

Gulf Power Company
Depreciation Study
At DECEMBER 31, 2013
Volume 1 of 2



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2013 DEPRECIATION STUDY
GULF POWER COMPANY
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May 22, 2013

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

Dear Ms. Cole:

Re: Depreciation Study 2013

Enclosed are 6 copies of Gulf Power's 2013 Depreciation Study filed in compliance with Rule 25-6.0436 of the Florida Administrative Code. Gulf Power last filed a Depreciation Study on May 27, 2009. The depreciation rates and amortization schedules currently in effect were approved by the Commission by Order PSC-10-0458-PAA-EI in Docket No. 090319-EI, implemented effective January 1, 2010. Subsequently, the depreciation rate for the Perdido Landfill Facility was approved by Order PSC-10-0674-PAA-EI in Docket No. 100368-EI effective October 7, 2010. A 15 year depreciation rate was granted for Advanced Metering Infrastructure (AMI) meters by Order PSC-12-0179-FOF-EI in Docket No. 110138-EI effective April 11, 2012.

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

The two other binders relate to dismantlement which completes the set for the 2013 Depreciation Study. One binder is labeled "Dismantling Study, Volume 1" and contains the site-specific final dismantling study for Plants Crist, Scholz, Smith, Perdido and Pea Ridge. The other binder is labeled "Dismantling Study, Volume 2" and contains the site specific dismantling study for Plants Daniel and Scherer.

Ms. Ann Cole
May 22, 2013
Page 2

The effect of the proposed depreciation rates and dismantlement accruals is an annual net increase of \$6,197,289 in expense over the current approved rates and accruals. The primary reason for the increase is an increase in the steam production rates. The following is a summary of existing and proposed dismantlement accruals and depreciation and amortization expense:

| | <u>Current</u> | <u>Proposed</u> | <u>Inc/(Dec)</u> |
|-----------------------------|--------------------|--------------------|------------------|
| | \$ | \$ | \$ |
| Dismantlement Accrual | 9,591,938 | 7,023,336 | (2,568,602) |
| Depreciation & Amortization | <u>147,052,300</u> | <u>155,818,191</u> | <u>8,765,891</u> |
| TOTAL | 156,644,238 | 162,841,527 | 6,197,289 |

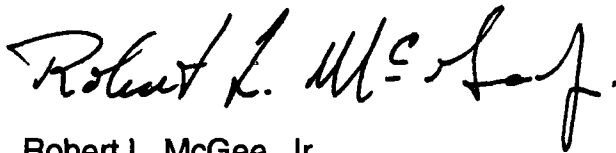
These amounts are detailed in the binder labeled Gulf Power Company Depreciation Study Volume 1 of 2, Tab 5, Proforma Expense Comparison. The schedules reflect depreciation and amortization accruals by categories and dismantlement accrual at December 31, 2013.

With the filing of this 2013 Depreciation Study, Gulf Power Company requests approval of new depreciation rates, as proposed under Tab 4, and new accrual amounts for dismantlement costs, as reflected under Tab 9. We also request Commission approval to apply these proposed rates for depreciation and accruals for dismantlement with an effective date of January 1, 2014.

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

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

Sincerely,



Robert L. McGee, Jr.
Regulatory and Pricing Manager

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



Leading / Thinking / Performing

May 23, 2013

Gulf Power Company
Pensacola, Florida

INTRODUCTION

The attached report summarizes the study we conducted of the annual depreciation (capital recovery) rates for the projected depreciable electric plant of Gulf Power Company (“Gulf Power” or “the Company”) as of December 31, 2013 (“the study date”). The study was made to determine the appropriate book depreciation factors and rates to be applied to the plant in service to enable recovery of the plant investment, adjusted for net removal, over its remaining useful life. The scope of the study included a review and analysis of the average service lives and remaining lives of the property. Also included in the study was a determination of net removal and the annual accrual for dismantlement costs of Production Plant (“Dismantlement Costs”).

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

DISMANTLING STUDY

The annual depreciation expense for Gulf Power’s Dismantling Study was revised as of the projected December 31, 2013 study date based on Commission requirements. The Dismantling Study was updated by the Company using current estimates.

PRODUCTION PLANT

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

The Production depreciation rates also reflect the effects of net removal of interim retirements. For this study, the net removal rate of interim retirements was estimated at 25%.

The depreciation rates recommended in this report for the Company’s Production Plant

investment are designed to recover, through the depreciation expense provision, the total cost of plant, allowing for net removal, over the average remaining life of the plant.

Interim Retirements

Because some investment at a generating plant is retired prior to the final retirement date of the plant, depreciation of Production Plant reflect interim retirements. In this study, consistent with generally accepted industry practice, interim retirements were developed from interim retirement rates ("IRR"). The IRR were based on an analysis of Gulf Power's historical interim retirement data. The resulting interim retirements through the life of the plant were used to determine adjusted average remaining lives and average service lives, as well as the net removal of interim retirements for the depreciable investment at each generating plant.

Retirement Dates

The estimated retirement dates for Gulf Power's generating plants reflect the Company's current estimate of the life span of its generating units. The life spans of Gulf Power's generating units are consistent with the life estimates and trends used within the Southern Company's electric system.

Transmission, Distribution, and General Plant

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

Conclusion

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

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

Respectfully submitted,

American Appraisal

American Appraisal

077269

**2013 DEPRECIATION STUDY
GULF POWER COMPANY
REPORT ORGANIZATION**

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

The Proforma Expense Comparison (Tab 5) computes depreciation expense on December 31, 2013, projected investment, using both the current and proposed accrual rates. This analysis compares the current and proposed rates, and also shows the change in expense as a result of adopting the proposed rates. (Florida Administrative Code 25-6.0436 (6) (a) & (b))

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

The Parameter Schedules (Tab 7) summarize the parameters used in the calculation of depreciation rates for each account (subaccount) within the five major functions of Gulf Power Company's depreciable investment. The schedules present the projected December 31, 2013, plant and reserve balances and the estimates of average service life, net salvage, and average remaining life for each account (subaccount) within the major study groupings. (Florida Administrative Code 25-6.0436 (6) (d) & (g))

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

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

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

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

**2013 DEPRECIATION STUDY
GULF POWER COMPANY
PROPOSED RATES**

The depreciation rates proposed in this study are based on Gulf Power Company's (Gulf) estimated depreciable investment as of December 31, 2013. The proposed rates will provide for a systematic allocation of capital costs over the expected useful life of the property. Capital costs include the acquisition cost of the property, in addition to the estimated cost of retirement (salvage and cost of removal).

Gulf's current depreciation rates were approved by the Florida Public Service Commission under Docket # 090319-EI in Order #PSC-10-0458-PAA-EI dated July 19, 2010 for the 2009 Depreciation Study and under Docket #100368-EI in Order #PSC-10-0674-PAA-EI, dated November 9, 2010 for the Perdido Landfill Facility, and were effective January 1, 2010 and October 7, 2010 respectively. In Gulf's last base rate proceeding, Docket # 1100138 in Order #PSC-12-0179-FOF-EI, dated April 3, 2012, a 15 year rate was granted for a separate meter rate associated with the Advanced Metering Infrastructure effective April 11, 2012. The effective date of Gulf's proposed rates is requested to be January 1, 2014. As a result of this study, the following accrual rates, expressed as a percent of investment, are proposed:

| <u>FUNCTION</u> | <u>RATE</u> % |
|-----------------------------|------------------|
| STEAM PRODUCTION: | |
| Daniel Plant | 2.0 |
| Daniel RR Track | 1.6 |
| Daniel Easements | 1.4 |
| Crist Plant | 4.1 |
| Scholz Plant | 0.4 |
| Smith Plant | 3.2 |
| Scherer Plant | 2.2 |
| OTHER PRODUCTION: | |
| Smith CT | 4.0 |
| Pace (Pea Ridge) Plant | 4.7 |
| Smith Combined Cycle | 4.4 |
| Perdido Landfill | 5.7 |
| TRANSMISSION: | |
| Easements | 1.6 |
| Structures and Improvements | 1.8 |
| Station Equipment | 2.4 |
| Towers and Fixtures | 1.8 |
| Poles and Fixtures | 3.9 |
| Overhead Conductors | 2.5 |
| Underground Conductors | 1.8 |
| Roads and Trails | 1.9 |

2013 DEPRECIATION STUDY
 GULF POWER COMPANY
PROPOSED RATES (CONTINUED)

| <u>FUNCTION</u> | <u>RATE</u> |
|-----------------------------|-------------|
| | % |
| DISTRIBUTION: | |
| Easements | 1.8 |
| Structures and Improvements | 1.9 |
| Station Equipment | 2.3 |
| Poles, Towers, and Fixtures | 4.7 |
| Overhead Conductors | 3.2 |
| Underground Conduits | 1.2 |
| Underground Conductors | 3.1 |
| Line Transformers | 3.8 |
| Services - Overhead | 3.4 |
| Services - Underground | 2.2 |
| Meters | 2.6 |
| Meters AMI | 7.7 |
| Street Lighting | 4.4 |
| GENERAL: | |
| Structures and Improvements | 2.4 |
| Light Trucks | 13.8 |
| Heavy Trucks | 7.4 |
| Trailers | 4.6 |
| Power Operated Equipment | 3.0 |
| Communications Equipment | 4.7 |

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

Depreciation Rates and Components
2013 Depreciation Study
Gulf Power Company

| <u>Account</u> | <u>Depreciable Category</u> | (A) Average Remaining Life | (B) Net Removal | (C) Book Reserve Ratio | (D) Remaining Life Rate (%) <small>[1+(B)-(C)]÷(A)</small> |
|--------------------------------|-----------------------------|-------------------------------------|-----------------------|---------------------------------|--|
| <u>Steam Production</u> | | | | | |
| | Daniel Plant | 26.9 | 6.4% | 53.15% | 2.0 |
| | Daniel RR Track | 32.5 | 0.0% | 49.38% | 1.6 |
| | Daniel Easements | 32.5 | 0.0% | 53.80% | 1.4 |
| | Crist Plant | 20.3 | 5.0% | 21.45% | 4.1 |
| | Scholz Plant | 1.5 | 0.3% | 99.74% | 0.4 |
| | Smith Plant | 16.6 | 3.5% | 50.75% | 3.2 |
| | Scherer Plant | 31.6 | 1.9% | 31.66% | 2.2 |
| <u>Other Production</u> | | | | | |
| | Smith CT | 13.3 | 0.2% | 47.32% | 4.0 |
| | Pace (Pea Ridge) Plant | 4.5 | 0.1% | 78.81% | 4.7 |
| | Smith Combined Cycle | 22.6 | 1.8% | 2.55% | 4.4 |
| | Perdido Landfill | 16.2 | 0.2% | 8.40% | 5.7 |
| <u>Transmission</u> | | | | | |
| 350.2 | Easements | 31.6 | 0.0% | 50.97% | 1.6 |
| 352 | Structures and Impr. | 40.2 | 5.0% | 33.58% | 1.8 |
| 353 | Station Equipment | 36.2 | 7.0% | 20.42% | 2.4 |
| 354 | Towers and Fixtures | 31.2 | 20.0% | 63.18% | 1.8 |
| 355 | Poles and Fixtures | 33.2 | 50.0% | 20.55% | 3.9 |
| 356 | Overhead Conductors | 41.8 | 30.0% | 23.78% | 2.5 |
| 358 | Underground Conductors | 26.3 | 0.0% | 53.43% | 1.8 |
| 359 | Roads and Trails | 45.0 | 0.0% | 16.02% | 1.9 |

Depreciation Rates and Components
2013 Depreciation Study
Gulf Power Company

| <u>Account</u> | <u>Depreciable Category</u> | (A) Average Remaining Life | (B) Net Removal | (C) Book Reserve Ratio | (D) Remaining Life Rate (%) [1+(B)-(C)]÷(A) |
|----------------|-----------------------------|-------------------------------------|-----------------------|---------------------------------|---|
|----------------|-----------------------------|-------------------------------------|-----------------------|---------------------------------|---|

Distribution

| | | | | | |
|-------|-----------------------------|------|--------|--------|-----|
| 360.2 | Easements | 52.2 | 0.0% | 5.25% | 1.8 |
| 361 | Structures and Impr. | 36.5 | 5.0% | 37.17% | 1.9 |
| 362 | Station Equipment | 36.2 | 8.0% | 25.17% | 2.3 |
| 364 | Poles, Towers, and Fixtures | 25.0 | 70.0% | 51.92% | 4.7 |
| 365 | Overhead Conductors | 28.1 | 25.0% | 36.22% | 3.2 |
| 366 | Underground Conduit | 26.3 | 0.0% | 68.37% | 1.2 |
| 367 | Underground Conductors | 24.0 | 10.0% | 35.56% | 3.1 |
| 368 | Line Transformers | 23.1 | 24.0% | 36.68% | 3.8 |
| 369.1 | Services-Overhead | 27.2 | 55.0% | 62.05% | 3.4 |
| 369.2 | Services-Underground | 33.0 | 10.0% | 36.61% | 2.2 |
| 370 | Meters | 23.0 | -10.0% | 29.51% | 2.6 |
| 370.1 | Meters - AMI | 12.3 | 0.0% | 5.91% | 7.7 |
| 373 | Street Lighting | 14.6 | 15.0% | 50.68% | 4.4 |

General

| | | | | | |
|-------|-----------------------|------|--------|--------|------|
| 390 | Structures and Impr. | 29.7 | 5.0% | 34.75% | 2.4 |
| 392.2 | Light Trucks | 3.5 | -5.0% | 47.24% | 13.8 |
| 392.3 | Heavy Trucks | 4.3 | -13.0% | 55.32% | 7.4 |
| 393.4 | Trailers | 8.9 | -9.0% | 49.95% | 4.6 |
| 396 | Power Operated Equip. | 6.8 | -20.0% | 59.35% | 3.0 |
| 397 | Communications Equip. | 10.4 | 0.0% | 50.97% | 4.7 |

Gulf Power Company

Proforma Change in Depreciation Expense

| Function/Group | Projected 12/31/2013 Investment | Current Rate | Current Expense | Proposed Rate | Proposed Expense | Increase (Decrease) |
|--|---------------------------------------|-----------------|--------------------|------------------|---------------------|------------------------|
| <u>Steam Prod Excl Dismantlement</u> | | | | | | |
| Crist Plant | 1,480,442,114 | 3.5% | 51,815,474 | 4.1% | 60,698,127 | 8,882,653 |
| Easements | 0 | 3.4% | 0 | | 0 | 0 |
| Amort - 5 Year | 137,572 | 5 Yr | 32,245 | 5 Yr | 32,245 | 0 |
| Base Coal, 5 Years (Fully Amortized) | 141,840 | 5 Yr | 0 | | 0 | 0 |
| Amort - 7 Year | 2,678,299 | 7 Yr | 698,631 | 7 Yr | 698,631 | 0 |
| Total Crist | <u>1,483,399,825</u> | | <u>52,546,350</u> | | <u>61,429,003</u> | <u>8,882,653</u> |
| Daniel Plant | 260,872,215 | 2.8% | 7,304,422 | 2.0% | 5,217,444 | (2,086,978) |
| Daniel RR Track | 2,782,273 | 1.5% | 41,734 | 1.6% | 44,516 | 2,782 |
| Easements | 77,160 | 1.4% | 1,080 | 1.4% | 1,080 | 0 |
| Cooling Lake-23 year Amort (Fully Amortized) | 8,954,192 | | 0 | | 0 | 0 |
| Total Daniel | <u>272,685,840</u> | | <u>7,347,236</u> | | <u>5,263,041</u> | <u>(2,084,195)</u> |
| Scherer Plant | 369,621,130 | 2.0% | 7,392,423 | 2.2% | 8,131,665 | 739,242 |
| Amort - 7 Year | 161,971 | 7 Yr | 28,254 | 7 Yr | 28,254 | 0 |
| | <u>369,783,101</u> | | <u>7,420,677</u> | | <u>8,159,919</u> | <u>739,242</u> |
| Scholz Plant | 30,818,163 | 4.1% | 1,263,545 | 0.4% | 123,273 | (1,140,272) |
| Amort - 5 Year | 80,030 | 5 Yr | 1,746 | 5 Yr | 1,746 | 0 |
| Amort - 7 Year | 102,910 | 7 Yr | 30,582 | 7 Yr | 30,582 | 0 |
| Total Scholz | <u>31,001,103</u> | | <u>1,295,853</u> | | <u>155,581</u> | <u>(1,140,272)</u> |
| Smith Plant | 176,803,819 | 3.3% | 5,834,526 | 3.2% | 5,657,722 | (176,804) |
| Amort - 5 Year | 137,826 | 5 Yr | 5,905 | 5 Yr | 5,905 | 0 |
| Amort - 7 Year | 1,174,466 | 7 Yr | 225,269 | 7 Yr | 225,269 | 0 |
| Total Smith | <u>178,116,111</u> | | <u>6,065,700</u> | | <u>5,888,896</u> | <u>(176,804)</u> |
| Total Steam Prod Excl Dismantlement | <u>2,334,985,980</u> | | <u>74,675,816</u> | | <u>80,896,439</u> | <u>6,220,623</u> |
| <u>Steam Prod Dismantlement</u> | | | | | | |
| Crist | | | 6,458,948 | | 6,172,175 | (286,773) |
| Daniel | | | 684,446 | | 174,336 | (510,110) |
| Scherer | | | 98,878 | | 297,594 | 198,716 |
| Scholz | | | 799,767 | | (1,046,922) | (1,846,689) |
| Smith | | | 1,249,287 | | 1,016,173 | (233,114) |
| Total Steam Production Dismantlement | | | <u>9,291,326</u> | | <u>6,613,356</u> | <u>(2,677,970)</u> |
| <u>Other Prod Excl Dismantlement</u> | | | | | | |
| Smith CT | 7,944,382 | 3.6% | 285,998 | 4.0% | 317,775 | 31,777 |
| Pace ("Pea Ridge") | 10,481,918 | 5.3% | 555,542 | 4.7% | 492,650 | (62,892) |
| Smith CC | 218,565,471 | 2.8% | 6,119,833 | 4.4% | 9,616,881 | 3,497,048 |
| Perdido Landfill | 9,641,119 | 5.0% | 482,056 | 5.7% | 549,544 | 67,488 |
| Total Other Prod Excl Dismantlement | <u>246,632,890</u> | | <u>7,443,429</u> | | <u>10,976,850</u> | <u>3,533,421</u> |
| <u>Other Prod Dismantlement</u> | | | | | | |
| Smith CT | | | 3,258 | | 3,147 | (111) |
| Pace ("Pea Ridge") | | | 17,334 | | 22,532 | 5,198 |
| Smith CC | | | 280,020 | | 274,255 | (5,765) |
| Perdido Landfill | | | 0 | | 110,046 | 110,046 |
| Total Other Production Dismantlement | | | <u>300,612</u> | | <u>409,980</u> | <u>109,368</u> |

Gulf Power Company

Proforma Change in Depreciation Expense

| Function/Group | Projected 12/31/2013 Investment | Current Rate | Current Expense | Proposed Rate | Proposed Expense | Increase (Decrease) |
|---|---------------------------------------|-----------------|--------------------|------------------|---------------------|------------------------|
| Transmission Plant | | | | | | |
| Easements | 13,166,131 | 1.6% | 210,658 | 1.6% | 210,658 | 0 |
| Structures and Improvements | 10,584,304 | 2.0% | 211,686 | 1.8% | 190,517 | (21,169) |
| Station Equipment | 148,680,261 | 2.3% | 3,419,646 | 2.4% | 3,568,326 | 148,680 |
| Towers and Fixtures | 40,666,668 | 2.3% | 935,333 | 1.8% | 732,000 | (203,333) |
| Poles and Fixtures | 126,998,316 | 3.6% | 4,571,939 | 3.9% | 4,952,934 | 380,995 |
| Overhead Conductors and Devices | 110,339,741 | 2.5% | 2,758,494 | 2.5% | 2,758,494 | (0) |
| Underground Conductors | 14,094,502 | 2.1% | 295,985 | 1.8% | 253,701 | (42,284) |
| Roads and Trails | 235,919 | 2.0% | 4,718 | 1.9% | 4,482 | (236) |
| Total Transmission Plant | 464,765,842 | | 12,408,459 | | 12,671,113 | 262,654 |
| Distribution Plant | | | | | | |
| Easements | 555,176 | 1.8% | 9,993 | 1.8% | 9,993 | 0 |
| Structures and Improvements | 20,429,669 | 2.2% | 449,453 | 1.9% | 388,164 | (61,289) |
| Station Equipment | 239,656,818 | 2.2% | 5,272,450 | 2.3% | 5,512,107 | 239,657 |
| Poles, Towers, and Fixtures | 131,001,902 | 5.0% | 6,550,095 | 4.7% | 6,157,089 | (393,006) |
| Overhead Conductors and Devices | 135,820,193 | 3.1% | 4,210,426 | 3.2% | 4,346,246 | 135,820 |
| Underground Conduit | 1,160,719 | 1.3% | 15,089 | 1.2% | 13,929 | (1,160) |
| Underground Conductors | 141,302,574 | 3.3% | 4,662,985 | 3.1% | 4,380,380 | (282,605) |
| Line Transformers | 247,768,588 | 4.0% | 9,910,744 | 3.8% | 9,415,206 | (495,538) |
| Overhead Services | 53,372,992 | 3.8% | 2,028,174 | 3.4% | 1,814,682 | (213,492) |
| Underground Services | 45,243,221 | 2.6% | 1,176,324 | 2.2% | 995,351 | (180,973) |
| Meters | 20,142,321 | 2.7% | 543,843 | 2.6% | 523,700 | (20,143) |
| Meters - AMI Equipment | 51,097,347 | 6.7% | 3,423,522 | 7.7% | 3,934,496 | 510,974 |
| Street Lighting | 64,373,931 | 5.0% | 3,218,697 | 4.4% | 2,832,453 | (386,244) |
| Total Distribution Plant | 1,151,925,451 | | 41,471,795 | | 40,323,796 | (1,147,999) |
| General Plant | | | | | | |
| Structures and Improvements | 77,711,059 | 2.3% | 1,787,354 | 2.4% | 1,865,065 | 77,711 |
| Power Operated Equipment | 864,641 | 4.7% | 40,638 | 3.0% | 25,939 | (14,699) |
| Communications Equipment | 23,194,669 | 6.3% | 1,461,264 | 4.7% | 1,090,149 | (371,115) |
| Transportation Equipment | | | | | | |
| Light Trucks | 7,120,679 | 9.3% | 662,223 | 13.8% | 982,654 | 320,431 |
| Heavy Trucks | 22,519,409 | 7.9% | 1,779,033 | 7.4% | 1,666,436 | (112,597) |
| Trailers | 1,269,865 | 4.8% | 60,954 | 4.6% | 58,414 | (2,540) |
| Total Transportation Equipment | 30,909,953 | | 2,502,210 | | 2,707,504 | 205,294 |
| Total Depreciable General Plant | 132,680,322 | | 5,791,466 | | 5,688,658 | (102,808) |
| Total Depreciable Excl Dismantlement | 4,330,990,485 | | 141,790,965 | | 150,556,856 | 8,765,891 |

Gulf Power Company
Proforma Change in Depreciation Expense

| <u>Function/Group</u> | <u>Projected 12/31/2013 Investment</u> | <u>Current Rate</u> | <u>Current Expense</u> | <u>Proposed Rate</u> | <u>Proposed Expense</u> | <u>Increase (Decrease)</u> |
|--|--|-------------------------|----------------------------|--------------------------|-----------------------------|--------------------------------|
| General Plant Amortization | | | | | | |
| Office Furniture & Equipment | | | | | | |
| Furniture/Non-Computer | 2,395,968 | 7 Yr | 364,394 | 7 Yr | 364,394 | 0 |
| Computer Equipment | 2,463,098 | 5 Yr | 791,167 | 5 Yr | 791,167 | 0 |
| Total Office Furn & Equip | <u>4,859,066</u> | | <u>1,155,561</u> | | <u>1,155,561</u> | <u>0</u> |
| Auxiliary General Equipment | | | | | | |
| Marine Equipment | 213,594 | 5 Yr | 42,719 | 5 Yr | 42,719 | 0 |
| Stores Equipment | 1,231,907 | 7 Yr | 168,067 | 7 Yr | 168,067 | 0 |
| Tools, Shop & Garage Equipment | 4,075,782 | 7 Yr | 358,155 | 7 Yr | 358,155 | 0 |
| Laboratory Equipment | 3,361,355 | 7 Yr | 346,815 | 7 Yr | 346,815 | 0 |
| Communications Equipment | 3,620,424 | 7 Yr | 597,510 | 7 Yr | 597,510 | 0 |
| Miscellaneous Equipment | 3,572,092 | 7 Yr | 495,316 | 7 Yr | 495,316 | 0 |
| Total Auxiliary General Equipment | <u>16,075,154</u> | | <u>2,008,582</u> | | <u>2,008,582</u> | <u>0</u> |
| Total Amortizable General | <u>20,934,220</u> | | <u>3,164,143</u> | | <u>3,164,143</u> | <u>0</u> |
| Total Depreciable & Amortizable General Plant | <u>153,614,542</u> | | <u>8,955,609</u> | | <u>8,852,801</u> | <u>(102,808)</u> |
| Intangible Plant | | | | | | |
| Software | <u>15,892,775</u> | 7 Yr | <u>2,097,192</u> | 7 Yr | <u>2,097,192</u> | <u>0</u> |
| All Property | | | | | | |
| Total Depreciable and Amortizable Property | <u>4,367,817,480</u> | | <u>147,052,300</u> | | <u>155,818,191</u> | <u>8,765,891</u> |
| Total Dismantlement | | | <u>9,591,938</u> | | <u>7,023,336</u> | <u>(2,568,602)</u> |
| Total Depreciable, Amortizable & Dismantlement | <u>4,367,817,480</u> | | <u>156,644,238</u> | | <u>162,841,527</u> | <u>6,197,289</u> |

ANALYSIS RESULTS

Steam Production and Other Production Plant

The detailed Analysis Results (by plant) appear on pages 2 to 12 and represent Gulf Power Company's projected depreciable investment in Steam and Other Production Plant as of December 31, 2013.

The summarized annual changes to the investment and accumulated depreciation ("reserve") of Steam Production and Other Production Plant since the prior study is presented in Tab 10 and Tab 11, respectively.

Dismantlement Expense has been determined using Gulf Power's most recent dismantlement cost estimate. The annual expense was calculated using the FPSC prescribed procedures included in Docket #090319-EI, Order #PSC-10-0458-PAA-EI (see Tab 9).

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

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

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

Any plant investment currently in service that is not expected to survive to the plant's retirement date is referred to as an interim retirement. As interim retirements will decrease the average remaining life and the average service life of their property group, it is important to identify and project anticipated interim retirements as part of the rate development process. Interim retirements for this study have been estimated by applying an annual interim retirement rate ("IRR") to the investment. The IRR were based on an analysis of Gulf Power's historical interim retirement data.

A net removal cost factor of 25% was applied to the interim retirements. This factor is based on analysis of Gulf Power's actual historical salvage and cost of removal of interim retirements.

A summary by unit of Average Service Life ("ASL"), Average Remaining Life ("ARL"), Interim Net Removal, and Calculated Reserve utilizing the Forecast Life Span method noted above is presented in Tab 7. Schedules supporting of the life span calculations summary are available in Volume 2 behind the Production tab.

ANALYSIS RESULTS
Depreciable Property

| Plant Crist | | | | | | |
|---|-----------|------------------|-----------------|-----------------------------|--------------------------|--------------|
| Item | | | | 2009 FPSC | 2013 | Change |
| Total Investment | | | | 1,109,816,352 | 1,480,442,114 | 370,625,762 |
| Retirement Dates: | | | | | | |
| <u>Unit</u> | <u>MW</u> | <u>Fuel Type</u> | <u>In-Serv.</u> | | | |
| 4 | 75.0 | Coal/Gas | 1959 | 2024 | 2024 | |
| 5 | 75.0 | Coal/Gas | 1961 | 2026 | 2026 | |
| 6 | 320.0 | Coal/Gas | 1970 | 2035 | 2035 | |
| 7 | 500.0 | Coal | 1973 | 2038 | 2038 | |
| Life Span (Years): | | | | | | |
| | Unit 4 | | | 65 | 65 | |
| | Unit 5 | | | 65 | 65 | |
| | Unit 6 | | | 65 | 65 | |
| | Unit 7 | | | 65 | 65 | |
| | Common | | | 93 | 93 | |
| Study Method/Dispersion | | | | Forecast | Forecast | |
| Average Service Life | | | | 30.1 | 27.1 | |
| Theoretical Reserve | | | | 264,696,667 | 385,579,493 | 120,882,826 |
| Book/Allocated Reserve (excl dismantlement) | | | | 219,121,519 | 317,605,025 | 98,483,506 |
| Reserve Variance | | | | (5,497,214) | (67,974,468) | (22,399,320) |
| Book Reserve Ratio | | | | 19.74% | 21.45% | |
| Gross Salvage | | | | 0% | 0.0% | |
| Removal Cost excl Dismantlement | | | | 4.0% | 5.0% | |
| Net Removal Cost | | | | 4.0% | 5.0% | |
| Annual Dismantlement Expense | | | | <u>Current</u> 6,458,948 | <u>2013</u> 6,172,175 | (286,773) |
| Avg Whole Life Rate | | | | 3.5% | 3.9% | |
| AWL 2013 Expense excl Dismantlement | | | | 51,815,474 | 57,737,242 | 5,921,768 |
| Average Remaining Life | | | | 24.0 | 20.3 | |
| ARL Rate | | | | 3.5% | 4.1% | |
| ARL 2013 Expense excl Dismantlement | | | | 51,815,474 | 60,698,127 | 8,882,653 |

ANALYSIS RESULTS
Depreciable Property

| Plant Daniel | | | |
|---|---------------------------|------------------------|-----------------|
| Item | 2009 FPSC | 2013 | Change |
| Total Investment | 240,203,220 | 260,872,215 | 20,668,995 |
| Retirement Dates: | | | |
| <u>Unit</u> | <u>MW</u> | <u>Fuel Type</u> | <u>In-Serv.</u> |
| 1 | 500 | Coal/Oil | 1977 |
| 2 | 500 | Coal/Oil | 1981 |
| Life Span (Years): | | | |
| Unit 1 | 65 | 65 | |
| Unit 2 | 65 | 65 | |
| Common 1-2 | 69 | 69 | |
| Common 1-4 | 65 | 65 | |
| Study Method/Dispersion | Forecast | Forecast | |
| Average Service Life | 41.0 | 46.5 | |
| Theoretical Reserve | 127,666,056 | 117,014,045 | (10,652,011) |
| Book/Allocated Reserve (excl dismantlement) | 117,975,435 | 138,663,112 | 20,687,677 |
| Reserve Variance | (9,690,621) | 21,649,067 | 31,339,688 |
| Book Reserve Ratio | 49.11% | 53.15% | |
| Gross Salvage | 0.0% | 0.0% | |
| Removal Cost excl Dismantlement | 10.0% | 6.4% | |
| Net Removal Cost | 10.0% | 6.4% | |
| Annual Dismantlement | <u>Current</u> 684,446 | <u>2013</u> 174,336 | (510,110) |
| Avg Whole Life Rate | 2.7% | 2.3% | |
| AWL 2013 Expense excl Dismantlement | 7,043,550 | 6,000,061 | (1,043,489) |
| Average Remaining Life | 22.0 | 26.9 | |
| ARL Rate | 2.8% | 2.0% | |
| ARL 2013 Expense excl Dismantlement | 7,304,422 | 5,217,444 | (2,086,978) |

ANALYSIS RESULTS

Depreciable Property

Plant Daniel Easements

| Item | 2009 FPSC | 2013 | Change |
|---|----------------|-------------|----------|
| Total Investment | 77,160 | 77,160 | 0 |
| Retirement Dates | 2046 | 2046 | |
| Study Method/Dispersion | Forecast | Forecast | |
| Average Service Life | 69.0 | 69.0 | |
| Theoretical Reserve | 36,343 | 40,817 | 4,474 |
| Book/Allocated Reserve (excl dismantlement) | 37,192 | 41,511 | 4,319 |
| Reserve Variance | 17,802 | 694 | (17,108) |
| Book Reserve Ratio | 48.20% | 53.80% | |
| Gross Salvage | 0% | 0.0% | |
| Removal Cost excl Dismantlement | 0% | 0.0% | |
| Net Removal Cost | 0% | 0.0% | |
| | <u>Current</u> | <u>2013</u> | |
| Avg Whole Life Rate | 1.4% | 1.4% | |
| AWL 2013 Expense excl Dismantlement | 1,080 | 1,080 | 0 |
| Average Remaining Life | 37.0 | 32.5 | |
| ARL Rate | 1.4% | 1.4% | |
| ARL 2013 Expense excl Dismantlement | 1,080 | 1,080 | 0 |

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

ANALYSIS RESULTS

Depreciable Property

Plant Daniel Rail Tracks

| Item | 2009 FPSC | 2013 | Change |
|---|----------------|-------------|---------|
| Total Investment | 2,741,618 | 2,782,273 | 40,655 |
| Retirement Dates | 2046 | 2046 | |
| Study Method/Dispersion | Forecast | Forecast | |
| Average Service Life | 67.4 | 66.4 | |
| Theoretical Reserve | 1,256,914 | 1,420,468 | 163,554 |
| Book/Allocated Reserve (excl dismantlement) | 1,220,019 | 1,373,795 | 153,776 |
| Reserve Variance | (36,895) | (46,673) | (9,778) |
| Book Reserve Ratio | 44.50% | 49.38% | |
| Gross Salvage | 0% | 0.0% | |
| Removal Cost excl Dismantlement | 0% | 0.0% | |
| Net Removal Cost | 0% | 0.0% | |
| | <u>Current</u> | <u>2013</u> | |
| Avg Whole Life Rate | 1.5% | 1.5% | |
| AWL 2013 Expense excl Dismantlement | 41,734 | 41,734 | 0 |
| Average Remaining Life | 36.5 | 32.5 | |
| ARL Rate | 1.5% | 1.6% | |
| ARL 2013 Expense excl Dismantlement | 41,734 | 44,516 | 2,782 |

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

**ANALYSIS RESULTS
Depreciable Property**

| Plant Scherer | | | | 2009 FPSC | 2013 | Change |
|---|-----------|------------------|-----------------|----------------|-------------|-------------|
| Item | | | | | | |
| Total Investment | | | | 233,800,884 | 369,621,130 | 135,820,246 |
| Retirement Dates: | | | | | | |
| <u>Unit</u> | <u>MW</u> | <u>Fuel Type</u> | <u>In-Serv.</u> | | | |
| 3 | 818 | Coal | 1987 | 2052 | 2052 | |
| Life Span (Years): | | | | | | |
| Unit 3 | | | | 65 | 65 | |
| Study Method/Dispersion | | | | Forecast | Forecast | |
| Average Service Life | | | | 46.8 | 43.1 | |
| Theoretical Reserve | | | | 83,183,301 | 100,345,371 | 17,162,070 |
| Book/Allocated Reserve (excl dismantlement) | | | | 92,987,673 | 117,012,731 | 24,025,058 |
| Reserve Variance | | | | 9,804,372 | 16,667,360 | 6,862,988 |
| Book Reserve Ratio | | | | 39.77% | 31.66% | |
| Gross Salvage | | | | 0% | 0.0% | |
| Removal Cost excl Dismantlement | | | | 6.0% | 1.9% | |
| Net Removal Cost | | | | 6.0% | 1.9% | |
| | | | | <u>Current</u> | <u>2013</u> | |
| Annual Dismantlement | | | | 98,878 | 297,594 | 198,716 |
| Avg Whole Life Rate | | | | 2.3% | 2.4% | |
| AWL 2013 Expense excl Dismantlement | | | | 8,501,286 | 8,870,907 | 369,621 |
| Average Remaining Life | | | | 33.0 | 31.6 | |
| ARL Rate | | | | 2.0% | 2.2% | |
| ARL 2013 Expense excl Dismantlement | | | | 7,392,423 | 8,131,665 | 739,242 |

ANALYSIS RESULTS
Depreciable Property
Plant Scholz

| Item | 2009 FPSC | 2013 | Change |
|---|---------------------------|----------------------------|-----------------|
| Total Investment | 31,074,395 | 30,818,163 | (256,232) |
| Retirement Dates: | | | |
| <u>Unit</u> | <u>MW</u> | <u>Fuel Type</u> | <u>In-Serv.</u> |
| 1 | 40 | Coal | 1953 |
| 2 | 40 | Coal | 1953 |
| Life Span (Years): | | | |
| Unit 1 | 62 | 62 | |
| Unit 2 | 62 | 62 | |
| Study Method/Dispersion | | | |
| Average Service Life | Forecast 19.2 | Forecast 26.6 | |
| Theoretical Reserve | 29,782,029 | 29,164,351 | (617,678) |
| Book/Allocated Reserve (excl dismantlement) | 26,273,400 | 30,736,763 | 4,463,363 |
| Reserve Variance | (3,508,629) | 1,572,412 | 5,081,041 |
| Book Reserve Ratio | 84.55% | 99.74% | |
| Gross Salvage | 0.0% | 0.0% | |
| Removal Cost excl Dismantlement | 3.0% | 0.3% | |
| Net Removal Cost | 3.0% | 0.3% | |
| Annual Dismantlement | | | |
| Annual Dismantlement | <u>Current</u> 799,767 | <u>2013</u> (1,046,922) | (1,846,689) |
| Avg Whole Life Rate | 5.4% | 3.8% | |
| AWL 2013 Expense excl Dismantlement | 1,664,181 | 1,171,090 | (493,091) |
| Average Remaining Life | 4.5 | 1.5 | |
| ARL Rate | 4.1% | 0.4% | |
| ARL 2013 Expense excl Dismantlement | 1,263,545 | 123,273 | (1,140,272) |

ANALYSIS RESULTS
Depreciable Property

| Plant Smith | | | | | | |
|---|-----------|------------------|-----------------|----------------|-------------|------------|
| Item | | | | 2009 FPSC | 2013 | Change |
| Total Investment | | | | 170,587,642 | 176,803,819 | 6,216,177 |
| Retirement Dates: | | | | | | |
| <u>Unit</u> | <u>MW</u> | <u>Fuel Type</u> | <u>In-Serv.</u> | | | |
| 1 | 125 | Coal | 1965 | 2030 | 2030 | |
| 2 | 180 | Coal | 1967 | 2032 | 2032 | |
| Life Span (Years): | | | | | | |
| | Unit 1 | | | 65 | 65 | |
| | Unit 2 | | | 65 | 65 | |
| | Common | | | 67 | 67 | |
| Study Method/Dispersion | | | | Forecast | Forecast | |
| Average Service Life | | | | 31.5 | 31.9 | |
| Theoretical Reserve | | | | 73,893,364 | 87,821,571 | 13,928,207 |
| Book/Allocated Reserve (excl dismantlement) | | | | 68,777,167 | 89,723,419 | 20,946,252 |
| Reserve Variance | | | | (5,116,197) | 1,901,848 | 7,018,045 |
| Book Reserve Ratio | | | | 40.32% | 50.75% | |
| Gross Salvage | | | | 0% | 0.0% | |
| Removal Cost excl Dismantlement | | | | 5.0% | 3.5% | |
| Net Removal Cost | | | | 5.0% | 3.5% | |
| | | | | <u>Current</u> | <u>2013</u> | |
| Annual Dismantlement | | | | 1,249,287 | 1,016,173 | (233,114) |
| Avg Whole Life Rate | | | | 3.3% | 3.2% | |
| AWL 2013 Expense excl Dismantlement | | | | 5,834,526 | 5,657,722 | (176,804) |
| Average Remaining Life | | | | 19.4 | 16.6 | |
| ARL Rate | | | | 3.3% | 3.2% | |
| ARL 2013 Expense excl Dismantlement | | | | 5,834,526 | 5,657,722 | (176,804) |

**ANALYSIS RESULTS
Depreciable Property**

| Plant Smith Combustion Turbine | | | | |
|---|-----------|-------------------------|----------------------|-----------|
| Item | | 2009 FPSC | 2013 | Change |
| Total Investment | | 4,963,480 | 7,944,382 | 2,980,902 |
| Retirement Dates: | | | | |
| <u>Unit</u> | <u>MW</u> | <u>Fuel Type</u> | <u>In-Serv.</u> | |
| A | 40 | Nat. Gas | 1971 | |
| Life Span (Years): | | | | |
| Unit 1 | | 46 | 56 | |
| Study Method/Dispersion | | Forecast | Forecast | |
| Average Service Life | | 41.0 | 23.1 | |
| Theoretical Reserve | | 3,607,076 | 3,377,578 | (229,498) |
| Book/Allocated Reserve (excl dismantlement) | | 3,623,340 | 3,759,633 | 136,293 |
| Reserve Variance | | 16,264 | 382,055 | 365,791 |
| Book Reserve Ratio | | 73.00% | 47.32% | |
| Gross Salvage | | 0% | 0.0% | |
| Removal Cost excl Dismantlement | | 0% | 0.2% | |
| Net Removal Cost | | 0% | 0.2% | |
| Annual Dismantlement | | <u>Current</u> 3,258 | <u>2013</u> 3,147 | (111) |
| Avg Whole Life Rate | | 2.4% | 4.3% | |
| AWL 2013 Expense excl Dismantlement | | 190,665 | 341,608 | 150,943 |
| Average Remaining Life | | 7.5 | 13.3 | |
| ARL Rate | | 3.6% | 4.0% | |
| ARL 2013 Expense excl Dismantlement | | 285,998 | 317,775 | 31,777 |

ANALYSIS RESULTS
Depreciable Property

| Plant Pace ("Pea Ridge") | | | | |
|---|-----------|------------------|-----------------|-----------|
| Item | | 2009 FPSC | 2013 | Change |
| Total Investment | | 10,879,112 | 10,481,918 | (397,194) |
| Retirement Dates: | | | | |
| <u>Unit</u> | <u>MW</u> | <u>Fuel Type</u> | <u>In-Serv.</u> | |
| 1 | 15 | Gas | 1998 | |
| | | 2018 | 2018 | |
| Life Span (Years): | | | | |
| Unit 1 | | 20 | 20 | |
| Study Method/Dispersion | | Forecast | Forecast | |
| Average Service Life | | 20.0 | 20.0 | |
| Theoretical Reserve | | 6,027,104 | 8,128,648 | 2,101,544 |
| Book/Allocated Reserve (excl dismantlement) | | 6,027,105 | 8,260,991 | 2,233,886 |
| Reserve Variance | | 1 | 132,343 | 132,342 |
| Book Reserve Ratio | | 55.40% | 78.81% | |
| Gross Salvage | | 0% | 0.0% | |
| Removal Cost excl Dismantlement | | 0% | 0.1% | |
| Net Removal Cost | | 0% | 0.1% | |
| | | <u>Current</u> | <u>2013</u> | |
| Annual Dismantlement | | 17,334 | 22,532 | 5,198 |
| Avg Whole Life Rate | | 5.0% | 5.0% | |
| AWL 2013 Expense excl Dismantlement | | 524,096 | 524,096 | 0 |
| Average Remaining Life | | 8.5 | 4.5 | |
| ARL Rate | | 5.3% | 4.7% | |
| ARL 2013 Expense excl Dismantlement | | 555,542 | 492,650 | (62,892) |

ANALYSIS RESULTS

Depreciable Property

| Plant Smith Combined Cycle | | | | |
|---|-----------|---------------------------|------------------------|--------------|
| Item | | 2009 FPSC | 2013 | Change |
| Total Investment | | 187,471,268 | 218,565,471 | 31,094,203 |
| Retirement Dates: | | | | |
| <u>Unit</u> | <u>MW</u> | <u>Fuel Type</u> | <u>In-Serv.</u> | |
| 3 | | Gas | 2002 | |
| Life Span (Years): | | | | |
| Unit 3 | | 40 | 40 | |
| Study Method/Dispersion | | Forecast | Forecast | |
| Average Service Life | | 37.1 | 30.7 | |
| Theoretical Reserve | | 29,255,448 | 56,152,957 | 26,897,509 |
| Book/Allocated Reserve (excl dismantlement) | | 21,384,117 | 5,580,694 | (15,803,423) |
| Reserve Variance | | (7,871,331) | (50,572,263) | (42,700,932) |
| Book Reserve Ratio | | 11.41% | 2.55% | |
| Gross Salvage | | 0% | 0.0% | |
| Removal Cost excl Dismantlement | | 0.1% | 1.8% | |
| Net Removal Cost | | 0.1% | 1.8% | |
| Annual Dismantlement | | <u>Current</u> 280,020 | <u>2013</u> 274,255 | (5,765) |
| Avg Whole Life Rate | | 2.7% | 3.3% | |
| AWL 2013 Expense excl Dismantlement | | 5,901,268 | 7,212,661 | 1,311,393 |
| Average Remaining Life | | 32.0 | 22.6 | |
| ARL Rate | | 2.8% | 4.4% | |
| ARL 2013 Expense excl Dismantlement | | 6,119,833 | 9,616,881 | 3,497,048 |

ANALYSIS RESULTS
 Depreciable Property
 Perdido Landfill

| Item | 2010 Amended FPSC | 2013 | Change |
|---|----------------------|-------------------------|-------------------------|
| Total Investment | 5,100,000 | 9,641,119 | 4,541,119 |
| Retirement Dates: | | | |
| <u>Unit</u> 1 | <u>MW</u> | <u>Fuel Type</u> Gas | <u>In-Serv.</u> 2010 |
| | | 2030 | 2030 |
| Life Span (Years): | | | |
| Unit 3 | | 20 | 20 |
| Study Method/Dispersion | | | |
| Average Service Life | Forecast 20.0 | Forecast 18.1 | |
| Theoretical Reserve | | | |
| Book/Allocated Reserve (excl dismantlement) | | 1,046,405 | 1,046,405 |
| Reserve Variance | 0 | (236,132) | (236,132) |
| Book Reserve Ratio | | | |
| | 0.00% | 8.40% | |
| Gross Salvage | | | |
| Removal Cost excl Dismantlement | 0% | 0.0% | |
| Net Removal Cost | 0% | 0.2% | |
| Annual Dismantlement | | | |
| | <u>Current</u> 0 | <u>2013</u> 110,046 | 110,046 |
| Avg Whole Life Rate | | | |
| AWL 2013 Expense excl Dismantlement | 5.0% | 5.5% | |
| Average Remaining Life | | | |
| ARL Rate | 5.0% | 5.7% | |
| ARL 2013 Expense excl Dismantlement | 482,056 | 549,544 | 67,488 |

ANALYSIS RESULTS

Transmission Plant

The Analysis Results presented on pages 14 to 21 represent Gulf Power's projected depreciable investment in Transmission Plant as of December 31, 2013.

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

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

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

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

Historical analyses of net removal are addressed in Tab 8.

**ANALYSIS RESULTS
Depreciable Property**

| Account 350.2 Easements and Rights of Way | | | |
|--|---------------|--------------|------------|
| Item | FPSC Approved | 2013 | Change |
| Investment | \$12,707,117 | \$13,166,131 | \$459,014 |
| Iowa Curve | SQ | R5 | |
| Average Service Life | 60 | 65 | 5 |
| Theoretical Reserve | \$6,589,648 | \$6,759,289 | \$169,641 |
| Book Reserve | \$5,925,900 | \$6,710,802 | \$784,902 |
| Reserve Variance | (\$663,748) | (\$48,487) | \$615,261 |
| Reserve Ratio | 46.63% | 50.97% | |
| Gross Salvage | 0% | 0% | 0% |
| Removal Cost | 0% | 0% | 0% |
| Net Removal Cost | 0% | 0% | 0% |
| Avg. Whole Life Rate | 1.7% | 1.5% | -0.2% |
| AWL Expense (2013) | \$223,824 | \$197,492 | (\$26,332) |
| Average Remaining Life | 34.0 | 31.6 | (2.4) |
| ARL Rate | 1.6% | 1.6% | 0.0% |
| ARL Expense (2013) | \$210,658 | \$210,658 | \$0 |

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

**ANALYSIS RESULTS
Depreciable Property**

| Account 352 Structures and Improvements | | | |
|--|---------------|--------------|-------------|
| Item | FPSC Approved | 2013 | Change |
| Investment | \$8,426,311 | \$10,584,304 | \$2,157,993 |
| Iowa Curve | R4 | R4 | |
| Average Service Life | 50 | 55 | 5 |
| Theoretical Reserve | \$2,533,378 | \$2,994,588 | \$461,210 |
| Book Reserve | \$2,772,524 | \$3,554,243 | \$781,719 |
| Reserve Variance | \$239,146 | \$559,655 | \$320,509 |
| Reserve Ratio | 32.90% | 33.58% | |
| Gross Salvage | 0% | 0% | 0% |
| Removal Cost | 5% | 5% | 0% |
| Net Removal Cost | 5% | 5% | 0% |
| Avg. Whole Life Rate | 2.1% | 1.9% | -0.2% |
| AWL Expense (2013) | \$222,270 | \$201,102 | (\$21,169) |
| Average Remaining Life | 36.0 | 40.2 | 4.2 |
| ARL Rate | 2.0% | 1.8% | -0.2% |
| ARL Expense (2013) | \$211,686 | \$190,517 | (\$21,169) |

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

**ANALYSIS RESULTS
Depreciable Property**

| Account 353 Station Equipment | | | |
|----------------------------------|---------------|---------------|--------------|
| Item | FPSC Approved | 2013 | Change |
| Investment | \$100,888,004 | \$148,680,261 | \$47,792,257 |
| Iowa Curve | S0 | S0 | |
| Average Service Life | 45 | 45 | 0 |
| Theoretical Reserve | \$24,668,981 | \$31,075,166 | \$6,406,185 |
| Book Reserve | \$24,777,411 | \$30,353,808 | \$5,576,397 |
| Reserve Variance | \$108,430 | (\$721,358) | (\$829,788) |
| Reserve Ratio | 24.56% | 20.42% | |
| Gross Salvage | 2% | 2% | 0% |
| Removal Cost | 7% | 9% | 2% |
| Net Removal Cost | 5% | 7% | 2% |
| Avg. Whole Life Rate | 2.3% | 2.4% | 0.1% |
| AWL Expense (2013) | \$3,419,646 | \$3,568,326 | \$148,680 |
| Average Remaining Life | 35.0 | 36.2 | 1.2 |
| ARL Rate | 2.3% | 2.4% | 0.1% |
| ARL Expense (2013) | \$3,419,646 | \$3,568,326 | \$148,680 |

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

ANALYSIS RESULTS
Depreciable Property

| Account 354 | | | |
|------------------------|---------------|--------------|-------------|
| Towers and Fixtures | | | |
| Item | FPSC Approved | 2013 | Change |
| Investment | \$38,868,886 | \$40,666,668 | \$1,797,782 |
| Iowa Curve | R5 | R4 | |
| Average Service Life | 50 | 55 | 5 |
| Theoretical Reserve | \$20,718,255 | \$21,099,346 | \$381,091 |
| Book Reserve | \$22,734,772 | \$25,694,763 | \$2,959,991 |
| Reserve Variance | \$2,016,517 | \$4,595,417 | \$2,578,900 |
| Reserve Ratio | 58.49% | 63.18% | |
| Gross Salvage | 0% | 0% | 0% |
| Removal Cost | 20% | 20% | 0% |
| Net Removal Cost | 20% | 20% | 0% |
| Avg. Whole Life Rate | 2.4% | 2.2% | -0.2% |
| AWL Expense (2013) | \$976,000 | \$894,667 | (\$81,333) |
| Average Remaining Life | 27.0 | 31.2 | 4.2 |
| ARL Rate | 2.3% | 1.8% | -0.5% |
| ARL Expense (2013) | \$935,333 | \$732,000 | (\$203,333) |

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

**ANALYSIS RESULTS
Depreciable Property**

| Account 355 Poles and Fixtures | | | |
|-----------------------------------|---------------|---------------|---------------|
| Item | FPSC Approved | 2013 | Change |
| Investment | \$76,122,945 | \$126,998,316 | \$50,875,371 |
| Iowa Curve | S0 | S0 | |
| Average Service Life | 38 | 40 | 2 |
| Theoretical Reserve | \$23,541,296 | \$32,241,698 | \$8,700,402 |
| Book Reserve | \$24,129,546 | \$26,103,300 | \$1,973,754 |
| Reserve Variance | \$588,250 | (\$6,138,398) | (\$6,726,648) |
| Reserve Ratio | 31.70% | 20.55% | |
| Gross Salvage | 0% | 0% | 0% |
| Removal Cost | 40% | 50% | 10% |
| Net Removal Cost | 40% | 50% | 10% |
| Avg. Whole Life Rate | 3.7% | 3.8% | 0.1% |
| AWL Expense (2013) | \$4,698,938 | \$4,825,936 | \$126,998 |
| Average Remaining Life | 30.0 | 33.2 | 3.2 |
| ARL Rate | 3.6% | 3.9% | 0.3% |
| ARL Expense (2013) | \$4,571,939 | \$4,952,934 | \$380,995 |

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

ANALYSIS RESULTS
Depreciable Property

| Account 356 Overhead Conductor & Devices | | | |
|---|---------------|---------------|--------------|
| Item | FPSC Approved | 2013 | Change |
| Investment | \$63,854,915 | \$110,339,741 | \$46,484,826 |
| Iowa Curve | R2 | R1.5 | |
| Average Service Life | 50 | 50 | 0 |
| Theoretical Reserve | \$20,911,337 | \$23,438,368 | \$2,527,031 |
| Book Reserve | \$22,843,042 | \$26,243,685 | \$3,400,643 |
| Reserve Variance | \$1,931,705 | \$2,805,317 | \$873,612 |
| Reserve Ratio | 35.77% | 23.78% | |
| Gross Salvage | 5% | 0% | -5% |
| Removal Cost | 35% | 30% | -5% |
| Net Removal Cost | 30% | 30% | 0% |
| Avg. Whole Life Rate | 2.6% | 2.6% | 0.0% |
| AWL Expense (2013) | \$2,868,833 | \$2,868,833 | \$0 |
| Average Remaining Life | 37.0 | 41.8 | 4.8 |
| ARL Rate | 2.5% | 2.5% | 0.0% |
| ARL Expense (2013) | \$2,758,494 | \$2,758,494 | \$0 |

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

ANALYSIS RESULTS
Depreciable Property

| Account 358 | | | |
|---------------------------------|---------------|--------------|-------------|
| Underground Conductor & Devices | | | |
| Item | FPSC Approved | 2013 | Change |
| Investment | \$14,094,502 | \$14,094,502 | \$0 |
| Iowa Curve | R3 | R4 | |
| Average Service Life | 45 | 50 | 5 |
| Theoretical Reserve | \$5,961,692 | \$6,677,975 | \$716,283 |
| Book Reserve | \$6,349,055 | \$7,530,398 | \$1,181,343 |
| Reserve Variance | \$387,363 | \$852,423 | \$465,060 |
| Reserve Ratio | 45.05% | 53.43% | |
| Gross Salvage | 0% | 0% | 0% |
| Removal Cost | 0% | 0% | 0% |
| Net Removal Cost | 0% | 0% | 0% |
| Avg. Whole Life Rate | 2.2% | 2.0% | -0.2% |
| AWL Expense (2013) | \$310,079 | \$281,890 | (\$28,189) |
| Average Remaining Life | 26.0 | 26.3 | 0.3 |
| ARL Rate | 2.1% | 1.8% | -0.3% |
| ARL Expense (2013) | \$295,985 | \$253,701 | (\$42,284) |

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

**ANALYSIS RESULTS
Depreciable Property**

| Account 359 Roads and Trails | | | |
|---------------------------------|---------------|-----------|------------|
| Item | FPSC Approved | 2013 | Change |
| Investment | \$61,447 | \$235,919 | \$174,472 |
| Iowa Curve | SQ | SQ | |
| Average Service Life | 50 | 55 | 5 |
| Theoretical Reserve | \$61,447 | \$43,023 | (\$18,424) |
| Book Reserve | \$28,903 | \$37,796 | \$8,893 |
| Reserve Variance | (\$32,544) | (\$5,227) | \$27,317 |
| Reserve Ratio | 47.04% | 16.02% | |
| Gross Salvage | 0% | 0% | 0% |
| Removal Cost | 0% | 0% | 0% |
| Net Removal Cost | 0% | 0% | 0% |
| Avg. Whole Life Rate | 2.0% | 1.8% | -0.2% |
| AWL Expense (2013) | \$4,718 | \$4,247 | (\$471) |
| Average Remaining Life | 27.0 | 45.0 | 18.0 |
| ARL Rate | 2.0% | 1.9% | -0.1% |
| ARL Expense (2013) | \$4,718 | \$4,482 | (\$236) |

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

ANALYSIS RESULTS

Distribution Plant

The Analysis Results presented on pages 23 to 35 represent Gulf Power's projected depreciable investment in Distribution Plant as of December 31, 2013.

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

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

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

Historical analyses of net removal are addressed in Tab 8.

**ANALYSIS RESULTS
Depreciable Property**

| Account 360.2 Easements and Rights of Way | | | |
|--|---------------|-----------|-----------|
| Item | FPSC Approved | 2013 | Change |
| Investment | \$204,176 | \$555,176 | \$351,000 |
| Iowa Curve | SQ | SQ | |
| Average Service Life | 50 | 55 | 5 |
| Theoretical Reserve | \$11,587 | \$28,566 | \$16,979 |
| Book Reserve | \$12,657 | \$29,160 | \$16,503 |
| Reserve Variance | \$1,070 | \$594 | (\$476) |
| Reserve Ratio | 6.59% | 5.25% | |
| Gross Salvage | 0% | 0% | 0% |
| Removal Cost | 0% | 0% | 0% |
| Net Removal Cost | 0% | 0% | 0% |
| Avg. Whole Life Rate | 2.0% | 1.8% | -0.2% |
| AWL Expense (2013) | \$11,104 | \$9,993 | (\$1,111) |
| Average Remaining Life | 52.0 | 52.2 | 0.2 |
| ARL Rate | 1.8% | 1.8% | 1.8% |
| ARL Expense (2013) | \$9,993 | \$9,993 | \$0 |

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

**ANALYSIS RESULTS
Depreciable Property**

| Account 361 Structures and Improvements | | | |
|--|---------------|--------------|-------------|
| Item | FPSC Approved | 2013 | Change |
| Investment | \$16,745,219 | \$20,429,669 | \$3,684,450 |
| Iowa Curve | R3 | R3 | |
| Average Service Life | 48 | 52 | 4 |
| Theoretical Reserve | \$5,406,769 | \$6,398,219 | \$991,450 |
| Book Reserve | \$5,963,267 | \$7,593,011 | \$1,629,744 |
| Reserve Variance | \$556,498 | \$1,194,792 | \$638,294 |
| Reserve Ratio | 35.61% | 37.17% | |
| Gross Salvage | 0% | 0% | 0% |
| Removal Cost | 5% | 5% | 0% |
| Net Removal Cost | 5% | 5% | 0% |
| Avg. Whole Life Rate | 2.2% | 2.0% | -0.2% |
| AWL Expense (2013) | \$449,453 | \$408,593 | (\$40,859) |
| Average Remaining Life | 32.0 | 36.5 | 4.5 |
| ARL Rate | 2.2% | 1.9% | -0.3% |
| ARL Expense (2013) | \$449,453 | \$388,164 | (\$61,289) |

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

ANALYSIS RESULTS
Depreciable Property

| Account 362 Station Equipment | | | |
|----------------------------------|---------------|---------------|--------------|
| Item | FPSC Approved | 2013 | Change |
| Investment | \$159,050,636 | \$239,656,818 | \$80,606,182 |
| Iowa Curve | R1.5 | R1.5 | |
| Average Service Life | 45 | 46 | 1 |
| Theoretical Reserve | \$44,734,927 | \$55,141,908 | \$10,406,981 |
| Book Reserve | \$49,617,252 | \$60,317,168 | \$10,699,916 |
| Reserve Variance | \$4,882,325 | \$5,175,260 | \$292,935 |
| Reserve Ratio | 31.20% | 25.17% | |
| Gross Salvage | 2% | 2% | 0% |
| Removal Cost | 7% | 10% | 3% |
| Net Removal Cost | 5% | 8% | 3% |
| Avg. Whole Life Rate | 2.3% | 2.3% | 0.0% |
| AWL Expense (2013) | \$5,512,107 | \$5,512,107 | \$0 |
| Average Remaining Life | 33.0 | 36.2 | 3.2 |
| ARL Rate | 2.2% | 2.3% | 0.1% |
| ARL Expense (2013) | \$5,272,450 | \$5,512,107 | \$239,657 |

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

**ANALYSIS RESULTS
Depreciable Property**

| Account 364 Poles, Towers and Fixtures | | | |
|---|---------------|---------------|----------------|
| Item | FPSC Approved | 2013 | Change |
| Investment | \$119,993,792 | \$131,001,902 | \$11,008,110 |
| Iowa Curve | R1 | L0 | |
| Average Service Life | 34 | 32 | (2) |
| Theoretical Reserve | \$60,148,557 | \$48,785,927 | (\$11,362,630) |
| Book Reserve | \$65,326,472 | \$68,016,181 | \$2,689,709 |
| Reserve Variance | \$5,177,915 | \$19,230,254 | \$14,052,339 |
| Reserve Ratio | 54.44% | 51.92% | |
| Gross Salvage | 10% | 10% | 0% |
| Removal Cost | 85% | 80% | -5% |
| Net Removal Cost | 75% | 70% | -5% |
| Avg. Whole Life Rate | 5.1% | 5.3% | 0.2% |
| AWL Expense (2013) | \$6,681,097 | \$6,943,101 | \$262,004 |
| Average Remaining Life | 24.0 | 25.0 | 1.0 |
| ARL Rate | 5.0% | 4.7% | -0.3% |
| ARL Expense (2013) | \$6,550,095 | \$6,157,089 | (\$393,006) |

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

**ANALYSIS RESULTS
Depreciable Property**

| Account 365 Overhead Conductors & Devices | | | |
|--|---------------|---------------|---------------|
| Item | FPSC Approved | 2013 | Change |
| Investment | \$118,489,612 | \$135,820,193 | \$17,330,581 |
| Iowa Curve | R1 | R1 | |
| Average Service Life | 38 | 40 | 2 |
| Theoretical Reserve | \$41,911,989 | \$50,465,691 | \$8,553,702 |
| Book Reserve | \$42,336,293 | \$49,189,082 | \$6,852,789 |
| Reserve Variance | \$424,304 | (\$1,276,609) | (\$1,700,913) |
| Reserve Ratio | 35.73% | 36.22% | |
| Gross Salvage | 30% | 30% | 0% |
| Removal Cost | 50% | 55% | 5% |
| Net Removal Cost | 20% | 25% | 5% |
| Avg. Whole Life Rate | 3.2% | 3.1% | -0.1% |
| AWL Expense (2013) | \$4,346,246 | \$4,210,426 | (\$135,820) |
| Average Remaining Life | 27.0 | 28.1 | 1.1 |
| ARL Rate | 3.1% | 3.2% | 0.1% |
| ARL Expense (2013) | \$4,210,426 | \$4,346,246 | \$135,820 |

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

**ANALYSIS RESULTS
Depreciable Property**

| Account 366 Underground Conduit | | | |
|------------------------------------|---------------|-------------|------------|
| Item | FPSC Approved | 2013 | Change |
| Investment | \$1,217,455 | \$1,160,719 | (\$56,736) |
| Iowa Curve | R3 | R3 | |
| Average Service Life | 60 | 60 | 0 |
| Theoretical Reserve | \$677,652 | \$651,937 | (\$25,715) |
| Book Reserve | \$787,726 | \$793,560 | \$5,834 |
| Reserve Variance | \$110,074 | \$141,623 | \$31,549 |
| Reserve Ratio | 64.70% | 68.37% | |
| Gross Salvage | 0% | 0% | 0% |
| Removal Cost | 0% | 0% | 0% |
| Net Removal Cost | 0% | 0% | 0% |
| Avg. Whole Life Rate | 1.7% | 1.7% | 0.0% |
| AWL Expense (2013) | \$19,732 | \$19,732 | \$0 |
| Average Remaining Life | 27.0 | 26.3 | (0.7) |
| ARL Rate | 1.3% | 1.2% | -0.1% |
| ARL Expense (2013) | \$15,089 | \$13,929 | (\$1,160) |

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

**ANALYSIS RESULTS
Depreciable Property**

| Account 367 | | | |
|----------------------------------|---------------|---------------|--------------|
| Underground Conductors & Devices | | | |
| Item | FPSC Approved | 2013 | Change |
| Investment | \$111,391,188 | \$141,302,574 | \$29,911,386 |
| Iowa Curve | S3 | S2 | |
| Average Service Life | 32 | 34 | 2 |
| Theoretical Reserve | \$34,908,597 | \$45,624,108 | \$10,715,511 |
| Book Reserve | \$36,274,835 | \$50,241,099 | \$13,966,264 |
| Reserve Variance | \$1,366,238 | \$4,616,991 | \$3,250,753 |
| Reserve Ratio | 32.57% | 35.56% | |
| Gross Salvage | 12% | 12% | 0% |
| Removal Cost | 20% | 22% | 2% |
| Net Removal Cost | 8% | 10% | 2% |
| Avg. Whole Life Rate | 3.4% | 3.2% | -0.2% |
| AWL Expense (2013) | \$4,804,288 | \$4,521,682 | (\$282,605) |
| Average Remaining Life | 23.0 | 24.0 | 1.0 |
| ARL Rate | 3.3% | 3.1% | -0.2% |
| ARL Expense (2013) | \$4,662,985 | \$4,380,380 | (\$282,605) |

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

**ANALYSIS RESULTS
Depreciable Property**

| Account 368 Line Transformers | | | |
|----------------------------------|---------------|---------------|--------------|
| Item | FPSC Approved | 2013 | Change |
| Investment | \$208,399,324 | \$247,768,588 | \$39,369,264 |
| Iowa Curve | 50 | 50 | |
| Average Service Life | 30 | 32 | 2 |
| Theoretical Reserve | \$74,341,297 | \$85,833,233 | \$11,491,936 |
| Book Reserve | \$75,023,758 | \$90,887,756 | \$15,863,998 |
| Reserve Variance | \$682,461 | \$5,054,523 | \$4,372,062 |
| Reserve Ratio | 36.00% | 36.68% | |
| Gross Salvage | 10% | 5% | -5% |
| Removal Cost | 30% | 29% | -1% |
| Net Removal Cost | 20% | 24% | 4% |
| Avg. Whole Life Rate | 4.0% | 3.9% | -0.1% |
| AWL Expense (2013) | \$9,910,744 | \$9,662,975 | (\$247,769) |
| Average Remaining Life | 21.0 | 23.1 | 2.1 |
| ARL Rate | 4.0% | 3.8% | -0.2% |
| ARL Expense (2013) | \$9,910,744 | \$9,415,206 | (\$495,538) |

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

**ANALYSIS RESULTS
Depreciable Property**

| Account 369.1 Overhead Services | | | |
|------------------------------------|---------------|--------------|-------------|
| Item | FPSC Approved | 2013 | Change |
| Investment | \$49,215,769 | \$53,372,992 | \$4,157,223 |
| Iowa Curve | R1 | R1 | |
| Average Service Life | 35 | 40 | 5 |
| Theoretical Reserve | \$22,894,722 | \$26,576,414 | \$3,681,692 |
| Book Reserve | \$26,438,495 | \$33,119,104 | \$6,680,609 |
| Reserve Variance | \$3,543,773 | \$6,542,690 | \$2,998,917 |
| Reserve Ratio | 53.72% | 62.05% | |
| Gross Salvage | 10% | 15% | 5% |
| Removal Cost | 55% | 70% | 15% |
| Net Removal Cost | 45% | 55% | 10% |
| Avg. Whole Life Rate | 4.1% | 3.9% | -0.2% |
| AWL Expense (2013) | \$2,188,293 | \$2,081,547 | (\$106,746) |
| Average Remaining Life | 24.0 | 27.2 | 3.2 |
| ARL Rate | 3.8% | 3.4% | -0.4% |
| ARL Expense (2013) | \$2,028,174 | \$1,814,682 | (\$213,492) |

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

**ANALYSIS RESULTS
Depreciable Property**

| Account 369.2 | | | |
|------------------------|---------------|--------------|-------------|
| Underground Services | | | |
| Item | FPSC Approved | 2013 | Change |
| Investment | \$41,248,654 | \$45,243,221 | \$3,994,567 |
| Iowa Curve | R1 | R1.5 | |
| Average Service Life | 40 | 44 | 4 |
| Theoretical Reserve | \$10,155,904 | \$12,464,507 | \$2,308,603 |
| Book Reserve | \$12,429,711 | \$16,563,038 | \$4,133,327 |
| Reserve Variance | \$2,273,807 | \$4,098,531 | \$1,824,724 |
| Reserve Ratio | 30.13% | 36.61% | |
| Gross Salvage | 5% | 5% | 0% |
| Removal Cost | 10% | 15% | 5% |
| Net Removal Cost | 10% | 10% | 0% |
| Avg. Whole Life Rate | 2.8% | 2.5% | -0.3% |
| AWL Expense (2013) | \$1,266,810 | \$1,131,081 | (\$135,730) |
| Average Remaining Life | 31.0 | 33.0 | 2.0 |
| ARL Rate | 2.6% | 2.2% | -0.4% |
| ARL Expense (2013) | \$1,176,324 | \$995,351 | (\$180,973) |

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

ANALYSIS RESULTS
Depreciable Property

| Account 370 | | | |
|------------------------|---------------|--------------|----------------|
| Meters | | | |
| Item | FPSC Approved | 2013 | Change |
| Investment | \$51,269,486 | \$20,142,321 | (\$31,127,165) |
| Iowa Curve | R1 | R1 | |
| Average Service Life | 33 | 33 | 0 |
| Theoretical Reserve | \$11,099,516 | \$5,493,360 | (\$5,606,156) |
| Book Reserve | \$13,148,345 | \$5,944,152 | (\$7,204,193) |
| Reserve Variance | \$2,048,829 | \$450,792 | (\$1,598,037) |
| Reserve Ratio | 25.65% | 29.51% | |
| Gross Salvage | 25% | 20% | -5% |
| Removal Cost | 15% | 10% | -5% |
| Net Removal Cost | -10% | -10% | 0% |
| Avg. Whole Life Rate | 2.7% | 2.7% | 0.0% |
| AWL Expense (2013) | \$543,843 | \$543,843 | \$0 |
| Average Remaining Life | 25.0 | 23.0 | (2.0) |
| ARL Rate | 2.7% | 2.6% | -0.1% |
| ARL Expense (2013) | \$543,843 | \$523,700 | (\$20,143) |

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

ANALYSIS RESULTS
Depreciable Property

| Account 370 Meters - AMI | | | |
|-----------------------------|---------------|---------------|---------------|
| Item | FPSC Approved | 2013 | Change |
| Investment | \$34,299,000 | \$51,097,347 | \$16,798,347 |
| Iowa Curve | R1 | R1 | |
| Average Service Life | 15 | 15 | 0 |
| Theoretical Reserve | \$0 | \$9,367,847 | \$9,367,847 |
| Book Reserve | \$0 | \$3,019,144 | \$3,019,144 |
| Reserve Variance | \$0 | (\$6,348,703) | (\$6,348,703) |
| Reserve Ratio | 0.00% | 5.91% | |
| Gross Salvage | 0% | 0% | 0% |
| Removal Cost | 0% | 0% | 0% |
| Net Removal Cost | 0% | 0% | 0% |
| Avg. Whole Life Rate | 6.7% | 6.7% | 0.0% |
| AWL Expense (2013) | \$3,423,522 | \$3,423,522 | \$0 |
| Average Remaining Life | 15.0 | 12.3 | (2.8) |
| ARL Rate | 6.7% | 7.7% | 1.0% |
| ARL Expense (2013) | \$3,423,522 | \$3,934,496 | \$510,974 |

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

**ANALYSIS RESULTS
Depreciable Property**

| Account 373 Street Lighting & Signal System | | | |
|--|---------------|--------------|-------------|
| Item | FPSC Approved | 2013 | Change |
| Investment | \$56,904,425 | \$64,373,931 | \$7,469,506 |
| Iowa Curve | L1 | L1 | |
| Average Service Life | 20 | 22 | 2 |
| Theoretical Reserve | \$19,709,205 | \$24,800,057 | \$5,090,852 |
| Book Reserve | \$23,219,645 | \$32,627,557 | \$9,407,912 |
| Reserve Variance | \$3,510,440 | \$7,827,500 | \$4,317,060 |
| Reserve Ratio | 40.80% | 50.68% | |
| Gross Salvage | 5% | 5% | 0% |
| Removal Cost | 15% | 20% | 5% |
| Net Removal Cost | 10% | 15% | 5% |
| Avg. Whole Life Rate | 5.5% | 5.2% | -0.3% |
| AWL Expense (2013) | \$3,540,566 | \$3,347,444 | (\$193,122) |
| Average Remaining Life | 13.8 | 14.6 | 0.8 |
| ARL Rate | 5.0% | 4.4% | -0.6% |
| ARL Expense (2013) | \$3,218,697 | \$2,832,453 | (\$386,244) |

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

ANALYSIS RESULTS

General Plant

The Analysis Results presented on pages 37 to 42 represent Gulf Power Company's projected depreciable investment in General Plant as of December 31, 2013.

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

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

Historical analyses of net removal are discussed in Tab 8.

**ANALYSIS RESULTS
Depreciable Property**

| Account 390 Structures and Improvements | | | |
|--|---------------|--------------|--------------|
| Item | FPSC Approved | 2013 | Change |
| Investment | \$64,301,504 | \$77,711,059 | \$13,409,555 |
| Iowa Curve | \$1.5 | \$1.5 | |
| Average Service Life | 45 | 45 | 0 |
| Theoretical Reserve | \$23,396,748 | \$27,833,510 | \$4,436,762 |
| Book Reserve | \$22,312,294 | \$27,003,165 | \$4,690,871 |
| Reserve Variance | (\$1,084,454) | (\$830,345) | \$254,109 |
| Reserve Ratio | 34.70% | 34.75% | |
| Gross Salvage | 0% | 0% | 0% |
| Removal Cost | 5% | 5% | 0% |
| Net Removal Cost | 5% | 5% | 0% |
| Avg. Whole Life Rate | 2.3% | 2.3% | 0.0% |
| AWL Expense (2013) | \$1,787,354 | \$1,787,354 | \$0 |
| Average Remaining Life | 29.5 | 29.7 | 0.2 |
| ARL Rate | 2.3% | 2.4% | 0.1% |
| ARL Expense (2013) | \$1,787,354 | \$1,865,065 | \$77,711 |

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

ANALYSIS RESULTS
Depreciable Property

| Account 392.2 | | | |
|------------------------|---------------|---------------|-------------|
| Light Trucks | | | |
| Item | FPSC Approved | 2013 | Change |
| Investment | \$5,939,852 | \$7,120,679 | \$1,180,827 |
| Iowa Curve | S3 | L4 | |
| Average Service Life | 10.0 | 11.0 | 1 |
| Theoretical Reserve | \$3,298,386 | \$4,643,005 | \$1,344,619 |
| Book Reserve | \$2,742,329 | \$3,363,803 | \$621,474 |
| Reserve Variance | (\$556,057) | (\$1,279,202) | (\$723,145) |
| Reserve Ratio | 46.17% | 47.24% | |
| Gross Salvage | 12% | 5% | -7% |
| Removal Cost | 0% | 0% | 0% |
| Net Removal Cost | -12% | -5% | 7% |
| Avg. Whole Life Rate | 8.8% | 8.6% | -0.2% |
| AWL Expense (2013) | \$626,620 | \$612,378 | (\$14,241) |
| Average Remaining Life | 4.5 | 3.5 | (1.1) |
| ARL Rate | 9.3% | 13.8% | 4.5% |
| ARL Expense (2013) | \$662,223 | \$982,654 | \$320,431 |

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

ANALYSIS RESULTS
Depreciable Property

| Account 392.3 Heavy Trucks | | | |
|-------------------------------|---------------|--------------|-------------|
| Item | FPSC Approved | 2013 | Change |
| Investment | \$19,768,863 | \$22,519,409 | \$2,750,546 |
| Iowa Curve | L4 | L4 | |
| Average Service Life | 11 | 12 | 1 |
| Theoretical Reserve | \$8,435,433 | \$12,620,439 | \$4,185,006 |
| Book Reserve | \$8,827,882 | \$12,458,065 | \$3,630,183 |
| Reserve Variance | \$392,449 | (\$162,374) | (\$554,823) |
| Reserve Ratio | 44.66% | 55.32% | |
| Gross Salvage | 15% | 13% | -2% |
| Removal Cost | 0% | 0% | 0% |
| Net Removal Cost | -15% | -13% | 2% |
| Avg. Whole Life Rate | 7.7% | 7.3% | -0.4% |
| AWL Expense (2013) | \$1,733,994 | \$1,643,917 | (\$90,077) |
| Average Remaining Life | 5.1 | 4.3 | (0.8) |
| ARL Rate | 7.9% | 7.4% | -0.5% |
| ARL Expense (2013) | \$1,779,033 | \$1,666,436 | (\$112,597) |

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

ANALYSIS RESULTS
Depreciable Property

| Account 392.4 | | | |
|------------------------|---------------|-------------|-----------|
| Trailers | | | |
| Item | FPSC Approved | 2013 | Change |
| Investment | \$1,069,871 | \$1,269,865 | \$199,994 |
| Iowa Curve | \$1.5 | \$1.5 | |
| Average Service Life | 18 | 20 | 2 |
| Theoretical Reserve | \$610,770 | \$641,346 | \$30,576 |
| Book Reserve | \$591,812 | \$634,261 | \$42,449 |
| Reserve Variance | (\$18,958) | (\$7,085) | \$11,873 |
| Reserve Ratio | 55.32% | 49.95% | |
| Gross Salvage | 12% | 9% | -3% |
| Removal Cost | 0% | 0% | 0% |
| Net Removal Cost | -12% | -9% | 3% |
| Avg. Whole Life Rate | 4.9% | 4.6% | -0.3% |
| AWL Expense (2013) | \$62,223 | \$58,414 | (\$3,810) |
| Average Remaining Life | 6.8 | 8.9 | 2.1 |
| ARL Rate | 4.8% | 4.6% | -0.2% |
| ARL Expense (2013) | \$60,954 | \$58,414 | (\$2,540) |

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

ANALYSIS RESULTS
Depreciable Property

| Account 396 | | | |
|--------------------------|---------------|-----------|------------|
| Power Operated Equipment | | | |
| Item | FPSC Approved | 2013 | Change |
| Investment | \$593,661 | \$864,641 | \$270,980 |
| Iowa Curve | R5 | R4 | |
| Average Service Life | 15 | 17 | 2 |
| Theoretical Reserve | \$357,892 | \$414,621 | \$56,729 |
| Book Reserve | \$371,969 | \$513,177 | \$141,208 |
| Reserve Variance | \$14,077 | \$98,556 | \$84,479 |
| Reserve Ratio | 62.66% | 59.35% | |
| Gross Salvage | 20% | 20% | 0% |
| Removal Cost | 0% | 0% | 0% |
| Net Removal Cost | -20% | -20% | 0% |
| Avg. Whole Life Rate | 5.3% | 4.7% | -0.6% |
| AWL Expense (2013) | \$45,826 | \$40,638 | (\$5,188) |
| Average Remaining Life | 3.7 | 6.8 | 3.1 |
| ARL Rate | 4.7% | 3.0% | -1.7% |
| ARL Expense (2013) | \$40,638 | \$25,939 | (\$14,699) |

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

ANALYSIS RESULTS
Depreciable Property

| Account 397 Communication Equipment | | | |
|--|---------------|--------------|-------------|
| Item | FPSC Approved | 2013 | Change |
| Investment | \$18,363,156 | \$23,194,669 | \$4,831,513 |
| Iowa Curve | S1 | R1 | |
| Average Service Life | 16 | 17 | 1 |
| Theoretical Reserve | \$8,882,026 | \$9,017,680 | \$135,654 |
| Book Reserve | \$7,951,248 | \$11,822,212 | \$3,870,964 |
| Reserve Variance | (\$930,778) | \$2,804,532 | \$3,735,310 |
| Reserve Ratio | 43.30% | 50.97% | |
| Gross Salvage | 3% | 3% | 0% |
| Removal Cost | 3% | 3% | 0% |
| Net Removal Cost | 0% | 0% | 0% |
| Avg. Whole Life Rate | 6.3% | 5.9% | -0.4% |
| AWL Expense (2013) | \$1,461,264 | \$1,368,485 | (\$92,779) |
| Average Remaining Life | 9.0 | 10.4 | 1.4 |
| ARL Rate | 6.3% | 4.7% | -1.6% |
| ARL Expense (2013) | \$1,461,264 | \$1,090,149 | (\$371,115) |

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

GENCO POWER COMPANY
PROPOSED DEPRECIATION FACTORS AND RATES
AT DECEMBER 31, 2013

| Loc No. | Account | Account Name | 12/31/2013 Plant Balance | Curve Type | Average Service Life Yrs | IRR Net Removal Excl. Dismantling Amount \$ | Percent % | Reserve Requirement w/ Net Removal \$ | 12/31/2013 Accumulated Depreciation Reserve \$ | Amount to be Recovered \$ | Average Remaining Life Years | Recommended Annual Depreciation \$ |
|---|-------------------------------|-------------------------------|--------------------------|------------|--------------------------|---|-------------|---------------------------------------|--|---------------------------|------------------------------|------------------------------------|
| STEAM PRODUCTION PLANT | | | | | | | | | | | | |
| 41108 | Plant Crist Common 4-7 | | | | | | | | | | | |
| | 311 | Structures and Improvements | 122,466,878 | Forecast | 36.4 | 1,875,121 | 1.5% | 43,379,571 | 35,732,112 | 88,599,887 | 23.7 | 3,738,392 |
| | 312 | Boiler Plant Equipment | 473,369,675 | Forecast | 26.9 | 28,993,893 | 6.1% | 100,846,218 | 83,067,866 | 419,295,702 | 21.5 | 19,502,126 |
| | 314 | Turbogenerator Units | 26,920,570 | Forecast | 34.6 | 1,401,552 | 5.2% | 10,395,692 | 8,583,018 | 19,759,104 | 21.9 | 902,242 |
| | 315 | Accessory Electric Equipment | 95,875,088 | Forecast | 28.9 | 2,936,175 | 3.1% | 20,172,541 | 16,616,290 | 82,194,973 | 23.0 | 3,573,694 |
| | 316 | Misc. Power Plant Equipment | 12,203,409 | Forecast | 25.7 | 934,324 | 7.7% | 2,555,979 | 2,105,381 | 11,032,351 | 20.7 | 532,964 |
| | | Subtotal | 730,825,620 | | 28.6 | 36,141,064 | 4.9% | 177,350,002 | 146,084,667 | 620,882,017 | 21.98 | 28,249,418 |
| 41104 | Plant Crist Unit #4 | | | | | | | | | | | |
| | 311 | Structures and Improvements | 0 | | | | | | | | | |
| | 312 | Boiler Plant Equipment | 32,345,400 | Forecast | 23.2 | 849,067 | 2.6% | 19,029,587 | 15,674,828 | 17,519,639 | 9.9 | 1,769,660 |
| | 314 | Turbogenerator Units | 10,116,143 | Forecast | 21.4 | 225,716 | 2.2% | 5,509,215 | 4,537,986 | 5,803,873 | 10.0 | 580,387 |
| | 315 | Accessory Electric Equipment | 3,454,218 | Forecast | 21.7 | 45,337 | 1.3% | 1,854,603 | 1,527,652 | 1,971,903 | 10.2 | 193,324 |
| | 316 | Misc. Power Plant Equipment | 0 | | | | | | | | | |
| | | Subtotal | 45,915,761 | | 22.7 | 1,120,120 | 2.4% | 26,393,404 | 21,740,466 | 25,295,415 | 9.95 | 2,543,372 |
| 41105 | Plant Crist Unit #5 | | | | | | | | | | | |
| | 311 | Structures and Improvements | 0 | | | | | | | | | |
| | 312 | Boiler Plant Equipment | 34,665,998 | Forecast | 24.0 | 1,083,312 | 3.1% | 18,321,522 | 15,091,589 | 20,657,721 | 11.7 | 1,765,617 |
| | 314 | Turbogenerator Units | 12,976,335 | Forecast | 17.9 | 344,684 | 2.7% | 4,539,565 | 3,739,277 | 9,581,741 | 11.8 | 812,012 |
| | 315 | Accessory Electric Equipment | 3,139,986 | Forecast | 22.1 | 49,062 | 1.6% | 1,443,008 | 1,188,618 | 2,000,430 | 12.1 | 165,325 |
| | 316 | Misc. Power Plant Equipment | 0 | | | | | | | | | |
| | | Subtotal | 50,782,319 | | 22.0 | 1,477,059 | 2.9% | 24,304,095 | 20,019,485 | 32,239,893 | 11.75 | 2,742,954 |
| 41106 | Plant Crist Unit #6 | | | | | | | | | | | |
| | 311 | Structures and Improvements | 0 | | | | | | | | | |
| | 312 | Boiler Plant Equipment | 259,851,934 | Forecast | 22.8 | 13,967,041 | 5.4% | 43,234,575 | 35,612,678 | 238,206,298 | 19.2 | 12,406,578 |
| | 314 | Turbogenerator Units | 47,404,661 | Forecast | 24.7 | 2,165,800 | 4.6% | 10,435,887 | 8,596,126 | 40,974,335 | 19.5 | 2,101,248 |
| | 315 | Accessory Electric Equipment | 31,688,605 | Forecast | 23.8 | 851,631 | 2.7% | 4,785,329 | 3,941,715 | 28,598,521 | 20.3 | 1,408,794 |
| | 316 | Misc. Power Plant Equipment | 0 | | | | | | | | | |
| | | Subtotal | 338,945,200 | | 23.1 | 16,984,473 | 5.0% | 58,455,791 | 48,150,519 | 307,779,154 | 19.34 | 15,916,620 |
| 41107 | Plant Crist Unit #7 | | | | | | | | | | | |
| | 311 | Structures and Improvements | 0 | | | | | | | | | |
| | 312 | Boiler Plant Equipment | 206,674,810 | Forecast | 31.4 | 12,658,832 | 6.1% | 69,152,964 | 56,961,869 | 162,371,773 | 21.5 | 7,552,175 |
| | 314 | Turbogenerator Units | 78,417,397 | Forecast | 29.1 | 4,082,606 | 5.2% | 20,412,372 | 16,813,840 | 65,686,163 | 21.9 | 2,999,368 |
| | 315 | Accessory Electric Equipment | 28,881,007 | Forecast | 33.8 | 884,481 | 3.1% | 9,510,866 | 7,834,179 | 21,931,309 | 23.0 | 953,535 |
| | 316 | Misc. Power Plant Equipment | 0 | | | | | | | | | |
| | | Subtotal | 313,973,214 | | 31.0 | 17,625,919 | 5.6% | 99,076,201 | 81,609,888 | 249,989,244 | 21.73 | 11,505,079 |
| Total Plant Crist Depreciable | | | 1,480,442,114 | | 27.09 | 73,348,634 | 5.0% | 385,579,493 | 317,605,025 | 1,236,185,723 | 20.28 | 60,957,443 |
| | 310 | Easements | 0 | | | | | | 420 | | | |
| Plant Crist Other Recovery/Non-Depreciable | | | | | | | | | | | | |
| | 310 | Land | 6,023,266 | | | | | | 0 | | | |
| | 312 | Base Coal | 141,840 | | | | | | 141,840 | | | |
| | 316 | Amortization Property (5 yr.) | 137,572 | | | | | | 86,586 | | | |
| | 316 | Amortization Property (7 yr.) | 2,678,299 | | | | | | 1,425,704 | | | |
| | 317 | ARO Dismantlement | 1,132,431 | | | | | | 721,122 | | | |
| | | | | | | | | | 73,845,939 | | | |
| TOTAL PLANT CRIST | | | 1,490,555,522 | | | | | | 393,626,636 | | | |

POWER COMPANY
PROPOSED DEPRECIATION FACTORS AND RATES
AT DECEMBER 31, 2013

| Loc No. | Account | Account Name | 12/31/2013 | Curve Type | Average | IRR Net Removal | | Reserve | 12/31/2013 | Amount to be Recovered | Average Remaining Life | Recommended Annual Depreciation |
|--|-------------------------------|--------------|-------------------|------------|--------------|--------------------------|-------------|----------------------------|----------------------------------|------------------------|------------------------|---------------------------------|
| | | | Plant Balance | | Service Life | Excl. Dismantling Amount | Percent | Requirement w/ Net Removal | Accumulated Depreciation Reserve | | | |
| | | | \$ | Yrs | \$ | % | \$ | \$ | \$ | Years | \$ | |
| 41113 Plant Scholz Common | | | | | | | | | | | | |
| 311 | Structures and Improvements | | 6,225,461 | Forecast | 31.1 | 5,836 | 0.1% | 5,930,752 | 6,231,297 | 0 | 1.5 | 0 |
| 312 | Boiler Plant Equipment | | 6,035,087 | Forecast | 21.4 | 22,632 | 0.4% | 5,633,112 | 6,017,311 | 40,407 | 1.5 | 26,938 |
| 314 | Turbogenerator Units | | 1,115,804 | Forecast | 13.1 | 3,557 | 0.3% | 991,190 | 1,058,792 | 60,568 | 1.5 | 40,379 |
| 315 | Accessory Electric Equipment | | 3,202,528 | Forecast | 31.8 | 6,005 | 0.2% | 3,057,187 | 3,208,533 | 0 | 1.5 | 0 |
| 316 | Misc. Power Plant Equipment | | 453,566 | Forecast | 8.8 | 2,126 | 0.5% | 378,017 | 403,799 | 51,893 | 1.5 | 34,595 |
| Subtotal | | | 17,032,446 | | 23.7 | 40,155 | 0.2% | 15,990,258 | 16,919,733 | 152,868 | 1.50 | 101,912 |
| 41111 Plant Scholz Unit #1 | | | | | | | | | | | | |
| 311 | Structures and Improvements | | 0 | | | | | | | | | |
| 312 | Boiler Plant Equipment | | 4,689,139 | Forecast | 34.2 | 17,584 | 0.4% | 4,500,288 | 4,706,723 | 0 | 1.5 | 0 |
| 314 | Turbogenerator Units | | 2,498,880 | Forecast | 39.6 | 7,965 | 0.3% | 2,411,889 | 2,506,845 | 0 | 1.5 | 0 |
| 315 | Accessory Electric Equipment | | 105,404 | Forecast | 10.1 | 198 | 0.2% | 89,918 | 96,051 | 9,551 | 1.5 | 6,367 |
| 316 | Misc. Power Plant Equipment | | 0 | | | | | | | | | |
| Subtotal | | | 7,293,423 | | 34.6 | 25,747 | 0.4% | 7,002,095 | 7,309,619 | 9,551 | 1.50 | 6,367 |
| 41112 Plant Scholz Unit #2 | | | | | | | | | | | | |
| 311 | Structures and Improvements | | 0 | | | | | | | | | |
| 312 | Boiler Plant Equipment | | 4,337,721 | Forecast | 25.5 | 16,266 | 0.4% | 4,097,871 | 4,353,987 | 0 | 1.5 | 0 |
| 314 | Turbogenerator Units | | 1,986,288 | Forecast | 43.3 | 6,331 | 0.3% | 1,923,591 | 1,992,619 | 0 | 1.5 | 0 |
| 315 | Accessory Electric Equipment | | 168,285 | Forecast | 14.0 | 316 | 0.2% | 150,536 | 160,803 | 7,797 | 1.5 | 5,198 |
| 316 | Misc. Power Plant Equipment | | 0 | | | | | | | | | |
| Subtotal | | | 6,492,294 | | 28.5 | 22,913 | 0.4% | 6,171,998 | 6,507,410 | 7,797 | 1.50 | 5,198 |
| Total Plant Scholz Depreciable | | | 30,818,163 | | 26.6 | 88,816 | 0.3% | 29,164,351 | 30,736,763 | 170,216 | 1.50 | 113,477 |
| Plant Scholz Other Recovery/Non-Depreciable | | | | | | | | | | | | |
| 310 | Land | | 44,579 | | | | | | 0 | | | |
| 312 | Base Coal | | 71,300 | | | | | | 71,300 | | | |
| 316 | Amortization Property (5 yr.) | | 8,730 | | | | | | 4,635 | | | |
| 316 | Amortization Property (7 yr.) | | 102,910 | | | | | | 61,526 | | | |
| 317 | ARO | | 241,640 | | | | | | 13,751,261 | | | |
| | Dismantlement | | | | | | | | 286,986 | | | |
| TOTAL PLANT SCHOLZ | | | 31,287,322 | | | | | | 44,912,471 | | | |
| 41123 Plant Smith Common | | | | | | | | | | | | |
| 311 | Structures and Improvements | | 36,837,541 | Forecast | 35.6 | 425,934 | 1.2% | 18,317,719 | 18,714,405 | 18,549,070 | 18.1 | 1,024,811 |
| 312 | Boiler Plant Equipment | | 24,185,788 | Forecast | 30.2 | 1,118,593 | 4.6% | 11,227,772 | 11,470,918 | 13,833,463 | 16.8 | 823,420 |
| 314 | Turbogenerator Units | | 2,964,511 | Forecast | 34.0 | 116,542 | 3.9% | 1,540,527 | 1,573,888 | 1,507,165 | 17.0 | 88,657 |
| 315 | Accessory Electric Equipment | | 4,154,684 | Forecast | 40.5 | 96,077 | 2.3% | 2,403,517 | 2,455,567 | 1,795,194 | 17.6 | 102,000 |
| 316 | Misc. Power Plant Equipment | | 1,870,741 | Forecast | 25.0 | 108,152 | 5.8% | 680,739 | 695,481 | 1,283,412 | 16.4 | 78,257 |
| Subtotal | | | 70,013,265 | | 33.3 | 1,865,298 | 2.7% | 34,170,274 | 34,910,259 | 36,968,304 | 17.46 | 2,117,144 |
| 41121 Plant Smith Unit #1 | | | | | | | | | | | | |
| 311 | Structures and Improvements | | 0 | | | | | | | | | |
| 312 | Boiler Plant Equipment | | 32,652,589 | Forecast | 27.1 | 1,346,919 | 4.1% | 15,055,133 | 15,381,164 | 18,618,344 | 15.1 | 1,233,003 |
| 314 | Turbogenerator Units | | 13,496,717 | Forecast | 38.4 | 473,229 | 3.5% | 8,403,795 | 8,585,787 | 5,384,159 | 15.3 | 351,906 |
| 315 | Accessory Electric Equipment | | 4,217,804 | Forecast | 33.7 | 86,992 | 2.1% | 2,286,524 | 2,336,040 | 1,968,756 | 15.8 | 124,805 |
| 316 | Misc. Power Plant Equipment | | 0 | | | | | | | | | |
| Subtotal | | | 50,367,110 | | 30.0 | 1,907,140 | 3.8% | 25,745,452 | 26,302,991 | 25,971,259 | 15.19 | 1,709,514 |

GEORGIA POWER COMPANY
PROPOSED DEPRECIATION FACTORS AND RATES
AT DECEMBER 31, 2013

| Loc No. | Account | Account Name | 12/31/2013 Plant Balance | Curve Type | Average Service Life Yrs | IRR Net Removal Excl. Dismantling Amount | Percent | Reserve Requirement w/ Net Removal | 12/31/2013 Accumulated Depreciation Reserve | Amount to be Recovered | Average Remaining Life Years | Recommended Annual Depreciation |
|---|---------|--------------------------------------|--------------------------|------------|--------------------------|--|-------------|------------------------------------|---|------------------------|------------------------------|---------------------------------|
| | | | \$ | | | \$ | % | \$ | \$ | \$ | | \$ |
| 41122 Plant Smith Unit #2 | | | | | | | | | | | | |
| | 311 | Structures and Improvements | 0 | | | | | | | | | |
| | 312 | Boiler Plant Equipment | 42,290,474 | Forecast | 30.3 | 1,955,934 | 4.6% | 19,713,746 | 20,140,864 | 24,105,745 | 16.8 | 1,434,866 |
| | 314 | Turbogenerator Units | 12,536,935 | Forecast | 37.9 | 492,858 | 3.9% | 7,185,295 | 7,340,898 | 5,688,895 | 17.0 | 334,841 |
| | 315 | Accessory Electric Equipment | 1,596,035 | Forecast | 45.9 | 36,908 | 2.3% | 1,006,804 | 1,028,607 | 604,336 | 17.6 | 34,337 |
| | 316 | Misc. Power Plant Equipment | 0 | | | | | | | | | |
| | | Subtotal | 56,423,444 | | 32.0 | 2,485,701 | 4.4% | 27,905,845 | 28,510,169 | 30,398,976 | 16.85 | 1,803,844 |
| | | Total Plant Smith Depreciable | 176,803,819 | | 31.9 | 6,258,140 | 3.5% | 87,821,571 | 89,723,419 | 93,338,540 | 16.58 | 5,630,502 |
| Plant Smith Other Recovery/Non-Depreciable | | | | | | | | | | | | |
| | 310 | Land | 1,363,924 | | | | | | 0 | | | |
| | 312 | Base Coal | 108,300 | | | | | | 108,300 | | | |
| | 316 | Amortization Property (5 yr.) | 29,526 | | | | | | 15,715 | | | |
| | 316 | Amortization Property (7 yr.) | 1,174,466 | | | | | | 667,192 | | | |
| | 317 | ARO | 471,938 | | | | | | 21,657,782 | | | |
| | | Dismantlement | | | | | | | 350,848 | | | |
| | | TOTAL PLANT SMITH | 179,951,973 | | | | | | 112,523,256 | | | |
| 41143 Plant Daniel #1-2 Common | | | | | | | | | | | | |
| | 311 | Structures and Improvements | 13,441,253 | Forecast | 51.0 | 273,025 | 2.0% | 5,324,367 | 6,309,442 | 7,404,837 | 31.2 | 237,335 |
| | 312 | Boiler Plant Equipment | 31,539,058 | Forecast | 51.7 | 2,562,548 | 8.1% | 16,160,336 | 19,150,201 | 14,951,406 | 27.2 | 549,684 |
| | 314 | Turbogenerator Units | 3,484,941 | Forecast | 53.0 | 240,679 | 6.9% | 1,757,368 | 2,082,503 | 1,843,117 | 28.0 | 58,683 |
| | 315 | Accessory Electric Equipment | 1,215,206 | Forecast | 44.7 | 49,368 | 4.1% | 418,696 | 496,159 | 768,414 | 29.9 | 25,699 |
| | 316 | Misc. Power Plant Equipment | 2,127,402 | Forecast | 47.2 | 216,064 | 10.2% | 1,057,539 | 1,253,197 | 1,090,270 | 25.9 | 42,095 |
| | | Subtotal | 51,807,860 | | 51.2 | 3,341,685 | 6.5% | 24,718,305 | 29,291,502 | 25,858,043 | 28.31 | 913,496 |
| 41148 Plant Daniel #1-4 Common | | | | | | | | | | | | |
| | 311 | Structures and Improvements | 4,587,856 | Forecast | 59.5 | 93,191 | 2.0% | 2,226,447 | 2,638,368 | 2,042,679 | 31.2 | 65,470 |
| | 312 | Boiler Plant Equipment | 3,051,458 | Forecast | 42.0 | 247,931 | 8.1% | 1,162,642 | 1,377,745 | 1,921,644 | 27.2 | 70,649 |
| | 314 | Turbogenerator Units | 0 | | | | | | | | | |
| | 315 | Accessory Electric Equipment | 138,010 | Forecast | 36.8 | 5,607 | 4.1% | 26,928 | 31,910 | 111,706 | 29.9 | 3,736 |
| | 316 | Misc. Power Plant Equipment | 1,107,637 | Forecast | 36.1 | 112,494 | 10.2% | 344,746 | 408,529 | 811,603 | 25.9 | 31,336 |
| | | Subtotal | 8,884,961 | | 48.2 | 459,223 | 5.2% | 3,760,764 | 4,456,552 | 4,887,632 | 28.55 | 171,191 |
| 41141 Plant Daniel Unit #1 | | | | | | | | | | | | |
| | 311 | Structures and Improvements | 8,591,584 | Forecast | 63.1 | 153,038 | 1.8% | 4,933,574 | 5,846,347 | 2,898,274 | 27.5 | 105,392 |
| | 312 | Boiler Plant Equipment | 52,849,104 | Forecast | 42.2 | 3,765,499 | 7.1% | 23,880,093 | 28,298,210 | 28,316,393 | 24.4 | 1,160,508 |
| | 314 | Turbogenerator Units | 19,983,679 | Forecast | 41.0 | 1,210,262 | 6.1% | 8,270,806 | 9,801,009 | 11,392,932 | 25.0 | 455,717 |
| | 315 | Accessory Electric Equipment | 10,401,463 | Forecast | 52.0 | 370,552 | 3.6% | 5,282,430 | 6,259,746 | 4,512,269 | 26.5 | 170,274 |
| | 316 | Misc. Power Plant Equipment | 12,158 | Forecast | 39.0 | 1,083 | 8.9% | 5,296 | 6,276 | 6,965 | 23.4 | 298 |
| | | Subtotal | 91,837,988 | | 44.2 | 5,500,433 | 6.0% | 42,372,200 | 50,211,589 | 47,126,832 | 24.91 | 1,892,189 |
| 41141 Plant Daniel Unit #2 | | | | | | | | | | | | |
| | 311 | Structures and Improvements | 9,478,035 | Forecast | 60.6 | 192,523 | 2.0% | 4,691,657 | 5,559,672 | 4,110,886 | 31.2 | 131,759 |
| | 312 | Boiler Plant Equipment | 62,892,747 | Forecast | 45.0 | 5,110,036 | 8.1% | 26,898,878 | 31,875,509 | 36,127,274 | 27.2 | 1,328,209 |
| | 314 | Turbogenerator Units | 24,457,004 | Forecast | 44.0 | 1,689,062 | 6.9% | 9,507,660 | 11,266,897 | 14,879,369 | 28.0 | 531,406 |
| | 315 | Accessory Electric Equipment | 10,953,732 | Forecast | 53.4 | 444,995 | 4.1% | 5,016,294 | 5,944,371 | 5,454,356 | 29.9 | 182,420 |
| | 316 | Misc. Power Plant Equipment | 559,888 | Forecast | 28.1 | 56,864 | 10.2% | 48,287 | 57,220 | 559,531 | 25.9 | 21,604 |
| | | Subtotal | 108,341,406 | | 46.4 | 7,493,479 | 6.9% | 46,162,776 | 54,703,469 | 61,131,416 | 27.85 | 2,195,397 |
| | | TOTAL | 280,872,215 | | 46.5 | 16,794,819 | 6.4% | 117,014,045 | 138,663,112 | 139,003,922 | 26.87 | 5,172,273 |

GREEN POWER COMPANY
PROPOSED DEPRECIATION FACTORS AND RATES
AT DECEMBER 31, 2013

| Loc No. | Account | Account Name | 12/31/2013 | Curve Type | Average | IRR Net Removal | | Reserve | 12/31/2013 | Amount to be Recovered | Average | Recommended |
|---|---------|-------------------------------|----------------------|------------|--------------|--------------------|-------------|----------------------------|----------------------------------|------------------------|----------------|---------------------|
| | | | Plant Balance | | Service Life | Excl. Amount | Percent | Requirement w/ Net Removal | Accumulated Depreciation Reserve | | Remaining Life | Annual Depreciation |
| | | | \$ | Yrs | \$ | % | \$ | \$ | \$ | \$ | Years | \$ |
| 41143 | 310 | Daniel Common 1-2, Easements | 77,160 | Forecast | 69.0 | 0 | 0.0% | 40,817 | 41,511 | 35,649 | 32.5 | 1,097 |
| 41146 | 311 | Daniel, Rail Track System | 2,782,273 | Forecast | 66.4 | 0 | 0.0% | 1,420,468 | 1,373,795 | 1,408,478 | 32.5 | 43,338 |
| Total Plant Daniel Depreciable | | | 263,731,648 | | 46.7 | 16,794,819 | 6.4% | 118,475,329 | 140,078,418 | 140,448,049 | 28.92 | 5,216,708 |
| Plant Daniel Other Recovery/Non-Depreciable | | | | | | | | | | | | |
| | 310 | Land | 1,028,761 | | | | | | 0 | | | |
| | 310 | Cooling Lake | 2,621,892 | | | | | | 2,621,892 | | | |
| | 311 | Cooling Lake | 6,331,377 | | | | | | 6,331,377 | | | |
| | 316 | Cooling Lake | 923 | | | | | | 923 | | | |
| | 317 | ARO | 391,150 | | | | | | 19,870,960 | | | |
| | | Dismantlement | | | | | | | 110,114 | | | |
| TOTAL PLANT DANIEL | | | 274,105,751 | | | | | | 169,013,684 | | | |
| 41161 Plant Scherer Common A | | | | | | | | | | | | |
| | 311 | Structures and Improvements | 1,235,793 | Forecast | 48.1 | 6,542 | 0.5% | 297,024 | 346,360 | 895,975 | 36.6 | 24,480 |
| | 312 | Boiler Plant Equipment | 16,715,253 | Forecast | 38.0 | 353,945 | 2.1% | 3,099,407 | 3,614,218 | 13,454,980 | 31.1 | 432,636 |
| | 314 | Turbogenerator Units | 222,745 | Forecast | 40.6 | 4,009 | 1.8% | 46,915 | 54,707 | 172,047 | 32.2 | 5,343 |
| | 315 | Accessory Electric Equipment | 456,660 | Forecast | 40.4 | 4,835 | 1.1% | 63,970 | 74,595 | 386,900 | 34.8 | 11,118 |
| | 316 | Misc. Power Plant Equipment | 0 | | | | | | | | | |
| | | Subtotal | 18,630,451 | | 38.6 | 369,331 | 2.0% | 3,507,315 | 4,089,880 | 14,909,902 | 31.48 | 473,577 |
| 41162 Plant Scherer Common B | | | | | | | | | | | | |
| | 311 | Structures and Improvements | 11,293,552 | Forecast | 62.3 | 59,785 | 0.5% | 4,683,479 | 5,461,405 | 5,891,932 | 36.6 | 160,982 |
| | 312 | Boiler Plant Equipment | 21,225,807 | Forecast | 40.1 | 449,456 | 2.1% | 4,864,772 | 5,672,811 | 16,002,453 | 31.1 | 514,548 |
| | 314 | Turbogenerator Units | 1,255,314 | Forecast | 62.6 | 22,594 | 1.8% | 620,582 | 723,660 | 554,248 | 32.2 | 17,213 |
| | 315 | Accessory Electric Equipment | 423,964 | Forecast | 60.8 | 4,489 | 1.1% | 183,220 | 213,653 | 214,800 | 34.8 | 6,172 |
| | 316 | Misc. Power Plant Equipment | 5,249,100 | Forecast | 47.5 | 138,937 | 2.6% | 2,075,812 | 2,420,604 | 2,967,433 | 29.2 | 101,624 |
| | | Subtotal | 39,447,737 | | 46.5 | 675,262 | 1.7% | 12,427,865 | 14,492,133 | 25,630,866 | 32.02 | 800,540 |
| 41163 Plant Scherer Unit #3 | | | | | | | | | | | | |
| | 311 | Structures and Improvements | 20,590,821 | Forecast | 61.6 | 109,003 | 0.5% | 8,400,902 | 9,796,292 | 10,903,532 | 36.6 | 297,911 |
| | 312 | Boiler Plant Equipment | 240,286,487 | Forecast | 40.3 | 5,088,066 | 2.1% | 56,016,027 | 65,320,286 | 180,054,268 | 31.1 | 5,789,526 |
| | 314 | Turbogenerator Units | 39,516,176 | Forecast | 53.2 | 711,242 | 1.8% | 15,879,244 | 18,516,785 | 21,710,632 | 32.2 | 674,243 |
| | 315 | Accessory Electric Equipment | 9,763,934 | Forecast | 54.9 | 103,376 | 1.1% | 3,612,622 | 4,212,678 | 5,654,832 | 34.8 | 162,489 |
| | 316 | Misc. Power Plant Equipment | 1,385,524 | Forecast | 45.1 | 36,673 | 2.6% | 501,395 | 584,677 | 837,520 | 29.2 | 28,682 |
| | | Subtotal | 311,542,942 | | 43.0 | 6,048,360 | 1.9% | 84,410,190 | 98,430,718 | 219,160,584 | 31.52 | 6,952,852 |
| Total Plant Scherer Depreciable | | | 369,621,130 | | 43.1 | 7,092,953 | 1.9% | 100,345,371 | 117,012,731 | 259,701,352 | 31.57 | 8,226,969 |
| Plant Scherer Other Recovery/Non-Depreciable | | | | | | | | | | | | |
| | 310 | Land | 986,244 | | | | | | 0 | | | |
| | 316 | Amortization Property (7 yr.) | 161,971 | | | | | | 91,483 | | | |
| | 317 | ARO | 230,322 | | | | | | 67,907 | | | |
| | | Dismantlement | | | | | | | 5,143,641 | | | |
| TOTAL PLANT SCHERER | | | 370,999,667 | | | | | | 122,315,762 | | | |
| Total Depreciable Steam Excl. A/C 317 | | | 2,321,416,874 | | 30.7 | 103,683,361 | 4.5% | 721,386,115 | 695,156,356 | 1,729,843,879 | 21.58 | 80,145,098 |

GENCO POWER COMPANY
PROPOSED DEPRECIATION FACTORS AND RATES
AT DECEMBER 31, 2013

| Loc No. | Account | Account Name | 12/31/2013 Plant Balance | Curve Type | Average Service Life Yrs | IRR Net Removal Excl. Dismantling Amount | Percent | Reserve Requirement w/ Net Removal | 12/31/2013 Accumulated Depreciation Reserve | Amount to be Recovered | Average Remaining Life Years | Recommended Annual Depreciation |
|---|---------|------------------------------|--------------------------|------------|--------------------------|--|-------------|------------------------------------|---|------------------------|------------------------------|---------------------------------|
| | | | \$ | | | \$ | % | \$ | \$ | \$ | | \$ |
| OTHER PRODUCTION PLANT | | | | | | | | | | | | |
| 41401 Plant Smith CT | | | | | | | | | | | | |
| | 341 | Structures and Improvements | 1,310,239 | Forecast | 16.7 | 1,327 | 0.1% | 259,172 | 149,582 | 1,161,984 | 13.4 | 86,715 |
| | 342 | Fuel Holders | 697,862 | Forecast | 21.2 | 1,413 | 0.2% | 263,877 | 209,481 | 489,794 | 13.2 | 37,106 |
| | 343 | Prime Movers | 2,405,737 | Forecast | 16.1 | 4,872 | 0.2% | 434,209 | 304,536 | 2,106,073 | 13.2 | 159,551 |
| | 344 | Generators | 3,438,922 | Forecast | 43.1 | 5,903 | 0.2% | 2,381,736 | 3,074,249 | 370,476 | 13.3 | 27,855 |
| | 345 | Accessory Electric Equipment | 48,475 | Forecast | 34.3 | 82 | 0.2% | 29,729 | 29,067 | 19,470 | 13.3 | 1,464 |
| | 346 | Misc. Power Plant Equipment | 43,147 | Forecast | 16.6 | 87 | 0.2% | 8,855 | (7,302) | 50,536 | 13.2 | 3,829 |
| | | Subtotal | 7,944,382 | | 23.1 | 13,584 | 0.2% | 3,377,578 | 3,759,633 | 4,198,333 | 13.26 | 316,520 |
| 41403 Plant Smith CC | | | | | | | | | | | | |
| | 341 | Structures and Improvements | 13,847,570 | Forecast | 33.6 | 98,664 | 0.7% | 2,946,972 | 878,718 | 13,067,516 | 26.5 | 493,114 |
| | 342 | Fuel Holders | 3,585,547 | Forecast | 34.4 | 17,883 | 0.5% | 764,681 | (532,194) | 4,135,624 | 27.1 | 152,606 |
| | 343 | Prime Movers | 116,898,041 | Forecast | 27.1 | 3,331,594 | 2.9% | 29,724,670 | (8,563,463) | 128,793,098 | 20.4 | 6,313,387 |
| | 344 | Generators | 70,111,812 | Forecast | 37.3 | 349,683 | 0.5% | 19,268,291 | 13,342,220 | 57,119,275 | 27.1 | 2,107,722 |
| | 345 | Accessory Electric Equipment | 12,700,514 | Forecast | 36.0 | 72,393 | 0.6% | 3,228,707 | 1,307,781 | 11,465,126 | 26.9 | 426,213 |
| | 346 | Misc. Power Plant Equipment | 1,421,987 | Forecast | 30.1 | 15,197 | 1.1% | 219,636 | (852,368) | 2,289,552 | 25.5 | 89,786 |
| | | Subtotal | 218,565,471 | | 30.7 | 3,885,414 | 1.8% | 56,152,957 | 5,580,694 | 218,870,191 | 22.63 | 9,582,829 |
| 41450 Plant Pace CT | | | | | | | | | | | | |
| | 341 | Structures and Improvements | 0 | | | | | | | | | |
| | 342 | Fuel Holders | 0 | | | | | | | | | |
| | 343 | Prime Movers | 6,790,595 | Forecast | 20.0 | 4,584 | 0.1% | 5,266,263 | 5,343,698 | 1,451,481 | 4.5 | 322,551 |
| | 344 | Generators | 3,107,233 | Forecast | 20.0 | 1,748 | 0.1% | 2,409,460 | 2,455,849 | 653,132 | 4.5 | 145,140 |
| | 345 | Accessory Electric Equipment | 584,090 | Forecast | 20.0 | 329 | 0.1% | 452,924 | 461,444 | 122,975 | 4.5 | 27,328 |
| | 346 | Misc. Power Plant Equipment | 0 | | | | | | | | | |
| | | Subtotal | 10,481,918 | | 20.0 | 6,660 | 0.1% | 8,128,648 | 8,260,991 | 2,227,587 | 4.50 | 495,019 |
| 41481 Perdido Landfill Plant | | | | | | | | | | | | |
| | 341 | Structures and Improvements | 2,803,840 | Forecast | 17.7 | 3,470 | 0.1% | 222,047 | 118,928 | 2,688,382 | 16.3 | 164,931 |
| | 342 | Fuel Holders | 896,565 | Forecast | 18.4 | 2,219 | 0.2% | 112,348 | 72,536 | 826,248 | 16.1 | 51,320 |
| | 343 | Prime Movers | 4,561,649 | Forecast | 18.3 | 11,290 | 0.2% | 549,752 | 344,295 | 4,228,644 | 16.1 | 262,649 |
| | 344 | Generators | 0 | | | | | | 0 | | | |
| | 345 | Accessory Electric Equipment | 1,151,915 | Forecast | 18.6 | 2,376 | 0.2% | 148,941 | 98,807 | 1,055,484 | 16.2 | 65,153 |
| | 346 | Misc. Power Plant Equipment | 227,150 | Forecast | 17.1 | 562 | 0.2% | 13,317 | 175,707 | 52,005 | 16.1 | 3,230 |
| | | Subtotal | 9,641,119 | | 18.1 | 19,917 | 0.2% | 1,046,405 | 810,273 | 8,850,763 | 16.17 | 547,283 |
| Total Depreciable Other Production | | | 246,632,890 | | 29.0 | 3,925,575 | 1.6% | 68,705,588 | 18,411,591 | 232,146,874 | 21.22 | 10,941,651 |
| Total Depreciable Production | | | 2,568,049,764 | | 30.5 | 107,508,936 | 4.2% | 790,091,702 | 713,567,947 | 1,961,990,753 | 21.54 | 91,086,749 |

**GULF POWER COMPANY
DEPRECIATION STUDY AS OF 12/31/2013
SCHEDULE OF DEPRECIATION PARAMETERS**

| FERC ACCT | DESCRIPTION | BALANCE 12/31/2013 | CURVE | ASL | NET REMOVAL COST | | THEO. RESERVE | RESERVE 12/31/2013 | BALANCE TO RECOVER | ARL | ANNUAL ACCRUAL |
|---------------------------------|------------------------------------|---------------------------|-------|------|---------------------|---------------------------|---------------------------|---------------------------|---------------------------|------|--------------------------|
| | | | | | % | AMT. | | | | | |
| TRANSMISSION PLANT | | | | | | | | | | | |
| 350.0 | Easements | 13,166,131 | R5 | 65.0 | 0 | - | 6,759,289 | 6,710,802 | 6,455,329 | 31.6 | 204,089 |
| | | | | | | | | | 0 | | |
| 352.0 | Structures and Improvements | 10,584,304 | R4 | 55.0 | 5 | 529,215 | 2,994,588 | 3,554,243 | 7,559,276 | 40.2 | 188,135 |
| 353.0 | Station Equipment | 148,680,261 | S0 | 45.0 | 7 | 10,407,618 | 31,075,166 | 30,353,808 | 128,734,071 | 36.2 | 3,555,208 |
| 354.0 | Towers and Fixtures | 40,666,668 | R4 | 55.0 | 20 | 8,133,333 | 21,099,346 | 25,694,763 | 23,105,238 | 31.2 | 740,078 |
| 355.0 | Poles and Fixtures | 126,998,316 | S0 | 40.0 | 50 | 63,499,159 | 32,241,698 | 26,103,300 | 164,394,175 | 33.2 | 4,947,161 |
| 356.0 | Overhead Conductors and Devices | 110,339,741 | R1.5 | 50.0 | 30 | 33,101,922 | 23,438,368 | 26,243,685 | 117,197,978 | 41.8 | 2,801,769 |
| 358.0 | Underground Conductors and Devices | 14,094,502 | R4 | 50.0 | 0 | - | 6,677,975 | 7,530,398 | 6,564,104 | 26.3 | 249,491 |
| 359.0 | Roads and Trails | 235,919 | SQ | 55.0 | 0 | - | 43,023 | 37,796 | 198,123 | 45.0 | 4,406 |
| Sub-Total Excluding Easements | | <u>451,599,711</u> | | 45.6 | 26 | <u>115,671,247</u> | <u>117,570,164</u> | <u>119,517,993</u> | <u>447,752,965</u> | | <u>12,486,248</u> |
| Sub-Total Including Easements | | 464,765,842 | | 46.0 | 25 | 115,671,247 | 124,329,453 | 126,228,795 | 454,208,294 | | 12,690,336 |
| 350 | Land | <u>4,782,914</u> | | | | | | | | | |
| TOTAL TRANSMISSION PLANT | | <u>469,548,756</u> | | | | <u>115,671,247</u> | <u>124,329,453</u> | <u>126,228,795</u> | <u>454,208,294</u> | | <u>12,690,336</u> |

SCHEDULE OF DEPRECIATION PARAMETERS

| FERC ACCT | DESCRIPTION | BALANCE 12/31/2013 | CURVE | ASL | NET REMOVAL COST | | THEO. RESERVE | RESERVE 12/31/2013 | BALANCE TO RECOVER | ARL | ANNUAL ACCRUAL |
|---------------------------------|------------------------------------|-----------------------------|-------|------|---------------------|---------------------------|---------------------------|---------------------------|---------------------------|------|--------------------------|
| | | | | | % | AMT. | | | | | |
| DISTRIBUTION PLANT | | | | | | | | | | | |
| 360.2 | Easements | 555,176 | SQ | 55.0 | 0 | - | 28,566 | 29,160 | 526,016 | 52.2 | 10,083 |
| 361.0 | Structures and Improvements | 20,429,669 | R3 | 52.0 | 5 | 1,021,483 | 6,398,219 | 7,593,011 | 13,858,141 | 36.5 | 379,779 |
| 362.0 | Station Equipment | 239,656,818 | R1.5 | 46.0 | 8 | 19,172,545 | 55,141,908 | 60,317,168 | 198,512,195 | 36.2 | 5,483,762 |
| 364.0 | Poles and Fixtures | 131,001,902 | L0 | 32.0 | 70 | 91,701,330 | 48,785,927 | 68,016,181 | 154,687,051 | 25.0 | 6,189,958 |
| 365.0 | Overhead Conductors and Devices | 135,820,193 | R1 | 40.0 | 25 | 33,955,048 | 50,465,691 | 49,189,082 | 120,586,159 | 28.1 | 4,289,796 |
| 366.0 | Underground Conduit | 1,160,719 | R3 | 60.0 | 0 | - | 651,937 | 793,560 | 367,159 | 26.3 | 13,960 |
| 367.0 | Underground Conductors and Devices | 141,302,574 | S2 | 34.0 | 10 | 14,130,257 | 45,624,108 | 50,241,099 | 105,191,732 | 24.0 | 4,379,339 |
| 368.0 | Line Transformers | 247,768,588 | S0 | 32.0 | 24 | 59,464,461 | 85,833,233 | 90,887,756 | 216,345,293 | 23.1 | 9,381,843 |
| 369.1 | Overhead Services | 53,372,992 | R1 | 40.0 | 55 | 29,355,145 | 26,576,414 | 33,119,104 | 49,609,033 | 27.2 | 1,827,220 |
| 369.2 | Underground Services | 45,243,221 | R1.5 | 44.0 | 10 | 4,524,322 | 12,464,507 | 16,563,038 | 33,204,505 | 33.0 | 1,006,807 |
| 370.0 | Meters | 20,142,321 | R1 | 33.0 | -10 | (2,014,232) | 5,493,360 | 5,944,152 | 12,183,937 | 23.0 | 529,736 |
| 370.1 | Meters - AMI | 51,097,347 | R1 | 15.0 | 0 | - | 9,367,847 | 3,019,144 | 48,078,203 | 12.3 | 3,924,751 |
| | Meters - FPSC Segregated | 1,860,712 | R1 | 30.0 | 0 | - | 1,860,713 | 1,860,712 | - | 0.0 | - |
| | Meters - Non FPSC Segregated | 3,430,772 | R1 | 30.0 | 0 | - | 3,430,771 | 3,776,973 | (346,201) | 0.0 | - |
| 373.0 | Street Lighting and Signal Systems | 64,373,931 | L1 | 22.0 | 15 | 9,656,090 | 24,800,057 | 32,627,557 | 41,402,464 | 14.6 | 2,829,970 |
| Sub-Total | | <u>1,157,216,935</u> | | 33.5 | 23 | <u>260,966,449</u> | <u>376,923,258</u> | <u>423,977,697</u> | <u>994,205,687</u> | | <u>40,247,006</u> |
| 360 | Land | <u>3,928,365</u> | | | | | | | | | |
| TOTAL DISTRIBUTION PLANT | | <u>1,161,145,300</u> | | | | <u>260,966,449</u> | <u>376,923,258</u> | <u>423,977,697</u> | <u>994,205,687</u> | | <u>40,247,006</u> |

SCHEDULE OF DEPRECIATION PARAMETERS

| FERC ACCT | DESCRIPTION | BALANCE 12/31/2013 | CURVE | ASL | NET REMOVAL COST | | THEO. RESERVE | RESERVE 12/31/2013 | BALANCE TO RECOVER | ARL | ANNUAL ACCRUAL |
|--|-----------------------------|-----------------------|-------|-------------|---------------------|--------------------|-------------------|-----------------------|-----------------------|------------|-------------------|
| | | | | | % | AMT. | | | | | |
| <u>GENERAL PLANT</u> | | | | | | | | | | | |
| 390.0 | Structures and Improvements | 77,711,059 | S1.5 | 45.0 | 5 | 3,885,553 | 27,833,510 | 27,003,165 | 54,593,447 | 29.7 | 1,838,163 |
| 398.0 | Power Operated Equipment | 884,641 | R4 | 17.0 | -20 | (172,928) | 414,621 | 513,177 | 178,536 | 6.8 | 28,217 |
| 397.0 | Communications Equipment | 23,194,669 | R1 | 17.0 | 0 | - | 9,017,680 | 11,822,212 | 11,372,457 | 10.4 | 1,094,558 |
| <u>Transportation Equipment</u> | | | | | | | | | | | |
| 392.2 | Light Trucks | 7,120,679 | L4 | 11.0 | -5 | (358,034) | 4,643,005 | 3,363,803 | 3,400,842 | 3.5 | 985,751 |
| 392.3 | Heavy Trucks | 22,519,409 | L4 | 12.0 | -13 | (2,927,523) | 12,620,439 | 12,458,065 | 7,133,821 | 4.3 | 1,670,684 |
| 392.4 | Trailers | 1,269,865 | S1.5 | 20.0 | -9 | (114,288) | 641,346 | 634,261 | 521,316 | 8.9 | 58,575 |
| Total Transportation Equipment | | 30,909,953 | | 11.9 | -11 | (3,397,845) | 17,904,790 | 16,456,129 | 11,055,979 | 4.1 | 2,715,010 |
| TOTAL DEPRECIABLE GENERAL PLANT | | 132,680,322 | | | | 314,780 | 55,170,601 | 55,794,683 | 77,200,419 | | 5,673,948 |

SCHEDULE OF DEPRECIATION PARAMETERS

| FERC ACCT | DESCRIPTION | BALANCE 12/31/2013 | CURVE | ASL | NET REMOVAL COST | | THEO. RESERVE | RESERVE 12/31/2013 | BALANCE TO RECOVER | ARL | ANNUAL ACCRUAL |
|--|--------------------------------|-----------------------|-------|-----|---------------------|------|------------------|-----------------------|-----------------------|-----|-------------------|
| | | | | | % | AMT. | | | | | |
| <u>GENERAL PLANT AMORTIZATION</u> | | | | | | | | | | | |
| <u>Office Furniture & Equipment</u> | | | | | | | | | | | |
| 391.1 | Furniture/Non-Computer | 2,463,098 | AMORT | 7.0 | 0.0 | - | | 1,332,801 | 1,130,297 | | 172,699 |
| 391.2 | Computer Equipment | 2,395,968 | AMORT | 5.0 | 0.0 | - | | 2,054,272 | 341,696 | | 1,034,767 |
| Total Office Furniture & Equipment | | 4,859,066 | | | 0.0 | - | | 3,387,073 | 1,471,993 | | 1,207,466 |
| <u>Auxiliary General Equipment</u> | | | | | | | | | | | |
| 392.5 | Marine Equipment | 213,594 | AMORT | 5.0 | 0.0 | - | | (21,324) | 234,918 | | 32,880 |
| 393.0 | Stores Equipment | 1,231,907 | AMORT | 7.0 | 0.0 | - | | 152,426 | 1,079,481 | | 73,314 |
| 394.0 | Tools, Shop & Garage Equipment | 4,075,782 | AMORT | 7.0 | 0.0 | - | | 1,433,369 | 2,642,413 | | 354,558 |
| 395.0 | Laboratory Equipment | 3,361,355 | AMORT | 7.0 | 0.0 | - | | 1,672,165 | 1,689,190 | | 324,632 |
| 397.0 | Communication Equip | 3,620,424 | AMORT | 7.0 | 0.0 | - | | 1,173,223 | 2,447,201 | | 459,701 |
| 398.0 | Miscellaneous Equipment | 3,572,092 | AMORT | 7.0 | 0.0 | - | | (219,160) | 3,791,252 | | 1,185,033 |
| Total Auxiliary General Equipment | | 16,075,154 | | | 0.0 | - | | 4,190,699 | 11,649,537 | | 2,397,238 |
| Total Amortizable General Plant | | 20,934,220 | | | | | | 7,577,772 | | | |
| Total Depreciable & Amortizable General Plant | | 153,614,542 | | | | | | 63,372,455 | | | |
| <u>NON-DEPRECIABLE GENERAL PROPERTY</u> | | | | | | | | | | | |
| 389.0 | Land | 7,112,487 | | | | | | | | | |
| | | 7,112,487 | | | | | | | | | |
| TOTAL GENERAL PLANT | | 160,727,029 | | | | | | 63,372,455 | | | |

Gulf Power Company
2013 NET REMOVAL STUDY

This study represents an analysis of historical Gulf Power net removal costs.

The net removal study entails assembling retirements, cost of removal, and salvage. The report schedules, segregated by depreciable plant account (or functional group in the case of Production Plant), reflect historical activity for the period 1981 through 2012. The data reflects items included as normal retirements, cost of removal, and salvage. Activity deemed to be abnormal is presented and reconciled beginning on page 28 of this section. Annual net removal results by depreciable plant account or functional group are summarized into periods or bands of last four years, last five years, last ten years, last 15 years, last 20 years, and all years. This data is shown in the following pages. Our work papers retain additional analysis, such as rolling band analysis.

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

| <u>Account</u> | <u>Net Removal Factor</u> | |
|---------------------------|----------------------------|----------------------------|
| | <u>2009 % Approved</u> | <u>2013 % Proposed</u> |
| Steam Production | 20 | 25 |
| Other Production | 5 | 5 |
| <u>Transmission Plant</u> | | |
| 352 | 5 | 5 |
| 353 | 5 | 7 |
| 354 | 20 | 20 |
| 355 | 40 | 50 |
| 356 | 30 | 30 |
| 358 | 0 | 0 |
| 359 | 0 | 0 |
| Easements & Clearing | 0 | 0 |
| <u>Distribution Plant</u> | | |
| Easements | 0 | 0 |
| 361 | 5 | 5 |
| 362 | 5 | 8 |
| 364 | 75 | 70 |
| 365 | 20 | 25 |
| 366 | 0 | 0 |
| 367 | 8 | 10 |
| 368 | 20 | 24 |
| 369.1 | 45 | 55 |
| 369.2 | 10 | 10 |
| 370 | (10) | (10) |
| 373 | 10 | 15 |
| <u>General Plant</u> | | |
| 390 | 5 | 5 |
| 391 | (1) | N/A |
| 392 - Autos | (2) | N/A |
| 392 - Light Trucks | (12) | (5) |
| 392 - Heavy Trucks | (15) | (13) |
| 392 - Trailers | (12) | (9) |
| 392 - Marine | (1) | N/A |
| 393 | (1) | N/A |
| 394 | (1) | N/A |
| 395 | (1) | N/A |
| 396 | (20) | (20) |
| 397 | 0 | 0 |
| 398 | (1) | N/A |

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

Gulf Power Company

NET REMOVAL COST

Steam Production Plant

| Year | Retirements | Cost of | Cost of | Salvage | Salvage | Net | Net |
|------------|-------------|------------|---------|-----------|---------|------------|---------|
| | | Removal | Removal | \$ | % | Removal | Removal |
| | | \$ | % | \$ | % | \$ | % |
| 1981 | 421,850 | 113,237 | 26.84 | 9,363 | 2.22 | 103,874 | 24.62 |
| 1982 | 1,647,246 | 392,090 | 23.80 | 111,433 | 6.76 | 280,657 | 17.04 |
| 1983 | 2,639,895 | 828,537 | 31.39 | 93,225 | 3.53 | 735,312 | 27.85 |
| 1984 | 3,610,444 | 431,556 | 11.95 | 195,307 | 5.41 | 236,249 | 6.54 |
| 1985 | 3,781,871 | 848,640 | 22.44 | 131,573 | 3.48 | 717,067 | 18.96 |
| 1986 | 3,143,870 | 724,415 | 23.04 | 24,356 | 0.77 | 700,059 | 22.27 |
| 1987 | 3,501,713 | 845,803 | 24.15 | 15,162 | 0.43 | 830,641 | 23.72 |
| 1988 | 5,455,544 | 476,385 | 8.73 | 64,801 | 1.19 | 411,583 | 7.54 |
| 1989 | 6,100,196 | 870,732 | 14.27 | 469,085 | 7.69 | 401,646 | 6.58 |
| 1990 | 8,386,850 | 1,826,975 | 21.78 | 188,856 | 2.25 | 1,638,119 | 19.53 |
| 1991 | 7,624,035 | 997,523 | 13.08 | 106,113 | 1.39 | 891,410 | 11.69 |
| 1992 | 1,033,681 | 413,900 | 40.04 | 195,148 | 18.88 | 218,752 | 21.16 |
| 1993 | 7,078,262 | 2,862,980 | 40.45 | 393,496 | 5.56 | 2,469,485 | 34.89 |
| 1994 | 10,885,104 | 3,268,697 | 30.03 | 113,349 | 1.04 | 3,155,348 | 28.99 |
| 1995 | 8,420,567 | 1,596,005 | 18.95 | 35,825 | 0.43 | 1,560,180 | 18.53 |
| 1996 | 10,162,352 | 1,441,516 | 14.18 | 216,671 | 2.13 | 1,224,845 | 12.05 |
| 1997 | 1,626,118 | 248,570 | 15.29 | 15,160 | 0.93 | 233,410 | 14.35 |
| 1998 | 2,831,930 | 1,832,883 | 64.72 | 11,535 | 0.41 | 1,821,348 | 64.31 |
| 1999 | 10,673,812 | 1,916,249 | 17.95 | 86,116 | 0.81 | 1,830,133 | 17.15 |
| 2000 | 6,416,363 | 2,332,998 | 36.36 | 610,276 | 9.51 | 1,722,722 | 26.85 |
| 2001 | 4,026,491 | 2,704,922 | 67.18 | 50,996 | 1.27 | 2,653,926 | 65.91 |
| 2002 | 14,582,749 | 4,225,754 | 28.98 | 310,474 | 2.13 | 3,915,281 | 26.85 |
| 2003 | 9,741,206 | 3,957,644 | 40.63 | 308,678 | 3.17 | 3,648,966 | 37.46 |
| 2004 | 7,336,958 | 1,632,363 | 22.25 | 88,832 | 1.21 | 1,543,531 | 21.04 |
| 2005 | 17,590,812 | 4,847,003 | 27.55 | 346,984 | 1.97 | 4,500,019 | 25.58 |
| 2006 | 16,269,755 | 2,980,102 | 18.32 | 798,621 | 4.91 | 2,181,481 | 13.41 |
| 2007 | 18,349,337 | 6,259,978 | 34.12 | 286,297 | 1.56 | 5,973,681 | 32.56 |
| 2008 | 12,620,134 | 7,901,935 | 62.61 | 1,329,574 | 10.54 | 6,572,361 | 52.08 |
| 2009 | 19,897,978 | 5,547,820 | 27.88 | 216,339 | 1.09 | 5,331,481 | 26.79 |
| 2010 | 13,035,707 | 2,229,989 | 17.11 | 299,685 | 2.30 | 1,930,304 | 14.81 |
| 2011 | 21,815,120 | 9,673,053 | 44.34 | 1,513,427 | 6.94 | 8,159,627 | 37.40 |
| 2012 | 29,466,740 | 16,753,654 | 56.86 | 452,310 | 1.53 | 16,301,344 | 55.32 |
| All Years | 290,174,690 | 92,983,910 | 32.04 | 9,089,067 | 3.13 | 83,894,844 | 28.91 |
| 20-Yr Band | 242,827,496 | 84,214,116 | 34.68 | 7,484,643 | 3.08 | 76,729,473 | 31.60 |
| 15-Yr Band | 204,655,094 | 74,796,348 | 36.55 | 6,710,142 | 3.28 | 68,086,205 | 33.27 |
| 10-Yr Band | 166,123,749 | 61,783,542 | 37.19 | 5,640,746 | 3.40 | 56,142,795 | 33.80 |
| 5-Yr Band | 96,835,680 | 42,106,451 | 43.48 | 3,811,334 | 3.94 | 38,295,117 | 39.55 |
| 4-Yr Band | 84,215,546 | 34,204,517 | 40.62 | 2,481,760 | 2.95 | 31,722,756 | 37.67 |

| | |
|-----------------------------|------------|
| Cost of Removal | 25% |
| Salvage | 0% |
| Proposed Net Removal | 25% |

2005 Net Removal of Interim Retirements: 20%
 2009 Net Removal of Interim Retirements: 20%

For the net removal of interim retirements of Steam Production, the data again indicates a continuing increasing trend. Move towards the amount indicated by the data. Increase the net removal of interim retirements of Steam to 25%.

Gulf Power Company

NET REMOVAL COST

Other Production Plant

| Year | Retirements | Cost of Removal | Cost of Removal | Salvage | Salvage | Net Removal | Net Removal |
|------------|-------------|-----------------|-----------------|-----------|---------|-------------|-------------|
| | | \$ | % | \$ | % | \$ | % |
| 1981 | - | - | - | - | - | 0 | - |
| 1982 | 222,500 | 22,345 | 10.04 | 1,000 | 0.45 | 21,345 | 9.59 |
| 1983 | - | - | - | - | - | 0 | - |
| 1984 | - | - | - | - | - | 0 | - |
| 1985 | 633 | - | 0.00 | - | 0.00 | 0 | 0.00 |
| 1986 | 42,200 | - | 0.00 | - | 0.00 | 0 | 0.00 |
| 1987 | - | - | - | - | - | 0 | - |
| 1988 | - | - | - | - | - | 0 | - |
| 1989 | - | - | - | - | - | 0 | - |
| 1990 | 10,228 | 200 | 1.96 | - | 0.00 | 200 | 1.96 |
| 1991 | - | - | - | - | - | 0 | - |
| 1992 | - | - | - | - | - | 0 | - |
| 1993 | 13,446 | 2,981 | 22.17 | - | 0.00 | 2,981 | 22.17 |
| 1994 | 683 | 96 | 14.02 | - | 0.00 | 96 | 14.02 |
| 1995 | 2,074 | (1) | (0.03) | - | 0.00 | (1) | (0.03) |
| 1996 | - | - | - | - | - | 0 | - |
| 1997 | - | - | - | - | - | 0 | - |
| 1998 | 16,574 | - | 0.00 | - | 0.00 | 0 | 0.00 |
| 1999 | - | - | - | - | - | 0 | - |
| 2000 | - | - | - | - | - | 0 | - |
| 2001 | - | - | - | - | - | 0 | - |
| 2002 | - | - | - | - | - | 0 | - |
| 2003 | - | 10,899 | - | - | - | 10,899 | - |
| 2004 | 3,035,628 | 236,247 | 7.78 | - | 0.00 | 236,247 | 7.78 |
| 2005 | 17,614,936 | 1,630,525 | 9.26 | - | 0.00 | 1,630,525 | 9.26 |
| 2006 | 7,738,683 | (1,232,583) | (15.93) | - | 0.00 | (1,232,583) | (15.93) |
| 2007 | 14,249,350 | 809,665 | 5.68 | - | 0.00 | 809,665 | 5.68 |
| 2008 | 777,766 | 22,270 | 2.86 | - | 0.00 | 22,270 | 2.86 |
| 2009 | 177,530 | 272,612 | 153.56 | - | 0.00 | 272,612 | 153.56 |
| 2010 | 20,655,108 | 2,705,769 | 13.10 | 4,590,645 | 22.23 | (1,884,876) | (9.13) |
| 2011 | 2,423,189 | 76,208 | 3.14 | 38,737 | 1.60 | 37,471 | 1.55 |
| 2012 | 1,372,929 | 181,479 | 13.22 | - | 0.00 | 181,479 | 13.22 |
| All Years | 68,353,456 | 4,738,712 | 6.93 | 4,630,381 | 6.77 | 108,331 | 0.16 |
| 20-Yr Band | 68,077,895 | 4,716,167 | 6.93 | 4,629,381 | 6.80 | 86,786 | 0.13 |
| 15-Yr Band | 68,061,693 | 4,713,091 | 6.92 | 4,629,381 | 6.80 | 83,710 | 0.12 |
| 10-Yr Band | 68,045,119 | 4,713,091 | 6.93 | 4,629,381 | 6.80 | 83,710 | 0.12 |
| 5-Yr Band | 25,406,522 | 3,258,337 | 12.82 | 4,629,381 | 18.22 | (1,371,044) | (5.40) |
| 4-Yr Band | 24,628,756 | 3,236,067 | 13.14 | 4,629,381 | 18.80 | (1,393,314) | (5.66) |

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

2005 Net Removal of Interim Retirements: 5%
 2009 Net Removal of Interim Retirements: 5%

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

Gulf Power Company

NET REMOVAL COST

Account 352 - Structures & Improvements

| Year | Retirements | Cost of | Cost of | Salvage | Salvage | Net | Net |
|------------|-------------|---------|---------|---------|---------|---------|---------|
| | | Removal | Removal | \$ | % | Removal | Removal |
| | | \$ | % | \$ | % | \$ | % |
| 1981 | 4,562 | - | 0.00 | - | 0.00 | 0 | 0.00 |
| 1982 | 644 | 1,892 | 293.60 | - | 0.00 | 1,892 | 293.60 |
| 1983 | - | - | - | - | - | 0 | - |
| 1984 | 1,565 | 46 | 2.94 | - | 0.00 | 46 | 2.94 |
| 1985 | 7,130 | 5,446 | 76.38 | - | 0.00 | 5,446 | 76.38 |
| 1986 | - | - | - | - | - | 0 | - |
| 1987 | 2,896 | 36 | 1.23 | - | 0.00 | 36 | 1.23 |
| 1988 | 23,456 | 2,762 | 11.77 | - | 0.00 | 2,762 | 11.77 |
| 1989 | 1,589 | 1,480 | 93.16 | 63 | 3.96 | 1,417 | 89.19 |
| 1990 | 2,032 | 5,333 | 262.45 | - | 0.00 | 5,333 | 262.45 |
| 1991 | 23,866 | 78 | 0.33 | 4 | 0.02 | 74 | 0.31 |
| 1992 | 17,216 | 2,502 | 14.53 | - | 0.00 | 2,502 | 14.53 |
| 1993 | 21,328 | 292 | 1.37 | - | 0.00 | 292 | 1.37 |
| 1994 | 12,877 | 1,258 | 9.77 | - | 0.00 | 1,258 | 9.77 |
| 1995 | 4,194 | 1,079 | 25.73 | - | 0.00 | 1,079 | 25.73 |
| 1996 | 6,620 | 176 | 2.66 | - | 0.00 | 176 | 2.66 |
| 1997 | 40,292 | 1,092 | 2.71 | - | 0.00 | 1,092 | 2.71 |
| 1998 | 17,650 | (3) | (0.02) | - | 0.00 | (3) | (0.02) |
| 1999 | 10,530 | 454 | 4.31 | - | 0.00 | 454 | 4.31 |
| 2000 | - | 125 | - | - | - | 125 | - |
| 2001 | 3,215 | 0 | 0.00 | - | 0.00 | 0 | 0.00 |
| 2002 | 14,806 | 308 | 2.08 | - | 0.00 | 308 | 2.08 |
| 2003 | - | - | - | - | - | 0 | - |
| 2004 | - | 151 | - | - | - | 151 | - |
| 2005 | 9,836 | 820 | 8.34 | - | 0.00 | 820 | 8.34 |
| 2006 | 14,159 | 847 | 5.98 | - | 0.00 | 847 | 5.98 |
| 2007 | 6,754 | - | 0.00 | - | 0.00 | 0 | 0.00 |
| 2008 | 8,184 | 434 | 5.30 | - | 0.00 | 434 | 5.30 |
| 2009 | 921 | - | 0.00 | - | 0.00 | 0 | 0.00 |
| 2010 | - | - | - | - | - | 0 | - |
| 2011 | - | - | - | - | - | 0 | - |
| 2012 | 17,057 | - | 0.00 | - | 0.00 | 0 | 0.00 |
| All Years | 273,378 | 26,609 | 9.73 | 67 | 0.02 | 26,542 | 9.71 |
| 20-Yr Band | 188,422 | 7,034 | 3.73 | 0 | 0.00 | 7,034 | 3.73 |
| 15-Yr Band | 103,111 | 3,136 | 3.04 | 0 | 0.00 | 3,136 | 3.04 |
| 10-Yr Band | 56,911 | 2,252 | 3.96 | 0 | 0.00 | 2,252 | 3.96 |
| 5-Yr Band | 26,162 | 434 | 1.66 | 0 | 0.00 | 434 | 1.66 |
| 4-Yr Band | 17,978 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |

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

2005 Net Removal of Interim Retirements: 5%
 2009 Net Removal of Interim Retirements: 5%

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

NET REMOVAL COST

Account 353 - Station Equipment

| Year | Retirements | Cost of Removal | Cost of Removal | Salvage | Salvage | Net Removal | Net Removal |
|------------|-------------|-----------------|-----------------|---------|---------|-------------|-------------|
| | | \$ | % | \$ | % | \$ | % |
| 1981 | 115,015 | 5,363 | 4.66 | 17,799 | 15.48 | (12,436) | (10.81) |
| 1982 | 260,783 | 8,482 | 3.25 | - | - | 8,482 | 3.25 |
| 1983 | 31,707 | 10,611 | 33.47 | - | - | 10,611 | 33.47 |
| 1984 | 265,053 | 1,287 | 0.49 | 3,279 | 1.24 | (1,992) | (0.75) |
| 1985 | 253,821 | 1,844 | 0.73 | - | - | 1,844 | 0.73 |
| 1986 | 197,995 | - | - | - | - | - | - |
| 1987 | 193,039 | 9,127 | 4.73 | - | - | 9,127 | 4.73 |
| 1988 | 409,973 | 306 | 0.07 | - | - | 306 | 0.07 |
| 1989 | 275,414 | 10,735 | 3.90 | - | - | 10,735 | 3.90 |
| 1990 | 193,478 | 4,085 | 2.11 | - | - | 4,085 | 2.11 |
| 1991 | 432,431 | 96,928 | 22.41 | 1,861 | 0.43 | 95,067 | 21.98 |
| 1992 | 704,088 | 101,527 | 14.42 | 4,023 | 0.57 | 97,504 | 13.85 |
| 1993 | 476,445 | 143,775 | 30.18 | 1,468 | 0.31 | 142,307 | 29.87 |
| 1994 | 534,600 | 88,859 | 16.62 | 1,048 | 0.20 | 87,811 | 16.43 |
| 1995 | 633,381 | 14,137 | 2.23 | 105,268 | 16.62 | (91,132) | (14.39) |
| 1996 | 80,399 | 8,660 | 10.77 | 23,930 | 29.76 | (15,270) | (18.99) |
| 1997 | 636,398 | 18,713 | 2.94 | - | - | 18,713 | 2.94 |
| 1998 | 932,453 | 8,818 | 0.95 | 5,200 | 0.56 | 3,618 | 0.39 |
| 1999 | 1,004,952 | 37,430 | 3.72 | - | - | 37,430 | 3.72 |
| 2000 | 2,294,660 | 12,188 | 0.53 | - | - | 12,188 | 0.53 |
| 2001 | 691,933 | 26,842 | 3.88 | 125,177 | 18.09 | (98,335) | (14.21) |
| 2002 | 222,963 | 48,240 | 21.64 | - | - | 48,240 | 21.64 |
| 2003 | 2,403,130 | 348,645 | 14.51 | - | - | 348,645 | 14.51 |
| 2004 | 220,914 | 58,197 | 26.34 | 40,000 | 18.11 | 18,197 | 8.24 |
| 2005 | 974,007 | 84,505 | 8.68 | - | - | 84,505 | 8.68 |
| 2006 | 1,082,433 | 100,105 | 9.25 | 4,762 | 0.44 | 95,343 | 8.81 |
| 2007 | 965,642 | 114,940 | 11.90 | 4,281 | 0.44 | 110,659 | 11.46 |
| 2008 | 1,588,427 | 50,957 | 3.21 | 20,668 | 1.30 | 30,289 | 1.91 |
| 2009 | 2,047,094 | 146,025 | 7.13 | 23,222 | 1.13 | 122,803 | 6.00 |
| 2010 | 451,276 | 61,436 | 13.61 | 78,814 | 17.46 | (17,377) | (3.85) |
| 2011 | 1,478,877 | 194,263 | 13.14 | 38,040 | 2.57 | 156,223 | 10.56 |
| 2012 | 2,681,992 | 588,604 | 21.95 | 14,495 | 0.54 | 574,109 | 21.41 |
| All Years | 24,734,772 | 2,405,635 | 9.73 | 513,334 | 2.08 | 1,892,300 | 7.65 |
| 20-Yr Band | 21,401,976 | 2,155,339 | 10.07 | 486,372 | 2.27 | 1,668,967 | 7.80 |
| 15-Yr Band | 19,040,753 | 1,881,195 | 9.88 | 354,659 | 1.86 | 1,526,537 | 8.02 |
| 10-Yr Band | 13,893,793 | 1,747,678 | 12.58 | 224,282 | 1.61 | 1,523,396 | 10.96 |
| 5-Yr Band | 8,247,667 | 1,041,286 | 12.63 | 175,239 | 2.12 | 866,047 | 10.50 |
| 4-Yr Band | 6,659,240 | 990,329 | 14.87 | 154,571 | 2.32 | 835,758 | 12.55 |

| | |
|-----------------------------|-----------|
| Cost of Removal | 9% |
| Salvage | 2% |
| Proposed Net Removal | 7% |

2005 Net Removal of Interim Retirements: 5%
 2009 Net Removal of Interim Retirements: 5%

The historical data indicates that, overall, net removal has increased by several percentage points since the prior Study. Retirements are relatively sporadic, though significant in total amount. Data indications are within expected industry range. Move towards the average indications by concluding 7%.

NET REMOVAL COST

Account 354 - Towers

| Year | Retirements | Cost of Removal | Cost of Removal | Salvage | Salvage | Net Removal | Net Removal |
|------------|-------------|-----------------|-----------------|---------|---------|-------------|-------------|
| | | \$ | % | \$ | % | \$ | % |
| 1981 | - | - | - | - | - | 0 | - |
| 1982 | - | - | - | - | - | 0 | - |
| 1983 | - | - | - | - | - | 0 | - |
| 1984 | - | - | - | - | - | 0 | - |
| 1985 | - | - | - | - | - | 0 | - |
| 1986 | - | - | - | - | - | 0 | - |
| 1987 | - | - | - | - | - | 0 | - |
| 1988 | - | - | - | - | - | 0 | - |
| 1989 | 16,711 | 11,516 | 68.91 | - | 0.00 | 11,516 | 68.91 |
| 1990 | 30,576 | 5,775 | 18.89 | 8,023 | 26.24 | (2,248) | (7.35) |
| 1991 | 16,595 | (5,934) | (35.76) | 1,067 | 6.43 | (7,001) | (42.19) |
| 1992 | 18,196 | 9,150 | 50.29 | - | 0.00 | 9,150 | 50.29 |
| 1993 | 69,368 | (109) | (0.16) | - | 0.00 | (109) | (0.16) |
| 1994 | 45,152 | 9,859 | 21.83 | - | 0.00 | 9,859 | 21.83 |
| 1995 | - | 547 | - | - | - | 547 | - |
| 1996 | 50,383 | (3) | (0.01) | - | 0.00 | (3) | (0.01) |
| 1997 | 80,474 | 1 | 0.00 | - | 0.00 | 1 | 0.00 |
| 1998 | 109,299 | 2,500 | 2.29 | - | 0.00 | 2,500 | 2.29 |
| 1999 | 2,632 | 1,915 | 72.76 | - | 0.00 | 1,915 | 72.76 |
| 2000 | 145 | 97,498 | 67,240.00 | - | 0.00 | 97,498 | 67,240.00 |
| 2001 | 403,450 | 15,810 | 3.92 | - | 0.00 | 15,810 | 3.92 |
| 2002 | 73,540 | 59,342 | 80.69 | - | 0.00 | 59,342 | 80.69 |
| 2003 | 189,870 | 49,819 | 26.24 | - | 0.00 | 49,819 | 26.24 |
| 2004 | 48,924 | 26,469 | 54.10 | - | 0.00 | 26,469 | 54.10 |
| 2005 | 15,924 | - | 0.00 | - | 0.00 | 0 | 0.00 |
| 2006 | 139,464 | 32,253 | 23.13 | 4,417 | 3.17 | 27,836 | 19.96 |
| 2007 | 344,766 | 52,336 | 15.18 | - | 0.00 | 52,336 | 15.18 |
| 2008 | 31,679 | 6,331 | 19.98 | - | 0.00 | 6,331 | 19.98 |
| 2009 | 13,427 | 96,590 | 719.35 | - | 0.00 | 96,590 | 719.35 |
| 2010 | 19,253 | 140,775 | 731.20 | - | 0.00 | 140,775 | 731.20 |
| 2011 | 90,710 | - | 0.00 | - | 0.00 | 0 | 0.00 |
| 2012 | 539,964 | 54 | 0.01 | 7,932 | 1.47 | (7,878) | (1.46) |
| All Years | 2,350,502 | 612,492 | 26.06 | 21,439 | 0.91 | 591,053 | 25.15 |
| 20-Yr Band | 2,268,424 | 591,986 | 26.10 | 12,349 | 0.54 | 579,637 | 25.55 |
| 15-Yr Band | 2,023,048 | 581,691 | 28.75 | 12,349 | 0.61 | 569,342 | 28.14 |
| 10-Yr Band | 1,433,981 | 404,626 | 28.22 | 12,349 | 0.86 | 392,277 | 27.36 |
| 5-Yr Band | 695,033 | 243,749 | 35.07 | 7,932 | 1.14 | 235,817 | 33.93 |
| 4-Yr Band | 663,354 | 237,418 | 35.79 | 7,932 | 1.20 | 229,486 | 34.59 |

| | |
|-----------------------------|------------|
| Cost of Removal | 20% |
| Salvage | 0% |
| Proposed Net Removal | 20% |

2005 Net Removal of Interim Retirements: 25%
 2009 Net Removal of Interim Retirements: 20%

Relatively limited retirement experience. The data, as is, indicates about 25% net removal based on the various bands. While the net removal indications have increased since the prior Study, the limited retirement data suggests an increase at this time is not compelling. Based on the somewhat limited data and the nature of the property, no change in net removal is recommended at this time.

NET REMOVAL COST

Account 355 - Poles

| Year | Retirements | Cost of Removal | Cost of Removal | Salvage | Salvage | Net Removal | Net Removal |
|------------|-------------|-----------------|-----------------|---------|---------|-------------|-------------|
| | | \$ | % | \$ | % | \$ | % |
| 1981 | 15,257 | 39,172 | 256.74 | - | 0.00 | 39,172 | 256.74 |
| 1982 | 203,371 | 75,396 | 37.07 | 6,503 | 3.20 | 68,893 | 33.88 |
| 1983 | 141,355 | 35,039 | 24.79 | 6,294 | 4.45 | 28,744 | 20.33 |
| 1984 | 93,972 | 52,181 | 55.53 | - | 0.00 | 52,181 | 55.53 |
| 1985 | 218,373 | 77,638 | 35.55 | 1,903 | 0.87 | 75,735 | 34.68 |
| 1986 | 61,312 | 60,187 | 98.17 | - | 0.00 | 60,187 | 98.17 |
| 1987 | 239,739 | 206,391 | 86.09 | 1,456 | 0.61 | 204,934 | 85.48 |
| 1988 | 177,291 | 172,984 | 97.57 | - | 0.00 | 172,984 | 97.57 |
| 1989 | 113,224 | 245,740 | 217.60 | 1,246 | 1.10 | 244,494 | 215.94 |
| 1990 | 124,449 | 255,862 | 205.64 | - | 0.00 | 255,862 | 205.60 |
| 1991 | 234,629 | 166,779 | 71.08 | - | 0.00 | 166,779 | 71.08 |
| 1992 | 155,498 | 273,856 | 176.12 | 12,225 | 7.86 | 261,631 | 168.25 |
| 1993 | 430,661 | 253,660 | 58.90 | (3,283) | (0.76) | 256,943 | 59.66 |
| 1994 | 136,901 | 192,328 | 140.49 | 947 | 0.69 | 191,380 | 139.79 |
| 1995 | 97,998 | 116,877 | 119.26 | - | 0.00 | 116,877 | 119.26 |
| 1996 | 1,664,590 | 76,421 | 4.59 | - | 0.00 | 76,421 | 4.59 |
| 1997 | 929,279 | 97,067 | 10.45 | 297 | 0.03 | 96,770 | 10.41 |
| 1998 | 1,744,635 | 71,475 | 4.10 | 1,500 | 0.09 | 69,975 | 4.01 |
| 1999 | 222,086 | 432,764 | 194.86 | 46,746 | 21.05 | 386,018 | 173.81 |
| 2000 | 57,195 | 376,999 | 659.15 | 488 | 0.85 | 376,511 | 658.29 |
| 2001 | 239,259 | 276,227 | 115.45 | - | 0.00 | 276,227 | 115.45 |
| 2002 | 676,972 | 906,677 | 133.93 | - | 0.00 | 906,677 | 133.93 |
| 2003 | 194,122 | 81,562 | 42.02 | - | 0.00 | 81,562 | 42.02 |
| 2004 | 271,507 | 278,599 | 102.61 | - | 0.00 | 278,599 | 102.61 |
| 2005 | 293,726 | 376,525 | 128.19 | 1,042 | 0.35 | 375,483 | 127.83 |
| 2006 | 115,485 | 315,939 | 273.58 | - | 0.00 | 315,939 | 273.58 |
| 2007 | 425,040 | 484,243 | 113.93 | 11,133 | 2.62 | 473,110 | 111.31 |
| 2008 | 804,023 | 365,164 | 45.42 | - | 0.00 | 365,164 | 45.42 |
| 2009 | 560,901 | 1,001,741 | 178.80 | - | 0.00 | 1,001,741 | 178.80 |
| 2010 | 420,844 | 2,324,197 | 552.53 | - | 0.00 | 2,324,197 | 552.53 |
| 2011 | 327,298 | 1,440,092 | 439.99 | - | 0.00 | 1,440,092 | 439.99 |
| 2012 | 3,248,222 | 3,046,700 | 93.80 | 185,402 | 5.71 | 2,861,299 | 88.09 |
| All Years | 14,639,014 | 14,176,482 | 96.84 | 273,900 | 1.87 | 13,902,582 | 94.97 |
| 20-Yr Band | 12,860,543 | 12,515,257 | 97.32 | 244,272 | 1.90 | 12,270,985 | 95.42 |
| 15-Yr Band | 9,601,114 | 11,778,904 | 122.68 | 246,311 | 2.57 | 11,532,593 | 120.12 |
| 10-Yr Band | 6,660,967 | 9,714,762 | 145.85 | 197,577 | 2.97 | 9,517,185 | 142.88 |
| 5-Yr Band | 5,361,087 | 8,177,894 | 152.54 | 185,402 | 3.46 | 7,992,492 | 149.08 |
| 4-Yr Band | 4,557,064 | 7,812,730 | 171.44 | 185,402 | 4.07 | 7,627,328 | 167.37 |

| | |
|-----------------------------|------------|
| Cost of Removal | 50% |
| Salvage | 0% |
| Proposed Net Removal | 50% |

2005 Net Removal of Interim Retirements: 40%
 2009 Net Removal of Interim Retirements: 40%

Increasing net removal indications from the data from mostly moderate retirements levels. Indications some 50% greater than the prior Study for the same bands. The indications are at the high end of the expected industry range. While awaiting for confirmation of the trend from future data, move towards the higher indications by increasing net removal by 10% points to 50%.

NET REMOVAL COST

Account 356 - Overhead Conductors

| Year | Retirements | Cost of | Cost of | Salvage | Salvage | Net | Net |
|------------|-------------|-----------|----------|---------|----------|-----------|----------|
| | | Removal | Removal | \$ | % | Removal | Removal |
| | | \$ | % | \$ | % | \$ | % |
| 1981 | 5,776 | 1,854 | 32.10 | - | 0.00 | 1,854 | 32.10 |
| 1982 | 145,880 | 16,361 | 11.22 | 15,340 | 10.52 | 1,021 | 0.70 |
| 1983 | 65,837 | 19,851 | 30.15 | 521 | 0.79 | 19,330 | 29.36 |
| 1984 | 14,693 | 6,783 | 46.16 | 222 | 1.51 | 6,560 | 44.65 |
| 1985 | 33,394 | 4,839 | 14.49 | 4,401 | 13.18 | 438 | 1.31 |
| 1986 | 9,092 | 1,818 | 20.00 | - | 0.00 | 1,818 | 20.00 |
| 1987 | 14,810 | 16,065 | 108.47 | 104 | 0.70 | 15,961 | 107.77 |
| 1988 | 5,865 | 7,436 | 126.80 | - | 0.00 | 7,436 | 126.80 |
| 1989 | 11,138 | 6,070 | 54.50 | 2,011 | 18.06 | 4,059 | 36.44 |
| 1990 | 52,779 | 138,194 | 261.83 | 1,992 | 3.77 | 136,202 | 258.06 |
| 1991 | 117,581 | 22,810 | 19.40 | 5,740 | 4.88 | 17,070 | 14.52 |
| 1992 | 25,251 | 127,481 | 504.86 | - | 0.00 | 127,481 | 504.86 |
| 1993 | 216,323 | 77,657 | 35.90 | - | 0.00 | 77,657 | 35.90 |
| 1994 | 13,431 | (7,945) | (59.16) | - | 0.00 | (7,945) | (59.16) |
| 1995 | 95,314 | 53,384 | 56.01 | - | 0.00 | 53,384 | 56.01 |
| 1996 | 768,898 | 59,235 | 7.70 | - | 0.00 | 59,235 | 7.70 |
| 1997 | 101,822 | 12,859 | 12.63 | - | 0.00 | 12,859 | 12.63 |
| 1998 | 557,598 | 39,782 | 7.13 | - | 0.00 | 39,782 | 7.13 |
| 1999 | 68,322 | 549,019 | 803.58 | - | 0.00 | 549,019 | 803.58 |
| 2000 | 6,900 | 460,839 | 6,678.83 | 166,425 | 2,411.96 | 294,414 | 4,266.87 |
| 2001 | 481,086 | 183,363 | 38.11 | 74,742 | 15.54 | 108,621 | 22.58 |
| 2002 | 326,727 | 806,900 | 246.96 | 40,609 | 12.43 | 766,291 | 234.54 |
| 2003 | 162,714 | 104,884 | 64.46 | - | 0.00 | 104,884 | 64.46 |
| 2004 | 224,236 | 33,482 | 14.93 | - | 0.00 | 33,482 | 14.93 |
| 2005 | 89,214 | 106,368 | 119.23 | - | 0.00 | 106,368 | 119.23 |
| 2006 | 123,323 | 3,670 | 2.98 | - | 0.00 | 3,670 | 2.98 |
| 2007 | 328,179 | 20,059 | 6.11 | - | 0.00 | 20,059 | 6.11 |
| 2008 | 1,882,466 | 34,785 | 1.85 | - | 0.00 | 34,785 | 1.85 |
| 2009 | 466,844 | 80,745 | 17.30 | - | 0.00 | 80,745 | 17.30 |
| 2010 | 179,744 | 107,482 | 59.80 | - | 0.00 | 107,482 | 59.80 |
| 2011 | 847,928 | 930,685 | 109.76 | - | 0.00 | 930,685 | 109.76 |
| 2012 | 1,967,265 | 173,282 | 8.81 | 7,023 | 0.36 | 166,260 | 8.45 |
| All Years | 9,410,428 | 4,200,097 | 44.63 | 319,130 | 3.39 | 3,880,967 | 41.24 |
| 20-Yr Band | 8,908,333 | 3,830,536 | 43.00 | 288,799 | 3.24 | 3,541,737 | 39.76 |
| 15-Yr Band | 7,712,546 | 3,635,346 | 47.14 | 288,799 | 3.74 | 3,346,548 | 43.39 |
| 10-Yr Band | 6,271,912 | 1,595,443 | 25.44 | 7,023 | 0.11 | 1,588,421 | 25.33 |
| 5-Yr Band | 5,344,246 | 1,326,980 | 24.83 | 7,023 | 0.13 | 1,319,957 | 24.70 |
| 4-Yr Band | 3,461,780 | 1,292,195 | 37.33 | 7,023 | 0.20 | 1,285,172 | 37.12 |

| | |
|-----------------------------|------------|
| Cost of Removal | 30% |
| Salvage | 0% |
| Proposed Net Removal | 30% |

2005 Net Removal of Interim Retirements: 35%
 2009 Net Removal of Interim Retirements: 30%

Rather sporadic net removal results by year, as well as when smoothed by averaging. The trend in the prior Study of decreasing net removal is still generally indicated, though less significant. Considering the current net removal of 30% is between the indications of the longer and shorter bands, no change is recommended.

NET REMOVAL COST

Account 358 - Underground Conductors

| Year | Retirements | Cost of | Cost of | Salvage | Salvage | Net | Net |
|------------|-------------|---------|---------|---------|---------|---------|---------|
| | | Removal | Removal | \$ | % | Removal | Removal |
| | | \$ | % | \$ | % | \$ | % |
| 1981 | - | - | - | - | - | 0 | - |
| 1982 | - | - | - | - | - | 0 | - |
| 1983 | - | - | - | - | - | 0 | - |
| 1984 | - | - | - | - | - | 0 | - |
| 1985 | - | - | - | - | - | 0 | - |
| 1986 | - | - | - | - | - | 0 | - |
| 1987 | - | - | - | - | - | 0 | - |
| 1988 | - | - | - | - | - | 0 | - |
| 1989 | - | - | - | - | - | 0 | - |
| 1990 | - | - | - | - | - | 0 | - |
| 1991 | - | - | - | - | - | 0 | - |
| 1992 | - | - | - | - | - | 0 | - |
| 1993 | - | - | - | - | - | 0 | - |
| 1994 | - | - | - | - | - | 0 | - |
| 1995 | - | - | - | - | - | 0 | - |
| 1996 | - | - | - | - | - | 0 | - |
| 1997 | - | - | - | - | - | 0 | - |
| 1998 | - | - | - | - | - | 0 | - |
| 1999 | - | - | - | - | - | 0 | - |
| 2000 | - | - | - | - | - | 0 | - |
| 2001 | - | - | - | - | - | 0 | - |
| 2002 | - | - | - | - | - | 0 | - |
| 2003 | - | - | - | - | - | 0 | - |
| 2004 | - | 8,005 | - | - | - | 8,005 | - |
| 2005 | 18,423 | - | 0.00 | - | 0.00 | 0 | 0.00 |
| 2006 | - | - | - | - | - | 0 | - |
| 2007 | - | - | - | - | - | 0 | - |
| 2008 | - | - | - | - | - | 0 | - |
| 2009 | - | - | - | - | - | 0 | - |
| 2010 | - | - | - | - | - | 0 | - |
| 2011 | - | - | - | - | - | 0 | - |
| 2012 | - | 2,597 | - | - | - | 2,597 | - |
| All Years | 18,423 | 10,602 | 57.55 | 0 | 0.00 | 10,602 | 57.55 |
| 20-Yr Band | 18,423 | 10,602 | 57.55 | 0 | 0.00 | 10,602 | 57.55 |
| 15-Yr Band | 18,423 | 10,602 | 57.55 | 0 | 0.00 | 10,602 | 57.55 |
| 10-Yr Band | 18,423 | 10,602 | 57.55 | 0 | 0.00 | 10,602 | 57.55 |
| 5-Yr Band | 0 | 2,597 | - | 0 | - | 2,597 | - |
| 4-Yr Band | 0 | 2,597 | - | 0 | - | 2,597 | - |

| | |
|-----------------------------|-----------|
| Cost of Removal | 0% |
| Salvage | 0% |
| Proposed Net Removal | 0% |

2005 Net Removal of Interim Retirements: 0%
 2009 Net Removal of Interim Retirements: 0%

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

Gulf Power Company

NET REMOVAL COST

Account 361 - Structures & Improvements

| Year | Retirements | Cost of | Cost of | Salvage | | Net | Net |
|------------|-------------|---------|---------|---------|-------|----------|---------|
| | | Removal | Removal | \$ | % | Removal | Removal |
| | | \$ | % | \$ | % | \$ | % |
| 1981 | 13,925 | 380 | 2.73 | - | 0.00 | 380 | 2.73 |
| 1982 | 23,341 | 20,418 | 87.48 | - | 0.00 | 20,418 | 87.48 |
| 1983 | 11,235 | 121 | 1.08 | - | 0.00 | 121 | 1.08 |
| 1984 | 18,025 | 176 | 0.97 | - | 0.00 | 176 | 0.97 |
| 1985 | 491 | 245 | 49.92 | 25 | 5.10 | 220 | 44.83 |
| 1986 | 321 | 577 | 180.02 | - | 0.00 | 577 | 180.02 |
| 1987 | 54,502 | 10,754 | 19.73 | 752 | 1.38 | 10,002 | 18.35 |
| 1988 | 41,607 | 3,050 | 7.33 | 20 | 0.05 | 3,030 | 7.28 |
| 1989 | 14,862 | 2,578 | 17.34 | 48 | 0.32 | 2,530 | 17.02 |
| 1990 | 58,904 | 8,656 | 14.69 | 415 | 0.70 | 8,241 | 13.99 |
| 1991 | 207,417 | 13,044 | 6.29 | 502 | 0.24 | 12,542 | 6.05 |
| 1992 | 31,944 | 3,262 | 10.21 | - | 0.00 | 3,262 | 10.21 |
| 1993 | 86,776 | 3,649 | 4.21 | - | 0.00 | 3,649 | 4.21 |
| 1994 | 26,674 | 8,576 | 32.15 | - | 0.00 | 8,576 | 32.15 |
| 1995 | 25,393 | 456 | 1.79 | 723 | 2.85 | (268) | (1.05) |
| 1996 | 6,621 | 1,462 | 22.08 | - | 0.00 | 1,462 | 22.08 |
| 1997 | 114,903 | 893 | 0.78 | - | 0.00 | 893 | 0.78 |
| 1998 | 46,129 | 744 | 1.61 | - | 0.00 | 744 | 1.61 |
| 1999 | 73,738 | 640 | 0.87 | - | 0.00 | 640 | 0.87 |
| 2000 | 10,842 | 4,576 | 42.21 | - | 0.00 | 4,576 | 42.21 |
| 2001 | 16,725 | 381 | 2.28 | - | 0.00 | 381 | 2.28 |
| 2002 | 65,146 | 4,781 | 7.34 | - | 0.00 | 4,781 | 7.34 |
| 2003 | 33,602 | 1,131 | 3.37 | - | 0.00 | 1,131 | 3.37 |
| 2004 | 29,781 | 3,142 | 10.55 | - | 0.00 | 3,142 | 10.55 |
| 2005 | 50,784 | 791 | 1.56 | - | 0.00 | 791 | 1.56 |
| 2006 | 34,680 | 1,385 | 3.99 | - | 0.00 | 1,385 | 3.99 |
| 2007 | 19,510 | - | 0.00 | - | 0.00 | 0 | 0.00 |
| 2008 | 12,567 | 11,741 | 93.43 | - | 0.00 | 11,741 | 93.43 |
| 2009 | 54,009 | 81,931 | 151.70 | - | 0.00 | 81,931 | 151.70 |
| 2010 | 15,444 | 870 | 5.63 | - | 0.00 | 870 | 5.63 |
| 2011 | 4,670 | (153) | (3.28) | - | 0.00 | (153) | (3.28) |
| 2012 | 64,372 | 726 | 1.13 | 20,265 | 31.48 | (19,538) | (30.35) |
| All Years | 1,268,938 | 190,983 | 15.05 | 22,750 | 1.79 | 168,233 | 13.26 |
| 20-Yr Band | 792,365 | 127,721 | 16.12 | 20,988 | 2.65 | 106,733 | 13.47 |
| 15-Yr Band | 531,999 | 112,685 | 21.18 | 20,265 | 3.81 | 92,421 | 17.37 |
| 10-Yr Band | 319,419 | 101,563 | 31.80 | 20,265 | 6.34 | 81,298 | 25.45 |
| 5-Yr Band | 151,062 | 95,115 | 62.96 | 20,265 | 13.41 | 74,850 | 49.55 |
| 4-Yr Band | 138,495 | 83,374 | 60.20 | 20,265 | 14.63 | 63,109 | 45.57 |

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

2005 Net Removal of Interim Retirements: 5%
 2009 Net Removal of Interim Retirements: 5%

Relatively few retirements. The averaged data is relatively consistent, except for the high net removal in 2009 and the high salvage in 2012. Rest of data indicates net removal of about 5%, which is consistent with industry experience and Gulf's similar accounts. There is no compelling reason to change the current rate.

NET REMOVAL COST

Account 362 - Station Equipment

| Year | Retirements | Cost of | Cost of | Salvage | Salvage | Net | Net |
|------------|-------------|-----------|---------|---------|---------|-----------|---------|
| | | Removal | Removal | \$ | % | Removal | Removal |
| | | \$ | % | \$ | % | \$ | % |
| 1981 | 385,667 | 14,981 | 3.88 | - | 0.00 | 14,981 | 3.88 |
| 1982 | 569,643 | 67,676 | 11.88 | - | 0.00 | 67,676 | 11.88 |
| 1983 | 338,452 | 14,385 | 4.25 | - | 0.00 | 14,385 | 4.25 |
| 1984 | 745,918 | 10,388 | 1.39 | - | 0.00 | 10,388 | 1.39 |
| 1985 | 176,650 | 4,494 | 2.54 | - | 0.00 | 4,494 | 2.54 |
| 1986 | 118,883 | 2,377 | 2.00 | - | 0.00 | 2,377 | 2.00 |
| 1987 | 487,083 | 24,108 | 4.95 | - | 0.00 | 24,108 | 4.95 |
| 1988 | 860,201 | 19,767 | 2.30 | - | 0.00 | 19,767 | 2.30 |
| 1989 | 601,523 | 160,116 | 26.62 | - | 0.00 | 160,116 | 26.62 |
| 1990 | 630,557 | 71,269 | 11.30 | - | 0.00 | 71,269 | 11.30 |
| 1991 | 1,814,875 | 160,866 | 8.86 | - | 0.00 | 160,866 | 8.86 |
| 1992 | 1,422,788 | 268,476 | 18.87 | - | 0.00 | 268,476 | 18.87 |
| 1993 | 1,047,398 | 284,625 | 27.17 | - | 0.00 | 284,625 | 27.17 |
| 1994 | 453,480 | 210,094 | 46.33 | - | 0.00 | 210,094 | 46.33 |
| 1995 | 598,512 | 41,219 | 6.89 | - | 0.00 | 41,219 | 6.89 |
| 1996 | 494,356 | 28,894 | 5.84 | - | 0.00 | 28,894 | 5.84 |
| 1997 | 2,140,446 | 51,512 | 2.41 | - | 0.00 | 51,512 | 2.41 |
| 1998 | 515,603 | 39,181 | 7.60 | - | 0.00 | 39,181 | 7.60 |
| 1999 | 1,451,604 | 20,008 | 1.38 | - | 0.00 | 20,008 | 1.38 |
| 2000 | 1,324,658 | 102,163 | 7.71 | - | 0.00 | 102,163 | 7.71 |
| 2001 | 602,130 | 7,550 | 1.25 | - | 0.00 | 7,550 | 1.25 |
| 2002 | 872,475 | 112,232 | 12.86 | - | 0.00 | 112,232 | 12.86 |
| 2003 | 1,404,145 | 95,432 | 6.80 | - | 0.00 | 95,432 | 6.80 |
| 2004 | 805,413 | 138,178 | 17.16 | - | 0.00 | 138,178 | 17.16 |
| 2005 | 1,426,223 | 116,847 | 8.19 | - | 0.00 | 116,847 | 8.19 |
| 2006 | 1,810,524 | 298,793 | 16.50 | 250 | 0.01 | 298,543 | 16.49 |
| 2007 | 2,378,927 | 382,190 | 16.07 | 215,931 | 9.08 | 166,259 | 6.99 |
| 2008 | 1,597,784 | 114,855 | 7.19 | 53,838 | 3.37 | 61,017 | 3.82 |
| 2009 | 1,272,952 | 216,095 | 16.98 | 45,118 | 3.54 | 170,977 | 13.43 |
| 2010 | 603,627 | 130,773 | 21.66 | 15,193 | 2.52 | 115,580 | 19.15 |
| 2011 | 1,952,133 | 358,724 | 18.38 | 4,717 | 0.24 | 354,007 | 18.13 |
| 2012 | 1,501,930 | 210,304 | 14.00 | 110,061 | 7.33 | 100,243 | 6.67 |
| All Years | 32,406,561 | 3,778,571 | 11.66 | 445,107 | 1.37 | 3,333,464 | 10.29 |
| 20-Yr Band | 24,254,320 | 2,959,669 | 12.20 | 445,107 | 1.84 | 2,514,562 | 10.37 |
| 15-Yr Band | 19,520,128 | 2,343,325 | 12.00 | 445,107 | 2.28 | 1,898,218 | 9.72 |
| 10-Yr Band | 14,753,657 | 2,062,192 | 13.98 | 445,107 | 3.02 | 1,617,084 | 10.96 |
| 5-Yr Band | 6,928,426 | 1,030,751 | 14.88 | 228,926 | 3.30 | 801,825 | 11.57 |
| 4-Yr Band | 5,330,642 | 915,896 | 17.18 | 175,088 | 3.28 | 740,808 | 13.90 |

| | |
|-----------------------------|------------|
| Cost of Removal | 10% |
| Salvage | 2% |
| Proposed Net Removal | 8% |

2005 Net Removal of Interim Retirements: 5%
 2009 Net Removal of Interim Retirements: 5%

The net removal indications from the data are similar to those of the prior study, though higher by approximately 2% points. Indications, as is, are generally 10%. Consistent with the data indications, the A/C 353 data, and the experience of industry, an increase in net removal is indicated. Move towards the indications with proposed 8%.

NET REMOVAL COST

Account 364 - Poles

| Year | Adj Retirements + Prorata W.O. | Cost of | Cost of | Salvage | Salvage | Net | Net |
|------------|-----------------------------------|------------|---------|-----------|---------|------------|---------|
| | | Removal | Removal | | | Removal | Removal |
| | | \$ | % | \$ | % | \$ | % |
| 1981 | 389,385 | 147,973 | 38.00 | 111,714 | 28.69 | 36,259 | 9.31 |
| 1982 | 409,648 | 182,138 | 44.46 | 157,555 | 38.46 | 24,582 | 6.00 |
| 1983 | 287,932 | 84,306 | 29.28 | 171,382 | 59.52 | (87,076) | (30.24) |
| 1984 | 404,534 | 160,344 | 39.64 | 407,987 | 100.85 | (247,643) | (61.22) |
| 1985 | 690,552 | 446,348 | 64.64 | 367,319 | 53.19 | 79,029 | 11.44 |
| 1986 | 605,769 | 788,691 | 130.20 | 454,376 | 75.01 | 334,316 | 55.19 |
| 1987 | 630,290 | 869,993 | 138.03 | 222,448 | 35.29 | 647,545 | 102.74 |
| 1988 | 801,209 | 1,252,990 | 156.39 | 100,303 | 12.52 | 1,152,688 | 143.87 |
| 1989 | 929,338 | 944,145 | 101.59 | 245,865 | 26.46 | 698,280 | 75.14 |
| 1990 | 827,535 | 1,212,502 | 146.52 | 384,911 | 46.51 | 827,591 | 100.01 |
| 1991 | 1,020,705 | 1,498,194 | 146.78 | 56,981 | 5.58 | 1,441,213 | 141.20 |
| 1992 | 1,429,627 | 1,409,171 | 98.57 | 267,469 | 18.71 | 1,141,702 | 79.86 |
| 1993 | 1,792,291 | 1,259,065 | 70.25 | 682,844 | 38.10 | 576,221 | 32.15 |
| 1994 | 966,250 | 1,321,323 | 136.75 | 218,251 | 22.59 | 1,103,072 | 114.16 |
| 1995 | 1,345,358 | 1,383,841 | 102.86 | 377,808 | 28.08 | 1,006,033 | 74.78 |
| 1996 | 1,485,151 | 1,003,655 | 67.58 | 119,983 | 8.08 | 883,672 | 59.50 |
| 1997 | 986,819 | 888,264 | 90.01 | 406,654 | 41.21 | 481,610 | 48.80 |
| 1998 | 1,249,691 | 697,338 | 55.80 | (218,037) | (17.45) | 915,375 | 73.25 |
| 1999 | 1,473,196 | 648,318 | 44.01 | (31,253) | (2.12) | 679,571 | 46.13 |
| 2000 | 980,349 | 762,673 | 77.80 | 158,136 | 16.13 | 604,537 | 61.67 |
| 2001 | 1,385,598 | 1,301,443 | 93.93 | 157,312 | 11.35 | 1,144,131 | 82.57 |
| 2002 | 1,055,904 | 965,935 | 91.48 | (178,971) | (16.95) | 1,144,906 | 108.43 |
| 2003 | 902,460 | 515,784 | 57.15 | 266,992 | 29.58 | 248,793 | 27.57 |
| 2004 | 1,039,642 | 1,026,212 | 98.71 | 226,192 | 21.76 | 800,020 | 76.95 |
| 2005 | 739,144 | 378,010 | 51.14 | 131,630 | 17.81 | 246,380 | 33.33 |
| 2006 | 977,160 | 706,075 | 72.26 | 230,532 | 23.59 | 475,543 | 48.67 |
| 2007 | 1,124,641 | 816,237 | 72.58 | 57,044 | 5.07 | 759,193 | 67.51 |
| 2008 | 1,216,609 | 1,095,036 | 90.01 | 76,851 | 6.32 | 1,018,185 | 83.69 |
| 2009 | 1,349,771 | 1,178,477 | 87.31 | 23,122 | 1.71 | 1,155,355 | 85.60 |
| 2010 | 1,504,780 | 1,875,785 | 124.66 | 60,795 | 4.04 | 1,814,989 | 120.61 |
| 2011 | 1,715,214 | 2,085,608 | 121.59 | 23,782 | 1.39 | 2,061,846 | 120.21 |
| 2012 | 1,419,539 | 2,049,964 | 144.41 | (19,824) | (1.40) | 2,069,788 | 145.81 |
| All Years | 33,136,090 | 30,955,841 | 93.42 | 5,718,134 | 17.26 | 25,237,707 | 76.16 |
| 20-Yr Band | 24,709,568 | 21,959,045 | 88.87 | 2,769,824 | 11.21 | 19,189,220 | 77.66 |
| 15-Yr Band | 18,133,698 | 16,102,896 | 88.80 | 964,283 | 5.32 | 15,138,613 | 83.48 |
| 10-Yr Band | 11,988,959 | 11,727,189 | 97.82 | 1,077,096 | 8.98 | 10,650,093 | 88.83 |
| 5-Yr Band | 7,205,913 | 8,284,870 | 114.97 | 164,707 | 2.29 | 8,120,164 | 112.69 |
| 4-Yr Band | 5,989,304 | 7,189,834 | 120.04 | 87,855 | 1.47 | 7,101,979 | 118.58 |

| | |
|-----------------------------|------------|
| Cost of Removal | 80% |
| Salvage | 10% |
| Proposed Net Removal | 70% |

2005 Net Removal of Interim Retirements: 75%
 2009 Net Removal of Interim Retirements: 75%

The historical data indicates significant net removal. The write off of retirements in 2012 have been spread to all years of the analysis and has the effect of decreasing net removal. The indications have been relatively consistent across bands, though increasing. In prior study, the most recent years had somewhat less net removal. The indications are toward the higher end of the expected industry range. While awaiting for confirmation of the trend from future data, move towards the higher indications by using 70%, which is decrease from the prior study.

NET REMOVAL COST

Account 365 - Overhead Conductors

| Year | Retirements | Cost of | | Salvage | | Net | Net |
|------------|-------------|------------|---------|-----------|-------|-----------|---------|
| | | Removal | Removal | \$ | % | Removal | Removal |
| | | \$ | % | \$ | % | \$ | % |
| 1981 | 208,373 | 112,394 | 53.94 | 74,657 | 35.83 | 37,737 | 18.11 |
| 1982 | 212,102 | 124,735 | 58.81 | 110,600 | 52.14 | 14,136 | 6.66 |
| 1983 | 153,969 | 112,887 | 73.32 | 79,409 | 51.57 | 33,478 | 21.74 |
| 1984 | 206,121 | 224,751 | 109.04 | 50,711 | 24.60 | 174,040 | 84.44 |
| 1985 | 353,276 | 197,232 | 55.83 | 131,454 | 37.21 | 65,778 | 18.62 |
| 1986 | 392,700 | 132,146 | 33.65 | 157,595 | 40.13 | (25,449) | (6.48) |
| 1987 | 461,841 | 161,218 | 34.91 | 377,278 | 81.69 | (216,060) | (46.78) |
| 1988 | 846,928 | 282,415 | 33.35 | 578,461 | 68.30 | (296,046) | (34.96) |
| 1989 | 566,595 | 140,319 | 24.77 | 514,213 | 90.75 | (373,894) | (65.99) |
| 1990 | 547,143 | 206,272 | 37.70 | 545,004 | 99.61 | (338,732) | (61.91) |
| 1991 | 853,717 | 269,571 | 31.58 | 395,944 | 46.38 | (126,373) | (14.80) |
| 1992 | 910,350 | 847,938 | 93.14 | 704,566 | 77.40 | 143,372 | 15.75 |
| 1993 | 962,049 | 949,996 | 98.75 | 330,194 | 34.32 | 619,802 | 64.43 |
| 1994 | 724,715 | 775,754 | 107.04 | 546,516 | 75.41 | 229,238 | 31.63 |
| 1995 | 973,550 | 632,539 | 64.97 | 590,316 | 60.64 | 42,223 | 4.34 |
| 1996 | 1,419,209 | 220,411 | 15.53 | 661,312 | 46.60 | (440,900) | (31.07) |
| 1997 | 715,609 | 274,918 | 38.42 | 417,756 | 58.38 | (142,838) | (19.96) |
| 1998 | 1,079,375 | 371,600 | 34.43 | 527,615 | 48.88 | (156,015) | (14.45) |
| 1999 | 924,677 | 306,712 | 33.17 | 224,849 | 24.32 | 81,863 | 8.85 |
| 2000 | 957,158 | 413,261 | 43.18 | 182,929 | 19.11 | 230,332 | 24.06 |
| 2001 | 1,001,781 | 531,740 | 53.08 | 203,270 | 20.29 | 328,470 | 32.79 |
| 2002 | 916,215 | 620,388 | 67.71 | 253,781 | 27.70 | 366,607 | 40.01 |
| 2003 | 633,603 | 525,481 | 82.94 | 64,620 | 10.20 | 460,862 | 72.74 |
| 2004 | 635,967 | 528,102 | 83.04 | 67,908 | 10.68 | 460,194 | 72.36 |
| 2005 | 602,103 | 345,841 | 57.44 | 118,931 | 19.75 | 226,910 | 37.69 |
| 2006 | 1,324,230 | 696,639 | 52.61 | 135,184 | 10.21 | 561,455 | 42.40 |
| 2007 | 793,034 | 803,430 | 101.31 | 236,807 | 29.86 | 566,623 | 71.45 |
| 2008 | 736,229 | 591,709 | 80.37 | 215,155 | 29.22 | 376,554 | 51.15 |
| 2009 | 449,915 | 478,721 | 106.40 | 130,767 | 29.06 | 347,954 | 77.34 |
| 2010 | 945,737 | 1,001,527 | 105.90 | 187,788 | 19.86 | 813,739 | 86.04 |
| 2011 | 864,992 | 803,137 | 92.85 | 410,088 | 47.41 | 393,049 | 45.44 |
| 2012 | 739,037 | 660,315 | 89.35 | 245,883 | 33.27 | 414,432 | 56.08 |
| All Years | 23,112,303 | 14,344,100 | 62.06 | 9,471,561 | 40.98 | 4,872,539 | 21.08 |
| 20-Yr Band | 17,399,186 | 11,532,222 | 66.28 | 5,751,670 | 33.06 | 5,780,552 | 33.22 |
| 15-Yr Band | 12,604,054 | 8,678,603 | 68.86 | 3,205,576 | 25.43 | 5,473,028 | 43.42 |
| 10-Yr Band | 7,724,848 | 6,434,902 | 83.30 | 1,813,131 | 23.47 | 4,621,771 | 59.83 |
| 5-Yr Band | 3,735,911 | 3,535,409 | 94.63 | 1,189,681 | 31.84 | 2,345,727 | 62.79 |
| 4-Yr Band | 2,999,682 | 2,943,700 | 98.13 | 974,526 | 32.49 | 1,969,173 | 65.65 |

| | |
|-----------------------------|------------|
| Cost of Removal | 55% |
| Salvage | 30% |
| Proposed Net Removal | 25% |

2005 Net Removal of Interim Retirements: 10%
 2009 Net Removal of Interim Retirements: 20%

The data continues to show an increasing trend for net removal for this account. The recloser activity of 2009-2012 was deemed to be abnormal and excluded from the data above. Its salvage was relatively high. Even if all of this activity was included, the net removal was an indicated 25%. Reflect the increasing net removal trend and move towards the indications. Increase net removal to 25%.

NET REMOVAL COST

Account 366 - Underground Conduit

| Year | Retirements | Cost of | | Salvage | | Net | |
|------------|-------------|---------|---------|---------|-----------|----------|-------------|
| | | Removal | Removal | \$ | % | Removal | Removal |
| | | \$ | % | \$ | % | \$ | % |
| 1981 | 79 | 52 | 65.57 | 12,089 | 15,286.79 | (12,037) | (15,221.22) |
| 1982 | 2,505 | 1,791 | 71.50 | 2,069 | 82.62 | (278) | (11.12) |
| 1983 | - | - | - | - | - | 0 | - |
| 1984 | - | - | - | - | - | 0 | - |
| 1985 | - | - | - | - | - | 0 | - |
| 1986 | 5,735 | - | 0.00 | - | 0.00 | 0 | 0.00 |
| 1987 | 3,084 | 8,017 | 259.95 | - | 0.00 | 8,017 | 259.95 |
| 1988 | 1,423 | 4,698 | 330.06 | - | 0.00 | 4,698 | 330.06 |
| 1989 | 474 | 805 | 169.83 | - | 0.00 | 805 | 169.83 |
| 1990 | 7,592 | 7,728 | 101.79 | - | 0.00 | 7,728 | 101.79 |
| 1991 | 1,614 | 9,040 | 560.10 | - | 0.00 | 9,040 | 560.10 |
| 1992 | 270 | (5) | (1.90) | - | 0.00 | (5) | (1.90) |
| 1993 | 135 | 60 | 44.12 | - | 0.00 | 60 | 44.12 |
| 1994 | - | - | - | - | - | 0 | - |
| 1995 | 170 | - | 0.00 | - | 0.00 | 0 | 0.00 |
| 1996 | - | - | - | - | - | 0 | - |
| 1997 | - | - | - | - | - | 0 | - |
| 1998 | - | - | - | - | - | 0 | - |
| 1999 | - | - | - | - | - | 0 | - |
| 2000 | - | - | - | - | - | 0 | - |
| 2001 | - | - | - | - | - | 0 | - |
| 2002 | - | - | - | - | - | 0 | - |
| 2003 | - | - | - | - | - | 0 | - |
| 2004 | - | - | - | - | - | 0 | - |
| 2005 | 34,385 | 1,450 | 4.22 | - | 0.00 | 1,450 | 4.22 |
| 2006 | - | - | - | - | - | 0 | - |
| 2007 | - | 11 | - | - | - | 11 | - |
| 2008 | - | - | - | - | - | 0 | - |
| 2009 | - | - | - | - | - | 0 | - |
| 2010 | - | - | - | - | - | 0 | - |
| 2011 | - | - | - | - | - | 0 | - |
| 2012 | - | - | - | - | - | 0 | - |
| All Years | 57,466 | 33,646 | 58.55 | 14,158 | 24.64 | 19,489 | 33.91 |
| 20-Yr Band | 34,690 | 1,521 | 4.38 | 0 | 0.00 | 1,521 | 4.38 |
| 15-Yr Band | 34,385 | 1,461 | 4.25 | 0 | 0.00 | 1,461 | 4.25 |
| 10-Yr Band | 34,385 | 1,461 | 4.25 | 0 | 0.00 | 1,461 | 4.25 |
| 5-Yr Band | 0 | 0 | - | 0 | - | 0 | - |
| 4-Yr Band | 0 | 0 | - | 0 | - | 0 | - |

| | |
|-----------------------------|-----------|
| Cost of Removal | 0% |
| Salvage | 0% |
| Proposed Net Removal | 0% |

2005 Net Removal of Interim Retirements: 0%
 2009 Net Removal of Interim Retirements: 0%

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

NET REMOVAL COST

Account 367 - Underground Conductors

| Year | Retirements | Cost of Removal | | Salvage | | Net Removal | |
|------------|-------------|-----------------|-------|-----------|--------|-------------|----------|
| | | \$ | % | \$ | % | \$ | % |
| 1981 | 2,221 | 546 | 24.59 | 415 | 18.67 | 132 | 5.93 |
| 1982 | 6,946 | 4,953 | 71.30 | 5,077 | 73.09 | (125) | (1.79) |
| 1983 | 1,077 | 68 | 6.27 | 1,379 | 128.01 | (1,311) | (121.74) |
| 1984 | 16,843 | 238 | 1.41 | 3,751 | 22.27 | (3,513) | (20.86) |
| 1985 | 51,792 | 3,107 | 6.00 | 28,354 | 54.75 | (25,247) | (48.75) |
| 1986 | 41,297 | 2,475 | 5.99 | 14,409 | 34.89 | (11,934) | (28.90) |
| 1987 | 41,200 | 3,179 | 7.72 | 14,123 | 34.28 | (10,944) | (26.56) |
| 1988 | 84,370 | 16,870 | 20.00 | 31,705 | 37.58 | (14,835) | (17.58) |
| 1989 | 52,108 | 3,314 | 6.36 | 26,233 | 50.34 | (22,919) | (43.98) |
| 1990 | 29,823 | 9,847 | 33.02 | 12,056 | 40.43 | (2,209) | (7.41) |
| 1991 | 33,304 | 3,935 | 11.82 | 14,784 | 44.39 | (10,849) | (32.58) |
| 1992 | 92,797 | 10,439 | 11.25 | 1,780 | 1.92 | 8,659 | 9.33 |
| 1993 | 70,947 | 4,480 | 6.31 | 2,131 | 3.00 | 2,349 | 3.31 |
| 1994 | 141,689 | 25,910 | 18.29 | 4,162 | 2.94 | 21,748 | 15.35 |
| 1995 | 206,658 | 97,390 | 47.13 | 38,112 | 18.44 | 59,278 | 28.68 |
| 1996 | 165,154 | 23,578 | 14.28 | 58,246 | 35.27 | (34,669) | (20.99) |
| 1997 | 339,553 | 45,685 | 13.45 | 28,792 | 8.48 | 16,893 | 4.98 |
| 1998 | 397,981 | 76,568 | 19.24 | 102,153 | 25.67 | (25,585) | (6.43) |
| 1999 | 412,432 | 61,324 | 14.87 | 69,010 | 16.73 | (7,686) | (1.86) |
| 2000 | 651,004 | 85,808 | 13.18 | 182,170 | 27.98 | (96,362) | (14.80) |
| 2001 | 380,600 | 119,771 | 31.47 | 83,526 | 21.95 | 36,245 | 9.52 |
| 2002 | 521,005 | 136,261 | 26.15 | 138,863 | 26.65 | (2,602) | (0.50) |
| 2003 | 404,525 | 86,679 | 21.43 | 23,475 | 5.80 | 63,204 | 15.62 |
| 2004 | 293,438 | 69,946 | 23.84 | 24,695 | 8.42 | 45,252 | 15.42 |
| 2005 | 342,060 | 73,666 | 21.54 | 22,310 | 6.52 | 51,356 | 15.01 |
| 2006 | 723,509 | 137,812 | 19.05 | 31,539 | 4.36 | 106,273 | 14.69 |
| 2007 | 808,014 | 204,519 | 25.31 | 72,142 | 8.93 | 132,377 | 16.38 |
| 2008 | 364,300 | 141,917 | 38.96 | 21,759 | 5.97 | 120,158 | 32.98 |
| 2009 | 526,743 | 125,755 | 23.87 | 31,546 | 5.99 | 94,209 | 17.89 |
| 2010 | 457,351 | 152,497 | 33.34 | 29,198 | 6.38 | 123,299 | 26.96 |
| 2011 | 504,490 | 138,472 | 27.45 | 58,303 | 11.56 | 80,169 | 15.89 |
| 2012 | 857,653 | 190,637 | 22.23 | 110,579 | 12.89 | 80,058 | 9.33 |
| All Years | 9,022,883 | 2,057,647 | 22.80 | 1,286,777 | 14.26 | 770,869 | 8.54 |
| 20-Yr Band | 8,569,105 | 1,998,676 | 23.32 | 1,132,712 | 13.22 | 865,965 | 10.11 |
| 15-Yr Band | 7,645,105 | 1,801,634 | 23.57 | 1,001,268 | 13.10 | 800,366 | 10.47 |
| 10-Yr Band | 5,282,083 | 1,321,901 | 25.03 | 425,546 | 8.06 | 896,356 | 16.97 |
| 5-Yr Band | 2,710,536 | 749,278 | 27.64 | 251,385 | 9.27 | 497,894 | 18.37 |
| 4-Yr Band | 2,346,236 | 607,361 | 25.89 | 229,626 | 9.79 | 377,736 | 16.10 |

| | |
|-----------------------------|------------|
| Cost of Removal | 22% |
| Salvage | 12% |
| Proposed Net Removal | 10% |

2005 Net Removal of Interim Retirements: 0%
 2009 Net Removal of Interim Retirements: 8%

Relatively stable historical removal data with lower salvage since approximately 2000, which results in a trend of increasing net removal in the longer bands. The recent indications of the most recent 4 to 10 years is approximately 15% net removal. Generally, indications are approximately 3% points more than the prior Study. Nature of property does not generally suggest a high net removal. Based on data, move towards indications by increasing net removal to 10%.

NET REMOVAL COST

Account 368 - Line Transformers

| Year | Retirements | Cost of | Cost of | Salvage | Salvage | Net | Net |
|------------|-------------|------------|---------|-----------|---------|------------|---------|
| | | Removal | Removal | | | Removal | Removal |
| | | \$ | % | \$ | % | \$ | % |
| 1981 | 1,612,541 | 316,766 | 19.64 | 62,579 | 3.88 | 254,188 | 15.76 |
| 1982 | 985,805 | 341,802 | 34.67 | 78,527 | 7.97 | 263,275 | 26.71 |
| 1983 | 963,663 | 109,885 | 11.40 | 84,754 | 8.80 | 25,131 | 2.61 |
| 1984 | 1,013,668 | 122,088 | 12.04 | 79,858 | 7.88 | 42,230 | 4.17 |
| 1985 | 660,016 | 218,821 | 33.15 | 89,800 | 13.61 | 129,021 | 19.55 |
| 1986 | 1,292,812 | 339,705 | 26.28 | 120,205 | 9.30 | 219,500 | 16.98 |
| 1987 | 1,208,019 | 301,787 | 24.98 | 103,233 | 8.55 | 198,554 | 16.44 |
| 1988 | 984,247 | 423,973 | 43.08 | 93,117 | 9.46 | 330,857 | 33.62 |
| 1989 | 860,372 | 347,108 | 40.34 | 134,907 | 15.68 | 212,201 | 24.66 |
| 1990 | 1,588,977 | 568,282 | 35.76 | 84,850 | 5.34 | 483,432 | 30.42 |
| 1991 | 1,742,690 | 815,800 | 46.81 | 102,119 | 5.86 | 713,681 | 40.95 |
| 1992 | 1,693,070 | 632,060 | 37.33 | 153,332 | 9.06 | 478,727 | 28.28 |
| 1993 | 2,206,911 | 924,443 | 41.89 | 167,374 | 7.58 | 757,069 | 34.30 |
| 1994 | 1,480,304 | 647,875 | 43.77 | 112,017 | 7.57 | 535,858 | 36.20 |
| 1995 | 2,710,176 | 982,748 | 36.26 | 204,291 | 7.54 | 778,457 | 28.72 |
| 1996 | 2,001,774 | 573,201 | 28.63 | 123,915 | 6.19 | 449,286 | 22.44 |
| 1997 | 1,378,028 | 547,916 | 39.76 | 136,515 | 9.91 | 411,401 | 29.85 |
| 1998 | 1,981,322 | 555,011 | 28.01 | 184,346 | 9.30 | 370,665 | 18.71 |
| 1999 | 2,356,519 | 614,295 | 26.07 | 69,238 | 2.94 | 545,057 | 23.13 |
| 2000 | 2,556,182 | 688,741 | 26.94 | 68,603 | 2.68 | 620,138 | 24.26 |
| 2001 | 3,310,078 | 1,133,286 | 34.24 | 74,745 | 2.26 | 1,058,541 | 31.98 |
| 2002 | 3,961,901 | 830,652 | 20.97 | 100,394 | 2.53 | 730,258 | 18.43 |
| 2003 | 3,007,602 | 992,870 | 33.01 | 74,759 | 2.49 | 918,112 | 30.53 |
| 2004 | 1,585,586 | 660,122 | 41.63 | 85,491 | 5.39 | 574,630 | 36.24 |
| 2005 | 3,375,483 | 768,292 | 22.76 | 399,460 | 11.83 | 368,832 | 10.93 |
| 2006 | 3,189,367 | 724,277 | 22.71 | 308,793 | 9.68 | 415,484 | 13.03 |
| 2007 | 2,598,366 | 616,133 | 23.71 | 240,235 | 9.25 | 375,898 | 14.47 |
| 2008 | 2,175,687 | 841,019 | 38.66 | 380,066 | 17.47 | 460,953 | 21.19 |
| 2009 | 2,950,848 | 1,124,548 | 38.11 | 31,546 | 1.07 | 1,093,003 | 37.04 |
| 2010 | 2,773,201 | 1,483,512 | 53.49 | 29,198 | 1.05 | 1,454,314 | 52.44 |
| 2011 | 3,918,155 | 1,150,475 | 29.36 | 58,303 | 1.49 | 1,092,172 | 27.87 |
| 2012 | 3,768,877 | 904,690 | 24.00 | 110,579 | 2.93 | 794,111 | 21.07 |
| All Years | 67,892,245 | 21,302,184 | 31.38 | 4,147,149 | 6.11 | 17,155,035 | 25.27 |
| 20-Yr Band | 53,286,365 | 16,764,107 | 31.46 | 2,959,868 | 5.55 | 13,804,239 | 25.91 |
| 15-Yr Band | 43,509,173 | 13,087,923 | 30.08 | 2,215,755 | 5.09 | 10,872,168 | 24.99 |
| 10-Yr Band | 29,343,171 | 9,265,938 | 31.58 | 1,718,430 | 5.86 | 7,547,508 | 25.72 |
| 5-Yr Band | 15,586,768 | 5,504,244 | 35.31 | 609,692 | 3.91 | 4,894,552 | 31.40 |
| 4-Yr Band | 13,411,081 | 4,663,225 | 34.77 | 229,626 | 1.71 | 4,433,599 | 33.06 |

| | |
|-----------------------------|------------|
| Cost of Removal | 29% |
| Salvage | 5% |
| Proposed Net Removal | 24% |

2005 Net Removal of Interim Retirements: 25%
 2009 Net Removal of Interim Retirements: 20%

The company experience has been relatively constant with a reversal of the prior Study's trend of less net removal. Overall, the net removal indications have increased since last study by 2 to 4% points in the 10 to 15 year bands to 25%. The net removal would seem to be at the high end of the industry range given nature of the property. Move towards the data indications and the prior 2005 and 2001 Studies by increasing net removal to 24%.

NET REMOVAL COST

Account 369.1 - Overhead Services

| Year | Retirements | Cost of Removal | | Salvage | | Net | Net |
|------------|-------------|-----------------|--------|---------|-------|-----------|---------|
| | | \$ | % | \$ | % | Removal | Removal |
| | | | | | | \$ | % |
| 1981 | 230,580 | 106,270 | 46.09 | 81,379 | 35.29 | 24,891 | 10.80 |
| 1982 | 102,601 | 66,574 | 64.89 | 67,027 | 65.33 | (452) | (0.44) |
| 1983 | 232,316 | 24,865 | 10.70 | 41,068 | 17.68 | (16,203) | (6.97) |
| 1984 | 141,699 | 79,446 | 56.07 | 30,769 | 21.71 | 48,677 | 34.35 |
| 1985 | 190,330 | 30,281 | 15.91 | 13,809 | 7.26 | 16,471 | 8.65 |
| 1986 | 196,372 | 1,520 | 0.77 | 16,506 | 8.41 | (14,986) | (7.63) |
| 1987 | 198,480 | 1,778 | 0.90 | 6,255 | 3.15 | (4,476) | (2.26) |
| 1988 | 232,466 | 3,463 | 1.49 | 3,555 | 1.53 | (92) | (0.04) |
| 1989 | 223,737 | 818 | 0.37 | - | 0.00 | 818 | 0.37 |
| 1990 | 205,017 | 1,610 | 0.79 | - | 0.00 | 1,610 | 0.79 |
| 1991 | 235,789 | 1,867 | 0.79 | - | 0.00 | 1,867 | 0.79 |
| 1992 | 421,505 | 2,026 | 0.48 | - | 0.00 | 2,026 | 0.48 |
| 1993 | 424,502 | 2,294 | 0.54 | - | 0.00 | 2,294 | 0.54 |
| 1994 | 374,403 | 2,770 | 0.74 | - | 0.00 | 2,770 | 0.74 |
| 1995 | 466,478 | 2,057 | 0.44 | 1,550 | 0.33 | 507 | 0.11 |
| 1996 | 258,426 | 2,932 | 1.13 | - | 0.00 | 2,932 | 1.13 |
| 1997 | 402,678 | 89,403 | 22.20 | - | 0.00 | 89,403 | 22.20 |
| 1998 | 711,123 | 316,292 | 44.48 | - | 0.00 | 316,292 | 44.48 |
| 1999 | 366,092 | 110,861 | 30.28 | 41,300 | 11.28 | 69,561 | 19.00 |
| 2000 | 369,655 | 216,048 | 58.45 | 72,500 | 19.61 | 143,548 | 38.83 |
| 2001 | 334,855 | 299,546 | 89.46 | 101,210 | 30.23 | 198,336 | 59.23 |
| 2002 | 242,882 | 118,096 | 48.62 | 61,091 | 25.15 | 57,005 | 23.47 |
| 2003 | 367,630 | 408,086 | 111.00 | 50,964 | 13.86 | 357,121 | 97.14 |
| 2004 | 246,408 | 328,039 | 133.13 | 53,504 | 21.71 | 274,534 | 111.41 |
| 2005 | 328,916 | 489,712 | 148.89 | 28,366 | 8.62 | 461,346 | 140.26 |
| 2006 | 299,627 | 356,610 | 119.02 | 17,019 | 5.68 | 339,591 | 113.34 |
| 2007 | 205,171 | 227,157 | 110.72 | 48,232 | 23.51 | 178,925 | 87.21 |
| 2008 | 181,951 | 227,245 | 124.89 | 14,887 | 8.18 | 212,358 | 116.71 |
| 2009 | 161,080 | 230,140 | 142.87 | 15,401 | 9.56 | 214,739 | 133.31 |
| 2010 | 141,936 | 260,393 | 183.46 | 16,973 | 11.96 | 243,420 | 171.50 |
| 2011 | 173,216 | 235,363 | 135.88 | 59,217 | 34.19 | 176,146 | 101.69 |
| 2012 | 178,529 | 230,571 | 129.15 | 48,298 | 27.05 | 182,274 | 102.10 |
| All Years | 8,846,453 | 4,474,134 | 50.58 | 890,880 | 10.07 | 3,583,254 | 40.50 |
| 20-Yr Band | 6,235,559 | 4,153,615 | 66.61 | 630,513 | 10.11 | 3,523,102 | 56.50 |
| 15-Yr Band | 4,309,072 | 4,054,158 | 94.08 | 628,963 | 14.60 | 3,425,195 | 79.49 |
| 10-Yr Band | 2,284,465 | 2,993,315 | 131.03 | 352,861 | 15.45 | 2,640,454 | 115.58 |
| 5-Yr Band | 836,713 | 1,183,712 | 141.47 | 154,776 | 18.50 | 1,028,936 | 122.97 |
| 4-Yr Band | 654,762 | 956,467 | 146.08 | 139,889 | 21.36 | 816,578 | 124.71 |

| | |
|-----------------------------|------------|
| Cost of Removal | 70% |
| Salvage | 15% |
| Proposed Net Removal | 55% |

2005 Net Removal of Interim Retirements: 35%
 2009 Net Removal of Interim Retirements: 45%

Overall, the company experience for this account is increasing net removal since the consistent data year of 1999. Indications are significantly higher than in the prior Study, though the indications are within expected industry range. Based on the data and trends, move towards the data by increasing again the net removal by 10% points to 55%.

NET REMOVAL COST

Account 369.2 - Underground Services

| Year | Retirements | Cost of | Cost of | Salvage | Salvage | Net | Net |
|------------|-------------|---------|---------|---------|---------|---------|---------|
| | | Removal | Removal | \$ | % | Removal | Removal |
| | | \$ | % | \$ | % | \$ | % |
| 1981 | - | - | - | - | - | 0 | - |
| 1982 | - | - | - | - | - | 0 | - |
| 1983 | - | - | - | - | - | 0 | - |
| 1984 | 5,077 | - | 0.00 | 571 | 11.24 | (571) | (11.24) |
| 1985 | 13,195 | 0 | 0.00 | 2 | 0.02 | (2) | (0.01) |
| 1986 | 12,087 | 0 | 0.00 | - | 0.00 | 0 | 0.00 |
| 1987 | 37,711 | - | 0.00 | - | 0.00 | 0 | 0.00 |
| 1988 | 83,128 | - | 0.00 | - | 0.00 | 0 | 0.00 |
| 1989 | 62,454 | 11 | 0.02 | 1,238 | 1.98 | (1,227) | (1.96) |
| 1990 | 64,833 | 17 | 0.03 | 406 | 0.63 | (389) | (0.60) |
| 1991 | 41,254 | 25 | 0.06 | 499 | 1.21 | (474) | (1.15) |
| 1992 | 145,472 | 67 | 0.05 | 1,389 | 0.95 | (1,322) | (0.91) |
| 1993 | 69,530 | 338 | 0.49 | 1,009 | 1.45 | (671) | (0.97) |
| 1994 | 77,510 | 631 | 0.81 | 1,129 | 1.46 | (497) | (0.64) |
| 1995 | 81,505 | 601 | 0.74 | 3,579 | 4.39 | (2,978) | (3.65) |
| 1996 | 59,322 | 7,748 | 13.06 | 4,131 | 6.96 | 3,617 | 6.10 |
| 1997 | 51,715 | 16,085 | 31.10 | 5,804 | 11.22 | 10,281 | 19.88 |
| 1998 | 115,683 | 8,090 | 6.99 | 14,736 | 12.74 | (6,646) | (5.75) |
| 1999 | 65,850 | 6,921 | 10.51 | 2,776 | 4.22 | 4,145 | 6.29 |
| 2000 | 58,633 | 10,258 | 17.50 | 18,342 | 31.28 | (8,084) | (13.79) |
| 2001 | 47,421 | 91,715 | 193.41 | 4,985 | 10.51 | 86,730 | 182.89 |
| 2002 | 36,118 | 6,305 | 17.46 | - | 0.00 | 6,305 | 17.46 |
| 2003 | 55,822 | 8,402 | 15.05 | - | 0.00 | 8,402 | 15.05 |
| 2004 | 37,324 | 8,164 | 21.87 | - | 0.00 | 8,164 | 21.87 |
| 2005 | 59,213 | 11,147 | 18.83 | - | 0.00 | 11,147 | 18.83 |
| 2006 | 132,131 | 46,146 | 34.92 | - | 0.00 | 46,146 | 34.92 |
| 2007 | 57,288 | 25,188 | 43.97 | - | 0.00 | 25,188 | 43.97 |
| 2008 | 117,471 | 19,668 | 16.74 | - | 0.00 | 19,668 | 16.74 |
| 2009 | 106,445 | 15,898 | 14.94 | - | 0.00 | 15,898 | 14.94 |
| 2010 | 139,069 | 29,417 | 21.15 | - | 0.00 | 29,417 | 21.15 |
| 2011 | 83,255 | 16,667 | 20.02 | - | 0.00 | 16,667 | 20.02 |
| 2012 | 57,247 | 21,063 | 36.79 | - | 0.00 | 21,063 | 36.79 |
| All Years | 1,973,762 | 350,574 | 17.76 | 60,597 | 3.07 | 289,977 | 14.69 |
| 20-Yr Band | 1,508,551 | 350,454 | 23.23 | 56,492 | 3.74 | 293,962 | 19.49 |
| 15-Yr Band | 1,168,970 | 325,050 | 27.81 | 40,839 | 3.49 | 284,211 | 24.31 |
| 10-Yr Band | 845,265 | 201,761 | 23.87 | 0 | 0.00 | 201,761 | 23.87 |
| 5-Yr Band | 503,487 | 102,715 | 20.40 | 0 | 0.00 | 102,715 | 20.40 |
| 4-Yr Band | 386,016 | 83,047 | 21.51 | 0 | 0.00 | 83,047 | 21.51 |

| | |
|-----------------------------|------------|
| Cost of Removal | 15% |
| Salvage | 5% |
| Proposed Net Removal | 10% |

2005 Net Removal of Interim Retirements: 5%
 2009 Net Removal of Interim Retirements: 10%

Relatively limited company experience. No salvage recorded in last seven years. Nature of underground property could suggest lower % than the indications. Generally, less salvage in the relevant bands than in the prior study. Based on the indicated trends and industry experience, the same net removal of 10% is reasonable.

NET REMOVAL COST

Account 370 - Meters

| Year | Retirements | Cost of | Cost of | Salvage | Salvage | Net | Net |
|------------|-------------|-----------|---------|-----------|---------|-------------|---------|
| | | Removal | Removal | \$ | % | Removal | Removal |
| | | \$ | % | \$ | % | \$ | % |
| 1981 | 197,293 | 14,761 | 7.48 | 195 | 0.10 | 14,565 | 7.38 |
| 1982 | 169,622 | 11,669 | 6.88 | 9,193 | 5.42 | 2,475 | 1.46 |
| 1983 | 188,692 | 8,682 | 4.60 | 579 | 0.31 | 8,102 | 4.29 |
| 1984 | 149,731 | 9,120 | 6.09 | 2,415 | 1.61 | 6,705 | 4.48 |
| 1985 | 257,013 | 25,055 | 9.75 | 12,572 | 4.89 | 12,483 | 4.86 |
| 1986 | 172,104 | 22,999 | 13.36 | 957 | 0.56 | 22,041 | 12.81 |
| 1987 | 224,580 | 12,457 | 5.55 | 2,467 | 1.10 | 9,989 | 4.45 |
| 1988 | 200,348 | 7,823 | 3.90 | 4,075 | 2.03 | 3,748 | 1.87 |
| 1989 | 481,584 | 15,293 | 3.18 | 9,636 | 2.00 | 5,657 | 1.17 |
| 1990 | 205,553 | 9,996 | 4.86 | 3,735 | 1.82 | 6,261 | 3.05 |
| 1991 | 384,949 | 13,589 | 3.53 | 5,750 | 1.49 | 7,839 | 2.04 |
| 1992 | 434,914 | 12,858 | 2.96 | 1,982 | 0.46 | 10,876 | 2.50 |
| 1993 | 202,527 | 10,578 | 5.22 | 14,984 | 7.40 | (4,406) | (2.18) |
| 1994 | 273,177 | 32,786 | 12.00 | 28,143 | 10.30 | 4,644 | 1.70 |
| 1995 | 199,107 | 25,948 | 13.03 | 4,777 | 2.40 | 21,171 | 10.63 |
| 1996 | 250,797 | 22,765 | 9.08 | 7,805 | 3.11 | 14,959 | 5.96 |
| 1997 | 202,164 | 24,698 | 12.22 | 1,617 | 0.80 | 23,081 | 11.42 |
| 1998 | 160,249 | 6,708 | 4.19 | 4,272 | 2.67 | 2,436 | 1.52 |
| 1999 | 254,307 | 11,617 | 4.57 | 7,930 | 3.12 | 3,687 | 1.45 |
| 2000 | 338,813 | 13,987 | 4.13 | 17,128 | 5.06 | (3,141) | (0.93) |
| 2001 | 434,282 | 37,149 | 8.55 | 40,330 | 9.29 | (3,181) | (0.73) |
| 2002 | 555,576 | 58,550 | 10.54 | 42,584 | 7.66 | 15,966 | 2.87 |
| 2003 | 521,266 | 39,245 | 7.53 | 20,737 | 3.98 | 18,508 | 3.55 |
| 2004 | 633,156 | 104,382 | 16.49 | 102,283 | 16.15 | 2,099 | 0.33 |
| 2005 | 895,191 | 169,953 | 18.99 | 338,801 | 37.85 | (168,848) | (18.86) |
| 2006 | 1,179,287 | 108,465 | 9.20 | 488,282 | 41.40 | (379,817) | (32.21) |
| 2007 | 1,386,296 | 224,187 | 16.17 | 506,730 | 36.55 | (282,543) | (20.38) |
| 2008 | 1,246,424 | 266,965 | 21.42 | 532,731 | 42.74 | (265,766) | (21.32) |
| 2009 | 1,210,783 | 246,325 | 20.34 | 737,210 | 60.89 | (490,885) | (40.54) |
| 2010 | 1,656,366 | 369,759 | 22.32 | 1,018,127 | 61.47 | (648,368) | (39.14) |
| 2011 | 2,615,250 | 247,080 | 9.45 | 764,637 | 29.24 | (517,557) | (19.79) |
| 2012 | 2,684,667 | 246,357 | 9.18 | 205,905 | 7.67 | 40,452 | 1.51 |
| All Years | 19,966,068 | 2,431,805 | 12.18 | 4,938,571 | 24.73 | (2,506,766) | (12.56) |
| 20-Yr Band | 16,899,685 | 2,267,505 | 13.42 | 4,885,013 | 28.91 | (2,617,508) | (15.49) |
| 15-Yr Band | 15,771,913 | 2,150,730 | 13.64 | 4,827,687 | 30.61 | (2,676,957) | (16.97) |
| 10-Yr Band | 14,028,686 | 2,022,719 | 14.42 | 4,715,443 | 33.61 | (2,692,724) | (19.19) |
| 5-Yr Band | 9,413,490 | 1,376,486 | 14.62 | 3,258,610 | 34.62 | (1,882,124) | (19.99) |
| 4-Yr Band | 8,167,066 | 1,109,521 | 13.59 | 2,725,879 | 33.38 | (1,616,358) | (19.79) |

| | |
|-----------------------------|-------------|
| Cost of Removal | 10% |
| Salvage | 20% |
| Proposed Net Removal | -10% |

2005 Net Removal of Interim Retirements: 0%
 2009 Net Removal of Interim Retirements: -10%

Since 2004 to 2011, there was significantly higher salvage for this account, with removal generally also high in those years. In 2012, net removal was -1.5%, which may more indicative of the future. Based on the data and trends, maintain existing -10%.

NET REMOVAL COST

Account 373 - Street Lighting

| Year | Retirements | Cost of Removal | | Salvage | | Net Removal | Net Removal |
|------------|-------------|-----------------|-------|-----------|-------|-------------|-------------|
| | | \$ | % | \$ | % | \$ | % |
| 1981 | 179,742 | 93,155 | 51.83 | 74,096 | 41.22 | 19,059 | 10.60 |
| 1982 | 173,132 | 101,524 | 58.64 | 97,615 | 56.38 | 3,909 | 2.26 |
| 1983 | 170,076 | 26,732 | 15.72 | 95,067 | 55.90 | (68,335) | (40.18) |
| 1984 | 286,958 | 37,392 | 13.03 | 18,635 | 6.49 | 18,756 | 6.54 |
| 1985 | 286,126 | 41,802 | 14.61 | 20,371 | 7.12 | 21,431 | 7.49 |
| 1986 | 268,770 | 52,316 | 19.46 | 14,410 | 5.36 | 37,906 | 14.10 |
| 1987 | 275,197 | 65,752 | 23.89 | 10,690 | 3.88 | 55,062 | 20.01 |
| 1988 | 799,968 | 105,366 | 13.17 | 23,051 | 2.88 | 82,315 | 10.29 |
| 1989 | 417,541 | 33,443 | 8.01 | 14,214 | 3.40 | 19,229 | 4.61 |
| 1990 | 443,090 | 84,120 | 18.98 | 51,928 | 11.72 | 32,192 | 7.27 |
| 1991 | 964,016 | 249,126 | 25.84 | 41,727 | 4.33 | 207,399 | 21.51 |
| 1992 | 716,279 | 141,875 | 19.81 | 36,569 | 5.11 | 105,307 | 14.70 |
| 1993 | 770,698 | 111,391 | 14.45 | 27,647 | 3.59 | 83,744 | 10.87 |
| 1994 | 715,564 | 85,116 | 11.89 | 26,462 | 3.70 | 58,654 | 8.20 |
| 1995 | 620,344 | 157,282 | 25.35 | 51,509 | 8.30 | 105,773 | 17.05 |
| 1996 | 604,115 | 95,613 | 15.83 | 90,955 | 15.06 | 4,657 | 0.77 |
| 1997 | 987,581 | 58,016 | 5.87 | 20,905 | 2.12 | 37,111 | 3.76 |
| 1998 | 778,799 | 227,567 | 29.22 | 107,221 | 13.77 | 120,346 | 15.45 |
| 1999 | 838,788 | 23,153 | 2.76 | 94,950 | 11.32 | (71,797) | (8.56) |
| 2000 | 707,899 | 100,979 | 14.26 | 157,722 | 22.28 | (56,743) | (8.02) |
| 2001 | 796,837 | 127,659 | 16.02 | 127,517 | 16.00 | 142 | 0.02 |
| 2002 | 675,994 | 144,957 | 21.44 | 139,388 | 20.62 | 5,568 | 0.82 |
| 2003 | 1,221,177 | 237,254 | 19.43 | 48,140 | 3.94 | 189,113 | 15.49 |
| 2004 | 1,556,805 | 164,751 | 10.58 | 53,975 | 3.47 | 110,776 | 7.12 |
| 2005 | 1,126,827 | 205,474 | 18.23 | 46,296 | 4.11 | 159,178 | 14.13 |
| 2006 | 1,308,239 | 660,963 | 50.52 | 111,772 | 8.54 | 549,191 | 41.98 |
| 2007 | 1,175,176 | 255,195 | 21.72 | 35,337 | 3.01 | 219,858 | 18.71 |
| 2008 | 1,497,785 | 378,414 | 25.26 | 10,626 | 0.71 | 367,788 | 24.56 |
| 2009 | 1,054,208 | 331,272 | 31.42 | 13,010 | 1.23 | 318,262 | 30.19 |
| 2010 | 410,414 | 161,837 | 39.43 | 75,467 | 18.39 | 86,370 | 21.04 |
| 2011 | 207,303 | 76,663 | 36.98 | 111,878 | 53.97 | (35,215) | (16.99) |
| 2012 | 374,430 | 188,929 | 50.46 | 128,228 | 34.25 | 60,701 | 16.21 |
| All Years | 22,409,880 | 4,825,086 | 21.53 | 1,977,378 | 8.82 | 2,847,708 | 12.71 |
| 20-Yr Band | 17,428,984 | 3,792,483 | 21.76 | 1,479,005 | 8.49 | 2,313,478 | 13.27 |
| 15-Yr Band | 13,730,682 | 3,285,066 | 23.93 | 1,261,527 | 9.19 | 2,023,539 | 14.74 |
| 10-Yr Band | 9,932,365 | 2,660,751 | 26.79 | 634,729 | 6.39 | 2,026,022 | 20.40 |
| 5-Yr Band | 3,544,140 | 1,137,114 | 32.08 | 339,209 | 9.57 | 797,905 | 22.51 |
| 4-Yr Band | 2,046,355 | 758,700 | 37.08 | 328,583 | 16.06 | 430,117 | 21.02 |

| | |
|-----------------------------|------------|
| Cost of Removal | 20% |
| Salvage | 5% |
| Proposed Net Removal | 15% |

2005 Net Removal of Interim Retirements: 5%
 2009 Net Removal of Interim Retirements: 10%

Relatively erratic salvage in last 20 years and relatively more consistent cost of removal, except large amount in 2006. Overall, net removal has increased slightly since the prior Study. Based on the data and trends, consistent with industry experience, move towards the data indications by increasing the rate to 15%.

Gulf Power Company

NET REMOVAL COST

Account 390 - Structures & Improvements

| Year | Retirements | Cost of | Cost of | Salvage | Salvage | Net | Net |
|------------|-------------|-----------|---------|---------|---------|-----------|---------|
| | | Removal | Removal | \$ | % | Removal | Removal |
| | | \$ | % | \$ | % | \$ | % |
| 1981 | 147,286 | 31,113 | 21.12 | 200 | 0.14 | 30,913 | 20.99 |
| 1982 | - | - | - | - | - | 0 | - |
| 1983 | 19,580 | 300 | 1.53 | 100 | 0.51 | 200 | 1.02 |
| 1984 | 66,964 | 15,008 | 22.41 | 290 | 0.43 | 14,718 | 21.98 |
| 1985 | - | - | - | - | - | 0 | - |
| 1986 | 136,600 | 25,305 | 18.52 | 195 | 0.14 | 25,110 | 18.38 |
| 1987 | 830,914 | 96,123 | 11.57 | 22,365 | 2.69 | 73,758 | 8.88 |
| 1988 | 36,365 | 1,327 | 3.65 | - | 0.00 | 1,327 | 3.65 |
| 1989 | 241,423 | 8,506 | 3.52 | 5,735 | 2.38 | 2,771 | 1.15 |
| 1990 | 83,793 | 233 | 0.28 | 6,900 | 8.23 | (6,667) | (7.96) |
| 1991 | 277,474 | 2,165 | 0.78 | 23 | 0.01 | 2,142 | 0.77 |
| 1992 | 234,464 | 15,109 | 6.44 | 73,332 | 31.28 | (58,223) | (24.83) |
| 1993 | 16,974 | 4,283 | 25.23 | - | 0.00 | 4,283 | 25.23 |
| 1994 | 1,690 | 5,397 | 319.27 | - | 0.00 | 5,397 | 319.27 |
| 1995 | 168,287 | 11,121 | 6.61 | 39,838 | 23.67 | (28,717) | (17.06) |
| 1996 | 310,396 | 2,462 | 0.79 | 54,469 | 17.55 | (52,007) | (16.75) |
| 1997 | 236,660 | 48,595 | 20.53 | - | 0.00 | 48,595 | 20.53 |
| 1998 | 265,895 | 142,491 | 53.59 | - | 0.00 | 142,491 | 53.59 |
| 1999 | 610,967 | 22,579 | 3.70 | - | 0.00 | 22,579 | 3.70 |
| 2000 | 126,909 | 4,598 | 4 | - | 0.00 | 4,598 | 3.62 |
| 2001 | 183,538 | 14,035 | 8 | - | 0.00 | 14,035 | 7.65 |
| 2002 | 554,790 | 101,208 | 18 | 1,864 | 0.34 | 99,345 | 17.91 |
| 2003 | 301,326 | 72,194 | 24 | 1,000 | 0.33 | 71,194 | 23.63 |
| 2004 | 209,263 | 109,233 | 52 | - | 0.00 | 109,233 | 52.20 |
| 2005 | 74,931 | 54,578 | 73 | - | 0.00 | 54,578 | 72.84 |
| 2006 | 263,031 | 42,439 | 16 | 76,862 | 29.22 | (34,423) | (13.09) |
| 2007 | 225,781 | 169,141 | 75 | - | 0.00 | 169,141 | 74.91 |
| 2008 | 5,822,914 | 115,609 | 2 | - | 0.00 | 115,609 | 1.99 |
| 2009 | 324,975 | 60,719 | 18.68 | - | 0.00 | 60,719 | 18.68 |
| 2010 | 83,198 | 15,561 | 18.70 | - | 0.00 | 15,561 | 18.70 |
| 2011 | 78,277 | 143,043 | 182.74 | 5,580 | 7.13 | 137,463 | 175.61 |
| 2012 | 897,441 | 42,157 | 4.70 | - | 0.00 | 42,157 | 4.70 |
| All Years | 12,832,107 | 1,376,631 | 10.73 | 288,752 | 2.25 | 1,087,879 | 8.48 |
| 20-Yr Band | 10,757,244 | 1,181,443 | 10.98 | 179,612 | 1.67 | 1,001,831 | 9.31 |
| 15-Yr Band | 10,023,237 | 1,109,585 | 11.07 | 85,306 | 0.85 | 1,024,279 | 10.22 |
| 10-Yr Band | 8,281,137 | 824,673 | 9.96 | 83,442 | 1.01 | 741,231 | 8.95 |
| 5-Yr Band | 7,206,805 | 377,088 | 5.23 | 5,580 | 0.08 | 371,508 | 5.15 |
| 4-Yr Band | 1,383,891 | 261,479 | 18.89 | 5,580 | 0.40 | 255,899 | 18.49 |

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

2005 Net Removal of Interim Retirements: 5%
 2009 Net Removal of Interim Retirements: 5%

While not conclusive, the net removal indications by period are relatively consistent and similar to that of the prior Study. The data and industry experience supports the continued use of the existing rate of 5%.

NET REMOVAL COST

Account 392.2 - Light Trucks

| Year | Retirements | Cost of | Cost of | Salvage | Salvage | Net | Net |
|------------|-------------|---------|---------|---------|---------|-----------|---------|
| | | Removal | Removal | \$ | % | Removal | Removal |
| | | \$ | % | \$ | % | \$ | % |
| 1981 | - | - | - | - | - | 0 | - |
| 1982 | - | - | - | - | - | 0 | - |
| 1983 | - | - | - | - | - | 0 | - |
| 1984 | 77,903 | - | 0.00 | 17,275 | 22.17 | (17,275) | (22.17) |
| 1985 | 229,981 | - | 0.00 | 35,828 | 15.58 | (35,828) | (15.58) |
| 1986 | 228,104 | - | 0.00 | 54,800 | 24.02 | (54,800) | (24.02) |
| 1987 | 87,840 | - | 0.00 | 13,644 | 15.53 | (13,644) | (15.53) |
| 1988 | 305,428 | - | 0.00 | 59,909 | 19.61 | (59,909) | (19.61) |
| 1989 | 160,752 | - | 0.00 | 10,544 | 6.56 | (10,544) | (6.56) |
| 1990 | 516,101 | - | 0.00 | 109,653 | 21.25 | (109,653) | (21.25) |
| 1991 | 440,223 | - | 0.00 | 76,495 | 17.38 | (76,495) | (17.38) |
| 1992 | 186,796 | - | 0.00 | 32,995 | 17.66 | (32,995) | (17.66) |
| 1993 | 203,508 | - | 0.00 | 44,565 | 21.90 | (44,565) | (21.90) |
| 1994 | 108,196 | - | 0.00 | 27,467 | 25.39 | (27,467) | (25.39) |
| 1995 | 251,529 | - | 0.00 | 87,546 | 34.81 | (87,546) | (34.81) |
| 1996 | 603,822 | - | 0.00 | 78,431 | 12.99 | (78,431) | (12.99) |
| 1997 | 460,888 | - | 0.00 | 101,172 | 21.95 | (101,172) | (21.95) |
| 1998 | 316,061 | - | 0.00 | 60,072 | 19.01 | (60,072) | (19.01) |
| 1999 | 722,153 | - | 0.00 | 67,658 | 9.37 | (67,658) | (9.37) |
| 2000 | 186,606 | - | 0.00 | 20,740 | 11.11 | (20,740) | (11.11) |
| 2001 | 274,993 | - | 0.00 | 48,791 | 17.74 | (48,791) | (17.74) |
| 2002 | 332,535 | - | 0.00 | 42,234 | 12.70 | (42,234) | (12.70) |
| 2003 | 137,514 | - | 0.00 | 13,451 | 9.78 | (13,451) | (9.78) |
| 2004 | 292,104 | - | 0.00 | 20,910 | 7.16 | (20,910) | (7.16) |
| 2005 | 309,599 | - | 0.00 | 42,684 | 13.79 | (42,684) | (13.79) |
| 2006 | 158,573 | - | 0.00 | 7,636 | 4.82 | (7,636) | (4.82) |
| 2007 | 666,102 | - | 0.00 | 76,291 | 11.45 | (76,291) | (11.45) |
| 2008 | 709,273 | - | 0.00 | 49,083 | 6.92 | (49,083) | (6.92) |
| 2009 | 293,362 | - | 0.00 | 21,377 | 7.29 | (21,377) | (7.29) |
| 2010 | 29,037 | - | 0.00 | - | 0.00 | 0 | 0.00 |
| 2011 | 694,883 | - | 0.00 | - | 0.00 | 0 | 0.00 |
| 2012 | 849,085 | - | 0.00 | 9,266 | 1.09 | (9,266) | (1.09) |
| 20-Yr Band | 7,599,823 | 0 | 0.00 | 819,374 | 10.78 | (819,374) | (10.78) |
| 15-Yr Band | 5,971,880 | 0 | 0.00 | 480,194 | 8.04 | (480,194) | (8.04) |
| 10-Yr Band | 4,139,532 | 0 | 0.00 | 240,699 | 5.81 | (240,699) | (5.81) |
| 5-Yr Band | 2,575,641 | 0 | 0.00 | 79,727 | 3.10 | (79,727) | (3.10) |
| 4-Yr Band | 1,866,368 | 0 | 0.00 | 30,644 | 1.64 | (30,644) | (1.64) |

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

2005 Net Removal of Interim Retirements: -13%
 2009 Net Removal of Interim Retirements: -12%

The data indicates a trend of decreasing salvage. Consistent with the data and the trends, a decrease in salvage is appropriate. Based on the 10- and shorter bands, moving towards the indications, net removal is concluded at -5%.

Account 392.3 - Heavy Trucks

| Year | Retirements | Cost of Removal | | Salvage | | Net Removal | |
|------------|-------------|-----------------|------|-----------|-------|-------------|---------|
| | | \$ | % | \$ | % | \$ | % |
| 1981 | - | - | - | - | - | 0 | - |
| 1982 | - | - | - | - | - | 0 | - |
| 1983 | - | - | - | - | - | 0 | - |
| 1984 | 445,650 | - | 0.00 | 28,539 | 6.40 | (28,539) | (6.40) |
| 1985 | 99,782 | - | 0.00 | 2,995 | 3.00 | (2,995) | (3.00) |
| 1986 | 989,593 | - | 0.00 | 414,541 | 41.89 | (414,541) | (41.89) |
| 1987 | 255,345 | - | 0.00 | 82,877 | 32.46 | (82,877) | (32.46) |
| 1988 | 61,215 | - | 0.00 | 24,641 | 40.25 | (24,641) | (40.25) |
| 1989 | 586,652 | - | 0.00 | 88,459 | 15.08 | (88,459) | (15.08) |
| 1990 | 79,400 | - | 0.00 | 2,526 | 3.18 | (2,526) | (3.18) |
| 1991 | 678,965 | - | 0.00 | 46,987 | 6.92 | (46,987) | (6.92) |
| 1992 | 1,043,543 | - | 0.00 | 190,387 | 18.24 | (190,387) | (18.24) |
| 1993 | 637,533 | - | 0.00 | 146,546 | 22.99 | (146,546) | (22.99) |
| 1994 | 1,686,569 | - | 0.00 | 395,055 | 23.42 | (395,055) | (23.42) |
| 1995 | 697,372 | - | 0.00 | 164,620 | 23.61 | (164,620) | (23.61) |
| 1996 | 1,261,198 | - | 0.00 | 267,893 | 21.24 | (267,893) | (21.24) |
| 1997 | 1,499,306 | - | 0.00 | 245,574 | 16.38 | (245,574) | (16.38) |
| 1998 | 917,266 | - | 0.00 | 276,228 | 30.11 | (276,228) | (30.11) |
| 1999 | 1,891,208 | - | 0.00 | 352,268 | 18.63 | (352,268) | (18.63) |
| 2000 | 427,841 | - | 0.00 | 123,399 | 28.84 | (123,399) | (28.84) |
| 2001 | 183,813 | - | 0.00 | 101,760 | 55.36 | (101,760) | (55.36) |
| 2002 | 1,511,132 | - | 0.00 | 223,142 | 14.77 | (223,142) | (14.77) |
| 2003 | 148,316 | - | 0.00 | 20,958 | 14.13 | (20,958) | (14.13) |
| 2004 | 3,455,161 | - | 0.00 | 441,424 | 12.78 | (441,424) | (12.78) |
| 2005 | 409,337 | - | 0.00 | 85,677 | 20.93 | (85,677) | (20.93) |
| 2006 | 3,410,160 | - | 0.00 | 391,635 | 11.48 | (391,635) | (11.48) |
| 2007 | 2,036,871 | - | 0.00 | 290,551 | 14.26 | (290,551) | (14.26) |
| 2008 | 1,638,026 | - | 0.00 | 202,040 | 12.33 | (202,040) | (12.33) |
| 2009 | 453,682 | - | 0.00 | 39,642 | 8.74 | (39,642) | (8.74) |
| 2010 | 1,322,078 | - | 0.00 | 118,319 | 8.95 | (118,319) | (8.95) |
| 2011 | 208,510 | - | 0.00 | 65,705 | 31.51 | (65,705) | (31.51) |
| 2012 | 583,684 | - | 0.00 | 110,032 | 18.85 | (110,032) | (18.85) |
| 20-Yr Band | 24,379,064 | 0 | 0.00 | 4,062,468 | 16.66 | (4,062,468) | (16.66) |
| 15-Yr Band | 18,597,085 | 0 | 0.00 | 2,842,780 | 15.29 | (2,842,780) | (15.29) |
| 10-Yr Band | 13,665,825 | 0 | 0.00 | 1,765,982 | 12.92 | (1,765,982) | (12.92) |
| 5-Yr Band | 4,205,980 | 0 | 0.00 | 535,737 | 12.74 | (535,737) | (12.74) |
| 4-Yr Band | 2,567,954 | 0 | 0.00 | 333,697 | 12.99 | (333,697) | (12.99) |

| | |
|-----------------------------|-------------|
| Cost of Removal | 0% |
| Salvage | 13% |
| Proposed Net Removal | -13% |

2005 Net Removal of Interim Retirements: -17%
 2009 Net Removal of Interim Retirements: -15%

The data indicates a continuing trend of decreasing salvage. Consistent with the data and the trends, a small decrease in salvage is appropriate. Based on the data, net removal is concluded at 2% points less, or -13%.

NET REMOVAL COST

Account 392.4 - Trailers

| Year | Retirements | Cost of Removal | Cost of Removal | Salvage | Salvage | Net Removal | Net Removal |
|------------|-------------|-----------------|-----------------|---------|---------|-------------|-------------|
| | | \$ | % | \$ | % | \$ | % |
| 1981 | - | - | - | - | - | 0 | - |
| 1982 | - | - | - | - | - | 0 | - |
| 1983 | - | - | - | - | - | 0 | - |
| 1984 | 17,658 | - | 0.00 | 4,962 | 28.10 | (4,962) | (28.10) |
| 1985 | - | - | - | - | - | 0 | - |
| 1986 | 1,398 | - | 0.00 | 1,500 | 107.26 | (1,500) | (107.26) |
| 1987 | - | - | - | - | - | 0 | - |
| 1988 | - | - | - | - | - | 0 | - |
| 1989 | 20,547 | - | 0.00 | 1,803 | 8.77 | (1,803) | (8.77) |
| 1990 | 10,461 | - | 0.00 | 380 | 3.63 | (380) | (3.63) |
| 1991 | 24,155 | - | 0.00 | 2,690 | 11.14 | (2,690) | (11.14) |
| 1992 | 7,678 | - | 0.00 | 4,649 | 60.55 | (4,649) | (60.55) |
| 1993 | 68,640 | - | 0.00 | 4,129 | 6.02 | (4,129) | (6.02) |
| 1994 | 38,150 | - | 0.00 | 4,985 | 13.07 | (4,985) | (13.07) |
| 1995 | 31,259 | - | 0.00 | 3,530 | 11.29 | (3,530) | (11.29) |
| 1996 | 38,244 | - | 0.00 | 5,921 | 15.48 | (5,921) | (15.48) |
| 1997 | 6,814 | - | 0.00 | 445 | 6.53 | (445) | (6.53) |
| 1998 | 62,208 | - | 0.00 | 41,231 | 66.28 | (41,231) | (66.28) |
| 1999 | 210,006 | - | 0.00 | 20,157 | 9.60 | (20,157) | (9.60) |
| 2000 | (7,631) | - | 0.00 | 2,688 | (35.22) | (2,688) | 35.22 |
| 2001 | 21,392 | - | 0.00 | 5,400 | 25.24 | (5,400) | (25.24) |
| 2002 | 6,707 | - | 0.00 | 1,375 | 20.50 | (1,375) | (20.50) |
| 2003 | 7,067 | - | 0.00 | 886 | 12.53 | (886) | (12.53) |
| 2004 | 121,474 | - | 0.00 | - | 0.00 | 0 | 0.00 |
| 2005 | - | - | - | 6,090 | - | (6,090) | - |
| 2006 | 68,337 | - | 0.00 | 8,436 | 12.34 | (8,436) | (12.34) |
| 2007 | 2,585 | - | 0.00 | 4,760 | 184.14 | (4,760) | (184.14) |
| 2008 | 51,539 | - | 0.00 | - | 0.00 | 0 | 0.00 |
| 2009 | 41,516 | - | 0.00 | - | 0.00 | 0 | 0.00 |
| 2010 | - | - | - | - | - | 0 | - |
| 2011 | 7,612 | - | 0.00 | - | 0.00 | 0 | 0.00 |
| 2012 | 113,960 | - | 0.00 | 1,497 | 1.31 | (1,497) | (1.31) |
| All Years | 971,777 | 0 | 0.00 | 127,513 | 13.12 | (127,513) | (13.12) |
| 20-Yr Band | 889,879 | 0 | 0.00 | 111,530 | 12.53 | (111,530) | (12.53) |
| 15-Yr Band | 706,772 | 0 | 0.00 | 92,519 | 13.09 | (92,519) | (13.09) |
| 10-Yr Band | 414,090 | 0 | 0.00 | 21,668 | 5.23 | (21,668) | (5.23) |
| 5-Yr Band | 214,627 | 0 | 0.00 | 1,497 | 0.70 | (1,497) | (0.70) |
| 4-Yr Band | 163,088 | 0 | 0.00 | 1,497 | 0.92 | (1,497) | (0.92) |

| | |
|-----------------------------|------------|
| Cost of Removal | 0% |
| Salvage | 9% |
| Proposed Net Removal | -9% |

2005 Net Removal of Interim Retirements: -15%
 2009 Net Removal of Interim Retirements: -12%

Generally limited company experience. The indicated data and trends supports a decrease in the salvage, which is consistent with the nature of the property. Use -9%.

NET REMOVAL COST

Account 396 - Power Operated Equipment

| Year | Retirements | Cost of | Cost of | Salvage | Salvage | Net | Net |
|------------|-------------|---------|---------|---------|---------|----------|---------|
| | | Removal | Removal | \$ | % | Removal | Removal |
| | | \$ | % | \$ | % | \$ | % |
| 1981 | - | - | - | - | - | 0 | - |
| 1982 | - | - | - | - | - | 0 | - |
| 1983 | - | - | - | - | - | 0 | - |
| 1984 | - | - | - | - | - | 0 | - |
| 1985 | - | - | - | - | - | 0 | - |
| 1986 | - | - | - | - | - | 0 | - |
| 1987 | - | - | - | - | - | 0 | - |
| 1988 | 815 | - | 0.00 | - | 0.00 | 0 | 0.00 |
| 1989 | - | - | - | - | - | 0 | - |
| 1990 | - | - | - | - | - | 0 | - |
| 1991 | - | - | - | - | - | 0 | - |
| 1992 | - | - | - | - | - | 0 | - |
| 1993 | - | - | - | - | - | 0 | - |
| 1994 | 19,446 | - | 0.00 | 2,500 | 12.86 | (2,500) | (12.86) |
| 1995 | - | - | - | - | - | 0 | - |
| 1996 | - | - | - | - | - | 0 | - |
| 1997 | - | - | - | - | - | 0 | - |
| 1998 | - | - | - | - | - | 0 | - |
| 1999 | 290,788 | - | 0.00 | 92,383 | 31.77 | (92,383) | (31.77) |
| 2000 | - | - | - | - | - | 0 | - |
| 2001 | - | - | - | - | - | 0 | - |
| 2002 | - | - | - | - | - | 0 | - |
| 2003 | - | - | - | - | - | 0 | - |
| 2004 | - | - | - | - | - | 0 | - |
| 2005 | - | - | - | - | - | 0 | - |
| 2006 | - | - | - | - | - | 0 | - |
| 2007 | - | - | - | - | - | 0 | - |
| 2008 | - | - | - | - | - | 0 | - |
| 2009 | - | - | - | - | - | 0 | - |
| 2010 | - | - | - | - | - | 0 | - |
| 2011 | - | - | - | - | - | 0 | - |
| 2012 | - | - | - | - | - | 0 | - |
| All Years | 311,049 | 0 | 0.00 | 94,883 | 30.50 | (94,883) | (30.50) |
| 20-Yr Band | 310,234 | 0 | 0.00 | 94,883 | 30.58 | (94,883) | (30.58) |
| 15-Yr Band | 290,788 | 0 | 0.00 | 92,383 | 31.77 | (92,383) | (31.77) |
| 10-Yr Band | 0 | 0 | - | 0 | - | 0 | - |
| 5-Yr Band | 0 | 0 | - | 0 | - | 0 | - |
| 4-Yr Band | 0 | 0 | - | 0 | - | 0 | - |

| | |
|-----------------------------|-------------|
| Cost of Removal | 0% |
| Salvage | 20% |
| Proposed Net Removal | -20% |

2005 Net Removal of Interim Retirements: -20%
 2009 Net Removal of Interim Retirements: -20%

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

NET REMOVAL COST

Account 397 - Communications Equipment

| Year | Retirements | Cost of | | Salvage | | Net | |
|------------|-------------|---------|---------|----------|---------|----------|---------|
| | | Removal | Removal | \$ | % | Removal | Removal |
| | | \$ | % | \$ | % | \$ | % |
| 1981 | 19,189 | 167 | 0.87 | 130 | 0.68 | 37 | 0.19 |
| 1982 | 8,371 | 83 | 0.99 | - | 0.00 | 83 | 0.99 |
| 1983 | 10,058 | 2,002 | 19.90 | 25 | 0.25 | 1,977 | 19.66 |
| 1984 | 3,638 | 449 | 12.33 | - | 0.00 | 449 | 12.33 |
| 1985 | 7,333 | 2,567 | 35.00 | - | 0.00 | 2,567 | 35.00 |
| 1986 | 49,092 | 3,493 | 7.11 | - | 0.00 | 3,493 | 7.11 |
| 1987 | 54,550 | 3,310 | 6.07 | - | 0.00 | 3,310 | 6.07 |
| 1988 | 3,640 | 1,729 | 47.48 | - | 0.00 | 1,729 | 47.48 |
| 1989 | 157,545 | 1,727 | 1.10 | 2,050 | 1.30 | (323) | (0.21) |
| 1990 | 383,983 | 1,614 | 0.42 | (950) | (0.25) | 2,564 | 0.67 |
| 1991 | 35,982 | 5,504 | 15.30 | - | 0.00 | 5,504 | 15.30 |
| 1992 | 7,924 | 6,693 | 84.47 | 679 | 8.57 | 6,014 | 75.90 |
| 1993 | 53,165 | (2,262) | (4.25) | - | 0.00 | (2,262) | (4.25) |
| 1994 | 216,135 | 297 | 0.14 | 1,550 | 0.72 | (1,253) | (0.58) |
| 1995 | 42,306 | 658 | 1.56 | - | 0.00 | 658 | 1.56 |
| 1996 | 40,503 | 2,173 | 5.36 | 1,425 | 3.52 | 748 | 1.85 |
| 1997 | 2,989,998 | 30,787 | 1.03 | 54,605 | 1.83 | (23,818) | (0.80) |
| 1998 | 301,604 | 294 | 0.10 | 43,837 | 14.53 | (43,543) | (14.44) |
| 1999 | 647,304 | 854 | 0.13 | (75,616) | (11.68) | 76,470 | 11.81 |
| 2000 | - | 277 | - | - | - | 277 | - |
| 2001 | 76,424 | 1,842 | 2.41 | 49,329 | 64.55 | (47,487) | (62.14) |
| 2002 | 669,896 | 21,817 | 3.26 | 22,246 | 3.32 | (429) | (0.06) |
| 2003 | 391,687 | 7,429 | 1.90 | 29,158 | 7.44 | (21,729) | (5.55) |
| 2004 | 159,969 | 17,904 | 11.19 | - | 0.00 | 17,904 | 11.19 |
| 2005 | 302,748 | 14,698 | 4.85 | 26,587 | 8.78 | (11,889) | (3.93) |
| 2006 | 421,147 | 37,428 | 8.89 | 67,758 | 16.09 | (30,330) | (7.20) |
| 2007 | 731,377 | 29,006 | 3.97 | 70 | 0.01 | 28,936 | 3.96 |
| 2008 | 1,036,081 | 29,941 | 2.89 | (7,719) | (0.74) | 37,660 | 3.63 |
| 2009 | 1,799,225 | 130,704 | 7.26 | 8,648 | 0.48 | 122,056 | 6.78 |
| 2010 | 125,508 | 62,975 | 50.18 | 78,681 | 62.69 | (15,706) | (12.51) |
| 2011 | 558,739 | 6,131 | 1.10 | 1,086 | 0.19 | 5,045 | 0.90 |
| 2012 | 375,441 | 24,587 | 6.55 | (2,824) | (0.75) | 27,411 | 7.30 |
| All Years | 11,680,561 | 446,877 | 3.83 | 300,755 | 2.57 | 146,121 | 1.25 |
| 20-Yr Band | 10,939,256 | 417,541 | 3.82 | 298,821 | 2.73 | 118,719 | 1.09 |
| 15-Yr Band | 7,597,150 | 385,887 | 5.08 | 241,241 | 3.18 | 144,646 | 1.90 |
| 10-Yr Band | 5,901,921 | 360,803 | 6.11 | 201,445 | 3.41 | 159,358 | 2.70 |
| 5-Yr Band | 3,894,994 | 254,338 | 6.53 | 77,872 | 2.00 | 176,465 | 4.53 |
| 4-Yr Band | 2,858,913 | 224,397 | 7.85 | 85,591 | 2.99 | 138,806 | 4.86 |

| | |
|-----------------------------|-----------|
| Cost of Removal | 3% |
| Salvage | 3% |
| Proposed Net Removal | 0% |

2005 Net Removal of Interim Retirements: 0%
 2009 Net Removal of Interim Retirements: 0%

Data is not significantly changed since the prior Study, though positive net removal is indicated, largely because of the recorded 2009 COR. Overall, the company net removal experience is somewhat sporadic for this account. Based on the data and industry experience, it is reasonable at this time to use the existing 0% net removal rate.

**2009 to 2012 Net Removal Cost
Reconciliation of Abnormal Adjustments
Gulf Power Company**

| Year | RETIREMENTS | | | COST OF REMOVAL | | | GROSS SALVAGE | | |
|-------------------------|---------------|---|---------------------------|-----------------|-----------------|---------------------------|---------------|-----------------|---------------------------|
| | Per COR Study | Abnormal/ Adjs. | Per Activity (Tabs 10-11) | Per COR Study | Abnormal/ Adjs. | Per Activity (Tabs 10-11) | Per COR Study | Abnormal/ Adjs. | Per Activity (Tabs 10-11) |
| STEAM PRODUCTION | | | | | | | | | |
| 2009 | 19,897,978 | 1,072,799 | 20,970,777 | 5,547,820 | 0 | 5,547,820 | 216,339 | 0 | 216,339 |
| 2010 | 13,035,707 | 470,799 | 13,506,506 | 2,229,989 | 0 | 2,229,989 | 299,685 | 0 | 299,685 |
| 2011 | 21,815,120 | 469,936 | 22,285,056 | 9,673,053 | 0 | 9,673,053 | 1,513,427 | 0 | 1,513,427 |
| 2012 | 29,466,740 | 32,678 | 29,499,418 | 16,753,654 | 0 | 16,753,654 | 452,310 | 0 | 452,310 |
| 2009 | | Abnormal/Adjs. represent retirement of amortization property 1,072,799. | | | | | | | |
| 2010 | | Abnormal/Adjs. represent retirement of amortization property 470,799. | | | | | | | |
| 2011 | | Abnormal/Adjs. represent retirement of amortization property 469,936. | | | | | | | |
| 2012 | | Abnormal/Adjs. represent retirement of amortization property 32,678. | | | | | | | |
| ACCOUNT 364 | | | | | | | | | |
| 2009 | 954,875 | 0 | 954,875 | 1,178,477 | 0 | 1,178,477 | 23,122 | 0 | 23,122 |
| 2010 | 1,064,533 | 591 | 1,065,124 | 1,875,785 | 400 | 1,876,185 | 60,795 | 0 | 60,795 |
| 2011 | 1,213,402 | 0 | 1,213,402 | 2,085,608 | 1,223 | 2,086,831 | 23,762 | 0 | 23,762 |
| 2012 | 1,004,231 | 4,869 | 1,009,100 | 2,049,964 | 1,547 | 2,051,511 | (19,824) | | (19,824) |
| 2010 | | Abnormal Adj. 591 Retirement due to Tropical Storm Ida | | | | | | | |
| 2010 | | Abnormal Adj 400 COR due to Tropical Storm Ida | | | | | | | |
| 2011 | | Abnormal Adj 1,223 COR due to Tropical Storm Lee | | | | | | | |
| 2012 | | Abnormal Adj 1,838 Retirement due to Tropical Storm Lee | | | | | | | |
| 2012 | | Abnormal Adj 3,031 Retirement due to Hurricane Isaac | | | | | | | |
| 2012 | | Abnormal Adj 1,547 COR due to Hurricane Isaac | | | | | | | |
| ACCOUNT 365 | | | | | | | | | |
| 2009 | 449,915 | 221,655 | 671,570 | 478,721 | 281 | 479,002 | 130,767 | 38,122 | 168,889 |
| 2010 | 945,737 | 1,205,365 | 2,151,102 | 1,001,527 | 62,618 | 1,064,145 | 187,788 | 276,005 | 463,793 |
| 2011 | 864,992 | 1,338,023 | 2,203,015 | 803,137 | 80,189 | 883,326 | 410,088 | 526,775 | 936,863 |
| 2012 | 739,037 | 738,095 | 1,477,132 | 660,315 | 124,132 | 784,447 | 245,883 | 714,747 | 960,630 |

**2009 to 2012 Net Removal Cost
Reconciliation of Abnormal Adjustments
Gulf Power Company**

| Year | RETIREMENTS | | | COST OF REMOVAL | | | GROSS SALVAGE | | |
|--------------------|---------------|---|---------------------------|-----------------|-----------------|---------------------------|---------------|-----------------|---------------------------|
| | Per COR Study | Abnormal/ Adjs. | Per Activity (Tabs 10-11) | Per COR Study | Abnormal/ Adjs. | Per Activity (Tabs 10-11) | Per COR Study | Abnormal/ Adjs. | Per Activity (Tabs 10-11) |
| 2009 | | Abnormal Adj 221,655 Retirement due to Reclosers | | | | | | | |
| 2009 | | Abnormal Adj 280 COR due to Reclosers | | | | | | | |
| 2009 | | Abnormal Adj 38,122 Salvage due to Reclosers | | | | | | | |
| 2010 | | Abnormal Adj 1,205,365 Retirement due to Reclosers | | | | | | | |
| 2010 | | Abnormal Adj 62,618 COR due to Reclosers | | | | | | | |
| 2010 | | Abnormal Adj 276,005 Salvage due to Reclosers | | | | | | | |
| 2011 | | Abnormal Adj 1,338,023 Retirement due to Reclosers | | | | | | | |
| 2011 | | Abnormal Adj 80,026 COR due to Reclosers | | | | | | | |
| 2011 | | Abnormal Adj 526,775 Salvage due to Reclosers | | | | | | | |
| 2011 | | Abnormal Adj 163 COR due to Tropical Storm Lee | | | | | | | |
| 2012 | | Abnormal Adj 319 Retirement due to Tropical Storm Lee | | | | | | | |
| 2012 | | Abnormal Adj 9,852 Retirement due to Hurricane Isaac | | | | | | | |
| 2012 | | Abnormal Adj 727,924 Retirement due to Reclosers | | | | | | | |
| 2012 | | Abnormal Adj 121,342 COR due to Reclosers | | | | | | | |
| 2012 | | Abnormal Adj 714,747 Salvage due to Reclosers | | | | | | | |
| 2012 | | Abnormal Adj 2,790 COR due to Hurricane Isaac | | | | | | | |
| ACCOUNT 367 | | | | | | | | | |
| 2009 | 526,743 | 0 | 526,743 | 125,755 | 0 | 125,755 | 31,546 | 0 | 31,546 |
| 2010 | 457,351 | 533 | 457,884 | 152,497 | 91 | 152,588 | 29,198 | 0 | 29,198 |
| 2011 | 504,490 | 0 | 504,490 | 138,472 | 0 | 138,472 | 58,303 | 0 | 58,303 |
| 2012 | 857,653 | 0 | 857,653 | 190,637 | 0 | 190,637 | 110,579 | 0 | 110,579 |
| 2010 | | Abnormal Adj. 533 Retirement due to Tropical Storm Ida | | | | | | | |
| 2010 | | Abnormal Adj 91 COR due to Tropical Storm Ida | | | | | | | |
| ACCOUNT 368 | | | | | | | | | |
| 2009 | 2,765,404 | 0 | 2,765,404 | 1,124,548 | 0 | 1,124,548 | 157,691 | 0 | 157,691 |
| 2010 | 2,598,922 | 3,361 | 2,602,283 | 1,483,512 | 248 | 1,483,760 | 147,766 | 0 | 147,766 |
| 2011 | 3,671,922 | 0 | 3,671,922 | 1,150,475 | 2,026 | 1,152,501 | 219,758 | 0 | 219,758 |
| 2012 | 3,532,025 | 34,881 | 3,566,906 | 904,690 | 14,314 | 919,004 | 208,508 | 0 | 208,508 |

**2009 to 2012 Net Removal Cost
Reconciliation of Abnormal Adjustments
Gulf Power Company**

| Year | RETIREMENTS | | | COST OF REMOVAL | | | GROSS SALVAGE | | | |
|------|---------------|---|---------------------------|-----------------|-----------------|---------------------------|---------------|-----------------|---------------------------|--|
| | Per COR Study | Abnormal/ Adjs. | Per Activity (Tabs 10-11) | Per COR Study | Abnormal/ Adjs. | Per Activity (Tabs 10-11) | Per COR Study | Abnormal/ Adjs. | Per Activity (Tabs 10-11) | |
| 2010 | | Abnormal Adj. 3,361 Retirement due to Tropical Storm Ida | | | | | | | | |
| 2010 | | Abnormal Adj 248 COR due to Tropical Strom Ida | | | | | | | | |
| 2011 | | Abnormal Adj 2,026 COR due to Tropical Strom Lee | | | | | | | | |
| 2012 | | Abnormal Adj 3,800 Retirement due to Tropical Strom Lee | | | | | | | | |
| 2012 | | Abnormal Adj 31,081 Retirement due to Hurricane Isaac | | | | | | | | |
| 2012 | | Abnormal Adj 14,314 Retirement due to Hurricane Isaac | | | | | | | | |

ACCOUNT 370 Meters

| | | | | | | | | | |
|------|-----------|---------|-----------|---------|---------|---------|-----------|-------|-----------|
| 2009 | 1,210,783 | 521,890 | 1,732,673 | 246,325 | 28,048 | 274,373 | 737,210 | 3,306 | 740,516 |
| 2010 | 1,656,366 | 289,014 | 1,945,380 | 369,759 | 24,819 | 394,579 | 1,018,127 | 934 | 1,019,061 |
| 2011 | 2,615,250 | 39,881 | 2,655,131 | 247,080 | 599,239 | 846,319 | 764,637 | 0 | 764,637 |
| 2012 | 1,643,667 | 47,391 | 1,691,058 | 185,247 | 0 | 185,247 | 205,905 | 0 | 205,905 |

| | | | | | | | | | |
|------|---|--|--|--|--|--|--|--|--|
| 2009 | Abnormal Adj 521,890 Retirement due to AMI | | | | | | | | |
| 2009 | Abnormal Adj 28,048 COR due to AMI | | | | | | | | |
| 2009 | Abnormal Adj 3,306 Salvage due to AMI | | | | | | | | |
| 2010 | Abnormal Adj 289,014 Retirement due to AMI | | | | | | | | |
| 2010 | Abnormal Adj 24,819 COR due to AMI | | | | | | | | |
| 2010 | Abnormal Adj 934 Salvage due to AMI | | | | | | | | |
| 2011 | Abnormal Adj 39,881 Retirement due to AMI | | | | | | | | |
| 2011 | Abnormal Adj 599,239 COR due to AMI | | | | | | | | |
| 2012 | Abnormal Adj 47,391 Retirement due to AMI | | | | | | | | |

ACCOUNT 370 AMI Meters

| | | | | | | | | | |
|------|-----------|--------|-----------|--------|---|--------|---|---|---|
| 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1,041,000 | 38,937 | 1,079,937 | 61,110 | 0 | 61,110 | 0 | 0 | 0 |

| | | | | | | | | | |
|------|--|--|--|--|--|--|--|--|--|
| 2011 | Abnormal Adj 38,937 Retirement due to AMI | | | | | | | | |
|------|--|--|--|--|--|--|--|--|--|

**2009 to 2012 Net Removal Cost
Reconciliation of Abnormal Adjustments
Gulf Power Company**

| Year | RETIREMENTS | | | COST OF REMOVAL | | | GROSS SALVAGE | | |
|---|---------------|--|---------------------------|-----------------|-----------------|---------------------------|---------------|-----------------|---------------------------|
| | Per COR Study | Abnormal/ Adjs. | Per Activity (Tabs 10-11) | Per COR Study | Abnormal/ Adjs. | Per Activity (Tabs 10-11) | Per COR Study | Abnormal/ Adjs. | Per Activity (Tabs 10-11) |
| ACCOUNT 370 FPSC Segregated Meters | | | | | | | | | |
| 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2010 | 0 | 104,533 | 104,533 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2011 | 0 | 6,245,145 | 6,245,145 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 0 | 3,966,270 | 3,966,270 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2010 | | Abnormal Adj 104,533 Retirement due to AMI | | | | | | | |
| 2011 | | Abnormal Adj 6,245,145 Retirement due to AMI | | | | | | | |
| 2012 | | Abnormal Adj 3,966,270 Retirement due to AMI | | | | | | | |
| ACCOUNT 370 FPSC Non-Segregated Meters | | | | | | | | | |
| 2009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2010 | 0 | 0 | 0 | 0 | 52,754 | 52,754 | 0 | 23,499 | 23,499 |
| 2011 | 0 | 1,706,702 | 1,706,702 | 0 | 323,602 | 323,602 | 0 | 269,299 | 269,299 |
| 2012 | 0 | 4,359,258 | 4,359,258 | 0 | 248,918 | 248,918 | 0 | 254,876 | 254,876 |
| 2010 | | Abnormal Adj 52,754 COR due to AMI | | | | | | | |
| 2010 | | Abnormal Adj 23,499 Salvage due to AMI | | | | | | | |
| 2011 | | Abnormal Adj 1,706,702 Retirement due to AMI | | | | | | | |
| 2011 | | Abnormal Adj 323,602 COR due to AMI | | | | | | | |
| 2011 | | Abnormal Adj 269,299 Salvage due to AMI | | | | | | | |
| 2012 | | Abnormal Adj 4,359,258 Retirement due to AMI | | | | | | | |
| 2012 | | Abnormal Adj 248,918 COR due to AMI | | | | | | | |
| 2012 | | Abnormal Adj 254,876 Salvage due to AMI | | | | | | | |

ANNUAL DISMANTLEMENT COSTS DRAFT

The "Proposed Expense" represented on Schedule 1 was determined in accordance with FPSC Rule 25-6.04364(4). As prescribed in this rule, the proposed expense amounts are a level amount to be recovered over the life of each generating unit. The indices contained in the "Review of the U.S. Economy" Moody's January 2013 - 25 Year Forecast (Sch. 3) were used to escalate the total dismantlement cost estimates and to determine the level funding amounts. The following assumptions were used in determining this expense:

1. The labor cost estimates for each generating unit included in the company's dismantlement cost study include materials used in the removal process. The amount of materials included as labor cost, estimated at 40%, has been reclassified as scrap (col. E, Sch. 2) in order to escalate the materials cost using the appropriate index for Intermediate Materials, Supplies, and Components.
2. The actual dismantlement of Gulf Power Company's plants is expected to take three years (column D & E of Sch. 2). Eighty-five percent of the total cost estimate will occur in the first two years after each unit's retirement date. The remaining 15% will occur during the year after the plant's retirement date (after all units are retired). This 15% represents the removal of turbine house and boiler house structures.
3. The accumulated reserve for dismantlement is currently maintained by total plant site. The estimated reserve at December 31, 2013 (col., H, Sch. 2) has been allocated to labor, disposal, and scrap based on the Future Cost Estimate (col. G, Sch. 2).
4. Gulf Power Company will review the dismantlement cost estimates every four years when depreciation rates are studied. As these costs will not be revised during the interim periods between studies, an average expense for the next four years has been determined using the average inflation rate.

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

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

Schedule 1

| | <u>Current Expense</u> | <u>Proposed Expense</u> | <u>Change</u> |
|-------------------------|----------------------------|-----------------------------|---------------------------|
| Plant Crist | 6,458,948 | 6,172,175 | (286,773) |
| Plant Smith | 1,249,287 | 1,016,173 | (233,114) |
| Plant Scholz | 799,767 | (1,046,922) | (1,846,689) |
| Plant Daniel | 684,446 | 174,336 | (510,110) |
| Plant Scherer | <u>98,878</u> | <u>297,594</u> | <u>198,716</u> |
| Total Steam | <u>9,291,326</u> | <u>6,613,356</u> | <u>(2,677,970)</u> |
| Plant Smith CT | 3,258 | 3,147 | (111) |
| Plant Pea Ridge | 17,334 | 22,532 | 5,198 |
| Smith Comb Cycle | 280,020 | 274,255 | (5,765) |
| Perdido Landfill | 0 | 110,046 | 110,046 |
| Total Gulf Power | <u>9,591,938</u> | <u>7,023,336</u> | <u>(2,568,602)</u> |

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

| PLANT/UNIT | Total Company Current Cost Estimate 12/31/2013 | Jurisdictional Current Cost Estimate 12/31/2013 | Future Cost Estimate | Jurisdictional Future Cost Estimate |
|----------------------------|---|--|-------------------------------------|--|
| <u>Plant Crist</u> | | | | |
| Total Unit 4 | 4,516,000 | 4,367,537 | 5,982,512 | 5,785,837 |
| Total Unit 5 | 4,592,000 | 4,441,038 | 6,313,780 | 6,106,214 |
| Total Unit 6 | 19,306,000 | 18,671,315 | 30,881,451 | 29,866,223 |
| Total Unit 7 | 21,734,000 | 21,019,495 | 36,260,356 | 35,068,297 |
| Total Common | 111,515,000 | 107,848,944 | 187,816,552 | 181,642,083 |
| Total Plant Crist | 161,663,000 | 156,348,329 | 267,254,651 | 258,468,654 |
| <u>Plant Smith</u> | | | | |
| Total Unit 1 | 4,486,000 | 4,338,523 | 6,488,650 | 6,275,336 |
| Total Unit 2 | 5,342,000 | 5,166,382 | 7,993,737 | 7,730,943 |
| Total Common | 20,555,000 | 19,879,254 | 30,969,806 | 29,951,674 |
| Total Plant Smith | 30,383,000 | 29,384,159 | 45,452,193 | 43,957,952 |
| <u>Plant Scholz</u> | | | | |
| Total Unit 1 | 2,112,000 | 2,042,568 | 2,202,606 | 2,130,195 |
| Total Unit 2 | 2,079,000 | 2,010,653 | 2,168,571 | 2,097,279 |
| Total Common | 7,241,000 | 7,002,952 | 7,678,052 | 7,425,636 |
| Total Plant Scholz | 11,432,000 | 11,056,173 | 12,049,229 | 11,653,111 |

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

| PLANT/UNIT | Total Company Current Cost Estimate 12/31/2013 | Jurisdictional Current Cost Estimate 12/31/2013 | Future Cost Estimate | Jurisdictional Future Cost Estimate |
|--|---|--|-------------------------------------|--|
| <u>Plant Daniel (Gulf %)</u> | | | | |
| Total Unit 1 | 1,452,499 | 1,404,748 | 2,211,451 | 2,138,750 |
| Total Unit 2 | 1,478,000 | 1,429,411 | 2,149,796 | 2,079,121 |
| Total Common | 12,841,501 | 12,419,337 | 24,752,528 | 23,938,789 |
| Total Plant Daniel | 15,772,000 | 15,253,496 | 29,113,775 | 28,156,660 |
| <u>Plant Scherer</u> | | | | |
| Total Unit 3 | 8,693,875 | 0 | 17,671,274 | 0 |
| Total Common | 1,770,125 | 0 | 3,815,968 | 0 |
| Total Plant Scherer | 10,464,000 | 0 | 21,487,242 | 0 |
| <u>Plant Smith Combustion Turbine</u> | | | | |
| Total Smith CT | 168,000 | 162,477 | 225,922 | 218,495 |
| <u>Pace (Pea Ridge) Plant</u> | | | | |
| Total Unit 1 | 50,000 | 48,356 | 55,576 | 53,749 |
| Total Unit 2 | 50,000 | 48,356 | 55,576 | 53,749 |
| Total Unit 3 | 51,000 | 49,323 | 56,695 | 54,831 |
| Total Pace (Pea Ridge) | 151,000 | 146,036 | 167,847 | 162,329 |
| <u>Smith Unit 3 - CC</u> | | | | |
| Total Smith Unit 3 | 7,491,000 | 7,244,733 | 13,383,663 | 12,943,675 |
| <u>Perdido Landfill</u> | | | | |
| Total Perdido Landfill | 1,507,000 | 1,457,457 | 2,156,346 | 2,085,456 |
| Total Dismantlement Costs | \$ 239,031,000 | \$ 221,052,860 | \$ 391,290,868 | \$ 357,646,332 |

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

SCHEDULE 2

| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) |
|--------------------|---|------------------------------|---------------------|------------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT | ITEM | COST ESTIMATE 12/31/13 | EXPENDITURE DATE | AMOUNT | COMPOUND MULT. | FUTURE COST ESTIMATE | ALLOCATED RESERVE 12/31/13 | UN- RECOVERED COST | AVERAGE INFLATION RATE | 2014 ANNUAL EXPENSE | AVG. MULT. | FOUR YEAR AVERAGE EXPENSE |
| | | | | | Sch. 3 | (E)×(F) | % of (G) | (G)-(I) | G+E×(1+(D-2008)-1 | 1+(J)×(D-2009)-1 | | (K)×(L) |
| Plant Crist | | | | | | | | | | | | |
| Unit 4 | | | | | | | | | | | | |
| | Labor | | 2024 | 1,770,720 | 1.248 | 2,209,859 | | | | | | |
| | | | 2025 | 1,770,720 | 1.278 | 2,262,980 | | | | | | |
| | | | 2039 | 624,960 | 1.678 | 1,048,683 | | | | | | |
| | Total Labor | 6,944,000 | 2024 | <u>4,166,400</u> | | <u>5,521,522</u> | 5,973,290 | (451,768) | 2.59% | (36,017) | 1.0396 | (37,443) |
| | Disposal | | 2024 | 120,700 | 1.241 | 149,789 | | | | | | |
| | | | 2025 | 120,700 | 1.265 | 152,686 | | | | | | |
| | | | 2039 | 42,600 | 1.615 | 68,799 | | | | | | |
| | Total Disposal | 284,000 | 2024 | <u>284,000</u> | | <u>371,274</u> | 401,651 | (30,377) | 2.47% | (2,438) | 1.0376 | (2,530) |
| | Scrap (incl. Materials @ 40% of Labor) | | 2024 | 27,880 | 1.292 | 36,021 | | | | | | |
| | | | 2025 | 27,880 | 1.315 | 36,662 | | | | | | |
| | | | 2039 | 9,840 | 1.731 | 17,033 | | | | | | |
| | Total Scrap | (2,712,000) | 2024 | <u>65,600</u> | | <u>89,716</u> | 97,057 | (7,341) | 2.89% | (577) | 1.0446 | (603) |
| | Total Unit 4 | <u>4,516,000</u> | | <u>4,516,000</u> | | <u>5,982,512</u> | 6,471,998 | (489,486) | | (39,032) | | (40,576) |
| Unit 5 | | | | | | | | | | | | |
| | Labor | | 2026 | 1,784,235 | 1.308 | 2,333,779 | | | | | | |
| | | | 2027 | 1,784,235 | 1.338 | 2,387,306 | | | | | | |
| | | | 2039 | 629,730 | 1.678 | 1,056,687 | | | | | | |
| | Total Labor | 6,997,000 | 2026 | <u>4,198,200</u> | | <u>5,777,772</u> | 5,838,186 | (60,414) | 2.49% | (3,993) | 1.0379 | (4,144) |
| | Disposal | | 2026 | 130,475 | 1.289 | 168,182 | | | | | | |
| | | | 2027 | 130,475 | 1.313 | 171,314 | | | | | | |
| | | | 2039 | 46,050 | 1.615 | 74,371 | | | | | | |
| | Total Disposal | 307,000 | 2026 | <u>307,000</u> | | <u>413,867</u> | 418,195 | (4,328) | 2.32% | (289) | 1.0363 | (299) |
| | Scrap (incl. Materials @ 40% of Labor) | | 2026 | 36,890 | 1.338 | 49,359 | | | | | | |
| | | | 2027 | 36,890 | 1.362 | 50,244 | | | | | | |
| | | | 2039 | 13,020 | 1.731 | 22,538 | | | | | | |
| | Total Scrap | (2,712,000) | 2026 | <u>86,800</u> | | <u>122,141</u> | 123,418 | (1,277) | 2.66% | (83) | 1.0361 | (86) |
| | Total Unit 5 | <u>4,592,000</u> | | <u>4,592,000</u> | | <u>6,313,780</u> | 6,379,799 | (66,019) | | (4,365) | | (4,529) |

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

SCHEDULE 2

| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) |
|---------------|---|---------------------------|---------------------|-------------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT | ITEM | COST ESTIMATE 12/31/13 | EXPENDITURE DATE | AMOUNT | COMPOUND MULT. | FUTURE COST ESTIMATE | ALLOCATED RESERVE 12/31/13 | UN- RECOVERED COST | AVERAGE INFLATION RATE | 2014 ANNUAL EXPENSE | AVG. MULT. | FOUR YEAR AVERAGE EXPENSE |
| Unit 6 | | | | | | | | | | | | |
| | Labor | | 2035 | 6,399,990 | 1.572 | 10,060,784 | | | | | | |
| | | | 2036 | 6,399,990 | 1.600 | 10,239,984 | | | | | | |
| | | | 2039 | 2,258,820 | 1.678 | 3,790,300 | | | | | | |
| | Total Labor | 25,098,000 | 2035 | <u>15,058,800</u> | | <u>24,091,068</u> | 12,006,688 | 12,084,380 | 2.16% | <u>434,938</u> | 1.0328 | <u>449,204</u> |
| | Disposal | | 2035 | 566,950 | 1.508 | 854,961 | | | | | | |
| | | | 2036 | 566,950 | 1.533 | 869,134 | | | | | | |
| | | | 2039 | 200,100 | 1.615 | 323,162 | | | | | | |
| | Total Disposal | 1,334,000 | 2035 | <u>1,334,000</u> | | <u>2,047,257</u> | 1,020,327 | 1,026,930 | 1.97% | <u>37,760</u> | 1.0299 | <u>38,889</u> |
| | Scrap (incl. Materials @ 40% of Labor) | | 2035 | 1,238,110 | 1.593 | 1,972,309 | | | | | | |
| | | | 2036 | 1,238,110 | 1.627 | 2,014,405 | | | | | | |
| | | | 2039 | 436,980 | 1.731 | 756,412 | | | | | | |
| | Total Scrap | <u>(7,126,000)</u> | 2035 | <u>2,913,200</u> | | <u>4,743,126</u> | 2,363,915 | 2,379,211 | 2.24% | <u>84,858</u> | 1.0341 | <u>87,752</u> |
| | Total Unit 6 | <u>19,306,000</u> | | <u>19,306,000</u> | | <u>30,881,451</u> | 15,390,930 | 15,490,521 | | <u>557,556</u> | | <u>575,845</u> |
| Unit 7 | | | | | | | | | | | | |
| | Labor | | 2038 | 7,442,175 | 1.653 | 12,301,915 | | | | | | |
| | | | 2039 | 7,442,175 | 1.678 | 12,487,970 | | | | | | |
| | | | 2039 | 2,626,650 | 1.678 | 4,407,519 | | | | | | |
| | Total Labor | 29,185,000 | 2038 | <u>17,511,000</u> | | <u>29,197,404</u> | 14,290,498 | 14,906,906 | 2.07% | <u>461,487</u> | 1.0314 | <u>475,978</u> |
| | Disposal | | 2038 | 690,200 | 1.586 | 1,094,657 | | | | | | |
| | | | 2039 | 690,200 | 1.615 | 1,114,673 | | | | | | |
| | | | 2039 | 243,600 | 1.615 | 393,414 | | | | | | |
| | Total Disposal | 1,624,000 | 2038 | <u>1,624,000</u> | | <u>2,602,744</u> | 1,273,898 | 1,328,846 | 1.90% | <u>41,995</u> | 1.0289 | <u>43,209</u> |
| | Scrap (incl. Materials @ 40% of Labor) | | 2038 | 1,104,575 | 1.696 | 1,873,359 | | | | | | |
| | | | 2039 | 1,104,575 | 1.731 | 1,912,019 | | | | | | |
| | | | 2039 | 389,850 | 1.731 | 674,830 | | | | | | |
| | Total Scrap | <u>(9,075,000)</u> | 2038 | <u>2,599,000</u> | | <u>4,460,208</u> | 2,183,023 | 2,277,185 | 2.18% | <u>69,441</u> | 1.0332 | <u>71,746</u> |
| | Total Unit 7 | <u>21,734,000</u> | | <u>21,734,000</u> | | <u>36,260,356</u> | 17,747,419 | 18,512,937 | | <u>572,923</u> | | <u>590,933</u> |

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

SCHEDULE 2

| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) |
|-------------------|----------------------------------|---------------------------|---------------------|--------------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT | ITEM | COST ESTIMATE 12/31/13 | EXPENDITURE DATE | AMOUNT | COMPOUND MULT. | FUTURE COST ESTIMATE | ALLOCATED RESERVE 12/31/13 | UN- RECOVERED COST | AVERAGE INFLATION RATE | 2014 ANNUAL EXPENSE | AVG. MULT. | FOUR YEAR AVERAGE EXPENSE |
| Common | | | | | | | | | | | | |
| | Labor | | 2038 | 29,521,350 | 1.653 | 48,798,792 | | | | | | |
| | | | 2039 | 29,521,350 | 1.678 | 49,536,825 | | | | | | |
| | | | 2039 | 10,419,300 | 1.678 | 17,483,585 | | | | | | |
| | Total Labor | 115,770,000 | 2038 | <u>69,462,000</u> | | <u>115,819,202</u> | 17,821,217 | 97,997,985 | 2.07% | <u>3,033,816</u> | 1.0314 | <u>3,129,078</u> |
| | Disposal | | 2038 | 640,050 | 1.586 | 1,015,119 | | | | | | |
| | | | 2039 | 640,050 | 1.615 | 1,033,681 | | | | | | |
| | | | 2039 | 225,900 | 1.615 | 364,829 | | | | | | |
| | Total Disposal | 1,506,000 | 2038 | <u>1,506,000</u> | | <u>2,413,629</u> | 371,388 | 2,042,241 | 1.90% | <u>64,540</u> | 1.0289 | <u>66,405</u> |
| | Scrap | | 2038 | 17,232,475 | 1.696 | 29,226,278 | | | | | | |
| | (incl. Materials @ 40% of Labor) | | 2039 | 17,232,475 | 1.731 | 29,829,414 | | | | | | |
| | | | 2039 | 6,082,050 | 1.731 | 10,528,029 | | | | | | |
| | Total Scrap | <u>(5,761,000)</u> | 2038 | <u>40,547,000</u> | | <u>69,583,721</u> | 10,706,917 | 58,876,804 | 2.18% | <u>1,795,411</u> | 1.0332 | <u>1,855,019</u> |
| | Total Common | <u>111,515,000</u> | | <u>111,515,000</u> | | <u>187,816,552</u> | 28,899,522 | 158,917,030 | | <u>4,893,767</u> | | <u>5,050,502</u> |
| Total Plant Crist | | | | | | | | | | | | |
| | Labor | | | 46,918,470 | | 75,705,129 | | | | | | |
| | | | | 46,918,470 | | 76,915,065 | | | | | | |
| | | | | 16,559,460 | | 27,786,774 | | | | | | |
| | Total Labor | 183,994,000 | | <u>110,396,400</u> | | <u>180,406,968</u> | 55,929,879 | 124,477,089 | | <u>3,890,231</u> | | <u>4,012,673</u> |
| | Disposal | | | 2,148,375 | | 3,282,708 | | | | | | |
| | | | | 2,148,375 | | 3,341,488 | | | | | | |
| | | | | 758,250 | | 1,224,575 | | | | | | |
| | Total Disposal | 5,055,000 | | <u>5,055,000</u> | | <u>7,848,771</u> | 3,485,459 | 4,363,312 | | <u>141,568</u> | | <u>145,674</u> |
| | Scrap | | | 19,639,930 | | 33,157,326 | | | | | | |
| | (incl. Materials @ 40% of Labor) | | | 19,639,930 | | 33,842,744 | | | | | | |
| | | | | 6,931,740 | | 11,998,842 | | | | | | |
| | Total Scrap | <u>(27,386,000)</u> | | <u>46,211,600</u> | | <u>78,998,912</u> | 15,474,330 | 63,524,582 | | <u>1,949,050</u> | | <u>2,013,828</u> |
| | Total Plant Crist | <u>161,663,000</u> | | <u>161,663,000</u> | | <u>267,254,651</u> | 74,889,666 | 192,364,983 | | <u>5,980,849</u> | | <u>6,172,175</u> |

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

SCHEDULE 2

| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) |
|--------------------|----------------------------------|------------------------------|---------------------|------------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT | ITEM | COST ESTIMATE 12/31/13 | EXPENDITURE DATE | AMOUNT | COMPOUND MULT. | FUTURE COST ESTIMATE | ALLOCATED RESERVE 12/31/13 | UN- RECOVERED COST | AVERAGE INFLATION RATE | 2014 ANNUAL EXPENSE | AVG. MULT. | FOUR YEAR AVERAGE EXPENSE |
| Plant Smith | | | | | | | | | | | | |
| Unit 1 | | | | | | | | | | | | |
| | Labor | | 2030 | 1,775,820 | 1.425 | 2,530,544 | | | | | | |
| | | | 2031 | 1,775,820 | 1.455 | 2,583,818 | | | | | | |
| | | | 2033 | 626,760 | 1.515 | 949,541 | | | | | | |
| | Total Labor | 6,964,000 | 2030 | <u>4,178,400</u> | | <u>6,063,903</u> | 4,463,118 | 1,600,785 | 2.21% | <u>78,573</u> | 1.0337 | <u>81,221</u> |
| | Disposal | | 2030 | 187,000 | 1.385 | 258,995 | | | | | | |
| | | | 2031 | 187,000 | 1.409 | 263,483 | | | | | | |
| | | | 2033 | 66,000 | 1.458 | 96,228 | | | | | | |
| | Total Disposal | 440,000 | 2030 | <u>440,000</u> | | <u>618,706</u> | 455,376 | 163,330 | 2.03% | <u>8,144</u> | 1.0308 | <u>8,395</u> |
| | Scrap | | 2030 | (56,270) | 1.440 | (81,029) | | | | | | |
| | (incl. Materials @ 40% of Labor) | | 2031 | (56,270) | 1.468 | (82,604) | | | | | | |
| | | | 2033 | (19,860) | 1.527 | (30,326) | | | | | | |
| | Total Scrap | <u>(2,918,000)</u> | 2030 | <u>(132,400)</u> | | <u>(193,959)</u> | (142,757) | (51,202) | 2.27% | <u>(2,501)</u> | 1.0346 | <u>(2,588)</u> |
| | Total Unit 1 | <u>4,486,000</u> | | <u>4,486,000</u> | | <u>6,488,650</u> | 4,775,738 | 1,712,913 | | <u>84,216</u> | | <u>87,028</u> |
| Unit 2 | | | | | | | | | | | | |
| | Labor | | 2032 | 2,004,555 | 1.485 | 2,976,764 | | | | | | |
| | | | 2033 | 2,004,555 | 1.515 | 3,036,901 | | | | | | |
| | | | 2033 | 707,490 | 1.515 | 1,071,847 | | | | | | |
| | Total Labor | 7,861,000 | 2032 | <u>4,716,600</u> | | <u>7,085,512</u> | 4,525,190 | 2,560,322 | 2.17% | <u>110,366</u> | 1.0329 | <u>113,997</u> |
| | Disposal | | 2032 | 246,500 | 1.433 | 353,235 | | | | | | |
| | | | 2033 | 246,500 | 1.458 | 359,397 | | | | | | |
| | | | 2033 | 87,000 | 1.458 | 126,846 | | | | | | |
| | Total Disposal | 580,000 | 2032 | <u>580,000</u> | | <u>839,478</u> | 536,136 | 303,342 | 1.97% | <u>13,324</u> | 1.0299 | <u>13,722</u> |
| | Scrap | | 2032 | 19,295 | 1.497 | 28,885 | | | | | | |
| | (incl. Materials @ 40% of Labor) | | 2033 | 19,295 | 1.527 | 29,463 | | | | | | |
| | | | 2033 | 6,810 | 1.527 | 10,399 | | | | | | |
| | Total Scrap | <u>(3,099,000)</u> | 2032 | <u>45,400</u> | | <u>68,747</u> | 43,906 | 24,841 | 2.21% | <u>1,066</u> | 1.0340 | <u>1,102</u> |
| | Total Unit 2 | <u>5,342,000</u> | | <u>5,342,000</u> | | <u>7,993,737</u> | 5,105,231 | 2,888,505 | | <u>124,756</u> | | <u>128,821</u> |

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

SCHEDULE 2

| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) |
|--------------------------|----------------------------------|---------------------------|---------------------|-------------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT | ITEM | COST ESTIMATE 12/31/13 | EXPENDITURE DATE | AMOUNT | COMPOUND MULT. | FUTURE COST ESTIMATE | ALLOCATED RESERVE 12/31/13 | UN- RECOVERED COST | AVERAGE INFLATION RATE | 2014 ANNUAL EXPENSE | AVG. MULT. | FOUR YEAR AVERAGE EXPENSE |
| Common | | | | | | | | | | | | |
| | Labor | | 2032 | 5,409,060 | 1.485 | 8,032,454 | | | | | | |
| | | | 2033 | 5,409,060 | 1.515 | 8,194,726 | | | | | | |
| | | | 2033 | 1,909,080 | 1.515 | 2,892,256 | | | | | | |
| | Total Labor | 21,212,000 | 2032 | <u>12,727,200</u> | | <u>19,119,436</u> | 8,008,664 | 11,110,772 | 2.17% | 478,945 | 1.0329 | <u>494,702</u> |
| | Disposal | | 2032 | 18,275 | 1.433 | 26,188 | | | | | | |
| | | | 2033 | 18,275 | 1.458 | 26,645 | | | | | | |
| | | | 2033 | 6,450 | 1.458 | 9,404 | | | | | | |
| | Total Disposal | 43,000 | 2032 | <u>43,000</u> | | <u>62,237</u> | 26,070 | 36,167 | 1.97% | 1,589 | 1.0297 | <u>1,636</u> |
| | Scrap | | 2032 | 3,308,540 | 1.497 | 4,952,884 | | | | | | |
| | (incl. Materials @ 40% of Labor) | | 2033 | 3,308,540 | 1.527 | 5,052,141 | | | | | | |
| | | | 2033 | 1,167,720 | 1.527 | 1,783,108 | | | | | | |
| | Total Scrap | <u>(700,000)</u> | 2032 | <u>7,784,800</u> | | <u>11,788,133</u> | 4,937,760 | 6,850,373 | 2.21% | 294,104 | 1.0336 | <u>303,986</u> |
| | Total Common | <u>20,555,000</u> | | <u>20,555,000</u> | | <u>30,969,806</u> | 12,972,493 | 17,997,312 | | <u>774,638</u> | | <u>800,324</u> |
| Total Plant Smith | | | | | | | | | | | | |
| | Labor | | | 9,189,435 | | 13,539,762 | | | | | | |
| | | | | 9,189,435 | | 13,815,445 | | | | | | |
| | | | | 3,243,330 | | 4,913,644 | | | | | | |
| | Total Labor | 36,037,000 | | <u>21,622,200</u> | | <u>32,268,851</u> | 16,996,972 | 15,271,879 | | 667,884 | | <u>689,920</u> |
| | Disposal | | | 451,775 | | 638,418 | | | | | | |
| | | | | 451,775 | | 649,525 | | | | | | |
| | | | | 159,450 | | 232,478 | | | | | | |
| | Total Disposal | 1,063,000 | | <u>1,063,000</u> | | <u>1,520,421</u> | 1,017,582 | 502,839 | | 23,057 | | <u>23,753</u> |
| | Scrap | | | 3,271,565 | | 4,900,740 | | | | | | |
| | (incl. Materials @ 40% of Labor) | | | 3,271,565 | | 4,999,000 | | | | | | |
| | | | | 1,154,670 | | 1,763,181 | | | | | | |
| | Total Scrap | <u>(6,717,000)</u> | | <u>7,697,800</u> | | <u>11,662,921</u> | 4,838,909 | 6,824,012 | | 292,669 | | <u>302,500</u> |
| | Total Plant Smith | <u>30,383,000</u> | | <u>30,383,000</u> | | <u>45,452,193</u> | 22,853,463 | 22,598,730 | | <u>983,610</u> | | <u>1,016,173</u> |

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

SCHEDULE 2

| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) |
|----------------------------|----------------------------------|---------------------------|---------------------|------------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT | ITEM | COST ESTIMATE 12/31/13 | EXPENDITURE DATE | AMOUNT | COMPOUND MULT. | FUTURE COST ESTIMATE | ALLOCATED RESERVE 12/31/13 | UN- RECOVERED COST | AVERAGE INFLATION RATE | 2014 ANNUAL EXPENSE | AVG. MULT. | FOUR YEAR AVERAGE EXPENSE |
| <u>Plant Scholz</u> | | | | | | | | | | | | |
| Unit 1 | | | | | | | | | | | | |
| | Labor | | 2015 | 974,355 | 1.035 | 1,008,457 | | | | | | |
| | | | 2016 | 974,355 | 1.057 | 1,029,893 | | | | | | |
| | | | 2016 | 343,890 | 1.057 | 363,492 | | | | | | |
| | Total Labor | 3,821,000 | 2015 | <u>2,292,600</u> | | <u>2,401,842</u> | 3,676,307 | (1,274,465) | 2.35% | (629,817) | 1.0359 | <u>(652,427)</u> |
| | Disposal | | 2015 | 65,450 | 1.045 | 68,395 | | | | | | |
| | | | 2016 | 65,450 | 1.065 | 69,704 | | | | | | |
| | | | 2016 | 23,100 | 1.065 | 24,602 | | | | | | |
| | Total Disposal | 154,000 | 2015 | <u>154,000</u> | | <u>162,701</u> | 249,033 | (86,332) | 2.79% | (42,573) | 1.0426 | <u>(44,387)</u> |
| | Scrap | | 2015 | (142,205) | 1.061 | (150,880) | | | | | | |
| | (incl. Materials @ 40% of Labor) | | 2016 | (142,205) | 1.097 | (155,999) | | | | | | |
| | | | 2016 | (50,190) | 1.097 | (55,058) | | | | | | |
| | Total Scrap | (1,863,000) | 2015 | <u>(334,600)</u> | | <u>(361,937)</u> | (553,988) | 192,051 | 4.00% | 94,140 | 1.0617 | <u>99,948</u> |
| | Total Unit 1 | <u>2,112,000</u> | | <u>2,112,000</u> | | <u>2,202,606</u> | 3,371,353 | (1,168,746) | | <u>(578,250)</u> | | <u>(596,866)</u> |
| Unit 2 | | | | | | | | | | | | |
| | Labor | | 2015 | 949,875 | 1.035 | 983,121 | | | | | | |
| | | | 2016 | 949,875 | 1.057 | 1,004,018 | | | | | | |
| | | | 2016 | 335,250 | 1.057 | 354,359 | | | | | | |
| | Total Labor | 3,725,000 | 2015 | <u>2,235,000</u> | | <u>2,341,498</u> | 3,582,055 | (1,240,557) | 2.35% | (613,060) | 1.0359 | <u>(635,069)</u> |
| | Disposal | | 2015 | 70,550 | 1.045 | 73,725 | | | | | | |
| | | | 2016 | 70,550 | 1.065 | 75,136 | | | | | | |
| | | | 2016 | 24,900 | 1.065 | 26,519 | | | | | | |
| | Total Disposal | 166,000 | 2015 | <u>166,000</u> | | <u>175,380</u> | 268,299 | (92,919) | 2.79% | (45,821) | 1.0426 | <u>(47,773)</u> |
| | Scrap | | 2015 | (136,850) | 1.061 | (145,198) | | | | | | |
| | (incl. Materials @ 40% of Labor) | | 2016 | (136,850) | 1.097 | (150,124) | | | | | | |
| | | | 2016 | (48,300) | 1.097 | (52,985) | | | | | | |
| | Total Scrap | (1,812,000) | 2015 | <u>(322,000)</u> | | <u>(348,307)</u> | (532,845) | 184,538 | 4.00% | 90,458 | 1.0617 | <u>96,039</u> |
| | Total Unit 2 | <u>2,079,000</u> | | <u>2,079,000</u> | | <u>2,168,571</u> | 3,317,509 | (1,148,938) | | <u>(568,423)</u> | | <u>(586,803)</u> |

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

SCHEDULE 2

| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) |
|--------------------|----------------------------------|---------------------------|---------------------|-------------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT | ITEM | COST ESTIMATE 12/31/13 | EXPENDITURE DATE | AMOUNT | COMPOUND MULT. | FUTURE COST ESTIMATE | ALLOCATED RESERVE 12/31/13 | UN- RECOVERED COST | AVERAGE INFLATION RATE | 2014 ANNUAL EXPENSE | AVG. MULT. | FOUR YEAR AVERAGE EXPENSE |
| Common | | | | | | | | | | | | |
| | Labor | | 2015 | 1,923,210 | 1.035 | 1,990,522 | | | | | | |
| | | | 2016 | 1,923,210 | 1.057 | 2,032,833 | | | | | | |
| | | | 2016 | 678,780 | 1.057 | 717,470 | | | | | | |
| | Total Labor | 7,542,000 | 2015 | <u>4,525,200</u> | | <u>4,740,825</u> | 4,576,925 | 163,900 | 2.35% | <u>80,996</u> | 1.0359 | <u>83,904</u> |
| | Disposal | | 2015 | 7,650 | 1.045 | 7,994 | | | | | | |
| | | | 2016 | 7,650 | 1.065 | 8,147 | | | | | | |
| | | | 2016 | 2,700 | 1.065 | 2,876 | | | | | | |
| | Total Disposal | 18,000 | 2015 | <u>18,000</u> | | <u>19,017</u> | 18,360 | 657 | 2.79% | <u>324</u> | 1.0424 | <u>338</u> |
| | Scrap | | 2015 | 1,146,565 | 1.061 | 1,216,505 | | | | | | |
| | (incl. Materials @ 40% of Labor) | | 2016 | 1,146,565 | 1.097 | 1,257,782 | | | | | | |
| | | | 2016 | 404,670 | 1.097 | 443,923 | | | | | | |
| | Total Scrap | <u>(319,000)</u> | 2015 | <u>2,697,800</u> | | <u>2,918,210</u> | 2,817,322 | 100,888 | 4.00% | <u>49,454</u> | 1.0617 | <u>52,505</u> |
| | Total Common | <u>7,241,000</u> | | <u>7,241,000</u> | | <u>7,678,052</u> | 7,412,607 | 265,445 | | <u>130,774</u> | | <u>136,747</u> |
| Total Plant Scholz | | | | | | | | | | | | |
| | Labor | | | 3,847,440 | | 3,982,100 | | | | | | |
| | | | | 3,847,440 | | 4,066,744 | | | | | | |
| | | | | 1,357,920 | | 1,435,321 | | | | | | |
| | Total Labor | 15,088,000 | | <u>9,052,800</u> | | <u>9,484,165</u> | 11,835,287 | (2,351,122) | | <u>(1,161,881)</u> | | <u>(1,203,592)</u> |
| | Disposal | | | 143,650 | | 150,114 | | | | | | |
| | | | | 143,650 | | 152,987 | | | | | | |
| | | | | 50,700 | | 53,997 | | | | | | |
| | Total Disposal | 338,000 | | <u>338,000</u> | | <u>357,098</u> | 535,692 | (178,594) | | <u>(88,070)</u> | | <u>(91,822)</u> |
| | Scrap | | | 867,510 | | 920,427 | | | | | | |
| | (incl. Materials @ 40% of Labor) | | | 867,510 | | 951,659 | | | | | | |
| | | | | 306,180 | | 335,880 | | | | | | |
| | Total Scrap | <u>(3,994,000)</u> | | <u>2,041,200</u> | | <u>2,207,966</u> | 1,730,489 | 477,477 | | <u>234,052</u> | | <u>248,492</u> |
| | Total Plant Scholz | <u>11,432,000</u> | | <u>11,432,000</u> | | <u>12,049,229</u> | 14,101,468 | (2,052,239) | | <u>(1,015,899)</u> | | <u>(1,046,922)</u> |

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

SCHEDULE 2

| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) |
|------------------------------|----------------------------------|---------------------------|---------------------|--------------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT | ITEM | COST ESTIMATE 12/31/13 | EXPENDITURE DATE | AMOUNT | COMPOUND MULT. | FUTURE COST ESTIMATE | ALLOCATED RESERVE 12/31/13 | UN- RECOVERED COST | AVERAGE INFLATION RATE | 2014 ANNUAL EXPENSE | AVG. MULT. | FOUR YEAR AVERAGE EXPENSE |
| Plant Daniel (Gulf %) | | | | | | | | | | | | |
| Unit 1 | | | | | | | | | | | | |
| | Labor | | 2042 | 1,862,266 | 1.751 | 3,260,828 | | | | | | |
| | | | 2043 | 1,862,265 | 1.775 | 3,305,520 | | | | | | |
| | | | 2047 | 657,270 | 1.875 | 1,232,381 | | | | | | |
| | Total Labor | 7,303,000 | 2042 | <u>4,381,801</u> | | <u>7,798,729</u> | 18,036,287 | (10,237,558) | 2.01% | <u>(263,596)</u> | 1.0305 | <u>(271,636)</u> |
| | Disposal | | 2042 | 0 | 1.712 | 0 | | | | | | |
| | | | 2043 | 0 | 1.748 | 0 | | | | | | |
| | | | 2047 | 0 | 1.900 | 0 | | | | | | |
| | Total Disposal | 0 | 2042 | <u>0</u> | | <u>0</u> | 0 | 0 | 0.00% | <u>0</u> | 0.0000 | <u>0</u> |
| | Scrap | | 2042 | (1,244,953) | 1.853 | (2,306,898) | | | | | | |
| | (incl. Materials @ 40% of Labor) | | 2043 | (1,244,953) | 1.898 | (2,362,921) | | | | | | |
| | | | 2047 | (439,396) | 2.088 | (917,459) | | | | | | |
| | Total Scrap | <u>(5,850,500)</u> | 2042 | <u>(2,929,302)</u> | | <u>(5,587,278)</u> | (12,921,817) | 7,334,539 | 2.25% | <u>182,004</u> | 1.0343 | <u>188,247</u> |
| Total Unit 1 | | <u>1,452,500</u> | | <u>1,452,499</u> | | <u>2,211,451</u> | 5,114,470 | (2,903,019) | | <u>(81,592)</u> | | <u>(83,389)</u> |
| Unit 2 | | | | | | | | | | | | |
| | Labor | | 2046 | 1,893,631 | 1.849 | 3,501,324 | | | | | | |
| | | | 2047 | 1,893,630 | 1.875 | 3,550,556 | | | | | | |
| | | | 2047 | 668,340 | 1.875 | 1,253,138 | | | | | | |
| | Total Labor | 7,426,000 | 2046 | <u>4,455,601</u> | | <u>8,305,018</u> | 20,764,790 | (12,459,772) | 1.90% | <u>(274,719)</u> | 1.0289 | <u>(282,658)</u> |
| | Disposal | | 2046 | 0 | 1.861 | 0 | | | | | | |
| | | | 2047 | 0 | 1.900 | 0 | | | | | | |
| | | | 2047 | 0 | 1.900 | 0 | | | | | | |
| | Total Disposal | 0 | 2046 | <u>0</u> | | <u>0</u> | 0 | 0 | 0.00% | <u>0</u> | 0.0000 | <u>0</u> |
| | Scrap | | 2046 | (1,265,480) | 2.039 | (2,580,314) | | | | | | |
| | (incl. Materials @ 40% of Labor) | | 2047 | (1,265,480) | 2.088 | (2,642,322) | | | | | | |
| | | | 2047 | (446,641) | 2.088 | (932,586) | | | | | | |
| | Total Scrap | <u>(5,948,000)</u> | 2046 | <u>(2,977,601)</u> | | <u>(6,155,222)</u> | (15,389,719) | 9,234,497 | 2.22% | <u>192,529</u> | 1.0339 | <u>199,056</u> |
| Total Unit 2 | | <u>1,478,000</u> | | <u>1,478,000</u> | | <u>2,149,796</u> | 5,375,071 | (3,225,275) | | <u>(82,190)</u> | | <u>(83,602)</u> |

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

SCHEDULE 2

| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) |
|--------------------|----------------------------------|------------------------------|---------------------|--------------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT | ITEM | COST ESTIMATE 12/31/13 | EXPENDITURE DATE | AMOUNT | COMPOUND MULT. | FUTURE COST ESTIMATE | ALLOCATED RESERVE 12/31/13 | UN- RECOVERED COST | AVERAGE INFLATION RATE | 2014 ANNUAL EXPENSE | AVG. MULT. | FOUR YEAR AVERAGE EXPENSE |
| Common | | | | | | | | | | | | |
| | Labor | | 2046 | 3,686,281 | 1.849 | 6,815,934 | | | | | | |
| | | | 2047 | 3,686,280 | 1.875 | 6,911,775 | | | | | | |
| | | | 2047 | 1,301,040 | 1.875 | 2,439,450 | | | | | | |
| | Total Labor | 14,456,000 | 2046 | <u>8,673,601</u> | | <u>16,167,159</u> | 6,172,825 | 9,994,334 | 1.90% | <u>220,360</u> | 1.0289 | <u>226,728</u> |
| | Disposal | | 2046 | 70,338 | 1.861 | 130,899 | | | | | | |
| | | | 2047 | 70,338 | 1.900 | 133,642 | | | | | | |
| | | | 2047 | 24,825 | 1.900 | 47,168 | | | | | | |
| | Total Disposal | 165,500 | 2046 | <u>165,501</u> | | <u>311,709</u> | 119,014 | 192,695 | 1.94% | <u>4,225</u> | 1.0294 | <u>4,349</u> |
| | Scrap | | 2046 | 1,701,020 | 2.039 | 3,468,380 | | | | | | |
| | (incl. Materials @ 40% of Labor) | | 2047 | 1,701,020 | 2.088 | 3,551,730 | | | | | | |
| | | | 2047 | 600,359 | 2.088 | 1,253,550 | | | | | | |
| | Total Scrap | <u>(1,780,000)</u> | 2046 | <u>4,002,399</u> | | <u>8,273,660</u> | 3,158,988 | 5,114,672 | 2.22% | <u>106,635</u> | 1.0339 | <u>110,250</u> |
| | Total Common | <u>12,841,500</u> | | <u>12,841,501</u> | | <u>24,752,528</u> | 9,450,827 | 15,301,701 | | <u>331,220</u> | | <u>341,327</u> |
| Total Plant Daniel | | | | | | | | | | | | |
| | Labor | | | 7,442,178 | | 13,578,086 | | | | | | |
| | | | | 7,442,175 | | 13,767,851 | | | | | | |
| | | | | 2,626,650 | | 4,924,969 | | | | | | |
| | Total Labor | 29,185,000 | | <u>17,511,003</u> | | <u>32,270,906</u> | 44,973,902 | (12,702,996) | | <u>(317,955)</u> | | <u>(327,566)</u> |
| | Disposal | | | 70,338 | | 130,899 | | | | | | |
| | | | | 70,338 | | 133,642 | | | | | | |
| | | | | 24,825 | | 47,168 | | | | | | |
| | Total Disposal | 165,500 | | <u>165,501</u> | | <u>311,709</u> | 119,014 | 192,695 | | <u>4,225</u> | | <u>4,349</u> |
| | Scrap | | | (809,413) | | (1,418,832) | | | | | | |
| | (incl. Materials @ 40% of Labor) | | | (809,413) | | (1,453,513) | | | | | | |
| | | | | (285,678) | | (596,495) | | | | | | |
| | Total Scrap | <u>(13,578,500)</u> | | <u>(1,904,504)</u> | | <u>(3,468,840)</u> | (25,152,547) | 21,683,708 | | <u>481,168</u> | | <u>497,553</u> |
| | Total Plant Daniel | <u>15,772,000</u> | | <u>15,772,000</u> | | <u>29,113,775</u> | 19,940,369 | 9,173,407 | | <u>167,438</u> | | <u>174,336</u> |

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

SCHEDULE 2

| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) |
|-----------------------------|----------------------------------|------------------------------|---------------------|-------------------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT | ITEM | COST ESTIMATE 12/31/13 | EXPENDITURE DATE | AMOUNT | COMPOUND MULT. | FUTURE COST ESTIMATE | ALLOCATED RESERVE 12/31/13 | UN- RECOVERED COST | AVERAGE INFLATION RATE | 2014 ANNUAL EXPENSE | AVG. MULT. | FOUR YEAR AVERAGE EXPENSE |
| <u>Plant Scherer</u> | | | | | | | | | | | | |
| Unit 3 | | | | | | | | | | | | |
| | Labor | | 2052 | 3,607,451 | 2.008 | 7,243,762 | | | | | | |
| | | | 2053 | 3,607,453 | 2.036 | 7,344,774 | | | | | | |
| | | | 2053 | 1,273,219 | 2.036 | 2,592,274 | | | | | | |
| | Total Labor | 14,146,875 | 2052 | <u>8,488,123</u> | | <u>17,180,810</u> | 2,992,756 | 14,188,054 | 1.82% | <u>252,763</u> | 1.0277 | <u>259,765</u> |
| | Disposal | | 2052 | 0 | 2.110 | 0 | | | | | | |
| | | | 2053 | 0 | 2.154 | 0 | | | | | | |
| | | | 2053 | 0 | 2.154 | 0 | | | | | | |
| | Total Disposal | 0 | 2052 | <u>0</u> | | <u>0</u> | 0 | 0 | 0.00% | <u>0</u> | 0.0000 | <u>0</u> |
| | Scrap | | 2052 | 87,444 | 2.351 | 205,581 | | | | | | |
| | (incl. Materials @ 40% of Labor) | | 2053 | 87,444 | 2.408 | 210,565 | | | | | | |
| | | | 2053 | 30,863 | 2.408 | 74,318 | | | | | | |
| | Total Scrap | <u>(5,453,000)</u> | 2052 | <u>205,751</u> | | <u>490,464</u> | 85,435 | 405,029 | 2.25% | <u>6,593</u> | 1.0344 | <u>6,820</u> |
| | Total Unit 3 | <u>8,693,875</u> | | <u>8,693,874</u> | | <u>17,671,274</u> | 3,078,191 | 14,593,083 | | <u>259,356</u> | | <u>266,585</u> |
| Common | | | | | | | | | | | | |
| | Labor | | 2052 | 448,801 | 2.008 | 901,192 | | | | | | |
| | | | 2053 | 448,800 | 2.036 | 913,757 | | | | | | |
| | | | 2053 | 158,400 | 2.036 | 322,502 | | | | | | |
| | Total Labor | 1,760,000 | 2052 | <u>1,056,001</u> | | <u>2,137,451</u> | 1,156,928 | 980,523 | 1.82% | <u>17,468</u> | 1.0277 | <u>17,952</u> |
| | Disposal | | 2052 | 40,694 | 2.110 | 85,864 | | | | | | |
| | | | 2053 | 40,694 | 2.154 | 87,655 | | | | | | |
| | | | 2053 | 14,363 | 2.154 | 30,938 | | | | | | |
| | Total Disposal | 95,750 | 2052 | <u>95,751</u> | | <u>204,457</u> | 110,665 | 93,792 | 1.96% | <u>1,623</u> | 1.0300 | <u>1,672</u> |
| | Scrap | | 2052 | 262,809 | 2.351 | 617,864 | | | | | | |
| | (incl. Materials @ 40% of Labor) | | 2053 | 262,809 | 2.408 | 632,844 | | | | | | |
| | | | 2053 | 92,754 | 2.408 | 223,352 | | | | | | |
| | Total Scrap | <u>(85,625)</u> | 2052 | <u>618,372</u> | | <u>1,474,060</u> | 797,857 | 676,203 | 2.25% | <u>11,007</u> | 1.0343 | <u>11,385</u> |
| | Total Common | <u>1,770,125</u> | | <u>1,770,124</u> | | <u>3,815,968</u> | 2,065,450 | 1,750,518 | | <u>30,098</u> | | <u>31,009</u> |

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

SCHEDULE 2

| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) |
|---------------------------------------|----------------------------------|------------------------------|---------------------|-------------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT | ITEM | COST ESTIMATE 12/31/13 | EXPENDITURE DATE | AMOUNT | COMPOUND MULT. | FUTURE COST ESTIMATE | ALLOCATED RESERVE 12/31/13 | UN- RECOVERED COST | AVERAGE INFLATION RATE | 2014 ANNUAL EXPENSE | AVG. MULT. | FOUR YEAR AVERAGE EXPENSE |
| Total Plant Scherer | | | | | | | | | | | | |
| | Labor | | | 4,056,252 | | 8,144,954 | | | | | | |
| | | | | 4,056,253 | | 8,258,531 | | | | | | |
| | | | | 1,431,619 | | 2,914,776 | | | | | | |
| | Total Labor | 15,906,875 | | <u>9,544,124</u> | | <u>19,318,261</u> | 4,149,684 | 15,168,577 | | 270,231 | | <u>277,717</u> |
| | Disposal | | | 40,694 | | 85,864 | | | | | | |
| | | | | 40,694 | | 87,655 | | | | | | |
| | | | | 14,363 | | 30,938 | | | | | | |
| | Total Disposal | 95,750 | | <u>95,751</u> | | <u>204,457</u> | 110,665 | 93,792 | | 1,623 | | <u>1,672</u> |
| | Scrap | | | 350,253 | | 823,445 | | | | | | |
| | (incl. Materials @ 40% of Labor) | | | 350,253 | | 843,409 | | | | | | |
| | | | | 123,617 | | 297,670 | | | | | | |
| | Total Scrap | <u>(5,538,625)</u> | | <u>824,123</u> | | <u>1,964,524</u> | 883,292 | 1,081,232 | | 17,600 | | <u>18,205</u> |
| Total Plant Scherer | | <u>10,464,000</u> | | <u>10,463,998</u> | | <u>21,487,242</u> | 5,143,641 | 16,343,601 | | <u>289,454</u> | | <u>297,594</u> |
| Plant Smith Combustion Turbine | | | | | | | | | | | | |
| | Labor | 201,000 | 2027 | 120,600 | 1.338 | 161,363 | 126,264 | 35,099 | 2.10% | 2,182 | 1.0321 | 2,252 |
| | Disposal | 0 | 2027 | 0 | 1.313 | 0 | 0 | 0 | 0.00% | 0 | 0.0000 | 0 |
| | Scrap | (33,000) | 2027 | 47,400 | 1.362 | 64,559 | 50,516 | 14,043 | 2.23% | 866 | 1.0338 | 895 |
| | (incl. Materials @ 40% of Labor) | | | | | | | | | | | |
| Total Smith CT | | <u>168,000</u> | | <u>168,000</u> | | <u>225,922</u> | 176,780 | 49,142 | | <u>3,048</u> | | <u>3,147</u> |

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

SCHEDULE 2

| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) |
|-------------------------------|--|------------------------------|---------------------|---------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT | ITEM | COST ESTIMATE 12/31/13 | EXPENDITURE DATE | AMOUNT | COMPOUND MULT. | FUTURE COST ESTIMATE | ALLOCATED RESERVE 12/31/13 | UN- RECOVERED COST | AVERAGE INFLATION RATE | 2014 ANNUAL EXPENSE | AVG. MULT. | FOUR YEAR AVERAGE EXPENSE |
| Pace (Pea Ridge) Plant | | | | | | | | | | | | |
| Unit 1 | Labor | 60,000 | 2018 | 36,000 | 1.095 | 39,420 | 12,764 | 26,656 | 1.83% | 5,140 | 1.0278 | 5,283 |
| | Disposal | 0 | 2018 | 0 | 1.107 | 0 | 0 | 0 | 0.00% | 0 | 0.0000 | 0 |
| | Scrap <small>(incl. Materials @ 40% of Labor)</small> | (10,000) | 2018 | 14,000 | 1.154 | 16,156 | 5,231 | 10,925 | 2.91% | 2,062 | 1.0445 | 2,154 |
| Total Unit 1 | | <u>50,000</u> | | <u>50,000</u> | | <u>55,576</u> | <u>17,995</u> | <u>37,581</u> | | <u>7,202</u> | | <u>7,437</u> |
| Unit 2 | Labor | 60,000 | 2018 | 36,000 | 1.095 | 39,420 | 12,764 | 26,656 | 1.83% | 5,140 | 1.0278 | 5,283 |
| | Disposal | 0 | 2018 | 0 | 1.107 | 0 | 0 | 0 | 0.00% | 0 | 0.0000 | 0 |
| | Scrap <small>(incl. Materials @ 40% of Labor)</small> | (10,000) | 2018 | 14,000 | 1.154 | 16,156 | 5,231 | 10,925 | 2.91% | 2,062 | 1.0445 | 2,154 |
| Total Unit 2 | | <u>50,000</u> | | <u>50,000</u> | | <u>55,576</u> | <u>17,995</u> | <u>37,581</u> | | <u>7,202</u> | | <u>7,437</u> |
| Unit 3 | Labor | 61,000 | 2018 | 36,600 | 1.095 | 40,077 | 12,720 | 27,357 | 1.83% | 5,275 | 1.0278 | 5,422 |
| | Disposal | 0 | 2018 | 0 | 1.107 | 0 | 0 | 0 | 0.00% | 0 | 0.0000 | 0 |
| | Scrap <small>(incl. Materials @ 40% of Labor)</small> | (10,000) | 2018 | 14,400 | 1.154 | 16,618 | 5,274 | 11,344 | 2.91% | 2,141 | 1.0444 | 2,236 |
| Total Unit 3 | | <u>51,000</u> | | <u>51,000</u> | | <u>56,695</u> | <u>17,995</u> | <u>38,700</u> | | <u>7,416</u> | | <u>7,658</u> |

**LEVELIZED EXPENSE CALCULATION
GULF POWER COMPANY**

SCHEDULE 2

| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) |
|--|----------------------------------|---------------------------|---------------------|--------------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT | ITEM | COST ESTIMATE 12/31/13 | EXPENDITURE DATE | AMOUNT | COMPOUND MULT. | FUTURE COST ESTIMATE | ALLOCATED RESERVE 12/31/13 | UN- RECOVERED COST | AVERAGE INFLATION RATE | 2014 ANNUAL EXPENSE | AVG. MULT. | FOUR YEAR AVERAGE EXPENSE |
| <u>Total Pace (Pea Ridge) Plant</u> | | | | | | | | | | | | |
| | Labor | 181,000 | 2018 | 108,600 | | 118,917 | 38,247 | 80,670 | | 15,555 | | 15,988 |
| | Disposal | 0 | 2018 | 0 | | 0 | 0 | 0 | | 0 | | 0 |
| | Scrap | (30,000) | 2018 | 42,400 | | 48,930 | 15,737 | 33,193 | | 6,265 | | 6,544 |
| | (incl. Materials @ 40% of Labor) | | | | | | | | | | | |
| | Total Pace (Pea Ridge) | 151,000 | | 151,000 | | 167,847 | 53,984 | 113,863 | | 21,820 | | 22,532 |
| <u>Smith Unit 3 - CC</u> | | | | | | | | | | | | |
| | Labor | 7,407,000 | 2042 | 4,444,200 | 1.751 | 7,781,794 | 1,760,037 | 6,021,757 | 1.95% | 156,394 | 1.0296 | 161,023 |
| | Disposal | 311,000 | 2042 | 311,000 | 1.712 | 532,432 | 120,422 | 412,010 | 1.87% | 10,829 | 1.0284 | 11,137 |
| | Scrap | (227,000) | 2042 | 2,735,800 | 1.853 | 5,069,437 | 1,146,573 | 3,922,864 | 2.15% | 98,862 | 1.0327 | 102,095 |
| | (incl. Materials @ 40% of Labor) | | | | | | | | | | | |
| | Total Smith Unit 3 | 7,491,000 | | 7,491,000 | | 13,383,663 | 3,027,033 | 10,356,630 | | 266,085 | | 274,255 |
| <u>Perdido Landfill</u> | | | | | | | | | | | | |
| | Labor | 1,526,000 | 2030 | 915,600 | 1.425 | 1,304,730 | 0 | 1,304,730 | 2.11% | 64,629 | 1.0320 | 66,697 |
| | Disposal | 0 | 2030 | 0 | 1.385 | 0 | 0 | 0 | 0.00% | 0 | 0.0000 | 0 |
| | Scrap | (19,000) | 2030 | 591,400 | 1.440 | 851,616 | 0 | 851,616 | 2.17% | 41,964 | 1.0330 | 43,349 |
| | (incl. Materials @ 40% of Labor) | | | | | | | | | | | |
| | Total Perdido Landfill | 1,507,000 | | 1,507,000 | | 2,156,346 | 0 | 2,156,346 | | 106,593 | | 110,046 |
| | Total Dismantlement Costs | 239,031,000 | | 239,030,998 | | 391,290,868 | 140,186,404 | 251,104,463 | | 6,802,998 | | 7,023,336 |

ESCALATION RATES
"REVIEW OF THE U.S. ECONOMY"
January, 2013 - 25 Year Forecast

SCHEDULE 3

| (A) PERIODS | (B) RET YEAR | (C) COMPENSATION PER HOUR (Labor) | | (E) GDP DEFLATOR (Disposal) | | (G) INTERMEDIATE MATERIALS, SUPPLIES, AND COMPONENTS (Scrap) | |
|----------------|--------------------|---|---|-----------------------------------|---|--|---|
| | | ANNUAL RATE OF CHANGE | COMPOUNDED MULTIPLIER (D) x (1+(C)) | ANNUAL RATE OF CHANGE | COMPOUNDED MULTIPLIER (F) x (1+(E)) | ANNUAL RATE OF CHANGE | COMPOUNDED MULTIPLIER (H) x (1+(G)) |
| 0 | 2013 | | 1.000 | | 1.000 | | 1.000 |
| 1 | 2014 | 1.5 | 1.015 | 2.2 | 1.022 | 2.8 | 1.028 |
| 2 | 2015 | 1.9 | 1.035 | 2.3 | 1.045 | 3.2 | 1.061 |
| 3 | 2016 | 2.2 | 1.057 | 2.0 | 1.065 | 3.4 | 1.097 |
| 4 | 2017 | 2.0 | 1.078 | 1.9 | 1.085 | 2.8 | 1.128 |
| 5 | 2018 | 1.6 | 1.095 | 2.0 | 1.107 | 2.3 | 1.154 |
| 6 | 2019 | 1.6 | 1.112 | 1.9 | 1.128 | 2.1 | 1.179 |
| 7 | 2020 | 1.9 | 1.133 | 1.9 | 1.149 | 2.0 | 1.202 |
| 8 | 2021 | 2.3 | 1.159 | 1.9 | 1.171 | 1.8 | 1.224 |
| 9 | 2022 | 2.5 | 1.188 | 1.9 | 1.194 | 1.8 | 1.246 |
| 10 | 2023 | 2.5 | 1.218 | 2.0 | 1.217 | 1.8 | 1.269 |
| 11 | 2024 | 2.5 | 1.248 | 2.0 | 1.241 | 1.8 | 1.292 |
| 12 | 2025 | 2.4 | 1.278 | 1.9 | 1.265 | 1.8 | 1.315 |
| 13 | 2026 | 2.4 | 1.308 | 1.9 | 1.289 | 1.7 | 1.338 |
| 14 | 2027 | 2.3 | 1.338 | 1.9 | 1.313 | 1.8 | 1.362 |
| 15 | 2028 | 2.2 | 1.367 | 1.8 | 1.337 | 1.9 | 1.387 |
| 16 | 2029 | 2.1 | 1.396 | 1.8 | 1.361 | 1.9 | 1.413 |
| 17 | 2030 | 2.1 | 1.425 | 1.8 | 1.385 | 1.9 | 1.440 |
| 18 | 2031 | 2.1 | 1.455 | 1.8 | 1.409 | 1.9 | 1.468 |
| 19 | 2032 | 2.1 | 1.485 | 1.7 | 1.433 | 2.0 | 1.497 |
| 20 | 2033 | 2.0 | 1.515 | 1.7 | 1.458 | 2.0 | 1.527 |
| 21 | 2034 | 1.9 | 1.544 | 1.7 | 1.483 | 2.1 | 1.559 |
| 22 | 2035 | 1.8 | 1.572 | 1.7 | 1.508 | 2.2 | 1.593 |
| 23 | 2036 | 1.8 | 1.600 | 1.7 | 1.533 | 2.1 | 1.627 |
| 24 | 2037 | 1.7 | 1.627 | 1.7 | 1.559 | 2.1 | 1.661 |
| 25 | 2038 | 1.6 | 1.653 | 1.7 | 1.586 | 2.1 | 1.696 |
| 26 | 2039 | 1.5 | 1.678 | 1.8 | 1.615 | 2.1 | 1.731 |
| 27 | 2040 | 1.5 | 1.703 | 1.9 | 1.645 | 2.2 | 1.768 |
| 28 | 2041 | 1.4 | 1.727 | 2.0 | 1.677 | 2.3 | 1.809 |
| 29 | 2042 | 1.4 | 1.751 | 2.1 | 1.712 | 2.4 | 1.853 |
| 30 | 2043 | 1.4 | 1.775 | 2.1 | 1.748 | 2.4 | 1.898 |
| 31 | 2044 | 1.4 | 1.799 | 2.1 | 1.785 | 2.4 | 1.944 |
| 32 | 2045 | 1.4 | 1.824 | 2.1 | 1.823 | 2.4 | 1.991 |
| 33 | 2046 | 1.4 | 1.849 | 2.1 | 1.861 | 2.4 | 2.039 |
| 34 | 2047 | 1.4 | 1.875 | 2.1 | 1.900 | 2.4 | 2.088 |
| 35 | 2048 | 1.4 | 1.901 | 2.1 | 1.940 | 2.4 | 2.138 |
| 36 | 2049 | 1.4 | 1.927 | 2.1 | 1.981 | 2.4 | 2.189 |
| 37 | 2050 | 1.4 | 1.954 | 2.1 | 2.023 | 2.4 | 2.242 |

ESCALATION RATES
"REVIEW OF THE U.S. ECONOMY"
 January, 2013 - 25 Year Forecast

SCHEDULE 3

| (A) PERIODS | (B) RET YEAR | (C) COMPENSATION PER HOUR (Labor) | | (E) GDP DEFLATOR (Disposal) | | (G) INTERMEDIATE MATERIALS, SUPPLIES, AND COMPONENTS (Scrap) | |
|----------------|--------------------|---|--------------------------|-----------------------------------|--------------------------|--|--------------------------|
| | | ANNUAL RATE OF CHANGE | COMPOUNDED MULTIPLIER | ANNUAL RATE OF CHANGE | COMPOUNDED MULTIPLIER | ANNUAL RATE OF CHANGE | COMPOUNDED MULTIPLIER |
| | | | (D) x (1+(C)) | | (F) x (1+(E)) | | (H) x (1+(G)) |
| 38 | 2051 | 1.4 | 1.981 | 2.1 | 2.066 | 2.4 | 2.296 |
| 39 | 2052 | 1.4 | 2.008 | 2.1 | 2.110 | 2.4 | 2.351 |
| 40 | 2053 | 1.4 | 2.036 | 2.1 | 2.154 | 2.4 | 2.408 |
| 41 | 2054 | 1.4 | 2.064 | 2.1 | 2.199 | 2.4 | 2.466 |
| 42 | 2055 | 1.4 | 2.092 | 2.1 | 2.245 | 2.4 | 2.525 |
| 43 | 2056 | 1.4 | 2.121 | 2.1 | 2.292 | 2.4 | 2.586 |
| 44 | 2057 | 1.4 | 2.150 | 2.1 | 2.340 | 2.4 | 2.648 |
| 45 | 2058 | 1.4 | 2.180 | 2.1 | 2.389 | 2.4 | 2.712 |
| 46 | 2059 | 1.4 | 2.210 | 2.1 | 2.439 | 2.4 | 2.777 |
| 47 | 2060 | 1.4 | 2.240 | 2.1 | 2.490 | 2.4 | 2.844 |
| 48 | 2061 | 1.4 | 2.271 | 2.1 | 2.542 | 2.4 | 2.912 |
| 49 | 2062 | 1.4 | 2.302 | 2.1 | 2.596 | 2.4 | 2.982 |
| 50 | 2063 | 1.4 | 2.334 | 2.1 | 2.651 | 2.4 | 3.054 |
| 51 | 2064 | 1.4 | 2.366 | 2.1 | 2.707 | 2.4 | 3.127 |
| 52 | 2065 | 1.4 | 2.399 | 2.1 | 2.764 | 2.4 | 3.202 |
| 53 | 2066 | 1.4 | 2.432 | 2.1 | 2.822 | 2.4 | 3.279 |
| 54 | 2067 | 1.4 | 2.466 | 2.1 | 2.881 | 2.4 | 3.358 |
| 55 | 2068 | 1.4 | 2.500 | 2.1 | 2.942 | 2.4 | 3.439 |
| 56 | 2069 | 1.4 | 2.534 | 2.1 | 3.004 | 2.4 | 3.522 |
| 57 | 2070 | 1.4 | 2.569 | 2.1 | 3.067 | 2.4 | 3.607 |
| 58 | 2071 | 1.4 | 2.604 | 2.1 | 3.132 | 2.4 | 3.694 |
| 59 | 2072 | 1.4 | 2.640 | 2.1 | 3.198 | 2.4 | 3.783 |

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
BUDGET: DECEMBER, 2013

Sheet 1 of 3

| | Balance First of Year | Additions | Retirements | Adjustments | Transfers | Balance End of Year |
|--------------------------------|--------------------------|-------------------|--------------------|-------------|-----------|------------------------|
| INTANGIBLE: | | | | | | |
| Organization | 301 7,418 | 0 | 0 | 0 | 0 | 7,418 |
| Franchises and Consents | 302 594 | 0 | 0 | 0 | 0 | 594 |
| Intangible Software | 303 15,478,910 | 415,865 | 0 | 0 | 0 | 15,892,775 |
| TOTAL INTANGIBLE: | 15,484,922 | 415,865 | 0 | 0 | 0 | 15,900,787 |
| STEAM PRODUCTION: | | | | | | |
| DANIEL PLANT: | | | | | | |
| Plant | 256,325,424 | 5,597,003 | (1,050,212) | 0 | 0 | 260,872,215 |
| Land | 1,028,761 | 0 | 0 | 0 | 0 | 1,028,761 |
| Easements | 77,160 | 0 | 0 | 0 | 0 | 77,160 |
| Cooling Lake, 23 Year | 8,954,192 | 0 | 0 | 0 | 0 | 8,954,192 |
| Rail Track System | 2,750,482 | 39,134 | (7,343) | 0 | 0 | 2,782,273 |
| Asset Retirement Obligation | 391,150 | 0 | 0 | 0 | 0 | 391,150 |
| TOTAL DANIEL PLANT: | 269,527,169 | 5,636,137 | (1,057,555) | 0 | 0 | 274,105,751 |
| CRIST PLANT: | | | | | | |
| Plant | 1,474,980,741 | 7,333,000 | (1,871,627) | 0 | 0 | 1,480,442,114 |
| Land | 6,023,266 | 0 | 0 | 0 | 0 | 6,023,266 |
| Easements | 0 | 0 | 0 | 0 | 0 | 0 |
| Base Coal, 5 Year | 141,840 | 0 | 0 | 0 | 0 | 141,840 |
| - 5 Year | 137,572 | 0 | 0 | 0 | 0 | 137,572 |
| - 7 Year | 4,844,542 | 0 | (2,166,243) | 0 | 0 | 2,678,299 |
| Asset Retirement Obligation | 1,132,431 | 0 | 0 | 0 | 0 | 1,132,431 |
| TOTAL CRIST PLANT: | 1,487,260,392 | 7,333,000 | (4,037,870) | 0 | 0 | 1,490,555,522 |
| SCHOLZ PLANT: | | | | | | |
| Plant | 30,627,626 | 210,537 | (20,000) | 0 | 0 | 30,818,163 |
| Land | 44,579 | 0 | 0 | 0 | 0 | 44,579 |
| Base Coal, 5 Year | 71,300 | 0 | 0 | 0 | 0 | 71,300 |
| - 5 Year | 8,730 | 0 | 0 | 0 | 0 | 8,730 |
| - 7 Year | 213,493 | 0 | (110,583) | 0 | 0 | 102,910 |
| Asset Retirement Obligation | 241,640 | 0 | 0 | 0 | 0 | 241,640 |
| TOTAL SCHOLZ PLANT: | 31,207,368 | 210,537 | (130,583) | 0 | 0 | 31,287,322 |
| SMITH PLANT: | | | | | | |
| Plant | 175,437,566 | 1,936,253 | (570,000) | 0 | 0 | 178,803,819 |
| Land | 1,363,924 | 0 | 0 | 0 | 0 | 1,363,924 |
| Base Coal, 5 Year | 108,300 | 0 | 0 | 0 | 0 | 108,300 |
| - 5 Year | 29,526 | 0 | 0 | 0 | 0 | 29,526 |
| - 7 Year | 1,585,765 | 0 | (411,299) | 0 | 0 | 1,174,466 |
| Asset Retirement Obligation | 471,938 | 0 | 0 | 0 | 0 | 471,938 |
| TOTAL SMITH PLANT: | 178,997,019 | 1,936,253 | (981,299) | 0 | 0 | 179,951,973 |
| SCHERER PLANT: | | | | | | |
| Plant | 361,867,532 | 7,788,598 | (35,000) | 0 | 0 | 369,621,130 |
| Land | 939,369 | 46,875 | 0 | 0 | 0 | 986,244 |
| - 7 Year | 195,441 | 0 | (33,470) | 0 | 0 | 161,971 |
| Asset Retirement Obligation | 230,322 | 0 | 0 | 0 | 0 | 230,322 |
| TOTAL SCHERER PLANT: | 363,232,664 | 7,835,473 | (68,470) | 0 | 0 | 370,999,667 |
| TOTAL STEAM PRODUCTION: | 2,330,224,612 | 22,951,400 | (6,275,777) | 0 | 0 | 2,346,900,235 |

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
BUDGET: DECEMBER, 2013

Sheet 2 of 3

| | | Balance First of Year | Additions | Retirements | Adjustments | Transfers | Balance End of Year |
|---|-------|--------------------------|-------------------|---------------------|-------------|-----------|------------------------|
| OTHER PRODUCTION: | | | | | | | |
| LAND - NON-DEPRECIABLE: | | | | | | | |
| Land - Non-Depreciable | 340 | 337,696 | 0 | 0 | 0 | 0 | 337,696 |
| TOTAL LAND - NON-DEPRECIABLE: | | <u>337,696</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>337,696</u> |
| SMITH PLANT CT: | | | | | | | |
| Structures and Improvements | 341 | 1,310,239 | 0 | 0 | 0 | 0 | 1,310,239 |
| Fuel Holders and Accessories | 342 | 697,862 | 0 | 0 | 0 | 0 | 697,862 |
| Prime Movers | 343 | 2,405,737 | 0 | 0 | 0 | 0 | 2,405,737 |
| Generators | 344 | 3,438,922 | 0 | 0 | 0 | 0 | 3,438,922 |
| Accessory Electric Equipment | 345 | 48,475 | 0 | 0 | 0 | 0 | 48,475 |
| Miscellaneous Equipment | 346 | 43,147 | 0 | 0 | 0 | 0 | 43,147 |
| TOTAL SMITH PLANT CT: | | <u>7,944,382</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>7,944,382</u> |
| SMITH PLANT UNIT 3 COMBINED CYCLE: | | | | | | | |
| Structures and Improvements | 341 | 13,600,974 | 1,114,596 | (868,000) | 0 | 0 | 13,847,570 |
| Fuel Holders and Accessories | 342 | 3,154,005 | 1,950,542 | (1,519,000) | 0 | 0 | 3,585,547 |
| Prime Movers | 343 | 114,432,085 | 11,145,956 | (6,680,000) | 0 | 0 | 116,898,041 |
| Generators | 344 | 67,830,603 | 10,310,009 | (8,029,000) | 0 | 0 | 70,111,612 |
| Accessory Electric Equipment | 345 | 12,207,323 | 2,229,191 | (1,736,000) | 0 | 0 | 12,700,514 |
| Miscellaneous Equipment | 346 | 1,175,391 | 1,114,596 | (868,000) | 0 | 0 | 1,421,987 |
| TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE: | | <u>212,400,581</u> | <u>27,864,690</u> | <u>(21,700,000)</u> | <u>0</u> | <u>0</u> | <u>218,565,471</u> |
| PACE PLANT: | | | | | | | |
| Prime Movers | 343 | 6,790,595 | 0 | 0 | 0 | 0 | 6,790,595 |
| Generators | 344 | 3,107,233 | 0 | 0 | 0 | 0 | 3,107,233 |
| Accessory Electric Equipment | 345 | 584,090 | 0 | 0 | 0 | 0 | 584,090 |
| Asset Retirement Obligation | 347 | 397,194 | 0 | 0 | 0 | 0 | 397,194 |
| TOTAL PACE PLANT: | | <u>10,879,112</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>10,879,112</u> |
| PERDIDO PLANT: | | | | | | | |
| Structures and Improvements | 341 | 942,440 | 1,861,400 | 0 | 0 | 0 | 2,803,840 |
| Fuel Holders and Accessories | 342 | 578,765 | 317,800 | 0 | 0 | 0 | 896,565 |
| Prime Movers | 343 | 2,745,649 | 1,816,000 | 0 | 0 | 0 | 4,561,649 |
| Accessory Electric Equipment | 345 | 788,715 | 363,200 | 0 | 0 | 0 | 1,151,915 |
| Miscellaneous Equipment | 346 | 45,550 | 181,600 | 0 | 0 | 0 | 227,150 |
| TOTAL PERDIDO PLANT: | | <u>5,101,119</u> | <u>4,540,000</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>9,641,119</u> |
| TOTAL OTHER PRODUCTION: | | <u>236,662,890</u> | <u>32,404,890</u> | <u>(21,700,000)</u> | <u>0</u> | <u>0</u> | <u>247,367,780</u> |
| TOTAL PRODUCTION: | | <u>2,586,887,502</u> | <u>55,356,290</u> | <u>(27,975,777)</u> | <u>0</u> | <u>0</u> | <u>2,594,268,015</u> |
| TRANSMISSION: | | | | | | | |
| Land | 350.0 | 4,782,914 | 0 | 0 | 0 | 0 | 4,782,914 |
| Easements | 350.2 | 12,666,131 | 500,000 | 0 | 0 | 0 | 13,166,131 |
| Structures and Improvements | 352 | 10,584,304 | 0 | 0 | 0 | 0 | 10,584,304 |
| Station Equipment | 353 | 142,060,748 | 7,194,513 | (575,000) | 0 | 0 | 148,680,261 |
| Towers and Fixtures | 354 | 40,866,668 | 0 | 0 | 0 | 0 | 40,866,668 |
| Poles and Fixtures | 355 | 94,470,559 | 32,527,757 | 0 | 0 | 0 | 126,998,316 |
| Overhead Conductors & Devices | 356 | 74,958,709 | 35,381,032 | 0 | 0 | 0 | 110,339,741 |
| Underground Conductors & Devices | 358 | 14,094,502 | 0 | 0 | 0 | 0 | 14,094,502 |
| Roads and Trails | 359 | 235,919 | 0 | 0 | 0 | 0 | 235,919 |
| Asset Retirement Obligation | 359.1 | 7,861 | 0 | 0 | 0 | 0 | 7,861 |
| TOTAL TRANSMISSION: | | <u>394,528,315</u> | <u>75,603,302</u> | <u>(575,000)</u> | <u>0</u> | <u>0</u> | <u>469,556,617</u> |

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
BUDGET: DECEMBER, 2013

Sheet 3 of 3

| | | Balance First of Year | Additions | Retirements | Adjustments | Transfers | Balance End of Year |
|---|-------|--------------------------|--------------------|---------------------|-------------|--------------|------------------------|
| DISTRIBUTION: | | | | | | | |
| Land | 360.0 | 3,928,365 | 0 | 0 | 0 | 0 | 3,928,365 |
| Land Rights | 360.1 | 204,176 | 351,000 | 0 | 0 | 0 | 555,176 |
| Structures and Improvements | 361 | 20,429,669 | 0 | 0 | 0 | 0 | 20,429,669 |
| Station Equipment | 362 | 209,402,925 | 30,667,893 | (414,000) | 0 | 0 | 239,656,818 |
| Poles, Towers & Fixtures | 364 | 123,799,910 | 8,272,492 | (1,070,500) | 0 | 0 | 131,001,902 |
| Overhead Conductors & Devices | 365 | 131,155,876 | 5,604,317 | (940,000) | 0 | 0 | 135,820,193 |
| Underground Conduit | 366 | 1,160,719 | 0 | 0 | 0 | 0 | 1,160,719 |
| Underground Conductors & Devices | 367 | 132,642,392 | 9,594,532 | (934,350) | 0 | 0 | 141,302,574 |
| Line Transformers | 368 | 234,160,856 | 16,248,732 | (2,641,000) | 0 | 0 | 247,768,588 |
| Services: | | | | | | | |
| - Overhead | 369.1 | 52,753,182 | 649,016 | (29,206) | 0 | 0 | 53,372,992 |
| - Underground | 369.2 | 44,717,031 | 550,984 | (24,794) | 0 | 0 | 45,243,221 |
| Meters | 370 | 27,163,037 | 4,509,784 | (263,500) | 0 | (11,287,000) | 20,142,321 |
| Meters - AMI Equipment | 370 | 40,110,347 | 200,000 | (500,000) | 0 | 11,287,000 | 51,097,347 |
| Meters - FPSC Segregated | 370 | 1,860,712 | 0 | 0 | 0 | 0 | 1,860,712 |
| Meters - Non FPSC Segregated | 370 | 3,430,772 | 0 | 0 | 0 | 0 | 3,430,772 |
| Street Lighting & Signal Systems | 373 | 61,800,968 | 3,859,613 | (1,288,650) | 0 | 0 | 64,373,931 |
| Asset Retirement Obligation | 374 | 43,465 | 0 | 0 | 0 | 0 | 43,465 |
| TOTAL DISTRIBUTION: | | 1,088,784,402 | 80,508,363 | (8,104,000) | 0 | 0 | 1,161,188,765 |
| GENERAL PLANT: | | | | | | | |
| Land | 389.0 | 7,112,487 | 0 | 0 | 0 | 0 | 7,112,487 |
| Structures and Improvements | 390 | 69,502,195 | 8,605,220 | (396,356) | 0 | 0 | 77,711,059 |
| Office Furniture & Equipment: | | | | | | | |
| - Computer, 5 Year | 391 | 3,634,597 | 75,500 | (1,314,129) | 0 | 0 | 2,395,968 |
| - Non-Computer, 7 Year | 391 | 2,345,098 | 118,000 | 0 | 0 | 0 | 2,463,098 |
| Transportation Equipment: | | | | | | | |
| - Light Trucks | 392.2 | 6,734,070 | 772,703 | (386,094) | 0 | 0 | 7,120,679 |
| - Heavy Trucks | 392.3 | 21,466,457 | 2,104,501 | (1,051,549) | 0 | 0 | 22,519,409 |
| - Trailers | 392.4 | 1,207,425 | 124,796 | (62,356) | 0 | 0 | 1,269,865 |
| - Marine, 5 Year | 392 | 213,594 | 0 | 0 | 0 | 0 | 213,594 |
| Stores Equipment - 7 Year | 393 | 1,138,101 | 95,870 | (2,064) | 0 | 0 | 1,231,907 |
| Tools, Shop & Garage Equip. - 7 Year | 394 | 3,952,275 | 303,940 | (160,433) | 0 | 0 | 4,075,782 |
| Laboratory Equipment - 7 Year | 395 | 2,648,325 | 713,030 | 0 | 0 | 0 | 3,361,355 |
| Power Operated Equipment | 396 | 864,641 | 0 | 0 | 0 | 0 | 864,641 |
| Communication Equipment: | | | | | | | |
| - Other | 397 | 20,620,669 | 2,599,000 | (25,000) | 0 | 0 | 23,194,669 |
| - 7 Year | 397 | 4,093,249 | 0 | (472,625) | 0 | 0 | 3,620,424 |
| Miscellaneous Equipment - 7 year | 398 | 3,359,932 | 212,160 | 0 | 0 | 0 | 3,572,092 |
| Asset Retirement Obligation | 399.1 | 195,426 | 0 | 0 | 0 | 0 | 195,426 |
| TOTAL GENERAL: | | 149,088,541 | 15,724,720 | (3,890,806) | 0 | 0 | 160,922,455 |
| TOTAL ELECTRIC PLANT-IN-SERVICE: | | 4,214,773,682 | 227,608,540 | (40,545,583) | 0 | 0 | 4,401,836,639 |

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
BUDGET: DECEMBER, 2012

Sheet 1 of 3

| | Balance First of Year | Additions | Retirements | Adjustments | Transfers | Balance End of Year |
|--------------------------------|--------------------------|--------------------|---------------------|------------------|-----------|------------------------|
| INTANGIBLE: | | | | | | |
| Organization | 301 7,418 | 0 | 0 | 0 | 0 | 7,418 |
| Franchises and Consents | 302 594 | 0 | 0 | 0 | 0 | 594 |
| Intangible Software | 303 14,680,360 | 796,550 | 0 | 0 | 0 | 15,476,910 |
| TOTAL INTANGIBLE: | 14,688,372 | 796,550 | 0 | 0 | 0 | 15,484,922 |
| STEAM PRODUCTION: | | | | | | |
| DANIEL PLANT: | | | | | | |
| Plant | 253,058,387 | 3,368,549 | (101,512) | 0 | 0 | 256,325,424 |
| Land | 1,028,761 | 0 | 0 | 0 | 0 | 1,028,761 |
| Easements | 77,160 | 0 | 0 | 0 | 0 | 77,160 |
| Cooling Lake, 23 Year | 8,954,192 | 0 | 0 | 0 | 0 | 8,954,192 |
| Rail Track System | 2,741,618 | 9,108 | (244) | 0 | 0 | 2,750,482 |
| Asset Retirement Obligation | 391,150 | 0 | 0 | 0 | 0 | 391,150 |
| TOTAL DANIEL PLANT: | 266,251,268 | 3,377,657 | (101,756) | 0 | 0 | 269,527,169 |
| CRIST PLANT: | | | | | | |
| Plant | 1,196,885,458 | 306,122,423 | (28,395,165) | 368,025 | 0 | 1,474,980,741 |
| Land | 6,027,470 | (4,204) | 0 | 0 | 0 | 6,023,266 |
| Easements | 5,103 | (5,103) | 0 | 0 | 0 | 0 |
| Base Coal, 5 Year | 141,840 | 0 | 0 | 0 | 0 | 141,840 |
| - 5 Year | 161,226 | 0 | (23,654) | 0 | 0 | 137,572 |
| - 7 Year | 4,890,420 | (45,878) | 0 | 0 | 0 | 4,844,542 |
| Asset Retirement Obligation | 1,132,431 | 0 | 0 | 0 | 0 | 1,132,431 |
| TOTAL CRIST PLANT: | 1,209,243,948 | 306,067,238 | (28,418,819) | 368,025 | 0 | 1,487,260,392 |
| SCHOLZ PLANT: | | | | | | |
| Plant | 31,290,784 | 92,490 | (387,623) | (368,025) | 0 | 30,627,626 |
| Land | 44,579 | 0 | 0 | 0 | 0 | 44,579 |
| Base Coal, 5 Year | 71,300 | 0 | 0 | 0 | 0 | 71,300 |
| - 5 Year | 8,730 | 0 | 0 | 0 | 0 | 8,730 |
| - 7 Year | 213,932 | (439) | 0 | 0 | 0 | 213,493 |
| Asset Retirement Obligation | 254,654 | 0 | (13,014) | 0 | 0 | 241,640 |
| TOTAL SCHOLZ PLANT: | 31,883,979 | 92,051 | (400,637) | (368,025) | 0 | 31,207,368 |
| SMITH PLANT: | | | | | | |
| Plant | 173,958,603 | 1,559,458 | (80,395) | 0 | 0 | 175,437,566 |
| Land | 1,363,924 | 0 | 0 | 0 | 0 | 1,363,924 |
| Base Coal, 5 Year | 108,300 | 0 | 0 | 0 | 0 | 108,300 |
| - 5 Year | 29,526 | 0 | 0 | 0 | 0 | 29,526 |
| - 7 Year | 1,576,887 | 8,878 | 0 | 0 | 0 | 1,585,765 |
| Asset Retirement Obligation | 471,960 | 0 | (22) | 0 | 0 | 471,938 |
| TOTAL SMITH PLANT: | 177,508,100 | 1,568,336 | (80,417) | 0 | 0 | 178,997,019 |
| SCHERER PLANT: | | | | | | |
| Plant | 357,421,185 | 4,935,112 | (488,765) | 0 | 0 | 361,867,532 |
| Land | 912,049 | 27,383 | 0 | (63) | 0 | 939,369 |
| - 7 Year | 204,492 | (27) | (9,024) | 0 | 0 | 195,441 |
| Asset Retirement Obligation | 230,322 | 0 | 0 | 0 | 0 | 230,322 |
| TOTAL SCHERER PLANT: | 358,768,048 | 4,962,468 | (497,789) | (63) | 0 | 363,232,664 |
| TOTAL STEAM PRODUCTION: | 2,043,656,343 | 316,067,750 | (29,499,418) | (63) | 0 | 2,330,224,612 |

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
BUDGET: DECEMBER, 2012

Sheet 2 of 3

| | | Balance First of Year | Additions | Retirements | Adjustments | Transfers | Balance End of Year |
|---|-------|--------------------------|--------------------|---------------------|------------------|-----------|------------------------|
| OTHER PRODUCTION: | | | | | | | |
| LAND - NON-DEPRECIABLE: | | | | | | | |
| Land - Non-Depreciable | 340 | 337,696 | 0 | 0 | 0 | 0 | 337,696 |
| TOTAL LAND - NON-DEPRECIABLE: | | <u>337,696</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>337,696</u> |
| SMITH PLANT CT: | | | | | | | |
| Structures and Improvements | 341 | 1,293,927 | 16,312 | 0 | 0 | 0 | 1,310,239 |
| Fuel Holders and Accessories | 342 | 726,111 | (4,805) | (23,444) | 0 | 0 | 697,862 |
| Prime Movers | 343 | 2,405,829 | (92) | 0 | 0 | 0 | 2,405,737 |
| Generators | 344 | 3,438,922 | 0 | 0 | 0 | 0 | 3,438,922 |
| Accessory Electric Equipment | 345 | 48,475 | 0 | 0 | 0 | 0 | 48,475 |
| Miscellaneous Equipment | 346 | 53,925 | (10,778) | 0 | 0 | 0 | 43,147 |
| TOTAL SMITH PLANT CT: | | <u>7,967,189</u> | <u>637</u> | <u>(23,444)</u> | <u>0</u> | <u>0</u> | <u>7,944,382</u> |
| SMITH PLANT UNIT 3 COMBINED CYCLE: | | | | | | | |
| Structures and Improvements | 341 | 12,954,680 | 1,671,357 | (1,025,083) | 0 | 0 | 13,600,974 |
| Fuel Holders and Accessories | 342 | 3,038,952 | 120,303 | (5,250) | 0 | 0 | 3,154,005 |
| Prime Movers | 343 | 113,697,164 | 974,085 | (239,184) | 0 | 0 | 114,432,085 |
| Generators | 344 | 67,249,850 | 616,385 | (35,212) | 0 | 0 | 67,830,803 |
| Accessory Electric Equipment | 345 | 12,063,368 | 149,955 | (6,000) | 0 | 0 | 12,207,323 |
| Miscellaneous Equipment | 346 | 1,113,926 | 100,282 | (38,797) | 0 | 0 | 1,175,391 |
| TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE: | | <u>210,117,740</u> | <u>3,632,327</u> | <u>(1,349,486)</u> | <u>0</u> | <u>0</u> | <u>212,400,581</u> |
| PACE PLANT: | | | | | | | |
| Prime Movers | 343 | 6,790,595 | 0 | 0 | 0 | 0 | 6,790,595 |
| Generators | 344 | 3,107,233 | 0 | 0 | 0 | 0 | 3,107,233 |
| Accessory Electric Equipment | 345 | 584,090 | 0 | 0 | 0 | 0 | 584,090 |
| Asset Retirement Obligation | 347 | 397,194 | 0 | 0 | 0 | 0 | 397,194 |
| TOTAL PACE PLANT: | | <u>10,879,112</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>10,879,112</u> |
| PERDIDO PLANT: | | | | | | | |
| Structures and Improvements | 341 | 942,440 | 0 | 0 | 0 | 0 | 942,440 |
| Fuel Holders and Accessories | 342 | 578,765 | 0 | 0 | 0 | 0 | 578,765 |
| Prime Movers | 343 | 2,745,649 | 0 | 0 | 0 | 0 | 2,745,649 |
| Accessory Electric Equipment | 345 | 788,715 | 0 | 0 | 0 | 0 | 788,715 |
| Miscellaneous Equipment | 346 | 45,550 | 0 | 0 | 0 | 0 | 45,550 |
| TOTAL PERDIDO PLANT: | | <u>5,101,119</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>5,101,119</u> |
| TOTAL OTHER PRODUCTION: | | <u>234,402,856</u> | <u>3,632,964</u> | <u>(1,372,930)</u> | <u>0</u> | <u>0</u> | <u>236,662,890</u> |
| TOTAL PRODUCTION: | | <u>2,278,059,199</u> | <u>319,700,714</u> | <u>(30,872,348)</u> | <u>(63)</u> | <u>0</u> | <u>2,586,887,502</u> |
| TRANSMISSION: | | | | | | | |
| Land | 350.0 | 3,453,754 | 1,395,953 | 0 | (66,793) | 0 | 4,782,914 |
| Easements | 350.2 | 12,633,961 | 0 | 0 | 32,170 | 0 | 12,666,131 |
| Structures and Improvements | 352 | 10,978,788 | (377,427) | (17,057) | 0 | 0 | 10,584,304 |
| Station Equipment | 353 | 124,993,221 | 19,850,961 | (2,681,992) | (101,442) | 0 | 142,080,748 |
| Towers and Fixtures | 354 | 41,223,039 | (20,396) | (539,964) | 3,989 | 0 | 40,686,668 |
| Poles and Fixtures | 355 | 88,692,849 | 9,024,213 | (3,248,222) | 1,919 | 0 | 94,470,559 |
| Overhead Conductors & Devices | 356 | 72,412,742 | 4,501,689 | (1,967,265) | 11,543 | 0 | 74,958,709 |
| Underground Conductors & Devices | 358 | 14,094,502 | 0 | 0 | 0 | 0 | 14,094,502 |
| Roads and Trails | 359 | 45,800 | 190,119 | 0 | 0 | 0 | 235,919 |
| Asset Retirement Obligation | 359.1 | 7,861 | 0 | 0 | 0 | 0 | 7,861 |
| TOTAL TRANSMISSION: | | <u>368,536,317</u> | <u>34,565,112</u> | <u>(8,454,500)</u> | <u>(118,614)</u> | <u>0</u> | <u>394,528,315</u> |

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
BUDGET: DECEMBER, 2012

Sheet 3 of 3

| | | Balance First of Year | Additions | Retirements | Adjustments | Transfers | Balance End of Year |
|---|-------|--------------------------|--------------------|---------------------|-----------------|-----------|------------------------|
| DISTRIBUTION: | | | | | | | |
| Land | 360.0 | 3,408,449 | 525,107 | 0 | (5,191) | 0 | 3,928,365 |
| Land Rights | 360.1 | 204,176 | 0 | 0 | 0 | 0 | 204,176 |
| Structures and Improvements | 361 | 19,568,845 | 925,196 | (64,372) | 0 | 0 | 20,429,669 |
| Station Equipment | 362 | 172,254,475 | 38,572,543 | (1,501,930) | 77,837 | 0 | 209,402,925 |
| Poles, Towers & Fixtures | 364 | 130,678,946 | 5,870,488 | (12,745,277) | (4,247) | 0 | 123,799,910 |
| Overhead Conductors & Devices | 365 | 126,166,783 | 4,779,813 | (1,575,351) | 1,784,631 | 0 | 131,155,876 |
| Underground Conduit | 366 | 1,217,455 | 0 | (56,736) | 0 | 0 | 1,160,719 |
| Underground Conductors & Devices | 367 | 124,193,017 | 9,307,028 | (857,653) | 0 | 0 | 132,642,392 |
| Line Transformers | 368 | 229,026,046 | 15,118,084 | (8,206,716) | (1,776,558) | 0 | 234,180,856 |
| Services: | | | | | | | |
| - Overhead | 369.1 | 51,743,563 | 1,188,148 | (178,529) | 0 | 0 | 52,753,182 |
| - Underground | 369.2 | 43,927,818 | 846,460 | (57,247) | 0 | 0 | 44,717,031 |
| Meters | 370 | 53,839,750 | 9,333,345 | (1,691,058) | (34,299,000) | 0 | 27,183,037 |
| Meters - AMI Equipment | 370 | 0 | 6,891,284 | (1,079,937) | 34,299,000 | 0 | 40,110,347 |
| Meters - FPSC Segregated | 370 | 5,826,982 | 0 | (3,966,270) | 0 | 0 | 1,860,712 |
| Meters - Non FPSC Segregated | 370 | 7,790,030 | 0 | (4,359,258) | 0 | 0 | 3,430,772 |
| Street Lighting & Signal Systems | 373 | 60,488,451 | 1,688,947 | (374,430) | 0 | 0 | 81,800,968 |
| Asset Retirement Obligation | 374 | 43,465 | 0 | 0 | 0 | 0 | 43,465 |
| TOTAL DISTRIBUTION: | | <u>1,030,378,251</u> | <u>95,044,443</u> | <u>(36,714,764)</u> | <u>76,472</u> | <u>0</u> | <u>1,088,784,402</u> |
| GENERAL PLANT: | | | | | | | |
| Land | 389.0 | 6,936,455 | 176,032 | 0 | 0 | 0 | 7,112,487 |
| Structures and Improvements | 390 | 69,926,726 | 472,910 | (897,441) | 0 | 0 | 69,502,195 |
| Office Furniture & Equipment: | | | | | | | |
| - Computer, 5 Year | 391 | 4,651,410 | 35,374 | (1,052,187) | 0 | 0 | 3,634,597 |
| - Non-Computer, 7 Year | 391 | 2,560,883 | 18,484 | (234,269) | 0 | 0 | 2,345,098 |
| Transportation Equipment: | | | | | | | |
| - Light Trucks | 392.2 | 7,173,022 | 410,133 | (849,085) | 0 | 0 | 6,734,070 |
| - Heavy Trucks | 392.3 | 19,536,131 | 2,514,010 | (583,684) | 0 | 0 | 21,466,457 |
| - Trailers | 392.4 | 1,158,483 | 162,902 | (113,960) | 0 | 0 | 1,207,425 |
| - Marine, 5 Year | 392 | 213,594 | 0 | 0 | 0 | 0 | 213,594 |
| Stores Equipment - 7 Year | 393 | 1,176,466 | (38,365) | 0 | 0 | 0 | 1,138,101 |
| Tools, Shop & Garage Equip. - 7 Year | 394 | 2,507,088 | 1,596,308 | (151,121) | 0 | 0 | 3,952,275 |
| Laboratory Equipment - 7 Year | 395 | 2,753,790 | 374,036 | (479,501) | 0 | 0 | 2,648,325 |
| Power Operated Equipment | 396 | 837,383 | 27,258 | 0 | 0 | 0 | 864,641 |
| Communication Equipment: | | | | | | | |
| - Other | 397 | 19,134,174 | 1,859,607 | (375,441) | 2,329 | 0 | 20,620,669 |
| - 7 Year | 397 | 4,428,562 | 317 | (335,630) | 0 | 0 | 4,093,249 |
| Miscellaneous Equipment - 7 year | 398 | 3,468,619 | 7,083 | (135,770) | 0 | 0 | 3,359,932 |
| Asset Retirement Obligation | 399.1 | 195,426 | 0 | 0 | 0 | 0 | 195,426 |
| TOTAL GENERAL: | | <u>148,678,212</u> | <u>7,616,089</u> | <u>(5,208,089)</u> | <u>2,329</u> | <u>0</u> | <u>149,088,541</u> |
| TOTAL ELECTRIC PLANT-IN-SERVICE: | | <u>3,838,340,351</u> | <u>457,722,908</u> | <u>(81,249,701)</u> | <u>(39,876)</u> | <u>0</u> | <u>4,214,773,682</u> |

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
ACTUAL: DECEMBER, 2011

Sheet 1 of 3

| | Balance First of Year | Additions | Retirements | Adjustments | Transfers | Balance End of Year |
|--------------------------------|--------------------------|-------------------|---------------------|--------------|-----------|------------------------|
| INTANGIBLE: | | | | | | |
| Organization | 301 7,418 | 0 | 0 | 0 | 0 | 7,418 |
| Franchises and Consents | 302 594 | 0 | 0 | 0 | 0 | 594 |
| Intangible Software | 303 12,848,863 | 1,831,497 | 0 | 0 | 0 | 14,680,360 |
| TOTAL INTANGIBLE: | 12,856,875 | 1,831,497 | 0 | 0 | 0 | 14,688,372 |
| STEAM PRODUCTION: | | | | | | |
| DANIEL PLANT: | | | | | | |
| Plant | 249,358,068 | 7,853,288 | (4,152,969) | 0 | 0 | 253,058,387 |
| Land | 967,300 | 61,461 | 0 | 0 | 0 | 1,028,761 |
| Easements | 77,160 | 0 | 0 | 0 | 0 | 77,160 |
| Cooling Lake, 23 Year | 8,954,192 | 0 | 0 | 0 | 0 | 8,954,192 |
| Rail Track System | 2,741,618 | 0 | 0 | 0 | 0 | 2,741,618 |
| Asset Retirement Obligation | 989,615 | 0 | (598,485) | 0 | 0 | 391,150 |
| TOTAL DANIEL PLANT: | 263,087,953 | 7,914,749 | (4,751,434) | 0 | 0 | 266,251,268 |
| CRIST PLANT: | | | | | | |
| Plant | 1,162,438,337 | 50,121,197 | (15,674,076) | 0 | 0 | 1,196,885,458 |
| Land | 6,027,470 | 0 | 0 | 0 | 0 | 6,027,470 |
| Easements | 5,103 | 0 | 0 | 0 | 0 | 5,103 |
| Base Coal, 5 Year | 141,840 | 0 | 0 | 0 | 0 | 141,840 |
| - 5 Year | 131,332 | 30,036 | (142) | 0 | 0 | 161,226 |
| - 7 Year | 4,917,350 | 442,864 | (489,794) | 0 | 0 | 4,890,420 |
| Asset Retirement Obligation | 1,373,417 | (235,246) | (5,740) | 0 | 0 | 1,132,431 |
| TOTAL CRIST PLANT: | 1,175,034,849 | 50,358,851 | (16,149,752) | 0 | 0 | 1,209,243,948 |
| SCHOLZ PLANT: | | | | | | |
| Plant | 31,082,548 | 245,753 | (37,517) | 0 | 0 | 31,290,784 |
| Land | 44,579 | 0 | 0 | 0 | 0 | 44,579 |
| Base Coal, 5 Year | 71,300 | 0 | 0 | 0 | 0 | 71,300 |
| - 5 Year | 5,717 | 3,013 | 0 | 0 | 0 | 8,730 |
| - 7 Year | 174,495 | 39,437 | 0 | 0 | 0 | 213,932 |
| Asset Retirement Obligation | 347,535 | (92,881) | 0 | 0 | 0 | 254,654 |
| TOTAL SCHOLZ PLANT: | 31,726,174 | 195,322 | (37,517) | 0 | 0 | 31,883,979 |
| SMITH PLANT: | | | | | | |
| Plant | 170,872,163 | 3,769,258 | (682,918) | 0 | 0 | 173,958,503 |
| Land | 1,363,924 | 0 | 0 | 0 | 0 | 1,363,924 |
| Base Coal, 5 Year | 108,300 | 0 | 0 | 0 | 0 | 108,300 |
| - 5 Year | 0 | 21,994 | 0 | 0 | 0 | 29,526 |
| - 7 Year | 1,120,532 | 456,355 | 0 | 0 | 0 | 1,576,887 |
| Asset Retirement Obligation | 471,972 | 0 | (12) | 0 | 0 | 471,960 |
| TOTAL SMITH PLANT: | 173,944,423 | 4,247,607 | (682,930) | 0 | 0 | 177,509,100 |
| SCHERER PLANT: | | | | | | |
| Plant | 325,733,620 | 32,350,988 | (663,423) | 0 | 0 | 357,421,185 |
| Land | 861,987 | 50,227 | 0 | (165) | 0 | 912,049 |
| - 7 Year | 183,664 | 20,828 | 0 | 0 | 0 | 204,492 |
| Asset Retirement Obligation | 122,717 | 107,605 | 0 | 0 | 0 | 230,322 |
| TOTAL SCHERER PLANT: | 326,901,988 | 32,529,648 | (663,423) | (165) | 0 | 358,768,048 |
| TOTAL STEAM PRODUCTION: | 1,970,695,387 | 95,246,177 | (22,285,056) | (165) | 0 | 2,043,656,343 |

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
ACTUAL: DECEMBER, 2011

Sheet 2 of 3

| | | Balance First of Year | Additions | Retirements | Adjustments | Transfers | Balance End of Year |
|---|-------|--------------------------|--------------------|---------------------|--------------|-----------------|------------------------|
| OTHER PRODUCTION: | | | | | | | |
| LAND - NON-DEPRECIABLE: | | | | | | | |
| Land - Non-Depreciable | 340 | 337,696 | 0 | 0 | 0 | 0 | 337,696 |
| TOTAL LAND - NON-DEPRECIABLE: | | <u>337,696</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>337,696</u> |
| SMITH PLANT CT: | | | | | | | |
| Structures and Improvements | 341 | 793,362 | 1,153,735 | (653,170) | 0 | 0 | 1,293,927 |
| Fuel Holders and Accessories | 342 | 513,015 | 297,667 | (84,571) | 0 | 0 | 726,111 |
| Prime Movers | 343 | 83,108 | 2,322,723 | 0 | 0 | 0 | 2,405,829 |
| Generators | 344 | 3,438,922 | 0 | 0 | 0 | 0 | 3,438,922 |
| Accessory Electric Equipment | 345 | 126,273 | 0 | (85,758) | 0 | 7,960 | 48,475 |
| Miscellaneous Equipment | 346 | 8,803 | 47,424 | (2,302) | 0 | 0 | 53,925 |
| TOTAL SMITH PLANT CT: | | <u>4,963,481</u> | <u>3,821,549</u> | <u>(825,801)</u> | <u>0</u> | <u>7,960</u> | <u>7,967,189</u> |
| SMITH PLANT UNIT 3 COMBINED CYCLE: | | | | | | | |
| Structures and Improvements | 341 | 12,127,157 | 1,472,007 | (644,484) | 0 | 0 | 12,954,680 |
| Fuel Holders and Accessories | 342 | 2,978,029 | 183,198 | (122,275) | 0 | 0 | 3,038,952 |
| Prime Movers | 343 | 114,129,869 | 338,338 | (769,041) | 0 | 0 | 113,697,164 |
| Generators | 344 | 67,029,417 | 249,579 | (29,346) | 0 | 0 | 67,249,650 |
| Accessory Electric Equipment | 345 | 11,070,806 | 1,032,765 | (32,243) | 0 | (7,960) | 12,063,368 |
| Miscellaneous Equipment | 346 | 1,084,763 | 29,163 | 0 | 0 | 0 | 1,113,926 |
| TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE: | | <u>208,420,041</u> | <u>3,303,048</u> | <u>(1,597,389)</u> | <u>0</u> | <u>(7,960)</u> | <u>210,117,740</u> |
| PACE PLANT: | | | | | | | |
| Prime Movers | 343 | 6,790,595 | 0 | 0 | 0 | 0 | 6,790,595 |
| Generators | 344 | 3,107,233 | 0 | 0 | 0 | 0 | 3,107,233 |
| Accessory Electric Equipment | 345 | 584,090 | 0 | 0 | 0 | 0 | 584,090 |
| Asset Retirement Obligation | 347 | 397,194 | 0 | 0 | 0 | 0 | 397,194 |
| TOTAL PACE PLANT: | | <u>10,879,112</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>10,879,112</u> |
| PERDIDO PLANT: | | | | | | | |
| Structures and Improvements | 341 | 0 | 942,440 | 0 | 0 | 0 | 942,440 |
| Fuel Holders and Accessories | 342 | 0 | 578,765 | 0 | 0 | 0 | 578,765 |
| Prime Movers | 343 | 0 | 2,745,649 | 0 | 0 | 0 | 2,745,649 |
| Accessory Electric Equipment | 345 | 0 | 788,715 | 0 | 0 | 0 | 788,715 |
| Miscellaneous Equipment | 346 | 5,101,729 | (5,056,179) | 0 | 0 | 0 | 45,550 |
| TOTAL PERDIDO PLANT: | | <u>5,101,729</u> | <u>(610)</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>5,101,119</u> |
| TOTAL OTHER PRODUCTION: | | <u>229,702,059</u> | <u>7,123,987</u> | <u>(2,423,190)</u> | <u>0</u> | <u>0</u> | <u>234,402,856</u> |
| TOTAL PRODUCTION: | | <u>2,200,397,446</u> | <u>102,370,164</u> | <u>(24,708,246)</u> | <u>(165)</u> | <u>0</u> | <u>2,278,059,199</u> |
| TRANSMISSION: | | | | | | | |
| Land | 350.0 | 2,697,249 | 756,505 | 0 | 0 | 0 | 3,453,754 |
| Easements | 350.2 | 12,286,905 | 367,056 | 0 | 0 | 0 | 12,633,961 |
| Structures and Improvements | 352 | 9,290,925 | 1,687,863 | 0 | 0 | 0 | 10,978,788 |
| Station Equipment | 353 | 108,836,464 | 17,896,477 | (1,478,877) | 0 | (60,843) | 124,993,221 |
| Towers and Fixtures | 354 | 41,288,014 | 25,735 | (90,710) | 0 | 0 | 41,223,039 |
| Poles and Fixtures | 355 | 81,514,111 | 7,505,836 | (327,298) | 0 | 0 | 88,692,649 |
| Overhead Conductors & Devices | 356 | 66,997,220 | 6,263,450 | (847,928) | 0 | 0 | 72,412,742 |
| Underground Conductors & Devices | 358 | 14,094,502 | 0 | 0 | 0 | 0 | 14,094,502 |
| Roads and Trails | 359 | 61,447 | (15,647) | 0 | 0 | 0 | 45,800 |
| Asset Retirement Obligation | 359.1 | 7,861 | 0 | 0 | 0 | 0 | 7,861 |
| TOTAL TRANSMISSION: | | <u>337,054,696</u> | <u>34,287,275</u> | <u>(2,744,813)</u> | <u>0</u> | <u>(60,843)</u> | <u>368,536,317</u> |

GULF POWER COMPANY
ELECTRIC PLANT-IN-SERVICE
ACTUAL: DECEMBER, 2011

Sheet 3 of 3

| | | Balance First of Year | Additions | Retirements | Adjustments | Transfers | Balance End of Year |
|---|-------|--------------------------|--------------------|---------------------|----------------|------------------|------------------------|
| DISTRIBUTION: | | | | | | | |
| Land | 360.0 | 2,536,509 | 872,644 | 0 | (704) | 0 | 3,408,449 |
| Land Rights | 360.1 | 204,176 | 0 | 0 | 0 | 0 | 204,176 |
| Structures and Improvements | 361 | 18,262,773 | 1,307,990 | (4,670) | 0 | 2,752 | 19,568,845 |
| Station Equipment | 362 | 164,334,932 | 9,824,279 | (1,952,133) | 0 | 47,397 | 172,254,475 |
| Poles, Towers & Fixtures | 364 | 125,319,939 | 6,679,121 | (1,213,402) | 0 | (108,712) | 130,678,946 |
| Overhead Conductors & Devices | 365 | 121,981,530 | 7,215,884 | (2,203,015) | 0 | (827,616) | 126,166,783 |
| Underground Conduit | 366 | 1,217,455 | 0 | 0 | 0 | 0 | 1,217,455 |
| Underground Conductors & Devices | 367 | 118,333,108 | 5,711,531 | (504,490) | 0 | 852,868 | 124,193,017 |
| Line Transformers | 368 | 220,177,780 | 12,762,808 | (3,671,922) | 0 | (242,620) | 229,026,046 |
| Services: | | | | | | | |
| - Overhead | 369.1 | 50,597,995 | 1,318,784 | (173,218) | 0 | 0 | 51,743,563 |
| - Underground | 369.2 | 42,468,271 | 1,542,802 | (83,255) | 0 | 0 | 43,927,818 |
| Meters | 370 | 35,978,405 | 20,516,476 | (2,655,131) | 0 | 0 | 53,839,750 |
| Meters - FPSC Segregated | 370 | 12,072,127 | 0 | (6,245,145) | 0 | 0 | 5,826,982 |
| Meters - Non FPSC Segregated | 370 | 9,496,732 | 0 | (1,706,702) | 0 | 0 | 7,790,030 |
| Street Lighting & Signal Systems | 373 | 58,772,915 | 1,926,447 | (207,303) | 0 | (3,608) | 60,488,451 |
| Asset Retirement Obligation | 374 | 43,465 | 0 | 0 | 0 | 0 | 43,465 |
| TOTAL DISTRIBUTION: | | <u>981,798,112</u> | <u>69,678,766</u> | <u>(20,620,384)</u> | <u>(704)</u> | <u>(477,539)</u> | <u>1,030,378,251</u> |
| GENERAL PLANT: | | | | | | | |
| Land | 389.0 | 6,858,328 | 78,349 | 0 | (222) | 0 | 6,936,455 |
| Structures and Improvements | 390 | 66,948,929 | 2,517,692 | (78,277) | 0 | 538,382 | 69,926,726 |
| Office Furniture & Equipment: | | | | | | | |
| - Computer, 5 Year | 391 | 4,458,492 | 192,918 | 0 | 0 | 0 | 4,651,410 |
| - Non-Computer, 7 Year | 391 | 2,623,438 | 945,334 | (1,007,889) | 0 | 0 | 2,560,883 |
| Transportation Equipment: | | | | | | | |
| - Light Trucks | 392.2 | 6,995,416 | 872,489 | (694,883) | 0 | 0 | 7,173,022 |
| - Heavy Trucks | 392.3 | 19,222,561 | 522,080 | (208,510) | 0 | 0 | 19,536,131 |
| - Trailers | 392.4 | 1,082,864 | 83,231 | (7,612) | 0 | 0 | 1,158,483 |
| - Marine, 5 Year | 392 | 191,247 | 81,107 | (58,760) | 0 | 0 | 213,594 |
| Stores Equipment - 7 Year | 393 | 1,006,018 | 262,791 | (82,343) | 0 | 0 | 1,176,466 |
| Tools, Shop & Garage Equip. - 7 Year | 394 | 2,799,820 | 187,760 | (480,492) | 0 | 0 | 2,507,088 |
| Laboratory Equipment - 7 Year | 395 | 2,411,718 | 342,072 | 0 | 0 | 0 | 2,753,790 |
| Power Operated Equipment | 396 | 593,661 | 243,722 | 0 | 0 | 0 | 837,383 |
| Communication Equipment: | | | | | | | |
| - Other | 397 | 19,230,093 | 462,820 | (558,739) | 0 | 0 | 19,134,174 |
| - 7 Year | 397 | 3,687,588 | 1,163,542 | (422,568) | 0 | 0 | 4,428,562 |
| Miscellaneous Equipment - 7 year | 398 | 3,597,865 | 435,376 | (544,622) | 0 | 0 | 3,488,619 |
| Asset Retirement Obligation | 399.1 | 196,571 | 0 | (1,145) | 0 | 0 | 195,426 |
| TOTAL GENERAL: | | <u>141,904,609</u> | <u>8,391,283</u> | <u>(4,155,840)</u> | <u>(222)</u> | <u>538,382</u> | <u>146,678,212</u> |
| TOTAL ELECTRIC PLANT-IN-SERVICE: | | <u>3,674,011,740</u> | <u>216,558,985</u> | <u>(52,229,283)</u> | <u>(1,091)</u> | <u>0</u> | <u>3,838,340,351</u> |

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
ACTUAL: DECEMBER, 2010

Sheet 1 of 3

| | Balance First of Year | Additions | Retirements | Adjustments | Transfers | Balance End of Year |
|--------------------------------|--------------------------|--------------------|---------------------|--------------------|-----------|------------------------|
| INTANGIBLE: | | | | | | |
| Organization | 301 194,815 | 0 | 0 | 0 | (187,397) | 7,418 |
| Franchises and Consents | 302 594 | 0 | 0 | 0 | 0 | 594 |
| Intangible Software | 303 0 | 12,661,466 | 0 | 0 | 167,397 | 12,848,863 |
| TOTAL INTANGIBLE: | <u>195,409</u> | <u>12,661,466</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>12,856,875</u> |
| STEAM PRODUCTION: | | | | | | |
| DANIEL PLANT: | | | | | | |
| Plant | 240,203,220 | 9,341,278 | (186,166) | (264) | 0 | 249,358,068 |
| Land | 3,884,047 | 145 | 0 | (2,916,892) | 0 | 967,300 |
| Easements | 77,160 | 0 | 0 | 0 | 0 | 77,160 |
| Cooling Lake, 23 Year | 8,954,192 | 0 | 0 | 0 | 0 | 8,954,192 |
| Rail Track System | 2,741,618 | 0 | 0 | 0 | 0 | 2,741,618 |
| Asset Retirement Obligation | 2,020,606 | 0 | -1,030,991 | 0 | 0 | 989,615 |
| TOTAL DANIEL PLANT: | <u>257,880,843</u> | <u>9,341,423</u> | <u>(1,217,157)</u> | <u>(2,917,156)</u> | <u>0</u> | <u>263,087,953</u> |
| CRIST PLANT: | | | | | | |
| Plant | 1,109,816,351 | 64,028,035 | (11,406,049) | 0 | 0 | 1,162,438,337 |
| Land | 6,027,470 | 0 | 0 | 0 | 0 | 6,027,470 |
| Easements | 5,103 | 0 | 0 | 0 | 0 | 5,103 |
| Base Coal, 5 Year | 141,840 | 0 | 0 | 0 | 0 | 141,840 |
| - 5 Year | 74,905 | 57,280 | (853) | 0 | 0 | 131,332 |
| - 7 Year | 4,488,860 | 895,247 | (466,757) | 0 | 0 | 4,917,350 |
| Asset Retirement Obligation | 1,373,417 | 0 | 0 | 0 | 0 | 1,373,417 |
| TOTAL CRIST PLANT: | <u>1,121,927,946</u> | <u>64,980,562</u> | <u>(11,873,659)</u> | <u>0</u> | <u>0</u> | <u>1,175,034,849</u> |
| SCHOLZ PLANT: | | | | | | |
| Plant | 31,074,395 | 21,661 | (13,508) | 0 | 0 | 31,082,548 |
| Land | 44,579 | 0 | 0 | 0 | 0 | 44,579 |
| Base Coal, 5 Year | 71,300 | 0 | 0 | 0 | 0 | 71,300 |
| - 5 Year | 0 | 5,717 | 0 | 0 | 0 | 5,717 |
| - 7 Year | 174,495 | 0 | 0 | 0 | 0 | 174,495 |
| Asset Retirement Obligation | 347,535 | 0 | 0 | 0 | 0 | 347,535 |
| TOTAL SCHOLZ PLANT: | <u>31,712,304</u> | <u>27,378</u> | <u>(13,508)</u> | <u>0</u> | <u>0</u> | <u>31,726,174</u> |
| SMITH PLANT: | | | | | | |
| Plant | 170,587,642 | 385,168 | (100,647) | 0 | 0 | 170,872,163 |
| Land | 1,363,924 | 0 | 0 | 0 | 0 | 1,363,924 |
| Base Coal, 5 Year | 108,300 | 0 | 0 | 0 | 0 | 108,300 |
| - 5 Year | 7,532 | 0 | 0 | 0 | 0 | 7,532 |
| - 7 Year | 1,029,934 | 90,598 | 0 | 0 | 0 | 1,120,532 |
| Asset Retirement Obligation | 471,972 | 0 | 0 | 0 | 0 | 471,972 |
| TOTAL SMITH PLANT: | <u>173,569,304</u> | <u>475,766</u> | <u>(100,647)</u> | <u>0</u> | <u>0</u> | <u>173,944,423</u> |
| SCHERER PLANT: | | | | | | |
| Plant | 233,800,884 | 92,231,082 | (298,346) | 0 | 0 | 325,733,620 |
| Land | 848,761 | 16,748 | 0 | (1,522) | 0 | 861,987 |
| - 7 Year | 186,463 | 390 | (3,189) | 0 | 0 | 183,664 |
| Asset Retirement Obligation | 122,717 | 0 | 0 | 0 | 0 | 122,717 |
| TOTAL SCHERER PLANT: | <u>234,958,825</u> | <u>92,248,220</u> | <u>(301,535)</u> | <u>(1,522)</u> | <u>0</u> | <u>326,901,988</u> |
| TOTAL STEAM PRODUCTION: | <u>1,820,047,222</u> | <u>167,073,348</u> | <u>(13,506,506)</u> | <u>(2,918,677)</u> | <u>0</u> | <u>1,970,695,387</u> |

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
ACTUAL: DECEMBER, 2010

Sheet 2 of 3

| | | Balance First of Year | Additions | Retirements | Adjustments | Transfers | Balance End of Year |
|---|-------|--------------------------|--------------------|---------------------|--------------------|---------------|------------------------|
| OTHER PRODUCTION: | | | | | | | |
| LAND - NON-DEPRECIABLE: | | | | | | | |
| Land - Non-Depreciable | 340 | 337,696 | 0 | 0 | 0 | 0 | 337,696 |
| TOTAL LAND - NON-DEPRECIABLE: | | <u>337,696</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>337,696</u> |
| SMITH PLANT CT: | | | | | | | |
| Structures and Improvements | 341 | 793,362 | 0 | 0 | 0 | 0 | 793,362 |
| Fuel Holders and Accessories | 342 | 513,015 | 0 | 0 | 0 | 0 | 513,015 |
| Prime Movers | 343 | 83,106 | 0 | 0 | 0 | 0 | 83,106 |
| Generators | 344 | 3,438,922 | 0 | 0 | 0 | 0 | 3,438,922 |
| Accessory Electric Equipment | 345 | 126,273 | 0 | 0 | 0 | 0 | 126,273 |
| Miscellaneous Equipment | 346 | 8,803 | 0 | 0 | 0 | 0 | 8,803 |
| TOTAL SMITH PLANT CT: | | <u>4,963,481</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>4,963,481</u> |
| SMITH PLANT UNIT 3 COMBINED CYCLE: | | | | | | | |
| Structures and Improvements | 341 | 11,712,849 | 1,083,852 | (669,544) | 0 | 0 | 12,127,157 |
| Fuel Holders and Accessories | 342 | 2,942,463 | 78,713 | (43,147) | 0 | 0 | 2,978,029 |
| Prime Movers | 343 | 94,060,650 | 38,611,613 | (18,742,394) | 0 | 0 | 114,129,869 |
| Generators | 344 | 67,041,343 | 35,970 | (47,896) | 0 | 0 | 67,029,417 |
| Accessory Electric Equipment | 345 | 11,003,159 | 1,032,499 | (964,852) | 0 | 0 | 11,070,806 |
| Miscellaneous Equipment | 346 | 710,804 | 561,233 | (187,274) | 0 | 0 | 1,084,763 |
| TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE: | | <u>187,471,268</u> | <u>41,603,880</u> | <u>(20,655,107)</u> | <u>0</u> | <u>0</u> | <u>208,420,041</u> |
| PACE PLANT: | | | | | | | |
| Prime Movers | 343 | 6,790,595 | 0 | 0 | 0 | 0 | 6,790,595 |
| Generators | 344 | 3,107,233 | 0 | 0 | 0 | 0 | 3,107,233 |
| Accessory Electric Equipment | 345 | 584,090 | 0 | 0 | 0 | 0 | 584,090 |
| Asset Retirement Obligation | 347 | 397,194 | 0 | 0 | 0 | 0 | 397,194 |
| TOTAL PACE PLANT: | | <u>10,879,112</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>10,879,112</u> |
| PERDIDO PLANT: | | | | | | | |
| Miscellaneous Equipment | 346 | 0 | 5,101,729 | 0 | 0 | 0 | 5,101,729 |
| TOTAL PERDIDO PLANT: | | <u>0</u> | <u>5,101,729</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>5,101,729</u> |
| TOTAL OTHER PRODUCTION: | | <u>203,651,557</u> | <u>46,705,609</u> | <u>(20,655,107)</u> | <u>0</u> | <u>0</u> | <u>229,702,059</u> |
| TOTAL PRODUCTION: | | <u>2,023,698,779</u> | <u>213,778,957</u> | <u>(34,161,613)</u> | <u>(2,918,677)</u> | <u>0</u> | <u>2,200,397,448</u> |
| TRANSMISSION: | | | | | | | |
| Land | 350.0 | 2,265,485 | 294,004 | 0 | (148,729) | 286,489 | 2,697,249 |
| Easements | 350.2 | 12,707,117 | (153,723) | 0 | 0 | (286,489) | 12,266,905 |
| Structures and Improvements | 352 | 8,426,310 | 851,723 | 0 | 0 | 12,892 | 9,290,925 |
| Station Equipment | 353 | 100,888,004 | 8,369,268 | (451,276) | 0 | 30,468 | 108,836,464 |
| Towers and Fixtures | 354 | 38,868,886 | 2,407,904 | (19,253) | 0 | 30,477 | 41,288,014 |
| Poles and Fixtures | 355 | 76,122,945 | 5,838,331 | (420,644) | 0 | (26,521) | 81,514,111 |
| Overhead Conductors & Devices | 356 | 63,854,916 | 3,322,048 | (179,744) | 0 | 0 | 66,997,220 |
| Underground Conductors & Devices | 356 | 14,094,502 | 0 | 0 | 0 | 0 | 14,094,502 |
| Roads and Trails | 359 | 61,447 | 0 | 0 | 0 | 0 | 61,447 |
| Asset Retirement Obligation | 359.1 | 7,861 | 0 | 0 | 0 | 0 | 7,861 |
| TOTAL TRANSMISSION: | | <u>317,297,473</u> | <u>20,929,555</u> | <u>(1,070,917)</u> | <u>(148,729)</u> | <u>47,316</u> | <u>337,054,698</u> |

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
ACTUAL: DECEMBER, 2010

Sheet 3 of 3

| | Balance First of Year | Additions | Retirements | Adjustments | Transfers | Balance End of Year |
|---|--------------------------|--------------------|---------------------|--------------------|-----------------|------------------------|
| DISTRIBUTION: | | | | | | |
| Land | 360.0 | 2,553,753 | 0 | 0 | (17,244) | 2,536,509 |
| Land Rights | 360.1 | 204,176 | 0 | 0 | 0 | 204,176 |
| Structures and Improvements | 361 | 16,745,219 | 1,532,998 | (15,444) | 0 | 18,262,773 |
| Station Equipment | 362 | 159,050,636 | 5,914,198 | (603,827) | 0 | 164,334,932 |
| Poles, Towers & Fixtures | 364 | 119,993,792 | 6,391,271 | (1,065,124) | 0 | 125,319,939 |
| Overhead Conductors & Devices | 365 | 118,489,612 | 6,453,610 | (2,151,102) | 0 | 121,981,530 |
| Underground Conduit | 366 | 1,217,455 | 0 | 0 | 0 | 1,217,455 |
| Underground Conductors & Devices | 367 | 111,391,188 | 6,589,214 | (457,884) | 0 | 118,333,108 |
| Line Transformers | 368 | 208,399,324 | 14,433,300 | (2,633,803) | 0 | 220,177,780 |
| Services: | | | | | | |
| - Overhead | 369.1 | 49,215,769 | 1,524,162 | (141,936) | 0 | 50,597,995 |
| - Underground | 369.2 | 41,248,654 | 1,358,686 | (139,069) | 0 | 42,468,271 |
| - House Power Panel | 369.3 | 1,666,102 | 0 | (1,666,102) | 0 | 0 |
| Meters | 370 | 51,269,486 | 8,327,691 | (1,945,380) | 0 | 35,978,405 |
| Meters - FPSC Segregated | 370 | 0 | 0 | (104,533) | 0 | 12,176,660 |
| Meters - Non FPSC Segregated | 370 | 0 | 0 | 0 | 9,496,732 | 9,496,732 |
| Street Lighting & Signal Systems | 373 | 56,904,425 | 2,278,904 | (410,414) | 0 | 58,772,915 |
| Asset Retirement Obligation | 374 | 43,465 | 0 | 0 | 0 | 43,465 |
| TOTAL DISTRIBUTION: | 938,393,056 | 54,804,034 | (11,334,418) | (17,244) | (47,316) | 961,798,112 |
| GENERAL PLANT: | | | | | | |
| Land | 369.0 | 6,858,328 | 0 | 0 | 0 | 6,858,328 |
| Structures and Improvements | 390 | 64,301,504 | 2,730,623 | (83,196) | 0 | 66,948,929 |
| Office Furniture & Equipment: | | | | | | |
| - Computer, 5 Year | 391 | 3,968,039 | 830,605 | (340,152) | 0 | 4,458,492 |
| - Non-Computer, 7 Year | 391 | 2,595,116 | 28,322 | 0 | 0 | 2,623,438 |
| Transportation Equipment: | | | | | | |
| - Light Trucks | 392.2 | 5,939,852 | 1,084,601 | (29,037) | 0 | 6,995,416 |
| - Heavy Trucks | 392.3 | 19,788,863 | 775,776 | (1,322,078) | 0 | 19,222,561 |
| - Trailers | 392.4 | 1,069,871 | 12,983 | 0 | 0 | 1,082,864 |
| - Marine, 5 Year | 392 | 58,760 | 132,487 | 0 | 0 | 191,247 |
| Stores Equipment - 7 Year | 393 | 796,334 | 209,684 | 0 | 0 | 1,006,018 |
| Tools, Shop & Garage Equip. - 7 Year | 394 | 1,502,348 | 1,297,474 | 0 | 0 | 2,799,820 |
| Laboratory Equipment - 7 Year | 395 | 3,364,134 | 628,194 | (1,580,810) | 0 | 2,411,718 |
| Power Operated Equipment | 396 | 593,661 | 0 | 0 | 0 | 593,661 |
| Communication Equipment: | | | | | | |
| - Other | 397 | 18,363,156 | 992,445 | (125,508) | 0 | 19,230,093 |
| - 7 Year | 397 | 3,010,142 | 677,446 | 0 | 0 | 3,687,588 |
| Miscellaneous Equipment - 7 year | 398 | 4,352,298 | 220,402 | (974,835) | 0 | 3,597,865 |
| Asset Retirement Obligation | 399.1 | 196,571 | 0 | 0 | 0 | 196,571 |
| TOTAL GENERAL: | 136,738,975 | 9,621,052 | (4,455,418) | 0 | 0 | 141,904,609 |
| TOTAL ELECTRIC PLANT-IN-SERVICE: | 3,416,323,692 | 311,795,064 | (51,022,366) | (3,084,650) | 0 | 3,674,011,740 |

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
ACTUAL: DECEMBER, 2009

Sheet 1 of 3

| | Balance First of Year | Additions | Retirements | Adjustments | Transfers | Balance End of Year |
|--------------------------------|--------------------------|--------------------|---------------------|----------------|-----------|------------------------|
| INTANGIBLE: | | | | | | |
| Organization | 301 7,418 | 187,397 | 0 | 0 | 0 | 194,815 |
| Franchises and Consents | 302 594 | 0 | 0 | 0 | 0 | 594 |
| TOTAL INTANGIBLE: | 8,012 | 187,397 | 0 | 0 | 0 | 195,409 |
| STEAM PRODUCTION: | | | | | | |
| DANIEL PLANT: | | | | | | |
| Plant | 241,955,417 | 1,211,340 | (2,963,537) | 0 | 0 | 240,203,220 |
| Land | 967,301 | 2,916,746 | 0 | 0 | 0 | 3,884,047 |
| Easements | 77,160 | 0 | 0 | 0 | 0 | 77,160 |
| Cooling Lake, 23 Year | 8,954,192 | 0 | 0 | 0 | 0 | 8,954,192 |
| Rail Track System | 2,741,618 | 0 | 0 | 0 | 0 | 2,741,618 |
| Asset Retirement Obligation | 2,020,606 | 0 | 0 | 0 | 0 | 2,020,606 |
| TOTAL DANIEL PLANT: | 256,716,294 | 4,128,086 | (2,963,537) | 0 | 0 | 257,880,843 |
| CRIST PLANT: | | | | | | |
| Plant | 586,948,027 | 536,552,302 | (13,683,977) | 0 | 0 | 1,109,816,352 |
| Land | 6,023,266 | 4,204 | 0 | 0 | 0 | 6,027,470 |
| Easements | 0 | 5,103 | 0 | 0 | 0 | 5,103 |
| Base Coal, 5 Year | 141,840 | 0 | 0 | 0 | 0 | 141,840 |
| - 5 Year | 27,486 | 50,257 | (2,838) | 0 | 0 | 74,905 |
| - 7 Year | 4,181,291 | 931,022 | (623,453) | 0 | 0 | 4,488,860 |
| Asset Retirement Obligation | 1,206,809 | 224,426 | (57,819) | 0 | 0 | 1,373,416 |
| TOTAL CRIST PLANT: | 598,528,719 | 537,767,314 | (14,368,087) | 0 | 0 | 1,121,927,946 |
| SCHOLZ PLANT: | | | | | | |
| Plant | 30,943,848 | 168,028 | (37,481) | 0 | 0 | 31,074,395 |
| Land | 44,579 | 0 | 0 | 0 | 0 | 44,579 |
| Base Coal, 5 Year | 71,300 | 0 | 0 | 0 | 0 | 71,300 |
| - 7 Year | 175,035 | (540) | 0 | 0 | 0 | 174,495 |
| Asset Retirement Obligation | 350,800 | 0 | (3,265) | 0 | 0 | 347,535 |
| TOTAL SCHOLZ PLANT: | 31,585,562 | 167,488 | (40,746) | 0 | 0 | 31,712,304 |
| SMITH PLANT: | | | | | | |
| Plant | 164,847,877 | 6,643,606 | (903,841) | 0 | 0 | 170,587,642 |
| Land | 1,363,924 | 0 | 0 | 0 | 0 | 1,363,924 |
| Base Coal, 5 Year | 108,300 | 0 | 0 | 0 | 0 | 108,300 |
| - 5 Year | 27,351 | 3,067 | (22,886) | 0 | 0 | 7,532 |
| - 7 Year | 1,378,772 | 71,447 | (420,285) | 0 | 0 | 1,029,934 |
| Asset Retirement Obligation | 514,683 | 0 | (42,711) | 0 | 0 | 471,972 |
| TOTAL SMITH PLANT: | 168,240,907 | 6,718,120 | (1,389,723) | 0 | 0 | 173,569,304 |
| SCHERER PLANT: | | | | | | |
| Plant | 183,285,568 | 52,720,663 | (2,205,347) | 0 | 0 | 233,800,884 |
| Land | 826,259 | 21,799 | 0 | (1,297) | 0 | 846,761 |
| - 7 Year | 74,837 | 114,963 | (3,337) | 0 | 0 | 186,463 |
| Asset Retirement Obligation | 122,717 | 0 | 0 | 0 | 0 | 122,717 |
| TOTAL SCHERER PLANT: | 184,309,381 | 52,857,425 | (2,208,684) | (1,297) | 0 | 234,956,825 |
| TOTAL STEAM PRODUCTION: | 1,239,380,863 | 601,638,433 | (20,970,777) | (1,297) | 0 | 1,820,047,222 |

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
ACTUAL: DECEMBER, 2009

Sheet 2 of 3

| | | Balance First of Year | Additions | Retirements | Adjustments | Transfers | Balance End of Year |
|---|-------|--------------------------|--------------------|---------------------|----------------|------------------|------------------------|
| OTHER PRODUCTION: | | | | | | | |
| LAND - NON-DEPRECIABLE: | | | | | | | |
| Land - Non-Depreciable | 340 | 337,696 | 0 | 0 | 0 | 0 | 337,696 |
| TOTAL LAND - NON-DEPRECIABLE: | | <u>337,696</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>337,696</u> |
| SMITH PLANT CT: | | | | | | | |
| Structures and Improvements | 341 | 793,362 | 0 | 0 | 0 | 0 | 793,362 |
| Fuel Holders and Accessories | 342 | 513,015 | 0 | 0 | 0 | 0 | 513,015 |
| Prime Movers | 343 | 83,106 | 0 | 0 | 0 | 0 | 83,106 |
| Generators | 344 | 3,438,922 | 0 | 0 | 0 | 0 | 3,438,922 |
| Accessory Electric Equipment | 345 | 126,273 | 0 | 0 | 0 | 0 | 126,273 |
| Miscellaneous Equipment | 346 | 8,803 | 0 | 0 | 0 | 0 | 8,803 |
| TOTAL SMITH PLANT CT: | | <u>4,963,481</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>4,963,481</u> |
| SMITH PLANT UNIT 3 COMBINED CYCLE: | | | | | | | |
| Structures and Improvements | 341 | 11,453,415 | 373,197 | (113,763) | 0 | 0 | 11,712,849 |
| Fuel Holders and Accessories | 342 | 2,913,767 | 28,696 | 0 | 0 | 0 | 2,942,463 |
| Prime Movers | 343 | 94,143,829 | (21,218) | (61,961) | 0 | 0 | 94,060,650 |
| Generators | 344 | 67,013,354 | 29,795 | (1,806) | 0 | 0 | 67,041,343 |
| Accessory Electric Equipment | 345 | 10,983,321 | 19,838 | 0 | 0 | 0 | 11,003,159 |
| Miscellaneous Equipment | 346 | 710,804 | 0 | 0 | 0 | 0 | 710,804 |
| TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE: | | <u>187,218,490</u> | <u>430,308</u> | <u>(177,530)</u> | <u>0</u> | <u>0</u> | <u>187,471,268</u> |
| PACE PLANT: | | | | | | | |
| Prime Movers | 343 | 6,790,595 | 0 | 0 | 0 | 0 | 6,790,595 |
| Generators | 344 | 3,107,233 | 0 | 0 | 0 | 0 | 3,107,233 |
| Accessory Electric Equipment | 345 | 584,090 | 0 | 0 | 0 | 0 | 584,090 |
| Asset Retirement Obligation | 347 | 397,194 | 0 | 0 | 0 | 0 | 397,194 |
| TOTAL PACE PLANT: | | <u>10,879,112</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>10,879,112</u> |
| TOTAL OTHER PRODUCTION: | | <u>203,398,779</u> | <u>430,308</u> | <u>(177,530)</u> | <u>0</u> | <u>0</u> | <u>203,651,557</u> |
| TOTAL PRODUCTION: | | <u>1,442,779,642</u> | <u>602,068,741</u> | <u>(21,148,307)</u> | <u>(1,297)</u> | <u>0</u> | <u>2,023,698,779</u> |
| TRANSMISSION: | | | | | | | |
| Land | 350.0 | 2,270,399 | 1 | 0 | 0 | (4,915) | 2,265,485 |
| Easements | 350.2 | 12,647,665 | 53,082 | 0 | 6,370 | 0 | 12,707,117 |
| Structures and Improvements | 352 | 8,346,543 | 211,487 | (921) | 0 | (130,798) | 8,426,311 |
| Station Equipment | 353 | 97,865,003 | 5,837,647 | (2,047,094) | 0 | (767,552) | 100,888,004 |
| Towers and Fixtures | 354 | 37,945,128 | 1,438,336 | (13,427) | 0 | (501,151) | 38,868,886 |
| Poles and Fixtures | 355 | 70,906,224 | 6,671,201 | (560,901) | 0 | (893,579) | 76,122,945 |
| Overhead Conductors & Devices | 356 | 61,084,181 | 1,835,361 | (466,844) | 0 | 1,402,217 | 63,854,915 |
| Underground Conductors & Devices | 358 | 14,094,502 | 0 | 0 | 0 | 0 | 14,094,502 |
| Roads and Trails | 359 | 61,447 | 0 | 0 | 0 | 0 | 61,447 |
| Asset Retirement Obligation | 359.1 | 7,861 | 0 | 0 | 0 | 0 | 7,861 |
| TOTAL TRANSMISSION: | | <u>305,228,953</u> | <u>16,047,115</u> | <u>(3,069,187)</u> | <u>6,370</u> | <u>(895,778)</u> | <u>317,297,473</u> |

GULF POWER COMPANY
ELECTRIC PLANT IN SERVICE
ACTUAL: DECEMBER, 2009

Sheet 3 of 3

| | Balance First of Year | Additions | Retirements | Adjustments | Transfers | Balance End of Year |
|--|--------------------------|--------------------|---------------------|-----------------|----------------|------------------------|
| DISTRIBUTION: | | | | | | |
| Land | 360.0 | 2,491,471 | 83,026 | 0 | (20,744) | 2,553,753 |
| Land Rights | 360.1 | 204,176 | 0 | 0 | 0 | 204,176 |
| Structures and Improvements | 361 | 15,480,941 | 1,318,287 | (54,009) | 0 | 16,745,219 |
| Station Equipment | 362 | 149,588,918 | 10,627,063 | (1,272,952) | 0 | 159,050,636 |
| Poles, Towers & Fixtures | 364 | 114,389,598 | 6,559,069 | (954,875) | 0 | 119,993,792 |
| Overhead Conductors & Devices | 365 | 115,818,580 | 4,089,858 | (671,570) | 0 | 118,489,612 |
| Underground Conduit | 366 | 1,217,455 | 0 | 0 | 0 | 1,217,455 |
| Underground Conductors & Devices | 367 | 106,833,192 | 4,337,483 | (526,743) | 0 | 111,391,188 |
| Line Transformers | 368 | 200,184,624 | 10,956,476 | (2,765,404) | (769) | 208,399,324 |
| Services: | | | | | | |
| - Overhead | 369.1 | 48,092,721 | 1,284,128 | (161,080) | 0 | 49,215,769 |
| - Underground | 369.2 | 40,047,031 | 1,308,068 | (106,445) | 0 | 41,248,654 |
| - House Power Panel | 369.3 | 1,962,387 | 0 | (296,285) | 0 | 1,666,102 |
| Meters | 370 | 48,773,807 | 4,228,352 | (1,732,673) | 0 | 51,269,486 |
| Street Lighting & Signal Systems | 373 | 55,664,375 | 2,294,258 | (1,054,208) | 0 | 56,904,425 |
| Asset Retirement Obligation | 374 | 43,465 | 0 | 0 | 0 | 43,465 |
| TOTAL DISTRIBUTION: | <u>900,792,741</u> | <u>47,086,068</u> | <u>(9,596,244)</u> | <u>(21,513)</u> | <u>132,004</u> | <u>938,393,056</u> |
| GENERAL PLANT: | | | | | | |
| Land | 389.0 | 6,853,413 | 0 | 0 | 4,915 | 6,858,328 |
| Structures and Improvements | 390 | 61,105,303 | 2,762,317 | (324,975) | 0 | 64,301,504 |
| Office Furniture & Equipment: | | | | | | |
| - Computer, 5 Year | 391 | 4,308,859 | 168,082 | (713,583) | 0 | 3,968,039 |
| - Non-Computer, 7 Year | 391 | 2,802,092 | 439,273 | (441,568) | 0 | 2,595,116 |
| Transportation Equipment: | | | | | | |
| - Light Trucks | 392.2 | 5,974,467 | 258,747 | (293,362) | 0 | 5,939,852 |
| - Heavy Trucks | 392.3 | 19,028,444 | 1,194,101 | (463,682) | 0 | 19,768,863 |
| - Trailers | 392.4 | 1,111,387 | 0 | (41,516) | 0 | 1,069,871 |
| - Marine, 5 Year | 392 | 69,612 | 0 | (10,852) | 0 | 58,760 |
| Stores Equipment - 7 Year | 393 | 673,035 | 190,336 | (67,037) | 0 | 796,334 |
| Tools, Shop & Garage Equip. - 7 Year | 394 | 2,481,908 | 170,924 | (1,150,486) | 0 | 1,502,346 |
| Laboratory Equipment - 7 Year | 395 | 2,971,303 | 396,895 | (4,064) | 0 | 3,364,134 |
| Power Operated Equipment | 396 | 593,661 | 0 | 0 | 0 | 593,661 |
| Communication Equipment: | | | | | | |
| - Other | 397 | 17,913,968 | 2,248,413 | (1,799,225) | 0 | 18,363,156 |
| - 7 Year | 397 | 2,639,443 | 413,655 | (42,956) | 0 | 3,010,142 |
| Miscellaneous Equipment - 7 year | 398 | 4,005,879 | 530,263 | (183,844) | 0 | 4,352,298 |
| Asset Retirement Obligation | 399.1 | 196,571 | 0 | 0 | 0 | 196,571 |
| TOTAL GENERAL: | <u>132,729,345</u> | <u>8,773,006</u> | <u>(5,527,150)</u> | <u>0</u> | <u>763,774</u> | <u>136,738,975</u> |
| TOTAL ELECTRIC PLANT-IN-SERVICE: | <u>2,781,538,693</u> | <u>674,162,327</u> | <u>(39,360,888)</u> | <u>(16,440)</u> | <u>0</u> | <u>3,416,323,692</u> |

GULF POWER COMPANY
 ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
 BUDGET: DECEMBER, 2013

Sheet 1 of 3

| | Balance First of Year | Provisions | Retirements | Cost of Removal | Salvage and Other Credits | Transfers and Adjustments | Balance End of Year |
|--------------------------------|--------------------------|-------------------|--------------------|--------------------|------------------------------|------------------------------|------------------------|
| Intangible Plant: | | | | | | | |
| Intangible Software | 3,932,742 | 2,210,985 | 0 | 0 | 0 | 0 | 6,143,727 |
| Total Intangible Plant: | 3,932,742 | 2,210,985 | 0 | 0 | 0 | 0 | 6,143,727 |
| STEAM PRODUCTION: | | | | | | | |
| DANIEL PLANT: | | | | | | | |
| Plant | 132,934,573 | 7,181,079 | (1,050,212) | (402,328) | 0 | 0 | 138,663,112 |
| Easements | 40,431 | 1,080 | 0 | 0 | 0 | 0 | 41,511 |
| Cooling Lake, 23 Year | 8,954,192 | 0 | 0 | 0 | 0 | 0 | 8,954,192 |
| Rail Track System | 1,342,679 | 41,272 | (7,343) | (2,813) | 0 | 0 | 1,373,795 |
| Dismantlement - Fixed | 19,203,866 | 667,094 | 0 | 0 | 0 | 0 | 19,870,960 |
| Asset Retirement Obligation | 110,114 | 0 | 0 | 0 | 0 | 0 | 110,114 |
| TOTAL DANIEL PLANT: | 162,585,855 | 7,890,525 | (1,057,555) | (405,141) | 0 | 0 | 169,013,684 |
| CRIST PLANT: | | | | | | | |
| Plant | 268,097,588 | 51,712,564 | (1,871,627) | (333,500) | 0 | 0 | 317,605,025 |
| Easements | 420 | 0 | 0 | 0 | 0 | 0 | 420 |
| Base Coal, 5 Year | 141,840 | 0 | 0 | 0 | 0 | 0 | 141,840 |
| - 5 Year | 59,072 | 27,514 | 0 | 0 | 0 | 0 | 86,586 |
| - 7 Year | 3,108,616 | 483,331 | (2,166,243) | 0 | 0 | 0 | 1,425,704 |
| Dismantlement - Fixed | 70,997,923 | 2,648,016 | 0 | 0 | 0 | 0 | 73,645,939 |
| Asset Retirement Obligation | 721,122 | 0 | 0 | 0 | 0 | 0 | 721,122 |
| TOTAL CRIST PLANT: | 343,126,581 | 54,871,425 | (4,037,870) | (333,500) | 0 | 0 | 393,626,636 |
| SCHOLZ PLANT: | | | | | | | |
| Plant | 29,521,984 | 1,259,779 | (20,000) | (25,000) | 0 | 0 | 30,736,763 |
| Base Coal, 5 Year | 71,300 | 0 | 0 | 0 | 0 | 0 | 71,300 |
| - 5 Year | 2,889 | 1,746 | 0 | 0 | 0 | 0 | 4,635 |
| - 7 Year | 157,407 | 14,702 | (110,583) | 0 | 0 | 0 | 61,526 |
| Dismantlement - Fixed | 13,039,046 | 712,215 | 0 | 0 | 0 | 0 | 13,751,261 |
| Asset Retirement Obligation | 286,986 | 0 | 0 | 0 | 0 | 0 | 286,986 |
| TOTAL SCHOLZ PLANT: | 43,079,612 | 1,988,442 | (130,583) | (25,000) | 0 | 0 | 44,912,471 |
| SMITH PLANT: | | | | | | | |
| Plant | 84,638,839 | 5,804,580 | (570,000) | (150,000) | 0 | 0 | 89,723,419 |
| Base Coal, 5 Year | 108,300 | 0 | 0 | 0 | 0 | 0 | 108,300 |
| - 5 Year | 9,810 | 5,905 | 0 | 0 | 0 | 0 | 15,715 |
| - 7 Year | 903,389 | 175,102 | (411,299) | 0 | 0 | 0 | 667,192 |
| Dismantlement - Fixed | 20,707,415 | 950,367 | 0 | 0 | 0 | 0 | 21,657,782 |
| Asset Retirement Obligation | 350,848 | 0 | 0 | 0 | 0 | 0 | 350,848 |
| TOTAL SMITH PLANT: | 106,718,601 | 6,935,954 | (981,299) | (150,000) | 0 | 0 | 112,523,256 |
| SCHERER PLANT: | | | | | | | |
| Plant | 109,710,044 | 7,337,687 | (35,000) | 0 | 0 | 0 | 117,012,731 |
| Dismantlement - Fixed | 5,044,763 | 98,878 | 0 | 0 | 0 | 0 | 5,143,641 |
| - 7 Year | 97,034 | 27,919 | (33,470) | 0 | 0 | 0 | 91,483 |
| Asset Retirement Obligation | 67,907 | 0 | 0 | 0 | 0 | 0 | 67,907 |
| TOTAL SCHERER PLANT: | 114,919,748 | 7,484,484 | (68,470) | 0 | 0 | 0 | 122,315,762 |
| TOTAL STEAM PRODUCTION: | 770,430,397 | 79,150,830 | (6,275,777) | (913,641) | 0 | 0 | 842,391,809 |

GULF POWER COMPANY
 ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
 BUDGET: DECEMBER, 2013

Sheet 2 of 3

| | | Balance First of Year | Provisions | Retirements | Cost of Removal | Salvage and Other Credits | Transfers and Adjustments | Balance End of Year |
|---|-------|--------------------------|-------------------|---------------------|--------------------|------------------------------|------------------------------|------------------------|
| OTHER PRODUCTION: | | | | | | | | |
| SMITH PLANT CT: | | | | | | | | |
| Structures and Improvements | 341 | 101,951 | 47,631 | 0 | 0 | 0 | 0 | 149,582 |
| Fuel Holders and Accessories | 342 | 182,421 | 27,060 | 0 | 0 | 0 | 0 | 209,481 |
| Prime Movers | 343 | 217,878 | 86,658 | 0 | 0 | 0 | 0 | 304,536 |
| Generators | 344 | 2,947,192 | 127,057 | 0 | 0 | 0 | 0 | 3,074,249 |
| Accessory Electric Equipment | 345 | 27,180 | 1,907 | 0 | 0 | 0 | 0 | 29,087 |
| Miscellaneous Equipment | 346 | (8,916) | 1,614 | 0 | 0 | 0 | 0 | (7,302) |
| Dismantlement - Fixed | | 173,522 | 3,258 | 0 | 0 | 0 | 0 | 176,780 |
| TOTAL SMITH PLANT CT: | | 3,641,228 | 295,185 | 0 | 0 | 0 | 0 | 3,936,413 |
| SMITH PLANT UNIT 3 COMBINED CYCLE: | | | | | | | | |
| Structures and Improvements | 341 | 1,394,561 | 384,569 | (868,000) | (32,412) | 0 | 0 | 878,718 |
| Fuel Holders and Accessories | 342 | 949,543 | 93,983 | (1,519,000) | (56,720) | 0 | 0 | (532,194) |
| Prime Movers | 343 | (2,801,132) | 3,241,785 | (8,680,000) | (324,116) | 0 | 0 | (8,563,463) |
| Generators | 344 | 18,738,647 | 1,932,380 | (8,029,000) | (299,807) | 0 | 0 | 13,342,220 |
| Accessory Electric Equipment | 345 | 2,759,302 | 349,302 | (1,736,000) | (64,823) | 0 | 0 | 1,307,781 |
| Miscellaneous Equipment | 346 | 11,079 | 36,965 | (868,000) | (32,412) | 0 | 0 | (852,368) |
| Dismantlement - Fixed | | 2,747,013 | 280,020 | 0 | 0 | 0 | 0 | 3,027,033 |
| TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE: | | 24,799,013 | 6,319,004 | (21,700,000) | (810,290) | 0 | 0 | 8,607,727 |
| PACE PLANT: | | | | | | | | |
| Prime Movers | 343 | 4,977,575 | 366,123 | 0 | 0 | 0 | 0 | 5,343,698 |
| Generators | 344 | 2,286,835 | 169,014 | 0 | 0 | 0 | 0 | 2,455,849 |
| Accessory Electric Equipment | 345 | 429,388 | 32,056 | 0 | 0 | 0 | 0 | 461,444 |
| Asset Retirement Obligation | 347 | | 0 | 0 | 0 | 0 | 0 | 284,657 |
| Dismantlement - Fixed | | (21,166) | (1,938) | 0 | 0 | 0 | 0 | (23,104) |
| TOTAL PACE PLANT: | | 7,957,289 | 565,255 | 0 | 0 | 0 | 0 | 8,522,544 |
| PERDIDO PLANT: | | | | | | | | |
| Structures and Improvements | 341 | 70,679 | 48,249 | 0 | 0 | 0 | 0 | 118,928 |
| Fuel Holders and Accessories | 342 | 43,405 | 29,131 | 0 | 0 | 0 | 0 | 72,536 |
| Prime Movers | 343 | 205,913 | 138,382 | 0 | 0 | 0 | 0 | 344,295 |
| Accessory Electric Equipment | 345 | 59,151 | 39,656 | 0 | 0 | 0 | 0 | 98,807 |
| Miscellaneous Equipment | 346 | 173,320 | 2,387 | 0 | 0 | 0 | 0 | 175,707 |
| | | 552,468 | 257,805 | 0 | 0 | 0 | 0 | 810,273 |
| TOTAL OTHER PRODUCTION: | | 38,949,998 | 7,437,249 | (21,700,000) | (810,290) | 0 | 0 | 21,876,957 |
| TOTAL PRODUCTION: | | 807,380,395 | 86,588,079 | (27,975,777) | (1,723,931) | 0 | 0 | 864,268,766 |
| TRANSMISSION: | | | | | | | | |
| Land | 350 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Easements | 350.2 | 6,500,811 | 209,991 | 0 | 0 | 0 | 0 | 6,710,802 |
| Structures and Improvements | 352 | 3,342,557 | 211,686 | 0 | 0 | 0 | 0 | 3,554,243 |
| Station Equipment | 353 | 27,610,785 | 3,335,023 | (575,000) | (17,000) | 0 | 0 | 30,353,808 |
| Towers and Fixtures | 354 | 24,759,430 | 935,333 | 0 | 0 | 0 | 0 | 25,694,763 |
| Poles and Fixtures | 355 | 22,659,770 | 3,583,530 | 0 | (150,000) | 0 | 0 | 26,103,300 |
| Overhead Conductors & Devices | 356 | 23,852,621 | 2,391,064 | 0 | 0 | 0 | 0 | 26,243,685 |
| Underground Conductors & Devices | 358 | 7,234,413 | 295,985 | 0 | 0 | 0 | 0 | 7,530,398 |
| Roads and Trails | 359 | 33,078 | 4,718 | 0 | 0 | 0 | 0 | 37,796 |
| Asset Retirement Obligation | 359.1 | 4,519 | 0 | 0 | 0 | 0 | 0 | 4,519 |
| TOTAL TRANSMISSION: | | 115,997,984 | 10,977,330 | (575,000) | (167,000) | 0 | 0 | 126,233,314 |

GULF POWER COMPANY
 ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
 BUDGET: DECEMBER, 2013

Sheet 3 of 3

| | Balance First of Year | Provisions | Retirements | Cost of Removal | Salvage and Other Credits | Transfers and Adjustments | Balance End of Year |
|---|--------------------------|--------------------|---------------------|--------------------|------------------------------|------------------------------|------------------------|
| DISTRIBUTION: | | | | | | | |
| Easements | 360.1 | 23,682 | 5,478 | 0 | 0 | 0 | 29,160 |
| Structures and Improvements | 361 | 7,143,558 | 449,453 | 0 | 0 | 0 | 7,593,011 |
| Station Equipment | 362 | 56,158,902 | 4,824,765 | (414,000) | (252,500) | 0 | 60,317,168 |
| Poles, Towers & Fixtures | 364 | 63,430,596 | 6,357,335 | (1,070,500) | (973,500) | 272,250 | 68,018,181 |
| Overhead Conductors & Devices | 365 | 46,548,765 | 4,132,469 | (940,000) | (824,416) | 272,264 | 49,189,082 |
| Underground Conduit | 366 | 778,471 | 15,089 | 0 | 0 | 0 | 793,560 |
| Underground Conductors & Devices | 367 | 47,098,277 | 4,494,433 | (934,350) | (417,603) | 342 | 50,241,099 |
| Line Transformers | 368 | 84,312,359 | 9,617,397 | (2,641,000) | (741,250) | 340,250 | 90,887,756 |
| Services: | | | | | | | |
| - Overhead | 369.1 | 31,164,905 | 2,015,856 | (29,206) | (32,451) | 0 | 33,119,104 |
| - Underground | 369.2 | 15,446,212 | 1,169,169 | (24,794) | (27,549) | 0 | 16,563,038 |
| Meters | 370 | (160,236) | 787,890 | (263,500) | (15,000) | 5,595,000 | 5,944,152 |
| Meters - AMI | 370 | 6,637,638 | 2,676,506 | (500,000) | (200,000) | (5,595,000) | 3,019,144 |
| Meters - FPSC Segregated | 370 | 1,860,712 | 0 | 0 | 0 | 0 | 1,860,712 |
| Meters - Non FPSC Segregated | 370 | 3,776,973 | 0 | 0 | 0 | 0 | 3,776,973 |
| Street Lighting & Signal Systems | 373 | 31,048,733 | 3,150,866 | (1,286,650) | (430,006) | 144,614 | 32,627,557 |
| Asset Retirement Obligation | 374 | 25,120 | 0 | 0 | 0 | 0 | 25,120 |
| TOTAL DISTRIBUTION: | 396,294,665 | 39,696,707 | (8,104,000) | (3,914,275) | 1,029,720 | 0 | 424,002,817 |
| GENERAL PLANT: | | | | | | | |
| Structures and Improvements | 390 | 25,921,965 | 1,640,556 | (396,356) | (163,000) | 0 | 27,003,165 |
| Office Furniture & Equipment: | | | | | | | |
| - Computer, 5 Year | 391 | 2,617,548 | 471,006 | (1,314,129) | 0 | 0 | 1,774,425 |
| - Non-Computer, 7 Year | 391 | 1,098,242 | 335,014 | 0 | 0 | 0 | 1,433,256 |
| Transportation Equipment: | | | | | | | |
| - Light Trucks | 392.2 | 3,069,040 | 655,117 | (396,094) | 0 | 25,740 | 3,363,803 |
| - Heavy Trucks | 392.3 | 11,676,917 | 1,762,594 | (1,051,549) | 0 | 70,103 | 12,458,065 |
| - Trailers | 392.4 | 632,099 | 60,361 | (62,356) | 0 | 4,157 | 634,261 |
| - Marine, 5 Year | 392 | 47,134 | 42,719 | 0 | 0 | 0 | 89,853 |
| Stores Equipment - 7 Year | 393 | 615,145 | 162,485 | (2,064) | 0 | 0 | 775,566 |
| Tools, Shop & Garage Equip. - 7 Year | 394 | 939,718 | 548,501 | (180,433) | 0 | 0 | 1,307,786 |
| Laboratory Equipment - 7 Year | 395 | 1,028,239 | 378,332 | 0 | 0 | 0 | 1,406,571 |
| Power Operated Equipment | 396 | 472,539 | 40,638 | 0 | 0 | 0 | 513,177 |
| Communication Equipment: | | | | | | | |
| - Other | 397 | 10,486,909 | 1,363,803 | (25,000) | (10,500) | 7,000 | 11,822,212 |
| - 7 Year | 397 | 1,908,323 | 517,204 | (472,825) | 0 | 0 | 1,952,702 |
| Miscellaneous Equipment - 7 Year | 398 | 1,719,364 | 479,990 | 0 | 0 | 0 | 2,199,354 |
| Asset Retirement Obligation | 399.1 | 117,419 | 0 | 0 | 0 | 0 | 117,419 |
| TOTAL GENERAL: | 62,350,601 | 8,458,320 | (3,890,806) | (173,500) | 107,000 | 0 | 66,851,615 |
| TOTAL ELECTRIC PLANT-IN-SERVICE: | 1,384,956,387 | 147,931,421 | (40,545,583) | (5,978,706) | 1,136,720 | 0 | 1,487,500,239 |

GULF POWER COMPANY
 ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
 BUDGET: DECEMBER, 2012

Sheet 1 of 3

| | Balance First of Year | Provisions | Retirements | Cost of Removal | Salvage and Other Credits | Transfers and Adjustments | Balance End of Year |
|--------------------------------|--------------------------|-------------------|---------------------|---------------------|------------------------------|------------------------------|------------------------|
| Intangible Plant: | | | | | | | |
| Intangible Software | 1,835,550 | 2,097,192 | 0 | 0 | 0 | 0 | 3,932,742 |
| Total Intangible Plant: | <u>1,835,550</u> | <u>2,097,192</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>3,932,742</u> |
| STEAM PRODUCTION: | | | | | | | |
| DANIEL PLANT: | | | | | | | |
| Plant | 126,208,949 | 7,118,691 | (101,512) | (293,688) | 2,133 | 0 | 132,934,573 |
| Easements | 39,351 | 1,080 | 0 | 0 | 0 | 0 | 40,431 |
| Cooling Lake, 23 Year | 8,954,192 | 0 | 0 | 0 | 0 | 0 | 8,954,192 |
| Rail Track System | 1,302,267 | 41,130 | (244) | (474) | 0 | 0 | 1,342,679 |
| Dismantlement - Fixed | 18,536,772 | 667,094 | 0 | 0 | 0 | 0 | 19,203,866 |
| Asset Retirement Obligation | 95,323 | 14,791 | 0 | 0 | 0 | 0 | 110,114 |
| TOTAL DANIEL PLANT: | <u>155,136,854</u> | <u>7,842,786</u> | <u>(101,756)</u> | <u>(294,162)</u> | <u>2,133</u> | <u>0</u> | <u>162,585,855</u> |
| CRIST PLANT: | | | | | | | |
| Plant | 265,302,538 | 47,195,466 | (28,395,165) | (16,397,634) | 338,383 | 54,000 | 268,097,588 |
| Easements | 348 | 72 | 0 | 0 | 0 | 0 | 420 |
| Base Coal, 5 Year | 141,840 | 0 | 0 | 0 | 0 | 0 | 141,840 |
| - 5 Year | 50,481 | 32,245 | (23,654) | 0 | 0 | 0 | 59,072 |
| - 7 Year | 2,409,885 | 698,631 | 0 | 0 | 0 | 0 | 3,108,616 |
| Dismantlement - Fixed | 64,849,907 | 6,148,016 | 0 | 0 | 0 | 0 | 70,997,923 |
| Asset Retirement Obligation | 692,263 | 28,859 | 0 | 0 | 0 | 0 | 721,122 |
| TOTAL CRIST PLANT: | <u>333,447,362</u> | <u>54,103,289</u> | <u>(28,418,819)</u> | <u>(16,397,634)</u> | <u>338,383</u> | <u>54,000</u> | <u>343,126,581</u> |
| SCHOLZ PLANT: | | | | | | | |
| Plant | 28,681,055 | 1,260,812 | (387,623) | 21,740 | 0 | (54,000) | 29,621,984 |
| Base Coal, 5 Year | 71,300 | 0 | 0 | 0 | 0 | 0 | 71,300 |
| - 5 Year | 1,143 | 1,746 | 0 | 0 | 0 | 0 | 2,889 |
| - 7 Year | 126,845 | 30,562 | 0 | 0 | 0 | 0 | 157,407 |
| Dismantlement - Fixed | 12,328,831 | 712,215 | 0 | 0 | 0 | 0 | 13,039,046 |
| Asset Retirement Obligation | 315,697 | (15,697) | (13,014) | 0 | 0 | 0 | 286,986 |
| TOTAL SCHOLZ PLANT: | <u>41,522,871</u> | <u>1,989,638</u> | <u>(400,637)</u> | <u>21,740</u> | <u>0</u> | <u>(54,000)</u> | <u>43,079,612</u> |
| SMITH PLANT: | | | | | | | |
| Plant | 79,007,346 | 5,779,249 | (80,395) | (67,361) | 0 | 0 | 84,638,839 |
| Base Coal, 5 Year | 108,300 | 0 | 0 | 0 | 0 | 0 | 108,300 |
| - 5 Year | 3,905 | 5,906 | 0 | 0 | 0 | 0 | 9,810 |
| - 7 Year | 678,120 | 225,269 | 0 | 0 | 0 | 0 | 903,389 |
| Dismantlement - Fixed | 19,757,048 | 950,367 | 0 | 0 | 0 | 0 | 20,707,415 |
| Asset Retirement Obligation | 347,273 | 3,597 | (22) | 0 | 0 | 0 | 350,848 |
| TOTAL SMITH PLANT: | <u>99,901,992</u> | <u>6,964,387</u> | <u>(80,417)</u> | <u>(67,361)</u> | <u>0</u> | <u>0</u> | <u>106,718,601</u> |
| SCHERER PLANT: | | | | | | | |
| Plant | 102,942,268 | 7,160,984 | (488,765) | (16,237) | 111,794 | 0 | 109,710,044 |
| Dismantlement - Fixed | 4,945,885 | 98,878 | 0 | 0 | 0 | 0 | 5,044,763 |
| - 7 Year | 77,804 | 28,254 | (9,024) | 0 | 0 | 0 | 97,034 |
| Asset Retirement Obligation | 62,839 | 5,068 | 0 | 0 | 0 | 0 | 67,907 |
| TOTAL SCHERER PLANT: | <u>108,028,796</u> | <u>7,293,184</u> | <u>(497,789)</u> | <u>(16,237)</u> | <u>111,794</u> | <u>0</u> | <u>114,919,748</u> |
| TOTAL STEAM PRODUCTION: | <u>738,037,875</u> | <u>78,193,284</u> | <u>(29,499,418)</u> | <u>(16,753,654)</u> | <u>452,310</u> | <u>0</u> | <u>770,430,387</u> |

GULF POWER COMPANY
 ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
 BUDGET: DECEMBER, 2012

Sheet 2 of 3

| | | Balance First of Year | Provisions | Retirements | Cost of Removal | Salvage and Other Credits | Transfers and Adjustments | Balance End of Year |
|---|-------|--------------------------|-------------------|---------------------|---------------------|------------------------------|------------------------------|------------------------|
| OTHER PRODUCTION: | | | | | | | | |
| SMITH PLANT CT: | | | | | | | | |
| Structures and Improvements | 341 | 54,862 | 47,089 | 0 | 0 | 0 | 0 | 101,951 |
| Fuel Holders and Accessories | 342 | 180,577 | 25,288 | (23,444) | 0 | 0 | 0 | 182,421 |
| Prime Movers | 343 | 65,832 | 86,609 | 0 | 65,437 | 0 | 0 | 217,878 |
| Generators | 344 | 2,823,372 | 123,820 | 0 | 0 | 0 | 0 | 2,947,192 |
| Accessory Electric Equipment | 345 | 25,434 | 1,746 | 0 | 0 | 0 | 0 | 27,180 |
| Miscellaneous Equipment | 346 | (10,534) | 1,618 | 0 | 0 | 0 | 0 | (8,916) |
| Dismantlement - Fixed | | 170,264 | 3,258 | 0 | 0 | 0 | 0 | 173,522 |
| TOTAL SMITH PLANT CT: | | 3,309,807 | 289,428 | (23,444) | 65,437 | 0 | 0 | 3,641,228 |
| SMITH PLANT UNIT 3 COMBINED CYCLE: | | | | | | | | |
| Structures and Improvements | 341 | 2,197,841 | 373,305 | (1,025,063) | (151,522) | 0 | 0 | 1,394,561 |
| Fuel Holders and Accessories | 342 | 870,404 | 85,266 | (5,250) | (877) | 0 | 0 | 949,543 |
| Prime Movers | 343 | (5,725,171) | 3,186,143 | (239,164) | (22,940) | 0 | 0 | (2,801,132) |
| Generators | 344 | 17,895,278 | 1,883,217 | (35,212) | (4,636) | 0 | 0 | 19,738,647 |
| Accessory Electric Equipment | 345 | 2,493,438 | 338,304 | (6,000) | (66,440) | 0 | 0 | 2,759,302 |
| Miscellaneous Equipment | 346 | 19,068 | 31,309 | (38,797) | (501) | 0 | 0 | 11,079 |
| Dismantlement - Fixed | | 2,466,993 | 280,020 | 0 | 0 | 0 | 0 | 2,747,013 |
| TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE: | | 20,217,851 | 6,177,564 | (1,349,486) | (246,916) | 0 | 0 | 24,799,013 |
| PACE PLANT: | | | | | | | | |
| Prime Movers | 343 | 4,617,637 | 359,938 | 0 | 0 | 0 | 0 | 4,977,575 |
| Generators | 344 | 2,122,127 | 164,708 | 0 | 0 | 0 | 0 | 2,286,835 |
| Accessory Electric Equipment | 345 | 398,425 | 30,963 | 0 | 0 | 0 | 0 | 429,388 |
| Asset Retirement Obligation | 347 | 269,762 | 14,895 | 0 | 0 | 0 | 0 | 284,657 |
| Dismantlement - Fixed | | (19,228) | (1,938) | 0 | 0 | 0 | 0 | (21,166) |
| TOTAL PACE PLANT: | | 7,388,723 | 568,566 | 0 | 0 | 0 | 0 | 7,957,289 |
| PERDIDO PLANT: | | | | | | | | |
| Structures and Improvements | 341 | 23,557 | 47,122 | 0 | 0 | 0 | 0 | 70,679 |
| Fuel Holders and Accessories | 342 | 14,467 | 28,938 | 0 | 0 | 0 | 0 | 43,405 |
| Prime Movers | 343 | 68,630 | 137,283 | 0 | 0 | 0 | 0 | 205,913 |
| Accessory Electric Equipment | 345 | 19,715 | 39,436 | 0 | 0 | 0 | 0 | 59,151 |
| Miscellaneous Equipment | 346 | 171,043 | 2,277 | 0 | 0 | 0 | 0 | 173,320 |
| | | 297,412 | 255,056 | 0 | 0 | 0 | 0 | 552,468 |
| TOTAL OTHER PRODUCTION: | | 31,213,793 | 7,290,614 | (1,372,930) | (181,479) | 0 | 0 | 36,949,998 |
| TOTAL PRODUCTION: | | 769,251,668 | 85,483,898 | (30,872,348) | (16,935,133) | 452,310 | 0 | 807,380,395 |
| TRANSMISSION: | | | | | | | | |
| Land | 350 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Easements | 350.2 | 6,298,410 | 202,401 | 0 | 0 | 0 | 0 | 6,500,811 |
| Structures and Improvements | 352 | 3,145,326 | 214,288 | (17,057) | 0 | 0 | 0 | 3,342,557 |
| Station Equipment | 353 | 27,841,984 | 3,026,770 | (2,681,992) | (588,604) | 14,495 | (1,848) | 27,610,785 |
| Towers and Fixtures | 354 | 24,344,172 | 944,664 | (539,964) | (54) | 7,932 | 2,680 | 24,759,430 |
| Poles and Fixtures | 355 | 25,459,040 | 3,310,097 | (3,248,222) | (3,046,700) | 185,402 | 153 | 22,659,770 |
| Overhead Conductors & Devices | 356 | 24,120,643 | 1,858,122 | (1,967,265) | (173,282) | 7,023 | 7,380 | 23,852,621 |
| Underground Conductors & Devices | 358 | 6,941,025 | 295,995 | 0 | (2,597) | 0 | 0 | 7,234,413 |
| Roads and Trails | 359 | 31,226 | 1,852 | 0 | 0 | 0 | 0 | 33,078 |
| Asset Retirement Obligation | 359.1 | 4,412 | 107 | 0 | 0 | 0 | 0 | 4,519 |
| TOTAL TRANSMISSION: | | 118,186,218 | 9,854,286 | (8,454,500) | (3,811,237) | 214,852 | 8,365 | 115,997,984 |

GULF POWER COMPANY
 ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
 BUDGET: DECEMBER, 2012

Sheet 3 of 3

| | Balance First of Year | Provisions | Retirements | Cost of Removal | Salvage and Other Credits | Transfers and Adjustments | Balance End of Year |
|---|--------------------------|--------------------|---------------------|---------------------|------------------------------|------------------------------|------------------------|
| DISTRIBUTION: | | | | | | | |
| Easements | 360.1 | 20,007 | 3,675 | 0 | 0 | 0 | 23,682 |
| Structures and Improvements | 361 | 6,748,108 | 440,263 | (64,372) | 20,265 | 0 | 7,143,558 |
| Station Equipment | 362 | 53,879,861 | 3,896,534 | (1,501,930) | 110,061 | (15,320) | 56,158,902 |
| Poles, Towers & Fixtures | 364 | 71,605,798 | 6,641,726 | (12,745,277) | (2,051,511) | (316) | 63,430,596 |
| Overhead Conductors & Devices | 365 | 43,974,415 | 3,949,014 | (1,575,351) | 784,447 | 24,504 | 46,548,765 |
| Underground Conduit | 366 | 819,380 | 15,827 | (56,736) | 0 | 0 | 778,471 |
| Underground Conductors & Devices | 367 | 43,830,984 | 4,205,004 | (857,653) | 110,579 | 0 | 47,088,277 |
| Line Transformers | 368 | 63,877,313 | 9,369,654 | (8,206,716) | 208,508 | (17,396) | 64,312,359 |
| Services: | | | | | | | |
| - Overhead | 369.1 | 29,540,037 | 1,985,670 | (178,529) | 48,298 | 0 | 31,164,905 |
| - Underground | 369.2 | 14,367,971 | 1,156,551 | (57,247) | 0 | 0 | 15,446,212 |
| - House Power Panel | 369.3 | 0 | 0 | 0 | 0 | 0 | 0 |
| Meters | 370 | 6,550,482 | 991,283 | (1,691,058) | 205,905 | (6,031,603) | (160,238) |
| Meters - AMI | 370 | 0 | 1,747,082 | (1,079,937) | 0 | 6,031,603 | 6,637,638 |
| Meters - FPSC Segregated | 370 | 5,826,982 | 0 | (3,966,270) | 0 | 0 | 1,860,712 |
| Meters - Non FPSC Segregated | 370 | 993,578 | 48,695 | (4,359,258) | 254,676 | 7,088,000 | 3,776,973 |
| Street Lighting & Signal Systems | 373 | 28,419,860 | 3,064,004 | (374,430) | 128,228 | 0 | 31,048,733 |
| Asset Retirement Obligation | 374 | 24,366 | 754 | 0 | 0 | 0 | 25,120 |
| TOTAL DISTRIBUTION: | 390,479,142 | 37,515,756 | (36,714,764) | (5,092,467) | 2,027,526 | 7,079,472 | 395,294,665 |
| GENERAL PLANT: | | | | | | | |
| Structures and Improvements | 390 | 25,264,509 | 1,597,054 | (897,441) | (42,157) | 0 | 25,921,965 |
| Office Furniture & Equipment: | | | | | | | |
| - Computer, 5 Year | 391 | 2,878,568 | 791,167 | (1,052,187) | 0 | 0 | 2,617,548 |
| - Non-Computer, 7 Year | 391 | 968,117 | 364,394 | (234,269) | 0 | 0 | 1,098,242 |
| Transportation Equipment: | | | | | | | |
| - Light Trucks | 392.2 | 3,257,105 | 651,754 | (849,085) | 0 | 9,268 | 3,069,040 |
| - Heavy Trucks | 392.3 | 10,553,316 | 1,597,253 | (583,684) | 0 | 110,032 | 11,676,917 |
| - Trailers | 392.4 | 687,599 | 56,963 | (113,960) | 0 | 1,497 | 632,099 |
| - Marine, 5 Year | 392 | 4,415 | 42,719 | 0 | 0 | 0 | 47,134 |
| Stores Equipment - 7 Year | 393 | 447,078 | 188,067 | 0 | 0 | 0 | 615,145 |
| Tools, Shop & Garage Equip. - 7 Year | 394 | 732,685 | 358,155 | (151,122) | 0 | 0 | 939,718 |
| Laboratory Equipment - 7 Year | 395 | 1,160,925 | 346,815 | (479,501) | 0 | 0 | 1,028,239 |
| Power Operated Equipment | 396 | 432,879 | 39,660 | 0 | 0 | 0 | 472,539 |
| Communication Equipment: | | | | | | | |
| - Other | 397 | 9,628,528 | 1,261,070 | (375,441) | (24,587) | (2,824) | 10,486,909 |
| - 7 Year | 397 | 1,646,443 | 597,510 | (335,630) | 0 | 0 | 1,908,323 |
| Miscellaneous Equipment - 7 Year | 398 | 1,359,818 | 495,316 | (135,770) | 0 | 0 | 1,719,364 |
| Asset Retirement Obligation | 399.1 | 114,380 | 3,039 | 0 | 0 | 0 | 117,419 |
| TOTAL GENERAL: | 59,136,365 | 8,370,936 | (5,208,090) | (66,744) | 117,971 | 163 | 62,350,601 |
| TOTAL ELECTRIC PLANT-IN-SERVICE: | 1,338,888,943 | 143,322,068 | (81,249,702) | (25,905,581) | 2,812,659 | 7,088,000 | 1,384,956,387 |

GULF POWER COMPANY
 ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
 ACTUAL: DECEMBER, 2011

Sheet 1 of 3

| | Balance First of Year | Provisions | Retirements | Cost of Removal | Salvage and Other Credits | Transfers and Adjustments | Balance End of Year |
|--------------------------------|--------------------------|------------|--------------|--------------------|------------------------------|------------------------------|------------------------|
| Intangible Plant: | | | | | | | |
| Intangible Software | 0 | 1,835,550 | 0 | 0 | 0 | 0 | 1,835,550 |
| Total Intangible Plant: | 0 | 1,835,550 | 0 | 0 | 0 | 0 | 1,835,550 |
| STEAM PRODUCTION: | | | | | | | |
| DANIEL PLANT: | | | | | | | |
| Plant | 124,428,913 | 7,062,665 | (4,152,969) | (1,321,671) | 192,011 | 0 | 126,208,949 |
| Easements | 38,271 | 1,080 | 0 | 0 | 0 | 0 | 39,351 |
| Cooling Lake, 23 Year | 8,954,192 | 0 | 0 | 0 | 0 | 0 | 8,954,192 |
| Rail Track System | 1,261,143 | 41,124 | 0 | 0 | 0 | 0 | 1,302,267 |
| Dismantlement - Fixed | 17,869,678 | 667,094 | 0 | 0 | 0 | 0 | 18,536,772 |
| Asset Retirement Obligation | 674,066 | 19,722 | (598,465) | 0 | 0 | 0 | 95,323 |
| TOTAL DANIEL PLANT: | 153,226,263 | 7,791,685 | (4,751,434) | (1,321,671) | 192,011 | 0 | 155,136,854 |
| CRIST PLANT: | | | | | | | |
| Plant | 246,618,249 | 41,110,787 | (15,674,076) | (8,047,628) | 1,295,206 | 0 | 265,302,538 |
| Easements | 174 | 174 | 0 | 0 | 0 | 0 | 348 |
| Base Coal, 5 Year | 141,840 | 0 | 0 | 0 | 0 | 0 | 141,840 |
| - 5 Year | 24,357 | 26,266 | (142) | 0 | 0 | 0 | 50,481 |
| - 7 Year | 2,181,197 | 698,582 | (469,794) | 0 | 0 | 0 | 2,409,985 |
| Dismantlement - Fixed | 58,701,891 | 6,148,016 | 0 | 0 | 0 | 0 | 64,849,907 |
| Asset Retirement Obligation | 887,292 | (189,289) | (5,740) | 0 | 0 | 0 | 692,263 |
| TOTAL CRIST PLANT: | 308,555,000 | 47,794,536 | (16,149,752) | (8,047,628) | 1,295,206 | 0 | 333,447,362 |
| SCHOLZ PLANT: | | | | | | | |
| Plant | 27,538,886 | 1,277,043 | (37,517) | (97,957) | 600 | 0 | 28,681,055 |
| Base Coal, 5 Year | 71,300 | 0 | 0 | 0 | 0 | 0 | 71,300 |
| - 5 Year | 0 | 1,143 | 0 | 0 | 0 | 0 | 1,143 |
| - 7 Year | 101,917 | 24,928 | 0 | 0 | 0 | 0 | 126,845 |
| Dismantlement - Fixed | 11,614,616 | 712,215 | 0 | 0 | 0 | 0 | 12,326,831 |
| Asset Retirement Obligation | 338,398 | (22,701) | 0 | 0 | 0 | 0 | 315,697 |
| TOTAL SCHOLZ PLANT: | 39,665,117 | 1,992,628 | (37,517) | (97,957) | 600 | 0 | 41,522,871 |
| SMITH PLANT: | | | | | | | |
| Plant | 74,076,014 | 5,709,165 | (682,918) | (95,515) | 600 | 0 | 79,007,346 |
| Base Coal, 5 Year | 108,300 | 0 | 0 | 0 | 0 | 0 | 108,300 |
| - 5 Year | 2,399 | 1,506 | 0 | 0 | 0 | 0 | 3,905 |
| - 7 Year | 518,044 | 160,076 | 0 | 0 | 0 | 0 | 678,120 |
| Dismantlement - Fixed | 18,806,681 | 950,367 | 0 | 0 | 0 | 0 | 19,757,048 |
| Asset Retirement Obligation | 342,490 | 4,795 | (12) | 0 | 0 | 0 | 347,273 |
| TOTAL SMITH PLANT: | 93,853,928 | 6,825,909 | (682,930) | (95,515) | 600 | 0 | 99,901,992 |
| SCHERER PLANT: | | | | | | | |
| Plant | 97,015,732 | 6,675,231 | (663,423) | (110,282) | 25,010 | 0 | 102,942,268 |
| Dismantlement - Fixed | 4,847,007 | 98,878 | 0 | 0 | 0 | 0 | 4,945,885 |
| - 7 Year | 51,566 | 26,238 | 0 | 0 | 0 | 0 | 77,804 |
| Asset Retirement Obligation | 56,895 | 5,944 | 0 | 0 | 0 | 0 | 62,839 |
| TOTAL SCHERER PLANT: | 101,971,200 | 6,806,291 | (663,423) | (110,282) | 25,010 | 0 | 108,028,796 |
| TOTAL STEAM PRODUCTION: | 697,271,508 | 71,211,049 | (22,285,058) | (9,673,053) | 1,513,427 | 0 | 738,037,875 |

GULF POWER COMPANY
 ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
 ACTUAL: DECEMBER, 2011

Sheet 2 of 3

| | | Balance First of Year | Provisions | Retirements | Cost of Removal | Salvage and Other Credits | Transfers and Adjustments | Balance End of Year |
|---|-------|--------------------------|-------------------|---------------------|--------------------|------------------------------|------------------------------|------------------------|
| OTHER PRODUCTION: | | | | | | | | |
| SMITH PLANT CT: | | | | | | | | |
| Structures and Improvements | 341 | 535,420 | 45,991 | (653,170) | 126,621 | 0 | 0 | 54,862 |
| Fuel Holders and Accessories | 342 | 241,306 | 23,842 | (84,571) | 0 | 0 | 0 | 180,577 |
| Prime Movers | 343 | 7,623 | 64,966 | 0 | (6,757) | 0 | 0 | 65,832 |
| Generators | 344 | 2,699,571 | 123,801 | 0 | 0 | 0 | 0 | 2,823,372 |
| Accessory Electric Equipment | 345 | 106,461 | 2,912 | (85,758) | 0 | 0 | 1,819 | 25,434 |
| Miscellaneous Equipment | 346 | (9,698) | 1,466 | (2,302) | 0 | 0 | 0 | (10,534) |
| Dismantlement - Fixed | | 167,006 | 3,258 | 0 | 0 | 0 | 0 | 170,264 |
| TOTAL SMITH PLANT CT: | | 3,747,889 | 266,236 | (825,801) | 119,864 | 0 | 1,819 | 3,309,807 |
| SMITH PLANT UNIT 3 COMBINED CYCLE: | | | | | | | | |
| Structures and Improvements | 341 | 2,658,657 | 353,660 | (644,484) | (169,992) | 0 | 0 | 2,197,841 |
| Fuel Holders and Accessories | 342 | 914,355 | 85,093 | (122,275) | (6,789) | 0 | 0 | 870,404 |
| Prime Movers | 343 | (8,157,485) | 3,186,173 | (769,041) | (3,148) | 18,330 | 0 | (5,725,171) |
| Generators | 344 | 16,029,751 | 1,860,330 | (29,346) | (5,864) | 20,407 | 0 | 17,895,278 |
| Accessory Electric Equipment | 345 | 2,212,619 | 325,180 | (32,243) | (10,299) | 0 | (1,819) | 2,493,438 |
| Miscellaneous Equipment | 346 | (11,708) | 30,776 | 0 | 0 | 0 | 0 | 19,068 |
| Dismantlement - Fixed | | 2,186,973 | 280,020 | 0 | 0 | 0 | 0 | 2,466,993 |
| TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE: | | 15,833,162 | 6,141,232 | (1,597,389) | (196,072) | 38,737 | (1,819) | 20,217,851 |
| PACE PLANT: | | | | | | | | |
| Prime Movers | 343 | 4,257,735 | 359,902 | 0 | 0 | 0 | 0 | 4,617,637 |
| Generators | 344 | 1,957,444 | 164,683 | 0 | 0 | 0 | 0 | 2,122,127 |
| Accessory Electric Equipment | 345 | 367,468 | 30,957 | 0 | 0 | 0 | 0 | 398,425 |
| Asset Retirement Obligation | 347 | 249,902 | 19,860 | 0 | 0 | 0 | 0 | 269,762 |
| Dismantlement - Fixed | | (17,290) | (1,938) | 0 | 0 | 0 | 0 | (19,228) |
| TOTAL PACE PLANT: | | 6,815,259 | 573,464 | 0 | 0 | 0 | 0 | 7,388,723 |
| PERDIDO PLANT: | | | | | | | | |
| Structures and Improvements | 341 | 0 | 23,557 | 0 | 0 | 0 | 0 | 23,557 |
| Fuel Holders and Accessories | 342 | 0 | 14,467 | 0 | 0 | 0 | 0 | 14,467 |
| Prime Movers | 343 | 0 | 68,630 | 0 | 0 | 0 | 0 | 68,630 |
| Accessory Electric Equipment | 345 | 0 | 19,715 | 0 | 0 | 0 | 0 | 19,715 |
| Miscellaneous Equipment | 346 | 42,340 | 128,703 | 0 | 0 | 0 | 0 | 171,043 |
| | | 42,340 | 255,072 | 0 | 0 | 0 | 0 | 297,412 |
| TOTAL OTHER PRODUCTION: | | 26,438,450 | 7,236,004 | (2,423,190) | (76,208) | 38,737 | 0 | 31,213,793 |
| TOTAL PRODUCTION: | | 723,709,958 | 78,447,053 | (24,708,246) | (9,749,261) | 1,552,164 | 0 | 769,251,668 |
| TRANSMISSION: | | | | | | | | |
| Land | 360 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Easements | 350.2 | 6,096,993 | 201,417 | 0 | 0 | 0 | 0 | 6,298,410 |
| Structures and Improvements | 352 | 2,950,620 | 194,706 | 0 | 0 | 0 | 0 | 3,145,326 |
| Station Equipment | 353 | 28,802,876 | 2,681,166 | (1,478,877) | (194,263) | 38,040 | (6,978) | 27,841,964 |
| Towers and Fixtures | 354 | 23,487,834 | 947,048 | (90,710) | 0 | 0 | 0 | 24,344,172 |
| Poles and Fixtures | 355 | 24,173,822 | 3,052,608 | (327,298) | (1,440,092) | 0 | 0 | 25,459,040 |
| Overhead Conductors & Devices | 356 | 24,187,414 | 1,711,842 | (847,928) | (930,685) | 0 | 0 | 24,120,643 |
| Underground Conductors & Devices | 358 | 6,645,040 | 295,985 | 0 | 0 | 0 | 0 | 6,941,025 |
| Roads and Trails | 359 | 30,132 | 1,094 | 0 | 0 | 0 | 0 | 31,226 |
| Asset Retirement Obligation | 359.1 | 4,269 | 143 | 0 | 0 | 0 | 0 | 4,412 |
| TOTAL TRANSMISSION: | | 114,379,000 | 9,086,009 | (2,744,613) | (2,565,040) | 38,040 | (6,978) | 118,186,218 |

GULF POWER COMPANY
 ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
 ACTUAL: DECEMBER, 2011

Sheet 3 of 3

| | Balance First of Year | Provisions | Retirements | Cost of Removal | Salvage and Other Credits | Transfers and Adjustments | Balance End of Year |
|--|--------------------------|--------------------|---------------------|---------------------|------------------------------|------------------------------|------------------------|
| DISTRIBUTION: | | | | | | | |
| Easements | 360.1 | 16,332 | 3,675 | 0 | 0 | 0 | 20,007 |
| Structures and Improvements | 361 | 6,335,690 | 416,817 | (4,670) | 153 | 118 | 6,748,108 |
| Station Equipment | 362 | 52,480,645 | 3,731,333 | (1,952,133) | (358,724) | (5,977) | 53,879,861 |
| Poles, Towers & Fixtures | 364 | 88,571,187 | 6,368,553 | (1,213,402) | (2,086,831) | (57,471) | 71,605,798 |
| Overhead Conductors & Devices | 365 | 42,687,724 | 3,838,916 | (2,203,015) | (883,326) | (402,747) | 43,974,415 |
| Underground Conduit | 366 | 803,553 | 15,827 | 0 | 0 | 0 | 819,380 |
| Underground Conductors & Devices | 367 | 40,115,036 | 3,956,949 | (504,490) | (138,472) | 343,658 | 43,830,984 |
| Line Transformers | 368 | 79,582,936 | 8,977,932 | (3,671,922) | (1,152,501) | (78,890) | 83,877,313 |
| Services: | | | | | | | |
| - Overhead | 369.1 | 27,946,557 | 1,942,842 | (173,216) | (235,363) | 59,217 | 29,540,037 |
| - Underground | 369.2 | 13,347,867 | 1,120,026 | (83,255) | (16,667) | 0 | 14,367,971 |
| - House Power Panel | 369.3 | 0 | 0 | 0 | 0 | 0 | 0 |
| Meters | 370 | 8,110,704 | 1,176,591 | (2,655,131) | (846,319) | 764,637 | 6,550,482 |
| Meters - FPSC Segregated | 370 | 12,072,127 | 0 | (6,245,145) | 0 | 0 | 5,826,982 |
| Meters - Non FPSC Segregated | 370 | 2,512,450 | 242,133 | (1,706,702) | (323,602) | 289,299 | 993,578 |
| Street Lighting & Signal Systems | 373 | 25,616,182 | 2,977,431 | (207,303) | (76,663) | 111,878 | 28,419,860 |
| Asset Retirement Obligation | 374 | 23,361 | 1,005 | 0 | 0 | 0 | 24,366 |
| TOTAL DISTRIBUTION: | 380,202,351 | 34,770,030 | (20,620,384) | (6,118,315) | 2,448,434 | (202,974) | 390,479,142 |
| GENERAL PLANT: | | | | | | | |
| Structures and Improvements | 390 | 23,724,677 | 1,545,620 | (78,277) | (143,043) | 5,590 | 25,284,509 |
| Office Furniture & Equipment: | | | | | | | |
| - Computer, 5 Year | 391 | 1,986,869 | 891,699 | 0 | 0 | 0 | 2,878,568 |
| - Non-Computer, 7 Year | 391 | 1,702,348 | 273,659 | (1,007,890) | 0 | 0 | 968,117 |
| Transportation Equipment: | | | | | | | |
| - Light Trucks | 392.2 | 3,305,809 | 646,179 | (694,883) | 0 | 0 | 3,257,105 |
| - Heavy Trucks | 392.3 | 9,184,399 | 1,511,722 | (208,510) | 0 | 65,705 | 10,553,316 |
| - Trailers | 392.4 | 643,440 | 51,771 | (7,612) | 0 | 0 | 687,599 |
| - Marine, 5 Year | 392 | 49,188 | 13,987 | (58,760) | 0 | 0 | 4,415 |
| Stores Equipment - 7 Year | 393 | 403,345 | 136,076 | (92,343) | 0 | 0 | 447,078 |
| Tools, Shop & Garage Equip. - 7 Year | 394 | 813,203 | 399,974 | (480,482) | 0 | 0 | 732,685 |
| Laboratory Equipment - 7 Year | 395 | 816,395 | 344,530 | 0 | 0 | 0 | 1,160,925 |
| Power Operated Equipment | 396 | 399,871 | 33,008 | 0 | 0 | 0 | 432,879 |
| Communication Equipment: | | | | | | | |
| - Other | 397 | 9,005,102 | 1,187,210 | (558,739) | (6,131) | 1,086 | 9,628,528 |
| - 7 Year | 397 | 1,560,286 | 508,725 | (422,568) | 0 | 0 | 1,646,443 |
| Miscellaneous Equipment - 7 Year | 398 | 1,416,197 | 488,244 | (544,623) | 0 | 0 | 1,359,818 |
| Asset Retirement Obligation | 399.1 | 111,472 | 4,053 | (1,145) | 0 | 0 | 114,380 |
| TOTAL GENERAL: | 55,122,601 | 8,036,457 | (4,155,842) | (149,174) | 72,371 | 209,952 | 59,136,365 |
| TOTAL ELECTRIC PLANT-IN-SERVICE: | 1,273,413,910 | 132,175,099 | (52,229,285) | (18,581,790) | 4,111,009 | 0 | 1,338,888,943 |

GULF POWER COMPANY
 ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
 ACTUAL: DECEMBER, 2010

Sheet 1 of 3

| | Balance First of Year | Provisions | Retirements | Cost of Removal | Salvage and Other Credits | Transfers and Adjustments | Balance End of Year |
|--------------------------------|--------------------------|-------------------|---------------------|--------------------|------------------------------|------------------------------|------------------------|
| STEAM PRODUCTION: | | | | | | | |
| DANIEL PLANT: | | | | | | | |
| Plant | 117,975,435 | 6,875,451 | (186,166) | (235,894) | 87 | 0 | 124,428,913 |
| Easements | 54,144 | 1,080 | 0 | 0 | 0 | (16,953) | 38,271 |
| Cooling Lake, 23 Year | 8,954,192 | 0 | 0 | 0 | 0 | 0 | 8,954,192 |
| Rail Track System | 1,974,384 | 41,124 | 0 | 0 | 0 | (754,365) | 1,261,143 |
| Dismantlement - Fixed | 17,202,584 | 667,094 | 0 | 0 | 0 | 0 | 17,869,678 |
| Asset Retirement Obligation | 1,685,335 | 19,722 | (1,030,991) | 0 | 0 | 0 | 674,066 |
| TOTAL DANIEL PLANT: | 147,846,074 | 7,604,471 | (1,217,157) | (235,894) | 87 | (771,318) | 153,226,263 |
| CRIST PLANT: | | | | | | | |
| Plant | 219,121,519 | 40,019,514 | (11,406,049) | (1,355,424) | 238,689 | 0 | 246,618,249 |
| Easements | 0 | 174 | 0 | 0 | 0 | 0 | 174 |
| Base Coal, 5 Year | 141,840 | 0 | 0 | 0 | 0 | 0 | 141,840 |
| - 5 Year | 10,229 | 14,981 | (853) | 0 | 0 | 0 | 24,357 |
| - 7 Year | 2,029,800 | 618,154 | (466,757) | 0 | 0 | 0 | 2,181,197 |
| Dismantlement - Fixed | 52,553,875 | 6,148,016 | 0 | 0 | 0 | 0 | 58,701,891 |
| Asset Retirement Obligation | 808,014 | 79,278 | 0 | 0 | 0 | 0 | 887,292 |
| TOTAL CRIST PLANT: | 274,665,277 | 46,880,117 | (11,873,659) | (1,355,424) | 238,689 | 0 | 308,555,000 |
| SCHOLZ PLANT: | | | | | | | |
| Plant | 28,719,477 | 1,273,974 | (13,508) | 5,020 | 0 | (2,446,077) | 27,538,886 |
| Base Coal, 5 Year | 71,300 | 0 | 0 | 0 | 0 | 0 | 71,300 |
| - 5 Year | (6,020) | 6,020 | 0 | 0 | 0 | 0 | 0 |
| - 7 Year | 83,009 | 18,908 | 0 | 0 | 0 | 0 | 101,917 |
| Dismantlement - Fixed | 10,902,401 | 712,215 | 0 | 0 | 0 | 0 | 11,614,616 |
| Asset Retirement Obligation | 329,261 | 9,137 | 0 | 0 | 0 | 0 | 338,398 |
| TOTAL SCHOLZ PLANT: | 40,099,428 | 2,020,254 | (13,508) | 5,020 | 0 | (2,446,077) | 39,665,117 |
| SMITH PLANT: | | | | | | | |
| Plant | 68,777,167 | 5,632,644 | (100,847) | (233,150) | 0 | 0 | 74,076,014 |
| Base Coal, 5 Year | 108,300 | 0 | 0 | 0 | 0 | 0 | 108,300 |
| - 5 Year | 893 | 1,506 | 0 | 0 | 0 | 0 | 2,399 |
| - 7 Year | 370,911 | 147,133 | 0 | 0 | 0 | 0 | 518,044 |
| Dismantlement - Fixed | 17,856,314 | 950,367 | 0 | 0 | 0 | 0 | 18,806,681 |
| Asset Retirement Obligation | 337,695 | 4,795 | 0 | 0 | 0 | 0 | 342,490 |
| TOTAL SMITH PLANT: | 87,451,280 | 6,736,445 | (100,647) | (233,150) | 0 | 0 | 93,853,928 |
| SCHERER PLANT: | | | | | | | |
| Plant | 92,987,673 | 4,676,038 | (298,346) | (410,542) | 60,909 | 0 | 97,015,732 |
| Dismantlement - Fixed | 4,748,129 | 98,878 | 0 | 0 | 0 | 0 | 4,847,007 |
| - 7 Year | 28,117 | 26,638 | (3,189) | 0 | 0 | 0 | 51,566 |
| Asset Retirement Obligation | 55,105 | 1,790 | 0 | 0 | 0 | 0 | 56,895 |
| TOTAL SCHERER PLANT: | 97,819,024 | 4,803,344 | (301,535) | (410,542) | 60,909 | 0 | 101,971,200 |
| TOTAL STEAM PRODUCTION: | 647,881,083 | 68,044,631 | (13,506,506) | (2,229,990) | 299,685 | (3,217,395) | 697,271,508 |

GULF POWER COMPANY
 ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
 ACTUAL: DECEMBER, 2010

Sheet 2 of 3

| | Balance First of Year | Provisions | Retirements | Cost of Removal | Salvage and Other Credits | Transfers and Adjustments | Balance End of Year |
|---|--------------------------|--------------------|-------------------|---------------------|------------------------------|------------------------------|------------------------|
| OTHER PRODUCTION: | | | | | | | |
| SMITH PLANT CT: | | | | | | | |
| Structures and Improvements | 341 | 635,029 | 28,561 | 0 | (128,170) | 0 | 535,420 |
| Fuel Holders and Accessories | 342 | 240,584 | 18,469 | 0 | (17,747) | 0 | 241,306 |
| Prime Movers | 343 | 65,455 | 2,992 | 0 | (60,824) | 0 | 7,623 |
| Generators | 344 | 2,716,282 | 123,801 | 0 | 0 | (140,512) | 2,699,571 |
| Accessory Electric Equipment | 345 | 101,915 | 4,546 | 0 | 0 | 0 | 106,461 |
| Miscellaneous Equipment | 346 | 4,587 | 317 | 0 | (14,602) | 0 | (9,698) |
| Dismantlement - Fixed | | 163,748 | 3,258 | 0 | 0 | 0 | 167,006 |
| TOTAL SMITH PLANT CT: | | 3,927,600 | 181,944 | 0 | (221,343) | (140,512) | 3,747,689 |
| SMITH PLANT UNIT 3 COMBINED CYCLE: | | | | | | | |
| Structures and Improvements | 341 | 3,100,565 | 337,466 | (669,544) | (109,830) | 0 | 2,658,657 |
| Fuel Holders and Accessories | 342 | 914,889 | 83,155 | (43,147) | (40,542) | 0 | 914,355 |
| Prime Movers | 343 | (3,295,811) | 3,082,195 | (18,742,394) | (2,217,610) | 8,426,480 | (8,157,485) |
| Generators | 344 | 14,205,539 | 1,877,051 | (4,896) | (4,943) | 0 | 16,029,751 |
| Accessory Electric Equipment | 345 | 2,977,729 | 311,143 | (964,852) | (111,401) | 0 | 2,212,619 |
| Miscellaneous Equipment | 346 | 147,725 | 26,950 | (187,274) | (99) | 990 | (11,708) |
| Dismantlement - Fixed | | 1,906,953 | 280,020 | 0 | 0 | 0 | 2,186,973 |
| TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE: | | 19,957,589 | 5,997,980 | (20,655,107) | (2,484,425) | 8,426,480 | 15,833,162 |
| PACE PLANT: | | | | | | | |
| Prime Movers | 343 | 3,917,927 | 359,902 | 0 | 0 | (20,094) | 4,257,735 |
| Generators | 344 | 1,792,761 | 164,683 | 0 | 0 | 0 | 1,957,444 |
| Accessory Electric Equipment | 345 | 336,511 | 30,957 | 0 | 0 | 0 | 367,468 |
| Asset Retirement Obligation | 347 | 230,042 | 19,860 | 0 | 0 | 0 | 249,902 |
| Dismantlement - Fixed | | (15,352) | (1,938) | 0 | 0 | 0 | (17,290) |
| TOTAL PACE PLANT: | | 6,261,889 | 573,464 | 0 | 0 | (20,094) | 6,815,259 |
| PERDIDO PLANT: | | | | | | | |
| Miscellaneous Equipment | 346 | 0 | 42,340 | 0 | 0 | 0 | 42,340 |
| TOTAL PERDIDO PLANT: | | 0 | 42,340 | 0 | 0 | 0 | 42,340 |
| TOTAL OTHER PRODUCTION: | | 30,147,078 | 6,795,728 | (20,655,107) | (2,705,768) | 8,265,874 | 26,438,450 |
| TOTAL PRODUCTION: | | 678,028,161 | 74,840,359 | (34,161,613) | (4,935,758) | 5,048,479 | 723,709,958 |
| TRANSMISSION: | | | | | | | |
| Land | 350 | 0 | (26,501) | 0 | 0 | 26,501 | 0 |
| Easements | 350.2 | 5,925,900 | 197,594 | 0 | 0 | (26,501) | 6,096,993 |
| Structures and Improvements | 352 | 2,772,524 | 177,882 | 0 | 0 | 214 | 2,950,620 |
| Station Equipment | 353 | 24,777,411 | 2,444,988 | (451,276) | (61,436) | 14,375 | 26,802,876 |
| Towers and Fixtures | 354 | 22,734,772 | 908,447 | (19,253) | (140,775) | 4,643 | 23,487,834 |
| Poles and Fixtures | 355 | 24,129,546 | 2,793,211 | (420,644) | (2,324,197) | (4,094) | 24,173,822 |
| Overhead Conductors & Devices | 356 | 22,843,042 | 1,631,598 | (179,744) | (107,482) | 0 | 24,187,414 |
| Underground Conductors & Devices | 358 | 6,349,055 | 295,985 | 0 | 0 | 0 | 6,645,040 |
| Roads and Trails | 359 | 28,903 | 1,229 | 0 | 0 | 0 | 30,132 |
| Asset Retirement Obligation | 359.1 | 4,126 | 143 | 0 | 0 | 0 | 4,269 |
| TOTAL TRANSMISSION: | | 109,565,279 | 8,424,576 | (1,070,917) | (2,633,890) | 15,138 | 114,379,000 |

GULF POWER COMPANY
 ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
 ACTUAL: DECEMBER, 2010

Sheet 3 of 3

| | Balance First of Year | Provisions | Retirements | Cost of Removal | Salvage and Other Credits | Transfers and Adjustments | Balance End of Year |
|--|--------------------------|--------------------|---------------------|---------------------|------------------------------|------------------------------|------------------------|
| DISTRIBUTION: | | | | | | | |
| Easements | 360.1 | 12,657 | 3,675 | 0 | 0 | 0 | 16,332 |
| Structures and Improvements | 361 | 5,963,267 | 388,737 | (15,444) | (870) | 0 | 6,335,690 |
| Station Equipment | 362 | 49,617,252 | 3,569,410 | (603,627) | (130,773) | 15,193 | 52,460,645 |
| Poles, Towers & Fixtures | 364 | 65,326,472 | 6,125,229 | (1,065,124) | (1,876,185) | 60,795 | 68,571,187 |
| Overhead Conductors & Devices | 365 | 42,336,293 | 3,721,507 | (2,151,102) | (1,064,145) | 463,793 | 42,687,724 |
| Underground Conduit | 366 | 787,726 | 15,827 | 0 | 0 | 0 | 803,553 |
| Underground Conductors & Devices | 367 | 36,274,835 | 3,802,853 | (457,884) | (152,588) | 29,198 | 40,115,036 |
| Line Transformers | 368 | 82,633,307 | 8,537,304 | (2,633,803) | (1,483,760) | 147,766 | 79,582,936 |
| Services: | | | | | | | |
| - Overhead | 369.1 | 26,436,496 | 1,893,418 | (141,936) | (260,393) | 16,973 | 27,946,557 |
| - Underground | 369.2 | 12,429,711 | 1,086,642 | (139,069) | (29,417) | 0 | 13,347,867 |
| - House Power Panel | 369.3 | 1,431,512 | 0 | (1,666,102) | 0 | 0 | 0 |
| Meters | 370 | 14,679,119 | 1,286,818 | (1,945,380) | (394,578) | 1,019,061 | 8,110,704 |
| Meters - FPSC Segregated | 370 | 0 | 0 | (104,533) | 0 | 0 | 12,176,680 |
| Meters - Non FPSC Segregated | 370 | 0 | 64,103 | 0 | (52,754) | 23,499 | 2,512,450 |
| Street Lighting & Signal Systems | 373 | 23,964,612 | 2,893,321 | (410,414) | (181,837) | 75,467 | 25,616,182 |
| Asset Retirement Obligation | 374 | 22,356 | 1,005 | 0 | 0 | 0 | 23,361 |
| TOTAL DISTRIBUTION: | 361,817,614 | 33,389,849 | (11,334,418) | (5,607,300) | 1,851,745 | (15,139) | 380,202,351 |
| GENERAL PLANT: | | | | | | | |
| Structures and Improvements | 390 | 22,312,294 | 1,511,142 | (83,198) | (15,561) | 0 | 23,724,677 |
| Office Furniture & Equipment: | | | | | | | |
| - Computer, 5 Year | 391 | 1,539,898 | 787,123 | (340,152) | 0 | 0 | 1,986,869 |
| - Non-Computer, 7 Year | 391 | 1,331,618 | 370,730 | 0 | 0 | 0 | 1,702,348 |
| Transportation Equipment: | | | | | | | |
| - Light Trucks | 392.2 | 2,742,329 | 592,517 | (29,037) | 0 | 0 | 3,305,809 |
| - Heavy Trucks | 392.3 | 7,684,549 | 1,560,276 | (1,322,078) | 0 | 118,319 | 9,184,399 |
| - Trailers | 392.4 | 591,812 | 51,628 | 0 | 0 | 0 | 643,440 |
| - Marine, 5 Year | 392 | 37,436 | 11,752 | 0 | 0 | 0 | 49,188 |
| Stores Equipment - 7 Year | 393 | 289,583 | 113,762 | 0 | 0 | 0 | 403,345 |
| Tools, Shop & Garage Equip. - 7 Year | 394 | 598,582 | 214,621 | 0 | 0 | 0 | 813,203 |
| Laboratory Equipment - 7 Year | 395 | 1,935,232 | 461,773 | (1,580,610) | 0 | 0 | 816,395 |
| Power Operated Equipment | 396 | 371,969 | 27,902 | 0 | 0 | 0 | 399,871 |
| Communication Equipment: | | | | | | | |
| - Other | 397 | 9,094,581 | 1,163,856 | (125,508) | (62,975) | 78,681 | 9,005,102 |
| - 7 Year | 397 | 1,130,266 | 430,020 | 0 | 0 | 0 | 1,560,286 |
| Miscellaneous Equipment - 7 Year | 398 | 1,776,420 | 614,612 | (974,835) | 0 | 0 | 1,416,197 |
| Asset Retirement Obligation | 399.1 | 107,419 | 4,053 | 0 | 0 | 0 | 111,472 |
| TOTAL GENERAL: | 51,543,988 | 7,915,567 | (4,455,418) | (78,536) | 197,000 | 0 | 55,122,601 |
| TOTAL ELECTRIC PLANT-IN-SERVICE: | 1,201,055,042 | 124,570,351 | (51,022,366) | (13,255,484) | 7,017,889 | 5,048,478 | 1,273,413,910 |

GULF POWER COMPANY
 ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
 ACTUAL: DECEMBER, 2009

Sheet 1 of 3

| | Balance First of Year | Provisions | Retirements | Cost of Removal | Salvage and Other Credits | Transfers and Adjustments | Balance End of Year |
|--------------------------------|--------------------------|-------------------|---------------------|--------------------|------------------------------|------------------------------|------------------------|
| STEAM PRODUCTION: | | | | | | | |
| DANIEL PLANT: | | | | | | | |
| Plant | 115,358,661 | 7,477,977 | (2,963,537) | (1,970,630) | 72,984 | 0 | 117,975,435 |
| Easements | 53,295 | 849 | 0 | 0 | 0 | 0 | 54,144 |
| Cooling Lake, 23 Year | 8,954,192 | 0 | 0 | 0 | 0 | 0 | 8,954,192 |
| Rail Track System | 1,946,968 | 27,416 | 0 | 0 | 0 | 0 | 1,974,384 |
| Dismantlement - Fixed | 16,464,536 | 738,048 | 0 | 0 | 0 | 0 | 17,202,584 |
| Asset Retirement Obligation | 1,665,613 | 19,722 | 0 | 0 | 0 | 0 | 1,685,335 |
| TOTAL DANIEL PLANT: | 144,443,265 | 8,264,012 | (2,963,537) | (1,970,630) | 72,984 | 0 | 147,846,074 |
| CRIST PLANT: | | | | | | | |
| Plant | 216,251,354 | 19,058,088 | (13,683,977) | (3,265,686) | 70,464 | 691,276 | 219,121,519 |
| Base Coal, 5 Year | 141,840 | 0 | 0 | 0 | 0 | 0 | 141,840 |
| - 5 Year | 8,137 | 4,930 | (2,838) | 0 | 0 | 0 | 10,229 |
| - 7 Year | 2,108,160 | 545,093 | (623,453) | 0 | 0 | 0 | 2,029,800 |
| Dismantlement - Fixed | 50,905,746 | 2,339,406 | 0 | 0 | 0 | (691,276) | 52,553,874 |
| Asset Retirement Obligation | 755,926 | 109,907 | (57,819) | 0 | 0 | 0 | 808,014 |
| TOTAL CRIST PLANT: | 270,171,163 | 22,057,423 | (14,368,087) | (3,265,686) | 70,464 | 0 | 274,665,277 |
| SCHOLZ PLANT: | | | | | | | |
| Plant | 27,492,166 | 1,301,788 | (37,481) | (36,996) | 0 | 0 | 28,719,477 |
| Base Coal, 5 Year | 71,300 | 0 | 0 | 0 | 0 | 0 | 71,300 |
| - 5 Year | 0 | (6,020) | 0 | 0 | 0 | 0 | (6,020) |
| - 7 Year | 66,843 | 16,166 | 0 | 0 | 0 | 0 | 83,009 |
| Dismantlement - Fixed | 10,438,695 | 463,706 | 0 | 0 | 0 | 0 | 10,902,401 |
| Asset Retirement Obligation | 323,389 | 9,137 | (3,265) | 0 | 0 | 0 | 329,261 |
| TOTAL SCHOLZ PLANT: | 38,392,393 | 1,784,777 | (40,746) | (36,996) | 0 | 0 | 40,099,428 |
| SMITH PLANT: | | | | | | | |
| Plant | 65,729,444 | 4,194,907 | (903,841) | (243,343) | 0 | 0 | 68,777,167 |
| Base Coal, 5 Year | 108,300 | 0 | 0 | 0 | 0 | 0 | 108,300 |
| - 5 Year | 22,674 | 1,105 | (22,886) | 0 | 0 | 0 | 893 |
| - 7 Year | 608,686 | 182,510 | (420,285) | 0 | 0 | 0 | 370,911 |
| Dismantlement - Fixed | 17,155,584 | 700,730 | 0 | 0 | 0 | 0 | 17,856,314 |
| Asset Retirement Obligation | 375,611 | 4,795 | (42,711) | 0 | 0 | 0 | 337,695 |
| TOTAL SMITH PLANT: | 84,000,299 | 5,084,047 | (1,389,723) | (243,343) | 0 | 0 | 87,451,280 |
| SCHERER PLANT: | | | | | | | |
| Plant | 90,881,145 | 4,270,353 | (2,205,347) | (31,389) | 72,911 | 0 | 92,987,673 |
| Dismantlement - Fixed | 4,640,810 | 107,319 | 0 | 0 | 0 | 0 | 4,748,129 |
| - 7 Year | 20,763 | 10,691 | (3,337) | 0 | 0 | 0 | 28,117 |
| Asset Retirement Obligation | 53,091 | 1,790 | 0 | 224 | 0 | 0 | 55,105 |
| TOTAL SCHERER PLANT: | 95,595,809 | 4,390,153 | (2,208,684) | (31,165) | 72,911 | 0 | 97,819,024 |
| TOTAL STEAM PRODUCTION: | 632,602,929 | 41,580,412 | (20,970,777) | (5,547,820) | 216,339 | 0 | 647,881,083 |

GULF POWER COMPANY
 ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
 ACTUAL: DECEMBER, 2009

Sheet 2 of 3

| | | Balance First of Year | Provisions | Retirements | Cost of Removal | Salvage and Other Credits | Transfers and Adjustments | Balance End of Year |
|---|-------|--------------------------|-------------------|---------------------|--------------------|------------------------------|------------------------------|------------------------|
| OTHER PRODUCTION: | | | | | | | | |
| SMITH PLANT CT: | | | | | | | | |
| Structures and Improvements | 341 | 631,856 | 3,173 | 0 | 0 | 0 | 0 | 635,029 |
| Fuel Holders and Accessories | 342 | 238,532 | 2,052 | 0 | 0 | 0 | 0 | 240,584 |
| Prime Movers | 343 | 65,123 | 332 | 0 | 0 | 0 | 0 | 65,455 |
| Generators | 344 | 2,702,526 | 13,756 | 0 | 0 | 0 | 0 | 2,716,282 |
| Accessory Electric Equipment | 345 | 101,410 | 505 | 0 | 0 | 0 | 0 | 101,915 |
| Miscellaneous Equipment | 346 | 4,552 | 35 | 0 | 0 | 0 | 0 | 4,587 |
| Dismantlement - Fixed | | 159,136 | 4,612 | 0 | 0 | 0 | 0 | 163,748 |
| TOTAL SMITH PLANT CT: | | 3,903,135 | 24,465 | 0 | 0 | 0 | 0 | 3,927,600 |
| SMITH PLANT UNIT 3 COMBINED CYCLE: | | | | | | | | |
| Structures and Improvements | 341 | 3,035,655 | 353,934 | (113,763) | (175,261) | 0 | 0 | 3,100,565 |
| Fuel Holders and Accessories | 342 | 834,911 | 90,327 | 0 | (10,349) | 0 | 0 | 914,889 |
| Prime Movers | 343 | (6,148,075) | 2,916,093 | (61,961) | (1,868) | 0 | 0 | (3,295,811) |
| Generators | 344 | 12,129,248 | 2,078,097 | (1,806) | 0 | 0 | 0 | 14,205,539 |
| Accessory Electric Equipment | 345 | 2,711,908 | 340,483 | 0 | (74,662) | 0 | 0 | 2,977,729 |
| Miscellaneous Equipment | 346 | 136,162 | 22,035 | 0 | (10,472) | 0 | 0 | 147,725 |
| Dismantlement - Fixed | | 1,672,884 | 234,069 | 0 | 0 | 0 | 0 | 1,906,953 |
| TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE: | | 14,372,693 | 6,035,038 | (177,530) | (272,612) | 0 | 0 | 19,957,589 |
| PACE PLANT: | | | | | | | | |
| Prime Movers | 343 | 3,578,397 | 339,530 | 0 | 0 | 0 | 0 | 3,917,927 |
| Generators | 344 | 1,637,399 | 155,362 | 0 | 0 | 0 | 0 | 1,792,761 |
| Accessory Electric Equipment | 345 | 307,306 | 29,205 | 0 | 0 | 0 | 0 | 336,511 |
| Asset Retirement Obligation | 347 | 210,182 | 19,860 | 0 | 0 | 0 | 0 | 230,042 |
| Dismantlement - Fixed | | (14,254) | (1,098) | 0 | 0 | 0 | 0 | (15,352) |
| TOTAL PACE PLANT: | | 5,719,030 | 542,859 | 0 | 0 | 0 | 0 | 6,261,889 |
| TOTAL OTHER PRODUCTION: | | 23,994,858 | 6,602,362 | (177,530) | (272,612) | 0 | 0 | 30,147,078 |
| TOTAL PRODUCTION: | | 658,597,787 | 48,182,774 | (21,148,307) | (5,820,432) | 218,339 | 0 | 678,028,161 |
| TRANSMISSION: | | | | | | | | |
| Easements | 350.2 | 5,571,057 | 215,843 | 0 | 0 | 139,000 | 0 | 5,925,900 |
| Structures and Improvements | 352 | 2,650,861 | 191,332 | (921) | 0 | 0 | (68,748) | 2,772,524 |
| Station Equipment | 353 | 25,121,649 | 2,189,233 | (2,047,094) | (146,026) | 23,222 | (363,574) | 24,777,411 |
| Towers and Fixtures | 354 | 22,022,552 | 882,738 | (13,427) | (96,590) | 0 | (60,501) | 22,734,772 |
| Poles and Fixtures | 355 | 22,675,019 | 2,997,140 | (580,901) | (1,001,741) | 0 | 20,029 | 24,129,546 |
| Overhead Conductors & Devices | 356 | 21,740,038 | 1,608,887 | (486,844) | (80,745) | 0 | 41,706 | 22,843,042 |
| Underground Conductors & Devices | 358 | 6,038,976 | 310,079 | 0 | 0 | 0 | 0 | 6,349,055 |
| Roads and Trails | 359 | 27,551 | 1,352 | 0 | 0 | 0 | 0 | 28,903 |
| Asset Retirement Obligation | 359.1 | 3,983 | 143 | 0 | 0 | 0 | 0 | 4,126 |
| TOTAL TRANSMISSION: | | 105,851,686 | 8,396,747 | (3,089,187) | (1,325,101) | 162,222 | (431,068) | 109,565,279 |

GULF POWER COMPANY
 ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION
 ACTUAL: DECEMBER, 2009

Sheet 3 of 3

| | Balance First of Year | Provisions | Retirements | Cost of Removal | Salvage and Other Credits | Transfers and Adjustments | Balance End of Year |
|--|--------------------------|-------------------|---------------------|---------------------|------------------------------|------------------------------|------------------------|
| DISTRIBUTION: | | | | | | | |
| Easements | 360.1 | 8,574 | 4,083 | 0 | 0 | 0 | 12,657 |
| Structures and Improvements | 361 | 5,735,680 | 363,527 | (54,009) | (61,931) | 0 | 5,963,267 |
| Station Equipment | 362 | 47,406,184 | 3,688,892 | (1,272,952) | (216,085) | 45,118 | 49,617,252 |
| Poles, Towers & Fixtures | 364 | 61,132,973 | 6,303,729 | (954,875) | (1,178,477) | 23,122 | 65,326,472 |
| Overhead Conductors & Devices | 365 | 40,381,593 | 3,282,966 | (671,570) | (479,002) | 168,889 | 42,336,293 |
| Underground Conduit | 366 | 770,682 | 17,044 | 0 | 0 | 0 | 787,726 |
| Underground Conductors & Devices | 367 | 32,971,193 | 3,578,011 | (526,743) | (125,755) | 31,546 | 36,274,835 |
| Line Transformers | 368 | 77,783,914 | 8,553,204 | (2,765,404) | (1,124,548) | 157,691 | 82,633,307 |
| Services: | | | | | | | |
| - Overhead | 369.1 | 25,014,537 | 1,799,777 | (161,080) | (230,140) | 15,401 | 26,436,495 |
| - Underground | 369.2 | 11,576,848 | 976,206 | (106,445) | (15,898) | 0 | 12,429,711 |
| - House Power Panel | 369.3 | 1,677,417 | 50,380 | (296,285) | 0 | 0 | 1,431,512 |
| Meters | 370 | 14,561,511 | 1,384,138 | (1,732,673) | (274,373) | 740,516 | 14,679,119 |
| Street Lighting & Signal Systems | 373 | 22,476,226 | 2,860,856 | (1,054,208) | (331,272) | 13,010 | 23,964,612 |
| Asset Retirement Obligation | 374 | 21,351 | 1,005 | 0 | 0 | 0 | 22,356 |
| TOTAL DISTRIBUTION: | 341,527,683 | 32,843,818 | (9,596,244) | (4,057,491) | 1,195,293 | 4,555 | 361,917,614 |
| GENERAL PLANT: | | | | | | | |
| Structures and Improvements | 380 | 20,828,991 | 1,442,464 | (324,975) | (60,719) | 0 | 22,312,294 |
| Office Furniture & Equipment: | | | | | | | |
| - Computer, 5 Year | 391 | 1,508,889 | 739,719 | (713,583) | 0 | 4,873 | 1,539,898 |
| - Non-Computer, 7 Year | 391 | 1,416,535 | 361,524 | (441,568) | 0 | (4,873) | 1,331,618 |
| Transportation Equipment: | | | | | | | |
| - Light Trucks | 392.2 | 2,531,376 | 482,938 | (293,362) | 0 | 21,377 | 2,742,329 |
| - Heavy Trucks | 392.3 | 6,737,324 | 1,361,265 | (453,682) | 0 | 39,642 | 7,684,549 |
| - Trailers | 392.4 | 583,323 | 50,005 | (41,516) | 0 | 0 | 591,812 |
| - Marine, 5 Year | 392 | 34,366 | 13,922 | (10,852) | 0 | 0 | 37,436 |
| Stores Equipment - 7 Year | 393 | 260,472 | 96,148 | (67,037) | 0 | 0 | 289,583 |
| Tools, Shop & Garage Equip. - 7 Year | 394 | 1,464,864 | 284,204 | (1,150,486) | 0 | 0 | 598,582 |
| Laboratory Equipment - 7 Year | 395 | 1,515,405 | 423,891 | (4,064) | 0 | 0 | 1,935,232 |
| Power Operated Equipment | 396 | 342,880 | 29,089 | 0 | 0 | 0 | 371,969 |
| Communication Equipment: | | | | | | | |
| - Other | 397 | 10,167,496 | 848,366 | (1,799,225) | (130,704) | 8,648 | 9,094,581 |
| - 7 Year | 397 | 802,296 | 370,926 | (42,956) | 0 | 0 | 1,130,266 |
| Miscellaneous Equipment - 7 Year | 398 | 1,414,259 | 546,005 | (183,844) | 0 | 0 | 1,776,420 |
| Asset Retirement Obligation | 399.1 | 103,366 | 4,053 | 0 | 0 | 0 | 107,419 |
| TOTAL GENERAL: | 49,711,842 | 7,054,519 | (5,527,150) | (191,423) | 69,667 | 426,533 | 51,543,988 |
| TOTAL ELECTRIC PLANT-IN-SERVICE: | 1,153,688,998 | 96,477,858 | (39,360,888) | (11,394,447) | 1,843,521 | 0 | 1,201,055,042 |