facility installed in the 1990's. The new treatment plant includes aeration and chlorination of the wastewater prior to discharge in the Plant Smith ash pond.

Accomplishments: Plant Smith has maintained compliance with the NPDES industrial wastewater permit.

Project-to-Date: Plant-in-service of \$178,962 projected at December 2013.

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Daniel Ash Management Project
PEs 1501, 1535, 1555, and 1819

FPSC Approval: Order No. PSC-94-0044-FOF-EI

Description:

The original Daniel Ash Management project included the installation of a dry ash transport system, lining the bottom of the ash pond, closure and capping of the existing fly ash pond, and the expansion of the landfill area. During 2006 Plant Daniel completed construction of a new on-site ash storage facility in preparation for the completion and closure of the existing landfill area.

Accomplishments: Construction of the new on-site ash storage facility was completed in 2006. Portions of the original Daniel ash storage facility were closed in place during 2010.

Project-to-Date: Plant-in-service of \$14,950,124 projected at December 2013.

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

**Title: Smith Water Conservation
PEs 1601, 1620, & 1638**

**FPSC Approval: Order No. PSC-01-1788-FOF-EI and
Order No. PSC-09-0759-FOF-EI**

Description:

Specific Condition nine of Plant Smith's consumptive use permit, issued by the Northwest Florida Water Management District (NFWFMD), requires the plant to implement measures to increase water conservation and efficiency at the facility. Phase I of the Smith Water Conservation project consisted of adding pumps, piping, valves, and controls to reclaim water from the ash pond. Phase II, the Smith Closed Loop Cooling System for the laboratory sampling system, was installed during 2005 to further reduce groundwater usage. Phase III includes investigating the feasibility of utilizing reclaimed water at Plant Smith.

Gulf must determine a suitable method to dispose of beneficially used reclaimed water prior to agreeing to accept reclaimed water from suppliers in the Bay County area. Gulf is determining whether the existing Plant Smith site properties make it feasible for injection of used reclaimed water. Both the test injection well and monitoring well required by the Florida Department of Environmental Protection (FDEP) have been installed. Gulf is currently in the testing phase of the project. Since the testing and evaluation process is not complete and a final agreement has not been reached with the applicable suppliers of reclaimed water, the decision to move forward with the project has not yet been made. During 2013, Gulf anticipates designing a pump system and conducting longer term testing of the well system. Based on the testing results, Gulf will make a final determination on whether to move forward with the Plant Smith Reclaimed Water project. If it is determined that the project should be pursued, additional activities such as installation of additional injection well(s), a pumping system, monitoring well(s) and permitting the wells as a class I injection system would take place. ,

Accomplishments: Plant Smith estimated that the closed loop cooling project reduced water consumption by approximately 125,000 gallons per day.

Project-to-Date: Plant-in-service of \$134,134 projected at December 2013.

Progress Summary: See Accomplishments

Projections: The 2013 projection for this line item totals \$6.9 million.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

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

FPSC Approval: Order No. PSC-94-0044-FOF-EI

Description:

The Underground Fuel Tank Replacement Program provided for the replacement of Gulf's underground storage tanks with new above ground tanks (ASTs). The installation of ASTs significantly reduced the risk of potential petroleum product discharges, groundwater contamination, and subsequent remediation activities.

Accomplishments:

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

Project-to-Date: \$0

Progress Summary: See Accomplishments

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Crist FDEP Agreement for Ozone Attainment
PEs 1031, 1158, 1167, 1199, 1250, and 1287

FPSC Approval: Order No. PSC-02-1396-FOF-EI

Description:

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

Accomplishments: The new Crist Unit 7 precipitator and SCR were placed in service during 2004 and 2005, respectively. The Crist Unit 6 Selective Non-Catalytic Reduction (SNCR)/low NO_x burners with Over-Fired Air (OFA) technologies were then placed in service during November 2005. The Crist Unit 4 and Unit 5 SNCRs were subsequently placed in service during April 2006. The Crist Unit 6 SNCR was retired during the Spring of 2012 when the Crist Unit 6 SCR was placed in-service.

Project-to-Date: Plant-in-service of \$123,281,904 projected at December 2013.

Progress Summary: In-Service. Gulf plans to replace one layer of the Plant Crist Unit 7 SCR catalyst during 2012.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: SPCC Compliance
PEs 1272, 1404, and 1628

FPSC Approval: Order No. PSC-03-1348-FOF-EI

Description:

The SPCC Compliance projects were required as the result of a more stringent July 2002 revision to Title 40 Code of Federal Regulation Part 112, which is commonly referred to as the Spill Prevention Control and Countermeasures (SPCC) regulation. The 2002 regulatory revision specifically included oil-containing electrical equipment within the scope of the regulation. Therefore, oil-filled electrical equipment that has the potential to discharge to navigable waters must be provided with appropriate containment and/or diversionary structures to prevent such a discharge. The 2002 revisions also resulted in oil storage containers having a capacity greater than or equal to 55 gallons being classified as bulk storage containers that are subject to the secondary containment requirements in 40 CFR Part 112.8(c).

Accomplishments: The 2006 SPCC project at Plant Crist routed stormwater from the switchyard drains to the new oil skimming sump where any potential spill could be captured, preventing the oil from reaching surface water. During 2009, Plant Smith installed secondary containment for a padmount transformer located along the ash pond discharge canal.

Project-to-Date: Plant-in-service of \$936,679 projected at December 2013.

Progress Summary: In-service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Crist Common FTIR Monitor
PE 1297

FPSC Approval: Order No. PSC-03-1348-FOF-EI

Description:

The purchase of a Fourier Transform Infrared (FTIR) spectrometer, a device used to measure and analyze various low concentration stack gas emissions, was required at Plant Crist under Title V regulations.

Accomplishments: Purchasing the FTIR instrument has enabled Gulf Power to measure ammonia slip emissions as required by the Plant Crist air permit.

Project-to-Date: Plant-in-service of \$62,870 projected at December 2013

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

**Title: Precipitator Upgrades for Compliance Assurance Monitoring Compliance
PEs 1175, 1191, 1305, 1330, 1461, and 1462**

FPSC Approval: Order No. PSC-04-1187-FOF-EI

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

Accomplishments: The Plant Smith Unit 2 and Unit 1 precipitator upgrades were placed in service during April 2005 and May 2007, respectively. The Plant Scholz Unit 2 precipitator upgrade was completed during December of 2007. The Plant Crist Units 4 and 5 precipitator upgrades were placed in-service during March of 2008.

Project-to-Date: Plant-in-service of \$29,839,678 projected at December 2013.

Progress Summary: See Accomplishments

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

**Title: Plant Groundwater Investigation
PEs 1218 and 1361**

FPSC Approval: Order No. PSC-05-1251-FOF-EI

Description: The Florida Department of Environmental Protection (FDEP) lowered the arsenic groundwater standard from 0.05 mg/L to 0.01 mg/L effective January 1, 2005. Historical groundwater monitoring data from Plants Crist and Scholz indicated that these facilities may be unable to comply with the lower standard.

Accomplishments: The Plant Crist and Plant Scholz projects have been canceled because Gulf has been released from any remedial actions at these sites.

Project-to-Date: \$0

Progress Summary: See Accomplishments

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Crist Water Conservation Project
PEs 1178, 1227 and 1298

FPSC Approval: Order No. PSC-05-1251-FOF-EI

Description:

This project is part of the Plant Crist water conservation and consumptive use efficiency program to reduce the demand for groundwater and surface water withdrawals. Specific Condition six of the Northwest Florida Water Management District Individual Water Use Permit Number 19850074 issued January 27, 2005 requires Plant Crist to implement measures to increase water conservation and efficiency at the facility. The first Plant Crist Water Conservation project was placed in service during 2006. This project included installing automatic level controls on the fire water tanks to reduce groundwater usage. The second phase of the project involves utilizing reclaimed water from ECUA's proposed wastewater treatment to reduce the demand for groundwater and surface water withdrawals at Plant Crist. The Northwest Florida Water Management District has agreed that this is a valid project to pursue for continued implementation of the water conservation effort.

Accomplishments: Level controls were installed on the fire tank system during 2006. Portions of the plant Crist reclaimed water project were placed in-service in 2009 and 2010. Gulf began receiving reclaimed water from ECUA in November 2010.

Project-to-Date: Plant-in-service of \$20,049,424 projected at December 2013.

Progress Summary: See Accomplishments

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

**Title: NPDES Permit Compliance Projects
PE 1204 and 1299**

FPSC Approval: Order No. PSC-05-1251-FOF-EI

Description: The water quality based copper effluent limitations included in Chapter 62 Part 302, Florida Administrative Code (F.A.C.) were amended in April 2002 with an effective date of May 2002. The more stringent hardness based standard is included by reference in the Plant Crist National Pollution Discharge Elimination System (NPDES) industrial wastewater permit.

Accomplishments: Plant Crist installed stainless steel condenser tubes on Unit 6 during June 2006 in an effort to meet the revised water quality standards during times of lower hardness in the river water. During 2008 Plant Crist completed the second phase of the project which involved installing a chemical treatment system in the ash pond. During 2010, Gulf completed the third phase of the project that included installing an aeration system in the ash pond. During 2011-2013 Plant Crist has completed installation of a new caustic tank and a sulfuric acid tank as part of the ash pond chemical treatment system.

Project-to-Date: Plant-in-service of \$6,154,686 projected at December 2013.

Progress Summary: See Accomplishments

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: CAIR /CAMR/ CAVR Compliance
PEs 1034, 1035, 1036, 1037, 1067, 1095, 1222, 1233, 1279, 1362, 1468, 1469,
1512, 1513, 1551, 1552, 1646, 1647, 1684, 1810, 1824, and 1826

FPSC Approval: Order No. PSC-06-0972-FOF-EI

Description: This line item includes the prudently incurred costs for compliance with Gulf's Clean Air Interstate Rule (CAIR), the Clean Air Mercury Rule or its replacement (the Mercury and Air Toxics Standards (MATS) Rule) and the Clean Air Visibility Rule (CAVR).

Accomplishments:

Immediately after passage of EPA's CAIR and CAMR in 2005, Gulf began extensive engineering, design, and other planning activities to determine the most cost effective strategy for compliance with the CAIR, CAMR, and CAVR requirements. On March 29, 2007, Gulf petitioned the Commission for approval of the Company's plan to achieve and maintain compliance with the CAIR, CAMR, and CAVR. On June 22, 2007, the Office of Public Counsel ("OPC"), the Florida Industrial Power Users' Group ("FIPUG") and Gulf filed a petition for approval of a stipulation regarding the substantive provisions of Gulf's CAIR/CAMR/CAVR Compliance Plan (the "Plan"). That stipulation identified 10 specific components of Gulf's Plan as being reasonable and prudent for implementation and set forth a process for review in connection with the three remaining components of the Plan. On August 14, 2007, the Commission voted to approve the stipulation with the provision that Gulf provide an annual status report regarding cost-effectiveness and prudence of the phases in its Plan into which the Company is moving. The approved Plan includes a more detailed discussion of the planning process and evaluation utilized by Gulf to select the most reasonable and prudent strategy for compliance with these regulations on a plant and/or unit specific basis.

Project-to-Date: Plant-in-service of \$798,624,487 projected at December 2013.

Progress Summary: The Plant Crist Unit 6 SCR was placed in-service during April 2012.

Projections: Gulf plans to add an additional catalyst layer to the Plant Crist Unit 6 SCR during 2014. A new catalyst layer will be purchased in late 2013 for installation during the spring of 2014 outage. The 2013 projected cost for this line item is \$332,000.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

**Title: General Water Quality
PE 1280**

FPSC Approval: Order No. PSC-06-0972-FOF-EI

Description: Gulf Power purchased a boat during 2007 for surface water sampling required by the Plants Crist, Smith and Scholz National Pollutant Discharge Elimination System (NPDES) permits. The permits had new conditions which required Gulf to establish a biological evaluation plan and implementation schedule for each plant.

Accomplishments: The General Water Quality sampling boat was purchased during 2007. It is currently being used to conduct Gulf's surface water sampling for Plants Crist, Smith, and Scholz.

Project-to-Date: Plant-in-service of \$32,021 projected at December 2013.

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Mercury Allowances

FPSC Approval: Order No. PSC-07-0721-S-EI

Description:

Mercury Allowances were included as part of Gulf's March 2007 CAIR/CAMR/CAVR Compliance Program. The purchase of allowances in conjunction with the retrofit projects comprised the most reasonable, cost-effective means for Gulf to meet the CAIR, CAMR and CAVR requirements. On February 8, 2008, the U.S. Court of Appeals for the District of Columbia Circuit issued an opinion vacating EPA's CAMR. The vacatur became effective with the issuance of the court's mandate on March 14, 2008, nullifying CAMR mercury emission control obligations and monitoring requirements. In response to the CAMR vacatur, mercury allowances have been removed from Gulf's Compliance Program.

Accomplishments: N/A

Project-to-Date: N/A

Progress Summary: N/A

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Annual NO_x Allowances

FPSC Approval: Order No. PSC-07-0721-S-EI

Description:

Although the retrofit installations set forth in Gulf's CAIR/CAMR/CAVR Compliance Program significantly reduce emissions, they will not result in Gulf achieving CAIR / CAVR compliance levels without the purchase of some emission allowances. Thus, Gulf's CAIR/CAMR/CAVR Compliance Program calls for the purchase of allowances. The purchase of allowances in conjunction with the retrofit projects comprises the most reasonable, cost-effective means for Gulf to meet CAIR, or its replacement program, the Cross-State Air Pollution Rule, requirements.

Accomplishments: N/A

Project-to-Date: N/A

Progress Summary:

Gulf began surrendering annual NO_x allowances during 2009.

Projections: Gulf is not projecting the need to purchase additional annual NO_x allowances during 2013. The projected 2013 O&M Annual NO_x allowance expenses are \$412,304.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Seasonal NO_x Allowances

FPSC Approval: Order No. PSC-07-0721-S-EI

Description:

Although the retrofit installations set forth in Gulf's CAIR/CAMR/CAVR Compliance Program significantly reduce emissions, they will not result in Gulf achieving CAIR/CAVR compliance levels without the purchase of some emission allowances. Thus, Gulf's CAIR/CAMR/CAVR Compliance Program calls for the purchase of allowances. The purchase of allowances in conjunction with the retrofit projects comprises the most reasonable, cost-effective means for Gulf to meet CAIR or its replacement program, the Cross-State Air Pollution Rule (CSAPR), requirements.

Accomplishments: N/A

Project-to-Date: N/A

Progress Summary:

Gulf began surrendering seasonal NO_x allowances during 2009.

Projections: Gulf is not currently projecting the need to purchase additional seasonal NO_x allowances during 2013.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: SO₂ Allowances

FPSC Approval: Order No. PSC-94-0044-FOF-EI

Description:

Part of Gulf's strategy to comply with the Acid Rain Program under the Clean Air Act Amendments of 1990 was to bring several of Gulf's Phase II generating units into compliance early and bank the SO₂ allowances associated with those units. SO₂ reductions under the CAIR program utilize this program requiring an increased rate of surrender beginning in 2010. Gulf's bank was slowly been drawn down over the years due to more allowances being consumed than are allocated to Gulf by EPA. Gulf proposed to meet this shortfall by executing forward contracts to secure allowances supplemented with forward contracts, swaps, and spot market purchases of allowances as prices dictate.

Accomplishments: Gulf executed forward contracts to secure allowances during 2006, 2007, and 2009.

Project-to-Date: N/A

Progress Summary: See Accomplishments

Projections: The projected 2013 O&M SO₂ allowance expenses are \$602,887.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Sulfur

FPSC Approval: Order No. PSC-94-0044-FOF-EI

Description:

The Crist Unit 7 sulfur trioxide (SO₃) flue gas system allowed for the injection of SO₃ into the flue gas stream. The addition of sulfur trioxide to the flue gas improved the collection efficiency of the precipitator when burning a low sulfur coal. Sulfur trioxide agglomerated the particles which in turn enhanced the collection efficiency of the precipitator.

Accomplishments:

The flue gas injection system was retired during 2005.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Air Emission Fees

FPSC Approval: Order No. PSC-94-0044-FOF-EI

Description:

Air Emission Fees are the annual fees required by the Florida Department of Environmental Protection (FDEP) and Mississippi Department of Environmental Quality (MDEQ) under Title V of the 1990 Clean Air Act Amendments.

Accomplishments:

Fees have been paid by due dates.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: \$632,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Title V

FPSC Approval: Order No. PSC-95-0384-FOF-EI

Description:

Title V expenses are associated with the preparation of the Clean Air Act Amendments (CAAA) Title V permit applications and the subsequent implementation of Title V permits. Renewal of the Title V permits is on a five year cycle (i.e. 2005, 2010, etc). Title V permits are periodically revised between renewals to incorporate major changes or modifications of a source.

Accomplishments:

During 2009, the Title V renewal applications were submitted for Plants Crist, Smith, and Scholz and the Pea Ridge Generating Facility. The final permits for Crist, Smith, and Scholz were issued in December 2009 and the Pea Ridge permit was subsequently issued in March 2010. An application to revise the Plant Crist Title V permit to incorporate new operating conditions for the Crist FGD scrubber was submitted in June, 2010 and was subsequently issued in November, 2010. The initial Title V permit for the Perdido Landfill Gas-to-Energy Facility was issued in March, 2012. An application to revise the Plant Smith Title V permit to incorporate new operating conditions for the Smith Combined Cycle units was submitted in June 2012 and issuance is expected later this year.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: \$125,044

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Asbestos Fees

FPSC Approval: Order No. PSC-94-1207-FOF-EI

Description:

Asbestos Fees include both annual and individual project fees due to the Florida Department of Environmental Protection (FDEP) for asbestos abatement projects.

Accomplishments:

Fees are paid as required by FDEP.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: \$900

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Emission Monitoring

FPSC Approval: Order No. PSC-94-0044-FOF-EI

Description:

The Emission Monitoring program provides quality assurance/quality control testing for Continuous Emission Monitoring systems, including Relative Accuracy Test Audits and Linearity Tests, as required by the Clean Air Act Amendments (CAAA) of 1990.

Accomplishments:

All systems are in compliance.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: \$645,576

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: General Water Quality

FPSC Approval: Order No. PSC-94-0044-FOF-EI

Description:

The General Water Quality activities are undertaken pursuant to the Company's NPDES permit, soil contamination studies, dechlorination, surface and groundwater monitoring studies. This line item also includes expenses for Gulf's Cooling Water Intake program, the Impaired Waters Rule, Storm Water Maintenance, and the Impoundment Integrity project.

Accomplishments:

All activities are on-going in compliance with all applicable environmental laws, rules, and regulations.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: \$851,953

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Groundwater Contamination Investigation

FPSC Approval: Order No. PSC-94-0044-FOF-EI

Description:

The Groundwater Contamination Investigation project includes sampling and testing to determine possible environmental impacts to soil and groundwater from past herbicide applications at various substation sites. Once possible environmental impacts to groundwater and soils have been identified cleanup operations are initiated.

Accomplishments:

The Florida Department of Environmental Protection has issued a No Further Action (NFA) letter or Site Rehabilitation Completion Order for 62 sites.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: \$2,160,894

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: State NPDES Administration

FPSC Approval: Order No. PSC-95-1051-FOF-EI

Description:

The State NPDES Administration fees are required by the State of Florida's National Pollutant Discharge Elimination System (NPDES) program administration. Annual and five year permit renewal fees are required for the NPDES industrial wastewater permits at Plants Crist, Smith and Scholz.

Accomplishments:

Gulf has complied with NPDES program administration fee submittal schedule.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: \$34,500

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Lead & Copper Rule

FPSC Approval: Order No. PSC-95-1051-FOF-EI

Description:

The Lead and Copper Rule expenses include potable water treatment and sampling costs as required by the Florida Department of Environmental Protection (FDEP) regulations.

Accomplishments:

Gulf has complied with all sampling and analytical protocols.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: \$16,480

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Environmental Auditing/Assessment

FPSC Approval: Order No. PSC-94-0044-FOF-EI

Description:

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

Accomplishments:

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

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: \$7,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: General Solid and Hazardous Waste

FPSC Approval: Order No. PSC-94-0044-FOF-EI

Description:

The General Solid and Hazardous Waste program provides for the proper identification, handling, storage, transportation and disposal of solid and hazardous wastes. This line item also includes O&M expenses associated with Gulf's Spill Prevention Control and Countermeasures (SPCC) plan.

Accomplishments:

Gulf has complied with all hazardous and solid waste regulations.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: \$469,157

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Above Ground Storage Tanks

FPSC Approval: Order No. PSC-97-1047-FOF-EI

Description:

The Above Ground Storage Tank projects are required under the provisions of Chapter 62-762, F.A.C. which includes specific performance standards applicable to storage tank systems. These performance standards include installation of secondary containment and cathodic protection systems as well as periodic tank integrity testing.

Accomplishments:

Gulf has complied with all applicable storage tank requirements.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: \$186,582

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Low NO_x

FPSC Approval: Order No. PSC-98-0803-FOF-EI

Description:

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

Accomplishments:

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

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Ash Pond Diversion Curtains

FPSC Approval: Order No. PSC-98-1764-FOF-EI

Description:

The installation of flow diversion curtains in the Plant Crist ash pond were required to effectively increase water retention time in the ash pond. Diversion curtains allow for the sedimentation/precipitation treatment process to be more effective in reducing levels of suspended particulate from the Plant Crist ash pond outfall.

Accomplishments:

Plant Crist replaced the diversion curtains and dredged the pond during the 2009-2010 timeframe.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: \$0

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Mercury Emissions

FPSC Approval: Order No. PSC-99-0912-FOF-EI

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

Accomplishments:

Coal shipments were analyzed as required during 1999. Sampling and analytical requirements are not expected during 2011.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Sodium Injection

FPSC Approval: Order No. PSC-99-1954-FOF-EI

Description:

This line item includes the O&M expenses associated with the sodium injection systems at Plant Smith and Plant Crist. Sodium carbonate is added to the Plant Crist and Plant Smith coal supply to enhance precipitator efficiencies when burning certain low sulfur coals.

Accomplishments:

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

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: \$74,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: Gulf Coast Ozone Study (GCOS)

FPSC Approval: Order No. PSC-00-0476-FOF-EI

Description:

This project referred to Gulf's participation in the Gulf Coast Ozone Study (GCOS) which was a joint modeling analysis between Gulf Power and the State of Florida to provide an improved basis for assessment of eight-hour ozone air quality for Northwest Florida. The goal of the project was to develop strategies for ozone ambient air attainment to supplement the Florida Department of Environmental Protection (FDEP) studies submitted to the Environmental Protection Agency (EPA) for Escambia and Santa Rosa counties.

Accomplishments: The GCOS project was completed during 2006.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: SPCC Substation Project

FPSC Approval: Order No. PSC-03-1348-FOF-EI

Description:

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

Accomplishments: Gulf has assessed its substations to determine which sites are subject to the revised SPCC regulations. Additional containment has been added to the substations that were identified as having a reasonable risk of discharging oil into navigable waters of the United States or adjoining shorelines.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.19**

Title: FDEP NO_x Reduction Agreement

FPSC Approval: Order No. PSC-02-1396-FOF-EI

Description: This line item includes the O&M expenses associated with the Crist Unit 6 and Unit 7 SCRs and the Crist Units 4 and 5 Selective Non-Catalytic Reduction (SNCR) projects that were included as part of the Florida Department of Environmental Protection (FDEP) and Gulf Power Agreement entered into on August 28, 2002. Anhydrous ammonia, urea, air monitoring, catalyst regeneration, and general operation and maintenance expenses are included in this line item.

Accomplishments: The Crist Unit 6 and Unit 7 SCRs and the Crist Units 4 and 5 SNCRs are fully operational. The Crist Unit 6 SNCR was retired when the Crist Unit 6 SCR was placed in-service during the Spring of 2012.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: \$1,670,326

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

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

Title: CAIR/CAMR/CAVR Compliance Program

FPSC Approval: Order No. PSC-06-0972-FOF-EI

Description: This line item includes the O&M expenses associated with the stipulated portions of Gulf's CAIR/CAMR/CAVR Compliance program and the Climate Registry. Immediately after the passage of the EPA's CAIR and CAMR in 2005, Gulf began extensive engineering, design, and other planning activities to determine the most cost effective strategy for compliance with the CAIR, CAMR, and CAVR requirements. On March 29, 2007, Gulf petitioned the Commission for approval of the Company's plan to achieve and maintain compliance with the CAIR, CAMR, and CAVR. On June 22, 2007, the Office of Public Counsel ("OPC"), the Florida Industrial Power Users' Group ("FIPUG") and Gulf filed a petition for approval of a stipulation regarding the substantive provisions of Gulf's CAIR/CAMR/CAVR Compliance Plan (the "Plan"). That stipulation identified 10 specific components of Gulf's Plan as being reasonable and prudent for implementation and set forth a process for review in connection with the three remaining components of the Plan. On August 14, 2007, the Commission voted to approve the stipulation with the provision that Gulf provide an annual status report regarding cost-effectiveness and prudence of the phases in its Plan into which the Company is moving. The approved plan includes a more detailed discussion of the planning process and evaluation utilized by Gulf to select the most reasonable and prudent strategy for compliance with these regulations on a plant and/or unit specific basis.

Accomplishments: The Scholz mercury monitoring system, the first Compliance Plan capital project, was placed in-service during August 2008. The Plant Smith Unit 1 and Unit 2 SNCRs were placed in service during May 2009 and December 2008, respectively. The Crist Units 4 -7 scrubber project was placed in-service December of 2009 and the Crist Unit 6 hydrated lime injection system was placed in-service in 2011. The Plant Crist Unit 6 SCR was placed-in-service in April of 2012. The Crist Unit 6 SNCR was retired when the Crist Unit 6 SCR was placed in-service. Gulf will be incurring O&M expenses associated with these projects during 2013.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: \$16,542,564

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.21**

**Title: Maximum Achievable Control Technology (MACT)
Information Collection Request (ICR)**

FPSC Approval: Order No. PSC-09-0759-FOF-EI

Description: During early 2010 EPA finalized an extensive Information Collection Request (ICR) for coal and oil fired steam electric generating units to support Maximum Achievable Control Technology (MACT) rulemaking under Section 112 of the Clean Air Act (CAA). The ICR required submission of information on control equipment efficiencies, emissions, capital and O&M costs, and fuel data for all coal and oil fired generating units greater than 25MW.

Accomplishments:

Gulf completed the Part I & 2 MACT ICR survey and the Part 3 emissions testing reports during 2010.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: \$0

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2013-December 2013

**Description and Progress Report of
Environmental Compliance Activities and Projects
O & M Line Item 1.22**

Title: Crist Water Conservation

FPSC Approval: Order No. PSC-08-0775-FOF-EI

Description: Gulf Power entered into an agreement with the Emerald Coast Utilities Authority (ECUA) to begin utilizing reclaimed water from ECUA's new wastewater treatment plant to reduce the demand for groundwater and surface water withdrawals. This line item includes general O&M expenses associated with the Plant Crist reclaimed water system such as piping and valve maintenance and pump replacements.

Accomplishments:

Gulfs began receiving reclaimed water from ECUA during November 2010.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: \$291,840

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Energy & Demand Allocation % By Rate Class
January 2013 - December 2013

Rate Class	(1) Average 12 CP Load Factor at Meter (%)	(2) Jan - Dec. 2013 Projected Sales at Meter (KWH)	(3) Projected Avg 12 CP at Meter (KW)	(4) Demand Loss Expansion Factor	(5) Energy Loss Expansion Factor	(6) Projected Sales at Generation (KWH)	(7) Projected Avg 12 CP at Generation (KW)	(8) Percentage of KWH Sales at Generation (%)	(9) Percentage of 12 CP Demand at Generation (%)
RS, RSVP	57.312955%	5,445,580,000	1,084,644.04	1.00820508	1.00777864	5,487,939,206	1,093,543.63	48.55616%	57.25855%
GS	63.216034%	282,614,000	51,034.32	1.00820395	1.00777656	284,811,765	51,453.00	2.51996%	2.69411%
GSD, GSDT, GSTOU	73.903822%	2,657,985,000	410,564.62	1.00800263	1.00762887	2,678,262,422	413,850.22	23.69672%	21.66942%
LP, LPT	84.021171%	1,160,741,000	157,703.92	0.97344897	0.98364378	1,141,755,665	153,516.72	10.10202%	8.03822%
PX, PXT, RTP, SBS	94.359108%	1,607,910,000	194,524.27	0.95247952	0.96644352	1,553,954,200	185,280.38	13.74907%	9.70138%
OS-I/II	178.491660%	108,574,000	6,943.91	1.00802086	1.00777465	109,418,125	6,999.61	0.96811%	0.36650%
OS-III	101.451511%	<u>45,752,000</u>	5,148.11	1.00838359	1.00778595	46,108,223	5,191.27	0.40796%	0.27182%
TOTAL		<u>11,309,156,000</u>	<u>1,910,563.19</u>			<u>11,302,249,606</u>	<u>1,909,834.83</u>	<u>100.00000%</u>	<u>100.00000%</u>

Notes:

- (1) Average 12 CP load factor based on actual 2009 load research data
- (2) Projected KWH sales for the period January 2013 - December 2013
- (3) Calculated: (Col 2) / (8,760 x Col 1), (8,760 hours = the # of hours in 1 year)
- (4) Based on demand losses identified in Docket No. 110138-EI
- (5) Based on energy losses identified in Docket No. 110138-EI
- (6) Col 2 x Col 5
- (7) Col 3 x Col 4
- (8) Col 6 / total for Col 6
- (9) Col 7 / total for Col 7

Gulf Power Company
 Environmental Cost Recovery Clause (ECRC)
 Calculation of the Energy & Demand Allocation % By Rate Class
 January 2013 - December 2013

<u>Rate Class</u>	(1) Percentage of KWH Sales at Generation (%)	(2) Percentage of 12 CP Demand at Generation (%)	(3) Energy- Related Costs	(4) Demand- Related Costs	(5) Total Environmental Costs	(6) Projected Sales at Meter (KWH)	(7) Environmental Cost Recovery Factors (¢/KWH)
RS, RSVP	48.55616%	57.25855%	63,448,931	4,771,365	68,220,296	5,445,580,000	1.253
GS	2.51996%	2.69411%	3,292,863	224,501	3,517,364	282,614,000	1.245
GSD, GSDD, GSTOU	23.69672%	21.66942%	30,964,795	1,805,717	32,770,512	2,657,985,000	1.233
LP, LPT	10.10202%	8.03822%	13,200,433	669,827	13,870,260	1,160,741,000	1.195
PX, PXT, RTP, SBS	13.74907%	9.70138%	17,966,078	808,418	18,774,496	1,607,910,000	1.168
OS-I, OS-II	0.96811%	0.36650%	1,265,041	30,541	1,295,582	108,574,000	1.193
OS-III	0.40796%	0.27182%	533,086	22,651	555,737	45,752,000	1.215
TOTAL	<u>100.00000%</u>	<u>100.00000%</u>	<u>\$130,671,227</u>	<u>\$8,333,020</u>	<u>139,004,247</u>	<u>11,309,156,000</u>	<u>1.229</u>

Notes:

- (1) From Schedule 6P, Col 8
- (2) From Schedule 6P, Col 9
- (3) Col 1 x Total Energy \$ from Schedule 1P, line 5
- (4) Col 2 x Total Demand \$ from Schedule 1P, line 5
- (5) Col 3 + Col 4
- (6) Projected KWH sales for the period January 2013 - December 2013
- (7) Col 5 x 100 / Col 6

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projection Period Amount
January 2013-December 2013

FPSC Capital Structure and Cost Rates

Line	Capital Component	(1)	(2)	(3)	(4)	(5)	(6)
		Jurisdictional Rate Base Test Year (\$000's)	Ratio %	Cost Rate %	Weighted Cost Rate %	Revenue Requirement Rate %	Monthly Revenue Requirement Rate %
1	Bonds	666,447	40.7337	5.03	2.0495	2.0495	
2	Short-Term Debt	29,679	1.8140	0.43	0.0078	0.0078	
3	Preferred Stock	53,354	3.2610	6.33	0.2064	0.3360	
4	Common Stock	618,903	37.8278	10.25	3.8773	6.3123	
5	Customer Deposits	22,133	1.3528	6.25	0.0846	0.0846	
6	Deferred Taxes	242,193	14.8030				
7	Investment Tax Credit	<u>3,398</u>	<u>0.2077</u>	7.50	0.0156	<u>0.0221</u>	
8	Total	<u>1,636,107</u>	<u>100.0000</u>		<u>6.2412</u>	<u>8.8123</u>	<u>0.7344</u>
<u>ITC Component:</u>							
9	Debt	666,447	49.7830	5.03	2.5048	0.0052	
10	Equity-Preferred	53,354	3.9855	6.33	0.2522	0.0009	
11	-Common	<u>618,903</u>	<u>46.2315</u>	10.25	<u>4.7387</u>	<u>0.0160</u>	
12		<u>1,338,703</u>	<u>100.0000</u>		<u>7.4957</u>	<u>0.0221</u>	
<u>Breakdown of Revenue Requirement Rate of Return between Debt and Equity:</u>							
13	Total Debt Component (Lines 1, 2, 5, and 9)					2.1471	0.1789
14	Total Equity Component (Lines 3, 4, 10, and 11)					<u>6.6652</u>	<u>0.5555</u>
15	Total Revenue Requirement Rate of Return					<u>8.8123</u>	<u>0.7344</u>

Column:

- (1) Based on the May 2012 Surveillance Report, Schedule 4.
- (2) Column (1) / Total Column (1)
- (3) Based on the May 2012 Surveillance Report, Schedule 4.
- (4) Column (2) x Column (3)
- (5) For equity components: Column (4) / (1-.38575); 38.575% = effective income tax rate
For debt components: Column (4)
- (6) Column (5) / 12

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: **Environmental Cost**)
Recovery Clause)

Docket No.: **120007-EI**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing was furnished by U. S. mail this 27th day of August, 2012 on the following:

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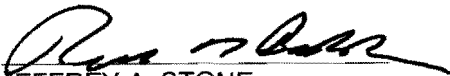
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