Robert L. McGee, Jr.
Regulatory & Pricing Manager

One Energy Place
Pensacola, Florida 32520-0780

Tel 850.444.6530
Fax 850.444.6026
RLMCGEE@southernco.com

GULF POWER
A SOUTHERN COMPANY

August 30, 2013

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

RE: Docket No. 130007-EI

Dear Ms. Cole:

Enclosed for official filing in Docket No. 130007-EI are an original and fifteen copies of the following:

1. The Petition of Gulf Power Company
2. Prepared direct testimony of James O. Vick.
3. Prepared direct testimony of Michael T. O'Sheasy.
4. Prepared direct testimony and exhibits of Richard W. Dodd.

Also enclosed is a CD containing the Petition in Microsoft Word as prepared on a Windows based computer.

Sincerely,

Robert L. McGee, Jr.
Regulatory and Pricing Manager

md

Enclosures

cc w/encl.: Beggs & Lane
Jeffrey A. Stone, Esq.

COM 5
AFD 1
APA 1
ECO 1
ENG 5+1CD
GCL 1
IDM
TEL
CLK 1 CF Rep

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Environmental Cost Recovery Clause	)	
	)	Docket No.: 130007-EI
	)	Filed: August 30, 2013
	)	

PETITION OF GULF POWER COMPANY FOR APPROVAL OF FINAL ENVIRONMENTAL COST RECOVERY TRUE-UP AMOUNT FOR JANUARY 2012 THROUGH DECEMBER 2012; ESTIMATED ENVIRONMENTAL COST RECOVERY TRUE-UP AMOUNT FOR JANUARY 2013 THROUGH DECEMBER 2013; PROJECTED ENVIRONMENTAL COST RECOVERY AMOUNTS FOR JANUARY 2014 THROUGH DECEMBER 2014; AND ENVIRONMENTAL COST RECOVERY FACTORS TO BE APPLIED BEGINNING WITH THE PERIOD JANUARY 2014 THROUGH DECEMBER 2014

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

Jeffrey A. Stone
jas@beggslane.com
Russell A. Badders
rab@beggslane.com
Steven R. Griffin
srg@beggslane.com
Beggs & Lane
P. O. Box 12950
Pensacola, FL 32591

Robert L. McGee, Jr.
Regulatory and Pricing Manager
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0780

GULF POWER COMPANY ("Gulf Power", "Gulf", or "the Company"), by and through its undersigned counsel, and pursuant to section 366.8255, Florida Statutes and various orders of the Florida Public Service Commission ("Commission") implementing and defining the Environmental Cost Recovery Clause ("ECRC"), hereby petitions the Commission for approval of the Company's final environmental cost recovery true-up amount for the period January 2012 through December 2012; for approval of the Company's estimated environmental cost recovery true-up amount for the period January 2013 through December 2013; for approval of the Company's projected environmental cost recovery amounts for the period January 2014 through December 2014; and for approval of environmental cost recovery factors to be applied in customer billings beginning with the period January 2014 through December 2014. As grounds for the relief requested by this petition, the Company would respectfully show:

BACKGROUND

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

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

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

(3) Consistent with the foregoing, Gulf submits its petition, supporting schedules, testimony and exhibits as the Company's request herein for approval of ECRC factors to be effective in calendar year 2014. As detailed in the following paragraphs and accompanying supporting schedules, testimony and exhibits, Gulf's environmental compliance activities are consistent with the ECRC statutes for recovery of eligible activities through the ECRC subject to the ongoing audit, review and true-up processes established by the Commission.

FINAL ENVIRONMENTAL COST RECOVERY TRUE-UP

(4) By vote of the Commission following hearings in November 2012, estimated true-up environmental cost recovery amounts were approved by the Commission for the period January 2012 through December 2012, subject to establishing the final environmental cost recovery true-up amounts. Gulf has calculated its final environmental cost recovery true-up amounts for the period January 2012 through December 2012 in accordance with the principles and policies for environmental cost recovery established by the Commission. According to the data filed by Gulf for the period ending December 31, 2012, the final environmental cost recovery true-up amount for the period ending December 31, 2012, is an actual under-recovery of $3,704,002. This amount is submitted for approval by the Commission to be collected in the next period. The supporting data has been prepared in accordance with the uniform system of accounts as applicable to the Company's environmental cost recovery and fairly presents the Company's environmental costs to be considered for recovery through the ECRC for the period. The environmental activities and related expenditures reflected in the true-up amounts shown for the period ending December 31, 2012 are reasonable and necessary to achieve or maintain

compliance with environmental requirements applicable to Gulf Power Company and, therefore, the amounts identified are prudent expenditures which have been incurred for utility purposes.

ESTIMATED ENVIRONMENTAL COST RECOVERY TRUE-UP

(5) Gulf has calculated its estimated environmental cost recovery true-up amounts for the period January 2013 through December 2013 in accordance with the principles and policies for environmental cost recovery established by the Commission. Based on six months actual and six months projected data, the Company's estimated environmental cost recovery true-up amount for the period January 2013 through December 2013 is an under-recovery of $4,084,856. The estimated environmental cost recovery true-up is combined with the final environmental cost recovery true-up for the period ending December 31, 2012 to reach the total environmental cost recovery true-up that is to be addressed in the next cost recovery period (January 2014 through December 2014). Gulf is requesting that the Commission approve this total environmental cost recovery true-up amount excluding revenue taxes, $7,788,878 for recovery during the January 2014 through December 2014 recovery period.

PROJECTED ENVIRONMENTAL COST RECOVERY AMOUNTS

(6) Gulf has calculated its projected environmental cost recovery amounts for the months January 2014 through December 2014 in accordance with the principles and policies for environmental cost recovery found in section 366.8255 of the Florida Statutes and Commission Order No. PSC-94-0044-FOF-EI. The calculated factors reflect the recovery of the projected environmental cost recovery amount of $150,383,807 for the period January 2014 through December 2014, less the net true-up amount adjusted for revenue taxes.

The computations and supporting data for the Company's environmental cost recovery factors are set forth on true-up and projection schedules that are attached as part of the exhibits to the final true-up testimony and actual/estimated true-up testimony of R.W. Dodd filed previously in this docket (*See* DN 01556-13 and 04410-13) and the projection testimony of Mr. Dodd filed herewith. Additional supporting data for the environmental cost recovery factors is provided in

the final true-up testimony and estimated/actual true-up testimony of J. O. Vick also previously filed in this docket (*See* DN 01556-13 and 04410-13) and the projection testimony of Mr. Vick also filed herewith. Gulf's 2012 Environmental Compliance Program Update (*See* DN 01950-12) provides further support for the Company's environmental cost recovery factors. The data and other information set forth in these schedules and the 2013 Compliance Program Update (*See* DN 01557-13)are sponsored and/or supported by the testimony of Gulf witnesses Dodd and Vick are an integral part of this petition and are hereby incorporated herein by reference. The methodology used by Gulf in determining the amounts to include in these factors is in accordance with the requirements of the Commission as set forth in Order No. PSC-94-0044-FOF-EI. The testimony of Gulf Witness O'Sheasy supports a change in the allocation to rate classes for certain capital investment but in all other respects the allocation to rate classes is in accordance with the requirements of the Commission as set forth in Order No. PSC-94-0044-FOF-EI. The amounts included in the calculated factors for the projection period are based on reasonable projections of the costs for environmental compliance activities that are expected to be incurred during the period January 2014 through December 2014. The calculated factors and supporting data have been prepared in accordance with the uniform system of accounts and fairly present the Company's best estimate of environmental compliance costs for the projected period. The activities described in the testimony of Mr. Vick are reasonable and necessary to achieve or maintain compliance with environmental requirements applicable to Gulf Power Company and the actual or projected costs resulting from the described compliance activities are also reasonable and necessary. Therefore, the costs identified are prudent expenditures that have been or will be incurred for utility purposes and for which the Company should be allowed to recover the associated revenue requirements.

ENVIRONMENTAL COST RECOVERY FACTORS

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

RATE CLASS	ENVIRONMENTAL COST RECOVERY FACTORS ¢/KWH
RS, RSVP	1.554
GS	1.402
GSD, GSDT, GSTOU	1.249
LP, LPT	1.114
PX, PXT, RTP, SBS	1.062
OS-I/II	0.419
OSIII	1.020

[INTENTIONALLY LEFT BLANK]

WHEREFORE, Gulf Power Company respectfully requests the Commission to approve the final environmental cost recovery true-up amounts for the period January 2012 through December 2012; estimated environmental cost recovery true-up amounts for the period January 2013 through December 2013; the projected environmental cost recovery amounts for the period January 2014 through December 2014; and the environmental cost recovery factors to be applied in customer billings beginning with the period January 2014 through December 2014.

Dated the 29th day of August, 2013.

JEFFREY A. STONE
Florida Bar No. 325953
jas@beggslane.com
RUSSELL A. BADDERS
Florida Bar No. 007455
rab@beggslane.com
STEVEN R. GRIFFIN
Florida Bar No. 0627569
srg@beggslane.com
Beggs & Lane
P. O. Box 12950
Pensacola, FL 32591
(850) 432-2451
Attorneys for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ENVIRONMENTAL COST RECOVERY CLAUSE

DOCKET NO. 130007-EI

PREPARED DIRECT TESTIMONY OF
JAMES O. VICK

PROJECTION FILING
FOR THE PERIOD

JANUARY 2014 - DECEMBER 2014

August 30, 2013

GULF POWER

A SOUTHERN COMPANY

GULF POWER COMPANY

Before the Florida Public Service Commission
Prepared Direct Testimony of
James O. Vick
Docket No. 130007-EI
Date of Filing: August 30, 2013

Q. Please state your name and business address.

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

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

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

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

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

Q. What are your responsibilities with Gulf Power Company?

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

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

A. Yes.

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

A. The purpose of my testimony is to support Gulf Power Company's projection of environmental compliance costs recoverable through the Environmental Cost Recovery Clause (ECRC) for the period from January 2014 through December 2014.

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

A. The environmental capital projects for which Gulf seeks recovery through the ECRC are described in Schedules 3P, 4P, and 5P of Witness Dodd's Exhibit RWD-3. I am supporting the expenditures, clearings, retirements, salvage and cost of removal currently projected for each of these projects. Mr. Dodd compiled these schedules and has calculated the associated

revenue requirements for Gulf's requested recovery. Of the projects shown on Mr. Dodd's schedules, there are three programs that were previously approved by the Commission with activities that have projected capital expenditures during 2014. These programs include: Smith Water Conservation, Crist FDEP Agreement for Ozone Attainment, and the CAIR/NAAQS/MATS/CAVR Compliance program.

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

A. As stated in previous filings, Gulf has been conducting an engineering evaluation and testing to determine whether the existing Plant Smith site properties make it feasible for the deep well injection of used reclaimed water. Both the test injection well and monitoring well required by the Florida Department of Environmental Protection (FDEP) have been permitted and installed. Gulf conducted testing of the existing well and found that it is feasible to inject water into the injection well system. We are currently in phase two of the permitting process for converting the initial injection well (IW-1) into a Class I injection and are in the initial permitting phase for up to four additional wells. During the latter part of 2013 and into 2014, Gulf anticipates conducting further testing of the existing well, designing a pump system, installing the additional injection wells and conducting testing of the injection well system. Costs associated with these activities reflected in the 2014 projection filing are $8.8 million.

Q. Mr. Vick, please describe the project included in the 2014 projection for (Line Item 1.19) Crist FDEP Agreement for Ozone Attainment.

A. Gulf plans to replace one layer of the Plant Crist Unit 7 SCR catalyst during 2014. Based on the past usage and the remaining service hours, the catalyst in layer four needs to be replaced during the fall of 2014. The projected 2014 expenditures for this line item are $1.6 million.

Q. Mr. Vick, please describe the projected 2014 capital expenditures for the CAIR/NAAQS/MATS/CAVR Compliance program (Line Item 1.26).

A. The projected 2014 expenditures for this line item include new controls and monitoring equipment needed for Plant Daniel and Plant Crist to comply with the MATS regulation. Also, projected for this line item are capital retrofit projects for the Plant Crist scrubber and the Plant Crist Unit 6 SCR.

Q, Please discuss the controls and monitoring equipment needed to comply with the MATS regulations.

A. As discussed in Gulf's April 2013 Compliance Program update, Gulf Power has determined that bromine injection upstream of the precipitator with activated carbon injection (ACI) at Plant Daniel will be required to comply with the MATS mercury standards. Engineering, procurement, and construction of the Plant Daniel bromine and ACI systems are scheduled to begin in 2014 and last for approximately two years. The projected 2014 cost for Gulf's ownership portion of the Plant Daniel ACI and bromine injection projects is approximately $4.72 million. The ACI and bromine injection projects were included in Gulf's third supplemental petition

regarding Gulf's environmental compliance program that was filed on April 1, 2013.

Gulf Power will begin installing mercury monitoring systems at Plant Daniel and Plant Crist in 2014 in order to comply with the MATS rule. The mercury monitors were included in Gulf's original Compliance Plan that was filed on March 29, 2007. The Plant Daniel and Plant Crist mercury monitors were two of the 10 specific components of Gulf's program that were agreed to as part of a stipulation approved on August 14, 2007. The stipulation is included in Order No. PSC-07-0721-S-EI. The projected cost for the mercury monitoring systems is $2.72 million.

Q, Please discuss the capital retrofit projects planned for the Plant Crist Unit 6 SCR and the Plant Crist scrubber.

A. A new catalyst layer will be purchased in late 2014 for installation in the Plant Crist Unit 6 SCR during the 2015 spring outage. The 2014 projected cost for the catalyst is $557,000.

Gulf Power has two scrubber retrofit projects planned for the Plant Crist scrubber system during 2014. The first retrofit project includes replacing the operating and engineering control systems with equipment that runs on an updated Windows operating system. The software upgrades are needed to maintain compliance with Gulf's cyber security requirements. The 2014 projected cost for the scrubber controls upgrade is $353,373.

The second scrubber retrofit project includes replacing two of the scrubber system raw water pumps. The pumps have previously been rebuilt and repaired over time, but have reached the point where they must be replaced. The projected cost to replace the water pumps is $281,000.

Q. Mr. Vick, are you including the purchase of allowances in your 2014 projection filing?

A. No, we are not currently projecting the need to purchase additional allowances during 2014.

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

A. Gulf Power is nearing completion of the engineering, design, and procurement phases of the Plant Daniel scrubber projects. The primary construction activities that are occurring in 2013 include foundation development as well as stack and vessel construction. As of July 2013, foundations for the vessels, stack, fans, process tanks, and duct supports have been completed. The stack shell has been poured and 50% of the stack liners have been fabricated. Axial fan, process vessel, and ductwork construction have begun. Over 770 tons of structural steel to support the ductwork has been installed. The 2014 capital expenditures for Gulf's ownership portion of the scrubber are projected to be $106 million. This project qualifies for AFUDC treatment and therefore these expenditures are not included in Gulf's projected 2014 ECRC factor.

Q. How do the projected Environmental Operation and Maintenance (O&M) activities listed on Schedule 2P of Mr. Dodd's Exhibit RWD-3 compare to the O&M activities approved for cost recovery in past ECRC proceedings?

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

Q. Please describe the O&M activities included in the air quality category for 2014.

A. There are five O&M activities included in the air quality category that have projected expenses in 2014. On Schedule 2P, Air Emission Fees (Line Item 1.2), represents the expenses projected for the annual fees required by the Clean Air Act Amendments (CAAA) of 1990 that are payable to the FDEP and Mississippi Department of Environmental Quality. The expenses projected for the 2014 recovery period total $471,000.

Included in the air quality category, Title V (Line Item 1.3) represents projected ongoing expenses associated with implementation of the Title V permits. The total 2014 estimated expenses for the Title V Program are $135,771.

On Schedule 2P, Asbestos Fees (Line Item 1.4) consists of the fees required to be paid to the FDEP for asbestos abatement projects. The projected expenses for this line item are $1,500. Emission Monitoring (Line Item 1.5) on Schedule 2P reflects an ongoing O&M expense associated with the Continuous Emission Monitoring equipment as required by the CAAA.

These expenses are incurred in response to EPA's requirements that the Company perform Quality Assurance/Quality Control (QA/QC) testing for the CEMS, including Relative Accuracy Test Audits (RATAs) and Linearity Tests. The expenses expected to be incurred during the 2014 recovery period for these activities total $673,160.

The FDEP NOx Reduction Agreement (Line Item 1.19) includes O&M costs associated with the Plant Crist Unit 7 SCR and the Plant Crist Units 4 and 5 Selective Non-Catalytic Reduction (SNCR) projects that were included as part of the 2002 agreement with FDEP. This line item includes the cost of anhydrous ammonia, urea, air monitoring, and general O&M expenses related to activities undertaken in connection with the agreement. Gulf was granted approval for recovery of the costs incurred to complete these activities in FPSC Order No. PSC-02-1396-PAA-EI in Docket No. 020943-EI. The projected expenses for the 2014 recovery period total $2.9 million which includes $1 million for the exterior surface maintenance project for the Plant Crist Unit 7 SCR.

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

A. General Water Quality (Line Item 1.6), identified in Schedule 2P, includes costs associated with Soil Contamination Studies, NPDES permit compliance, Dechlorination, Groundwater Monitoring, Surface Water Studies, the Cooling Water Intake Program, the Impaired Waters Rule, and Stormwater Maintenance. The expenses expected to be incurred during the projection period for this line item totals $3.3 million. The projected cost

includes approximately $1.8 million for dredging the Plant Crist ash pond to increase retention time and $680,000 for the cooling water intake program 316(b) studies at Plant Crist and Plant Smith.

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

A. Groundwater Contamination Investigation (Line Item 1.7) was previously approved for environmental cost recovery in Docket No. 930613-EI. This line item includes expenses related to substation investigation and remediation activities. Gulf has projected $2.6 million of incremental expenses for this line item during the 2014 recovery period.

Line Item 1.8, State National Pollutant Discharge Elimination System (NPDES) Administration, was previously approved for recovery in the ECRC and reflects expenses associated with NPDES annual fees for Gulf's three generating facilities in Florida. These expenses are expected to be $57,000 during the projected recovery period.

Finally, Line Item 1.9, Lead and Copper Rule, was also previously approved for ECRC recovery and reflects sampling, analytical, and chemical costs related to the lead and copper drinking water quality standards. These expenses are expected to total $16,476 during the 2014 projection period.

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

A. Only one O&M activity is included in this category on Schedule 2P (Line Item 1.10) of Mr. Dodd's Exhibit RWD-3. This line item refers to the Company's Environmental Audit/Assessment function. This program is an on-going compliance activity previously approved for ECRC recovery. Expenses totaling $7,000 are expected during the 2014 recovery period.

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

A. This solid and hazardous waste activity involves the proper identification, handling, storage, transportation, and disposal of solid and hazardous wastes as required by federal and state regulations. The program includes expenses for Gulf's generating and power delivery facilities. This program is a previously approved program that is projected to incur incremental expenses totaling $582,573 in 2014.

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

A. There are five other O&M activities that have been approved in past proceedings which have projected expenses during 2014. They are the Above Ground Storage Tanks program, the Sodium Injection System, the CAIR/NAAQS/MATS/CAVR Compliance Program, Crist Water Conservation, and Emission Allowances.

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

A. Above Ground Storage Tanks (Line Item 1.12) includes maintenance activities and fees required by Florida's above ground storage tank regulation, Chapter 62 Part 762, F.A.C. Expenses totaling $144,613 are projected to be incurred during 2014.

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

A. The Sodium Injection System (Line Item 1.16) was originally approved for inclusion in the ECRC in Order No. PSC-99-1954-PAA-EI. The activities in this line item involve sodium injection to the coal supply that enhances precipitator efficiencies when burning certain low sulfur coals at Plant Crist and Plant Smith. Expenses totaling $40,000 are projected to be incurred during 2014 for this line item.

Q. What activities are included in the CAIR/NAAQS/MATS/CAVR Compliance Program (Line Item 1.20)?

A. This line item includes O&M expenses associated with the capital projects approved for ECRC recovery under the CAIR/NAAQS/MATS/CAVR Compliance Program. This line item includes the cost of anhydrous ammonia, hydrated lime, urea, limestone and general O&M expenses. The projected 2014 expenses for this line item total approximately $15.9 million which includes $7.2 million for limestone costs associated with operation of the Plant Crist scrubber.

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

A. The Crist Water Conservation line item includes general O&M expenses associated with the Plant Crist reclaimed water system, such as piping and valve maintenance and pump replacements. Expenses totaling $297,430 are projected to be incurred during 2014 for this line item.

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

A. These line items include projected allowance expenses for Gulf's generation. Line Items 1.24 and 1.26 include projected expenses for the Annual NOx and SO_2 allowances of $184,394 and $654,837 respectively.

Q. Do each of the capital projects and O&M activities that have projected costs in 2014 meet the ECRC statutory guidelines?

A. Yes. The projects included in Gulf's 2014 ECRC projection filing meet the requirements of the ECRC statute and are consistent with the Commission's precedents regarding environmental cost recovery. Each of the capital projects and O&M activities set forth in Mr. Dodd's schedules include only prudent costs that are not recovered through some other cost recovery mechanism or base rates. The projected environmental costs are necessary to achieve and/or maintain compliance with environmental laws, rules, and regulations.

Q. Mr. Vick, are you familiar with the purpose of Witness O'Sheasy's testimony in this proceeding?

A. Yes. Witness O'Sheasy discusses and recommends an enhancement to the manner in which certain clean air and other air quality capital costs are allocated within the Environmental Cost Recovery Clause. I agree with Witness O'Sheasy's recommendation regarding cost allocation of certain clean air and other air quality capital costs.

Q. Mr. O'Sheasy quotes a 1994 Order referencing the Clean Air Act Amendments of 1990 (CAAA) as the Commission's reason for the current ECRC cost allocation method. Did the CAAA change Gulf's approach towards compliance with air quality legislation/regulation?

A. Yes. The passage of the CAAA marked a shift from traditional "command and control" environmental regulation to a "market-based' or "Cap and Trade" regulatory paradigm.

Prior to the CAAA, compliance with air quality regulations was typically achieved by a "command and control" approach. This meant that in order to comply with a specific emission limit or an ambient air quality standard, a company would be required to design, construct and operate a physical piece of pollution control equipment. An example of this would be the design, construction and operation of an electrostatic precipitator (ESP) to capture particulate matter that is produced when coal is burned. The sole purpose of the ESP is to physically capture and remove particulate matter (typically >99.9% removal) from the flue gas in order to meet a particulate

emission standard or limit that has been imposed by an air operating permit. In other words, the precipitator is the "control" that is put in place in order to meet the emission standard or the "command". Gulf Power installed ESPs on all of its coal-fired units during the 1970's through the mid-1990's to meet the command and control regulations. This fixed piece of pollution control equipment performs the same functions today as it did then.

Q. How did the passage of the CAAA change this regulatory paradigm?

A. The CAAA introduced the first "market-based" approach to reducing certain air emissions. This has also been referred to as a "cap and trade" regulatory program. The CAAA and its innovative cap and trade program, for the first time, allowed Gulf Power and the rest of the electric utility industry a degree of flexibility in determining how to comply with the new requirements.

Q. Please discuss the concept of a cap and trade regulatory program.

A. A cap and trade program is a market-based approach to reducing emissions. The concept is: the U.S. Environmental Protection Agency (EPA) caps, or limits, the total annual or seasonal mass emissions of a pollutant such as SO_2. The cap is divided into emission allowances that are allocated to each affected source. Each emission allowance represents an authorization to emit one ton of SO_2 over a specified time period (e.g., calendar year). To demonstrate compliance, a source is required to hold a number of allowances greater than or equal to its emissions in the regulated time period. Since the total number of allowances allocated to the affected

sources is less than the pre-program ("baseline") mass emissions from those sources, the program reduces the mass emissions of the regulated pollutant.

This market-based approach allows sources to determine the most cost-effective way to comply. Sources may reduce emissions by investing in pollution control technologies (i.e. scrubbers, SCRs, and/or baghouses), employing energy conservation measures, reducing utilization, switching fuels, or other strategies. Sources also are allowed to buy and sell allowances from each other to ensure that each unit has enough allowance credits in its account to cover its emissions. In this manner, a cap and trade program reduces emissions at a lower cost than traditional pollution control regulations and policies, by setting a goal and allowing market forces to determine how the goal is met.

Q. What strategy did Gulf Power utilize to comply with the CAAA?

A. Phase I of CAAA became effective on January 1, 1995, with a nationwide cap set for SO_2. Gulf Power's primary strategy to comply with the SO_2 cap consisted of fuel switching to a low sulfur coal supply. Gulf's allowance allocation was based on a higher sulfur coal that had been burned during the historical baseline period. This resulted in Gulf Power banking SO_2 allowances in some years and having to go to the market to purchase SO_2 allowances in other years when its emissions were higher than our allocation. Therefore, the cost of compliance varied with the generation (kWh) output of Gulf's generating plants. This strategy was very cost-

effective in meeting the CAAA requirements for SO_2. The allowance market provided Gulf the flexibility to defer making significant capital investments in SO_2 pollution control equipment such as scrubbers.

Q. Is Gulf Power's strategy to comply with air quality legislation/regulation the same today as it was in 1994 when the ECRC mechanism was first established for Gulf?

A. No. In the last few years, Gulf Power and the rest of the utility industry have had to reevaluate their strategy as it relates to complying with today's environmental laws and regulations. Although the CAAA and its cap and trade program are still in place today and have proven that a market-based approach to pollution control can be a very cost-effective tool to achieve significant reductions in air emissions, the new environmental air regulations in today's regulatory environment are largely based on the old command and control philosophy that existed prior to the CAAA.

Command and control regulations such as the Mercury Air Toxics Standards (MATS) and the Clean Air Visibility Rule (CAVR) have very stringent emission limits for numerous pollutants. There are no cap and trade or allowance programs for pollutants such as mercury. The only options a utility has to comply with such rules are to either make significant capital investments in fixed pollution control equipment such as scrubbers, SCRs, and baghouses, as a retrofit to existing generating units or to close the units permanently. The required pollution control equipment of this

nature is a fixed cost—it is there whether the generating unit runs or not. A consequence of these command and control regulations is that the widespread introduction of pollution control equipment such as scrubbers, SCRs and baghouses have all but eliminated the allowance markets.

In summary, the CAAA gave the utility industry the flexibility as to how it would comply with the CAAA requirements and incentivized the achievement of emission reductions in the most economic manner. Utilities could invest significant capital in large fixed pieces of pollution control equipment or purchase allowances that would allow the utilities to continue to operate without significant capital expenditures. The regulations the industry faces today are a throwback to the command and control type. The only option available to utilities, short of retiring the plant, is to make significant capital investments in state-of-the-art pollution control equipment.

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

A. Yes.

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 130007-EI

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

James O. Vick
Director of Environmental Affairs

Sworn to and subscribed before me this 27th day of August, 2013.

Melissa A. Darnes
Notary Public, State of Florida at Large

NOTARY PUBLIC STATE OF FLORIDA
MELISSA A. DARNES
MY COMMISSION # EE 150873
EXPIRES: December 17, 2015
Bonded Thru Budget Notary Services

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ENVIRONMENTAL COST RECOVERY CLAUSE

DOCKET NO. 130007-EI

PREPARED DIRECT TESTIMONY OF
MICHAEL T. O'SHEASY

PROJECTION FILING
FOR THE PERIOD

JANUARY 2014 - DECEMBER 2014

August 30, 2013

GULF POWER

A SOUTHERN COMPANY

GULF POWER COMPANY

Before the Florida Public Service Commission
Prepared Direct Testimony of
Michael T. O'Sheasy
Docket No. 130007-EI
Date of Filing: August 30, 2013

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

A. My name is Michael T. O'Sheasy. My business address is 5001 Kingswood Drive, Roswell, Georgia 30075. I am a Vice President with Christensen Associates, Inc.

Q. State briefly your education background and experience.

A. I received a Bachelor of Industrial Engineering from the Georgia Institute of Technology in 1970. In 1974, I earned a Masters in Business Administration from Georgia State University. From 1971 to 1975, I was employed by the John W. Eshelman Company -- Division of the Carnation Company -- as a plant superintendent in their Chamblee, Georgia operation. From 1975 to 1980, I worked for the John Harland Corporation initially as an assistant plant manager and then as a plant manager in their Jacksonville, Florida plant, and finally as their plant manager in Miami, Florida. I joined Southern Company Services in 1980 as an engineering cost analyst and progressed through various positions to the position of supervisor, during which time I began serving as an expert witness in costing. I testified as Gulf Power Company's (Gulf, or the Company) cost-of-service witness and provided other support to Gulf in matters before the Florida Public Service Commission (FPSC, or the Commission). In 1990, I became Manager of Product Design for Georgia Power Company and

have testified before the Georgia Public Service Commission as an expert witness on rate design and pricing. I retired from Georgia Power Company on May 1, 2001 and became a consultant with Christensen Associates.

Q. Are you the same Michael T. O'Sheasy who is presently the cost-of-service witness for the Gulf Power Company in Docket No 130140-EI?

A. Yes.

Q. Please identify the specific dockets in which you have previously testified before the FPSC.

A. I testified before the FPSC on behalf of Gulf as their cost-of-service witness in their last rate case filing, Docket No. 110138-EI, and in prior rate cases in Docket Nos. 010949-EI, 891345-EI and 881167-EI. I was extensively involved in the preparation of exhibits and Minimum Filing Requirements (MFRs) in those cases. Also, I was the back-up cost-of-service witness for Gulf in its 1984 rate case, Docket No. 840086-EI, where I helped prepare the related analyses. I also testified in Docket No. 850673-EU regarding standby back-up electric service.

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to discuss and recommend an enhancement to the manner in which certain clean air and other air quality capital costs which are recovered in the Environmental Cost Recovery

Clause (ECRC) are allocated to the retail jurisdiction and then to each rate class within the clause.

Q. Are your comments and recommendation in this testimony dealing strictly with the allocation of clean air and other air quality projects' capital costs?

A. Yes.

Q. How are ECRC capital costs currently allocated in ECRC to rate class?

A. Clean air and other air quality projects' capital costs are allocated upon energy. This is different from all other environmental capital costs recovered through the ECRC which are allocated upon 12-MCP and 1/13 energy, the same methodology used in Gulf's base rates.

Q. Is the current allocation methodology used in ECRC the same methodology Gulf Power Company recommended in its original ECRC filing?

A. No. In Gulf's initial ECRC filing back in 1993, the Company recommended that capital cost associated with the Clean Air Act Amendments of 1990 (CAAA) be allocated upon 12-MCP and 1/13 energy which was the Commission accepted allocation methodology from Gulf's prior base rate case filing for production related capital costs and all rate cases since. Then and now, Gulf's recommended methodology allocates most of these cost upon each rate class's contribution to Gulf's 12 monthly system peak hours.

Q. What was the explanation by the Commission in 1994 for the Commission ordering an energy allocator to rate class instead of Gulf's filed 12-MCP and 1/13 energy?

A. In Docket No. 930613-EI, Order No. PSC-94-0044-FOF-EI at page 23, the following explanation was provided:

> *We find that those costs required for compliance with the Clean Air Act Amendments of 1990 (CAAA) shall be allocated to the rate classes on an per kilowatt hour, or energy basis. Such an energy allocation is appropriate because the purpose of the CAAA is to reduce the level of emissions of air pollutants such as sulphur dioxide and nitrogen oxides. The level of the emissions of such pollutants is dependent in large part on how many kilowatt hours are generated. (TR 396) Consequently, we find that an energy allocation method results in the most equitable apportionment of these particular compliance costs. We have adopted this treatment of environmental compliance costs has been adopted in the past: in Tampa Electric Company's last rate case, the approved cost-of-service study classified and allocated the costs of the scrubber on its Big Bend 4 coal plant on an energy basis. (Docket No. 920324-EI)*

Q. Do you agree that continued use of a simple energy allocator for CAAA and other air quality capital costs recovered through the ECRC is appropriate?

A. No, I do not. I recommend the use of 12-MCP and 1/13 energy allocation methodology for these capital costs for the following reasons:

a. A simple energy allocator is not consistent with cost causation for these costs which do not vary with kWh unit output.

b. These CAAA and other air quality capital cost are fixed in nature and justify a fixed cost allocator.

c. A simple energy allocator is not consistent with how these costs would be allocated in a cost-of-service study for similar investments recovered through base rates.

d. The impact upon rates and customer bills of using a simple energy allocator in setting ECRC cost recovery rates is not cost-based.

Q. Why do you believe that a simple energy allocator is inappropriate and does not best reflect cost causation for CAAA and other air quality capital cost allocation?

A. A common cost-of-service philosophy is that capital costs, when incurred, become fixed costs, and fixed costs are demand-related. Costs that are influenced by other activities (such as the output of a power plant) and fluctuate as those activities change are considered variable. Therefore, variable costs are deemed energy-related. [I am excluding the cost categories known as customer and revenue related as they are not

applicable to this discussion.] Much of the CAAA costs are fixed as stated by this Commission in Order No. PSC-94-0044-FOF-EI at page 24:

> *We do not take issue with the fact that many of the costs associated with CAAA compliance are fixed costs, and that they are sized to meet peak demands.*

This commission has preferred a 12-MCP and 1/13 energy allocator for Gulf Power's production capital cost in prior Gulf Power base rate cases, and Gulf has agreed to do so. We are merely requesting that these fixed CAAA and other air quality capital cost be allocated similarly in ECRC. This will also align clean air and other air quality capital cost allocation with the allocation of all other capital cost recovered in the ECRC.

Q. What was the basis in the 1994 order for allocating these capital/fixed costs upon a variable (energy) allocator?

A. The Commission's order indicated that it was more appropriate to consider the "purpose" and the effect that these costs would have which would be to lower emissions of pollutants and thereby meet legislative requirements. The order further suggests that these pollutants are in large part a function of the number of kWh produced and therefore concluded that equipment to reduce the pollutants must therefore be energy related.

Q Do you agree that the ultimate "purpose" of the CAAA and other air quality capital cost is to reduce the emission of air pollutants?

A. Yes, however while incurring these capital costs does indeed reduce emissions of pollutants from what they would otherwise be, the fact is that

they are fixed in nature and deserving of a fixed cost allocator. As discussed in Witness Vick's testimony, over time environmental regulations have moved from a "command and control" approach to a "cap and trade" program and now back to a "command and control" philosophy. Under cap and trade, compliance options such as allowances or fuel switching lend support to an energy allocator for these compliance costs. As stated by Mr. Vick in his testimony, under the cap and trade philosophy "...the cost of compliance varied with the generation (kWh) output of Gulf's generating plants." However, as Mr. Vick further states in his testimony, under the current command and control philosophy "...the required pollution control equipment of this nature is a fixed cost—it is there whether the generating unit runs or not." Once incurred, these significant fixed capital investments in environmental control equipment do not vary with kWh output or kWh sales for the rate classes.

This is analogous to the requirement written years ago in the automotive industry to require catalytic converters on cars. The cost incurred to equip a vehicle with a catalytic converter is generally the same (fixed), regardless of the amount of emissions the car's engine produces. Another example is Occupational Safety and Health Act (OSHA) requiring certain safety measures for all industries including the electricity industry to construct and operate a plant (note even though the purpose of these safety related fixed costs are to protect employees in an electricity generating plant, we don't allocate these costs upon employees or customers). Another example is fuel handling equipment which enables

more or less energy to be produced depending upon how much fuel is input by the fuel handling equipment. But, fuel handling equipment is a capital cost requirement for a production plant and, therefore, a fixed cost to be allocated upon a production plant fixed cost allocator. In the case of Gulf Power Company the fixed capital cost of production plant are allocated upon 12-MCP and 1/13 energy.

Simply put, the environmental regulations for a production plant in effect today require additional costs to allow for the continued operation of the plant. However, these additional costs are not significantly influenced by the amount of energy (kWh) expected to be or actually produced by the plant. While the end result of this environmental equipment is lowered emissions, the cost is still fixed.

Q. What are some types of CAAA and other air quality equipment that are fixed cost and not variable costs?

A. Some examples include:

1. Capital cost of the Plant Crist scrubber (enables lower SO_2 and mercury emissions)
2. Capital cost of Selective Catalytic Reduction (SCR) equipment (enables lower NO_x emissions)
   Capital cost of Selective Non-Catalytic Reduction (SNCR) equipment (enables lower NO_x emissions)
3. Capital cost of over-fired air equipment (enables lower NO_x emissions)

4. Capital cost of low NO_x burners (enables lower NO_x emissions)

Note that the significant investment cost of each of these items is not dependent on the kWh output of the generator.

Q. How would these CAAA and other air quality fixed costs be treated in an embedded cost-of-service study?

A. Since they are fixed production costs, they would have been allocated to rate class upon 12-MCP and 1/13 energy which is the Commission approved allocation methodology for fixed production cost ordered in Gulf Power Company's last rate case - Docket No. 110138-EI.

These fixed costs are not like fuel cost found within the fuel cost recovery clause which are "allocated" to customers on a per kWh basis. Fuel costs do vary with kWh usage. CAAA and other air quality capital related environmental costs do not vary with kWh usage.

Q. What is the impact on customers of an energy only allocator of CAAA and other air quality fixed costs as opposed to 12-MCP and 1/13 energy allocator?

A. In general, high load factor customers receive more cost allocation under an energy only allocator than under a 12-MCP and 1/13 energy allocator. Low load factor customers receive less cost allocation under an energy only allocator than under a 12-MCP and 1/13 energy allocator. However the "impact" should not be the driver in how costs are to be allocated – the driver should be cost causation. The present ECRC clause is less cost

based than it would otherwise be if 12-MCP and 1/13 energy were used as the allocator to rate class, and therefore Gulf is requesting this change to cost allocation. The ultimate "impact" of this cost allocation improvement on customer rates and bills is addressed by Witness Dodd.

SUMMARY

Q. Can you summarize your opinion on ECRC cost allocation?

A. Cost allocation whether within an embedded cost-of-service study or a cost-based recovery clause should be conducted upon cost causation. A guiding principle of cost of service is that it should reflect cost causation:

a. *"FERC has indicated that a guiding principle for this step is that the allocation must reflect cost causation."*[1]

b. *"To attribute costs to different categories of customers based on how those customers cause cost to be incurred"*[2]

c. *"A cost-of-service study is a model of utility accounting and financial data which relies on various engineering data and concepts to appropriately assign the detailed cost elements to the customer groups using the principle of cost causation."*[3]

Cost should not be allocated upon benefits of the cost incurred nor the purpose/intention of the cost incurred – for example the benefits and purpose of an owner's automobile are to transport the owner from one place to another, yet auto manufacturers do not sell them on distance to be traveled; they sell them with a consideration of the fixed cost to produce. The CAAA and other air quality compliance costs are required and integral to the planning and operation of a production plant just as are

[1] "A Guide to FERC Regulation and Ratemaking of Electric Utilities and Other Power Suppliers", Third Edition, Edison Electric Institute, 1994.

[2] "Electric Utility Cost Allocation", Overview of Cost of Service Studies and Cost Allocation – Chapter 2, NARUC, 1992.

[3] "Electricity Pricing: Engineering Principles and Methodologies" Mr.Lawrence J. Vogt, 2009.

boilers, turbines, and fuel handling equipment. This CAAA and other air quality compliance equipment is generally designed on the size of the plant and does not vary with the plant's kWh output.

Neither the end result use or "purpose" of a piece of equipment nor the benefits of a piece of equipment should dictate how its cost is allocated—cost causation should drive cost allocation. The overarching cause for these CAAA and other air quality related fixed costs to have been incurred were to enable a production technology choice to be licensed to function, and to operate within legislative requirements. They are "part and parcel" to the composite plant and should receive a 12-MCP and 1/13 allocation to rate class.

Q. Does this conclude your testimony?

A. Yes.

AFFIDAVIT

STATE OF GEORGIA)
)
COUNTY OF COBB)

Docket No. 130007-EI

Before me the undersigned authority, personally appeared Michael T. O'Sheasy, who being first duly sworn, deposes, and says that he is a Vice President with Christensen Associates, Inc. and that the foregoing is true and correct to the best of his knowledge, information, and belief.

Michael T. O'Sheasy
Vice President

Sworn to and subscribed before me this 23 day of August, 2013.

Notary Public, State of Georgia at Large

Commission No. _____

My Commission Expires July 19, 2017

Personally Known_____ OR Produced Identification X

Type of Identification Produced Driver's License

MARISA MAIRE NOTARY EXPIRES GEORGIA July 19, 2017 PUBLIC COBB COUNTY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ENVIRONMENTAL COST RECOVERY CLAUSE

DOCKET NO. 130007-EI

PREPARED DIRECT TESTIMONY
AND EXHIBITS OF
RICHARD W. DODD

PROJECTION FILING
FOR THE PERIOD

JANUARY 2014 - DECEMBER 2014

August 30, 2013

GULF POWER

A SOUTHERN COMPANY

GULF POWER COMPANY

Before the Florida Public Service Commission
Prepared Direct Testimony and Exhibit of
Richard W. Dodd
Docket No. 130007-EI
Date of Filing: August 30, 2013

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

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

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

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

include supervision of: tariff administration, calculation of cost recovery factors, and the regulatory filing function of the Regulatory and Cost Recovery Department.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to present both the calculation of the revenue requirements and the development of the environmental cost recovery factors for the period of January 2014 through December 2014.

Q. Have you prepared any exhibits that contain information to which you will refer in your testimony?

A. Yes, I have two separate exhibits I am sponsoring as part of this testimony. Exhibit RWD-3 consists of 8 schedules that present the projected recoverable costs for 2014 and resulting cost recovery factors utilizing the 12/13th demand and 1/13th energy (12-MCP and 1/13th energy) cost allocation methodology for investment-related costs that Gulf has proposed in this filing and that Witness O'Sheasy supports in his testimony filed in this docket. Exhibit RWD-4 presents a comparison of typical monthly customer bills using Gulf's proposed allocation methodology and the methodology historically used.

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

A. As discussed in the testimony of Witness James O. Vick, Gulf is requesting recovery for certain environmental compliance operating

expenses and capital costs that are consistent with both the decision of the Commission in Order No.PSC-94-0044-FOF-EI in Docket No. 930613-EI and with past proceedings in this ongoing recovery docket. The costs we have identified for recovery through the ECRC are not currently being recovered through base rates or any other cost recovery mechanism.

Q. How was the amount of projected Operations and Maintenance (O&M) expenses to be recovered through the ECRC calculated?

A. Mr. Vick has provided me with projected recoverable O&M expenses for January 2014 through December 2014. Schedule 2P of Exhibit RWD-3 shows the calculation of the recoverable O&M expenses broken down between demand-related and energy-related expenses. Schedule 2P also provides the appropriate jurisdictional factors and amounts related to these expenses. All O&M expenses associated with compliance with air quality environmental regulations were considered to be energy-related, consistent with Commission Order No. PSC-94-0044-FOF-EI. The remaining expenses were broken down between demand and energy consistent with Gulf's last approved cost-of-service methodology in Docket No. 110138-EI.

Q. Please describe Schedules 3P and 4P of your Exhibit RWD-3.

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

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

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

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

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

A. Consistent with Commission Order No. PSC-12-0425-PAA-EU dated August 16, 2012 in Docket No. 120007-EI, the capital structure used in calculating the rate of return for recovery clause purposes is based on the weighted average cost of capital (WACC) presented in Gulf's May 2013 Earnings Surveillance Report. This rate of return used to calculate ECRC revenue requirements includes a return on equity of 10.25 percent for the period January 1, 2014 through December 31, 2014.

Q. How has the breakdown between demand-related and energy-related investment costs been determined in the past?

A. Historically, investment costs incurred for compliance with air quality related environmental regulations were treated as energy-related per Commission Order No. PSC-94-0044-FOF-EI, dated January 12, 1994, in Docket No. 930613-EI. The remaining investment costs of environmental compliance were allocated based on the 12-MCP and $1/13^{th}$ energy allocator that is consistent with cost-of-service studies approved in Gulf's base rate cases for over 30 years and proposed in the current base rate case. The calculation of this breakdown is shown on Schedule 4P and summarized on Schedule 3P of Exhibit RWD-3.

Q Is Gulf proposing a modification as to how the investment costs recovered in the ECRC are broken down between energy-related and demand-related in this proceeding?

A. Yes, as presented in Witness O'Sheasy's testimony, Gulf proposes that investment costs incurred for compliance with air quality environmental regulations recoverable through ECRC be broken down within the retail jurisdiction in the same manner as other investment costs of environmental compliance which are based on the 12-MCP and 1/13th energy allocator. As noted earlier, use of this allocator is consistent with cost-of-service studies approved in Gulf's prior base rate cases. Gulf proposes that this change be made effective January 1, 2014.

Q. Why is Gulf proposing this change in allocation methodology for investment costs incurred for compliance with air quality environmental regulations recoverable through ECRC?

A. As discussed at length in Mr. O'Sheasy's testimony, Gulf's proposed change to the 12-MCP and 1/13th energy allocator is a more appropriate cost recognition for the investment-related (fixed) costs incurred to comply with environmental regulations. Based on Mr. O'Sheasy's testimony, it is my understanding that allocating these costs to the various rate classes based on their cost causation provides for derivation of a cost recovery factor that best represents the cost incurred for each class.

Q. Is Gulf also proposing to change how air quality environmental compliance investment costs are allocated between the retail and wholesale jurisdictions?

A Yes. Consistent with the methodology presented by Mr. O'Sheasy, Gulf is proposing to allocate all ECRC investment costs, including air quality costs, to the retail and wholesale jurisdictions based on the 12-MCP and 1/13th energy allocator.

Q. What is the total amount of projected recoverable costs related to the period January 2014 through December 2014?

A. The total projected jurisdictional recoverable costs for the period January 2014 through December 2014 is $142,486,731 as shown on line 1c of Schedule 1P of Exhibit RWD-3. This includes costs related to O&M activities of $27,166,217 and costs related to capital projects of $115,320,514 as shown on lines 1a and 1b of Schedule 1P.

Q. What is the total recoverable revenue requirement to be recovered in the projection period January 2014 through December 2014 and how was it allocated to each rate class?

A. The total recoverable revenue requirement including revenue taxes is $150,383,807 for the period January 2014 through December 2014 as shown on line 5 of Schedule 1P of Exhibit RWD-3. This amount includes the recoverable costs related to the projection period and the total true-up cost of $7,788,878 to be collected. Schedule 1P also summarizes the energy and demand components of the requested revenue requirement. These amounts are allocated by rate class using the appropriate energy and demand allocators as shown on Schedules 6P and 7P of Exhibit RWD-3.

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

A. The demand allocation factors used in the ECRC were calculated using the 2012 load data filed with the Commission in accordance with FPSC Rule 25-6.0437. The energy allocation factors were calculated based on projected kWh sales for the period adjusted for losses. The calculation of the allocation factors for the period is shown in columns one through nine on Schedule 6P of Exhibit RWD-3.

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

A. As I described earlier in my testimony, Schedule 1P of Exhibit RWD-3 summarizes the energy and demand portions of the total requested revenue requirement. The energy-related recoverable revenue requirement of $36,545,383 for the period January 2014 through December 2014 was allocated using the energy allocator, as shown in column three on Schedule 7P of Exhibit RWD-3. The demand-related recoverable revenue requirement of $113,838,425 for the period January 2014 through December 2014 was allocated using the demand allocator, as shown in column four on Schedule 7P. The energy-related and demand-related recoverable revenue requirements are added together to derive the total amount assigned to each rate class, as shown in column five.

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

A. The environmental costs recovered through the clause from the residential customer who uses 1,000 kWh will be $15.54 monthly for the period January 2014 through December 2014.

Q. Have you quantified the impact of implementing Gulf's proposed 12-MCP and 1/13th energy cost allocation methodology for air quality investment costs?

A. Yes. My Exhibit RWD-4 presents a comparison of typical monthly bill amounts for residential and some non-residential rates using the proposed 12-MCP and 1/13th energy cost allocation methodology for air quality investment costs versus the historical energy cost allocation methodology.

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

A. The factors will be effective beginning with Cycle 1 billings in January 2014 and will continue through the last billing cycle of December 2014.

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

A. Yes.

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 130007-EI

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

Richard W. Dodd
Supervisor of Regulatory and Cost Recovery

Sworn to and subscribed before me this 27th day of August, 2013.

Melissa A. Darnes
Notary Public, State of Florida at Large

MELISSA A. DARNES
MY COMMISSION # EE 150873
EXPIRES: December 17, 2015
Bonded Thru Budget Notary Services

Schedule 1P

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

For the Projected Period
January 2014 - December 2014

Line No.		Energy ($)	Demand ($)	Total ($)
1	Total Jurisdictional Rev. Req. for the projected period			
	a Projected O & M Activities (Schedule 2P, Lines 7, 8 & 9)	20,346,148	6,820,069	27,166,217
	b Projected Capital Projects (Schedule 3P, Lines 7, 8 & 9)	8,870,887	106,449,627	115,320,514
	c Total Jurisdictional Rev. Req. for the projected period (Lines 1a + 1b)	29,217,035	113,269,696	142,486,731
2	True-Up for Estimated Over/(Under) Recovery for the period January 2013 - December 2013 (Schedule 1E, Line 3)	(3,827,665)	(257,191)	(4,084,856)
3	Final True-Up for the period January 2012 - December 2012 (Schedule 1A, Line 3)	(3,474,389)	(229,633)	(3,704,022)
4	Total Jurisdictional Amount to be Recovered/(Refunded) in the projection period January 2014 - December 2014 (Line 1c - Line 2 - Line 3)	36,519,089	113,756,520	150,275,609
5	Total Projected Jurisdictional Amount Adjusted for Taxes (Line 4 x Revenue Tax Multiplier)	36,545,383	113,838,425	150,383,807

Notes:

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

Schedule 2P

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014

O & M Activities
(in Dollars)

Line		Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period 12-Month	Method of Classification Demand	Method of Classification Energy
1	Description of O & M Activities															
. 1	Sulfur	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
. 2	Air Emission Fees	0	329,000	0	0	0	0	0	0	0	0	142,000	0	471,000	0	471,000
. 3	Title V	10,085	10,085	11,350	10,350	14,901	10,350	11,350	10,350	10,350	14,901	10,350	11,350	135,771	0	135,771
. 4	Asbestos Fees	0	0	0	0	0	0	0	0	1,500	0	0	0	1,500	1,500	0
. 5	Emission Monitoring	55,205	89,444	46,026	60,026	61,403	46,526	57,026	52,026	47,026	60,403	47,026	51,026	673,160	0	673,160
. 6	General Water Quality	570,702	563,002	575,252	593,591	123,252	126,252	125,252	113,252	132,752	118,591	115,252	116,260	3,273,413	3,273,413	0
. 7	Groundwater Contamination Investigation	465,457	465,457	466,695	78,780	99,990	244,569	244,569	244,569	78,780	99,990	78,230	78,730	2,645,818	2,645,818	0
. 8	State NPDES Administration	0	0	0	0	0	7,500	0	0	7,500	7,500	0	34,500	57,000	57,000	0
. 9	Lead and Copper Rule	1,373	1,373	1,373	1,373	1,373	1,373	1,373	1,373	1,373	1,373	1,373	1,373	16,476	16,476	0
. 10	Env Auditing/Assessment	0	0	0	0	0	2,000	0	2,000	0	2,000	0	1,000	7,000	7,000	0
. 11	General Solid & Hazardous Waste	45,543	45,543	46,037	46,537	57,497	47,237	46,037	46,537	49,037	54,497	47,037	51,033	582,573	582,573	0
. 12	Above Ground Storage Tanks	31,570	31,570	14,089	9,089	9,382	4,089	4,089	4,089	9,089	9,382	9,089	9,089	144,613	144,613	0
. 13	Low NOx	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
. 14	Ash Pond Diversion Curtains	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
. 15	Mercury Emissions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
. 16	Sodium Injection	0	0	8,000	0	0	0	10,500	2,500	8,000	0	8,500	2,500	40,000	0	40,000
. 17	Gulf Coast Ozone Study	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
. 18	SPCC Substation Project	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
. 19	FDEP NOx Reduction Agreement	288,440	275,659	246,371	289,064	327,396	470,759	154,677	126,246	163,463	164,334	252,086	103,564	2,862,061	0	2,862,061
. 20	CAIR/NAAQS/MATS/CAVR Compliance Program	1,132,208	946,411	1,310,007	1,103,057	1,390,411	1,463,467	1,147,126	1,208,329	1,345,682	1,150,074	1,694,177	2,050,319	15,941,266	0	15,941,266
. 21	MACT ICR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
. 22	Crist Water Conservation	20,790	20,790	20,790	20,790	30,380	30,380	30,380	30,380	30,380	20,790	20,790	20,790	297,430	297,430	0
. 23	Mercury Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
. 24	Annual NOx Allowances	19,254	12,630	13,819	11,742	15,761	15,325	20,338	24,703	17,282	12,796	9,770	10,974	184,394	0	184,394
. 25	Seasonal NOx Allowances	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1
. 26	SO2 Allowances	73,343	43,799	47,484	41,370	53,086	53,107	77,731	98,882	61,031	41,988	28,803	34,213	654,837	0	654,837
2	Total of O & M Activities	2,713,970	2,834,762	2,807,293	2,265,770	2,184,832	2,522,934	1,930,448	1,965,237	1,963,245	1,758,618	2,464,483	2,576,721	27,988,313	7,025,823	20,962,490
3	Recoverable Costs Allocated to Energy	1,578,535	1,707,027	1,683,056	1,515,609	1,862,958	2,059,534	1,478,748	1,523,036	1,652,834	1,444,495	2,192,712	2,263,946	20,962,490		
4	Recoverable Costs Allocated to Demand	1,135,435	1,127,735	1,124,236	750,160	321,874	463,400	451,700	442,200	310,411	314,123	271,771	312,775	7,025,823		
5	Retail Energy Jurisdictional Factor	0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417			
6	Retail Demand Jurisdictional Factor	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146			
7	Jurisdictional Energy Recoverable Costs (A)	1,529,742	1,653,930	1,633,443	1,471,737	1,810,764	2,003,388	1,438,731	1,480,690	1,606,703	1,402,568	2,124,332	2,190,120	20,346,148		
8	Jurisdictional Demand Recoverable Costs (B)	1,102,183	1,094,709	1,091,313	728,192	312,448	449,829	438,472	429,250	301,321	304,924	263,812	303,616	6,820,069		
9	Total Jurisdictional Recoverable Costs for O & M Activities (Lines 7 + 8)	2,631,925	2,748,639	2,724,756	2,199,929	2,123,212	2,453,217	1,877,203	1,909,940	1,908,024	1,707,492	2,388,144	2,493,736	27,166,217		

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

Schedule 3P

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014

Capital Investment Projects - Recoverable Costs
(in Dollars)

Line		Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period 12-Month	Method of Classification Demand	Method of Classification Energy
1	Description of Investment Projects (A)															
. 1	Air Quality Assurance Testing	4,391	4,362	4,333	4,303	4,274	4,245	4,216	3,619	0	0	0	0	33,744	31,148	2,596
. 2	Crist 5, 6 & 7 Precipitator Projects	380,720	379,967	379,213	378,460	377,707	376,953	376,200	375,446	374,693	373,940	373,186	372,433	4,518,918	4,171,309	347,609
. 3	Crist 7 Flue Gas Conditioning	10,361	10,360	10,358	10,357	10,355	10,354	10,352	10,351	10,349	10,348	10,346	10,345	124,234	114,678	9,556
. 4	Low NOx Burners, Crist 6 & 7	123,049	122,863	122,678	122,493	122,308	122,123	121,938	121,752	121,567	121,382	121,197	121,012	1,464,362	1,351,718	112,643
. 5	CEMS - Plants Crist, Scholz, Smith, & Daniel	88,727	88,579	88,432	88,285	88,137	87,990	87,842	87,695	87,548	87,400	87,253	87,105	1,054,993	973,840	81,153
. 6	Substation Contamination Remediation	15,017	14,992	14,968	14,943	14,918	14,894	14,869	14,844	14,819	14,795	14,770	14,745	178,574	164,837	13,736
. 7	Raw Water Well Flowmeters - Plants Crist & Smith	1,660	1,655	1,650	1,645	1,640	1,636	1,631	1,626	1,621	1,616	1,611	1,607	19,598	18,090	1,508
. 8	Crist Cooling Tower Cell	3,631	3,630	3,629	3,628	3,626	3,625	3,624	3,623	3,622	3,621	3,619	3,618	43,496	40,150	3,346
. 9	Crist Dechlorination System	2,501	2,493	2,485	2,477	2,470	2,462	2,454	2,446	2,439	2,431	2,423	2,415	29,495	27,226	2,269
. 10	Crist Diesel Fuel Oil Remediation	413	411	410	409	407	406	404	403	402	400	399	397	4,860	4,487	374
. 11	Crist Bulk Tanker Unload Sec Contain Struc	544	541	539	537	535	533	531	529	527	525	523	521	6,386	5,895	491
. 12	Crist IWW Sampling System	317	315	314	313	312	311	309	308	307	306	305	303	3,720	3,433	286
. 13	Sodium Injection System	2,971	2,963	2,956	2,948	2,940	2,932	2,924	2,916	2,909	2,901	2,893	2,885	35,137	32,435	2,703
. 14	Smith Stormwater Collection System	16,017	15,963	15,910	15,856	15,803	15,750	15,696	15,643	15,589	15,536	15,483	15,429	188,674	174,160	14,513
. 15	Smith Waste Water Treatment Facility	2,241	2,237	2,234	2,230	2,227	2,224	2,220	2,217	2,213	2,210	2,206	2,203	26,662	24,612	2,051
. 16	Daniel Ash Management Project	129,138	128,832	128,526	128,220	127,914	127,608	127,301	126,995	126,689	126,383	126,077	125,771	1,529,454	1,411,803	117,650
. 17	Smith Water Conservation	55,550	60,664	65,778	70,892	76,005	81,119	86,233	91,347	96,461	101,575	106,689	111,803	1,004,116	926,875	77,240
. 18	Underground Fuel Tank Replacement	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
. 19	Crist FDEP Agreement for Ozone Attainment	1,051,964	1,049,338	1,046,712	1,044,086	1,041,460	1,038,834	1,036,208	1,033,581	1,032,122	1,032,568	1,033,966	1,029,899	12,470,738	11,511,451	959,288
. 20	SPCC Compliance	7,702	7,683	7,664	7,645	7,626	7,607	7,588	7,569	7,550	7,531	7,512	7,493	91,173	84,160	7,013
. 21	Crist Common FTIR Monitor	477	476	474	473	472	470	469	468	467	465	464	463	5,637	5,204	434
. 22	Precipitator Upgrades for CAM Compliance	248,084	247,495	246,906	246,316	245,727	245,137	244,548	243,958	243,369	242,780	242,190	241,601	2,938,111	2,712,102	226,009
. 23	Plant Groundwater Investigation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
. 24	Crist Water Conservation	179,853	179,445	179,038	178,630	178,223	177,815	177,407	177,000	176,592	176,185	175,777	175,370	2,131,334	1,967,386	163,949
. 25	NPDES Permit Compliance Projects	50,088	49,963	49,838	49,713	49,587	49,462	49,337	49,212	49,087	48,961	48,836	48,711	592,795	547,195	45,600
. 26	CAIR/NAAQS/MATS/CAVR Compliance Program	7,554,704	7,538,435	7,521,393	7,505,447	7,490,732	7,478,518	7,466,698	7,453,187	7,440,604	7,428,685	7,416,008	7,405,202	89,699,611	82,799,642	6,899,970
. 27	General Water Quality	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
. 28	Mercury Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
. 29	Annual NOx Allowances	4,357	4,245	4,153	4,064	3,968	3,860	3,735	3,578	3,432	3,327	3,248	3,176	45,143	41,670	3,472
. 30	Seasonal NOx Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
. 31	SO2 Allowances	48,675	48,266	47,948	47,638	47,308	46,938	46,481	45,865	45,307	44,948	44,701	44,481	558,556	515,591	42,966
2	Total Investment Projects - Recoverable Costs	9,983,150	9,966,175	9,948,538	9,932,008	9,916,681	9,903,804	9,891,217	9,876,180	9,860,284	9,850,817	9,841,682	9,828,987	118,799,522	109,661,096	9,138,425
3	Recoverable Costs Allocated to Energy	767,935	766,629	765,272	764,001	762,822	761,831	760,863	759,706	758,483	757,755	757,052	756,076	9,138,425		
4	Recoverable Costs Allocated to Demand	9,215,214	9,199,546	9,183,266	9,168,008	9,153,860	9,141,973	9,130,354	9,116,470	9,101,798	9,093,062	9,084,630	9,072,913	109,661,096		
5	Retail Energy Jurisdictional Factor	0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417			
6	Retail Demand Jurisdictional Factor	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146			
7	Jurisdictional Energy Recoverable Costs (B)	744,197	742,783	742,714	741,885	741,450	741,062	740,273	738,583	737,314	735,761	733,444	731,421	8,870,887		
8	Jurisdictional Demand Recoverable Costs (C)	8,945,343	8,930,134	8,914,331	8,899,519	8,885,786	8,874,246	8,862,968	8,849,491	8,835,249	8,826,768	8,818,583	8,807,209	106,449,627		
9	Total Jurisdictional Recoverable Costs for Investment Projects (Lines 7 + 8)	9,689,540	9,672,917	9,657,045	9,641,404	9,627,236	9,615,308	9,603,241	9,588,074	9,572,563	9,562,529	9,552,027	9,538,630	115,320,514		

Notes:

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: Air Quality Assurance Testing
P.E.s 1006 & 1244
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	c Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812	
3	Less: Accumulated Depreciation (C)	(317,971)	(322,147)	(326,324)	(330,500)	(334,676)	(338,853)	(343,029)	(347,205)	(350,812)	(350,812)	(350,812)	(350,812)	(350,812)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	32,841	28,665	24,488	20,312	16,136	11,959	7,783	3,607	0	0	0	0	0	
6	Average Net Investment		30,753	26,576	22,400	18,224	14,047	9,871	5,695	1,803	0	0	0	0	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		166	143	121	98	76	53	31	10	0	0	0	0	698
	b Debt Component (Line 6 x Debt Component x 1/12)		49	42	35	29	22	16	9	3	0	0	0	0	205
8	Investment Expenses														
	a Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
	b Amortization (F)		4,176	4,176	4,176	4,176	4,176	4,176	4,176	3,607	0	0	0	0	32,841
	c Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
	d Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		4,391	4,362	4,333	4,303	4,274	4,245	4,216	3,619	0	0	0	0	33,744
	a Recoverable Costs Allocated to Energy		338	336	333	331	329	327	324	278	0	0	0	0	2,596
	b Recoverable Costs Allocated to Demand		4,053	4,026	3,999	3,972	3,946	3,919	3,892	3,341	0	0	0	0	31,148
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		327	325	323	321	320	318	316	271	0	0	0	0	2,521
13	Retail Demand-Related Recoverable Costs (I)		3,934	3,908	3,882	3,856	3,830	3,804	3,778	3,243	0	0	0	0	30,236
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		4,262	4,233	4,206	4,178	4,150	4,122	4,093	3,514	0	0	0	0	32,756

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: Crist 5, 6 & 7 Precipitator Projects
P.E.s 1038, 1119, 1216, 1243, 1249
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	c Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	33,557,253	33,557,253	33,557,253	33,557,253	33,557,253	33,557,253	33,557,253	33,557,253	33,557,253	33,557,253	33,557,253	33,557,253	33,557,253	
3	Less: Accumulated Depreciation (C)	5,588,665	5,480,690	5,372,714	5,264,739	5,156,763	5,048,788	4,940,812	4,832,837	4,724,861	4,616,886	4,508,910	4,400,935	4,292,959	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	39,145,919	39,037,943	38,929,968	38,821,992	38,714,017	38,606,041	38,498,066	38,390,090	38,282,115	38,174,139	38,066,164	37,958,188	37,850,213	
6	Average Net Investment		39,091,931	38,983,956	38,875,980	38,768,004	38,660,029	38,552,053	38,444,078	38,336,103	38,228,127	38,120,151	38,012,176	37,904,200	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		210,940	210,357	209,775	209,192	208,610	208,027	207,444	206,862	206,279	205,696	205,114	204,531	2,492,827
	b Debt Component (Line 6 x Debt Component x 1/12)		61,804	61,634	61,463	61,292	61,122	60,951	60,780	60,609	60,439	60,268	60,097	59,927	730,385
8	Investment Expenses														
	a Depreciation (E)		97,887	97,887	97,887	97,887	97,887	97,887	97,887	97,887	97,887	97,887	97,887	97,887	1,174,638
	b Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Dismantlement		10,089	10,089	10,089	10,089	10,089	10,089	10,089	10,089	10,089	10,089	10,089	10,089	121,068
	d Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		380,720	379,967	379,213	378,460	377,707	376,953	376,200	375,446	374,693	373,940	373,186	372,433	4,518,918
	a Recoverable Costs Allocated to Energy		29,286	29,228	29,170	29,112	29,054	28,996	28,938	28,880	28,823	28,765	28,707	28,649	347,609
	b Recoverable Costs Allocated to Demand		351,434	350,738	350,043	349,348	348,652	347,957	347,261	346,566	345,871	345,175	344,480	343,784	4,171,309
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		28,381	28,319	28,310	28,270	28,240	28,206	28,155	28,078	28,018	27,930	27,811	27,714	337,433
13	Retail Demand-Related Recoverable Costs (I)		341,142	340,467	339,792	339,117	338,442	337,767	337,092	336,417	335,742	335,067	334,392	333,717	4,049,151
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		369,523	368,786	368,102	367,386	366,682	365,973	365,247	364,494	363,760	362,996	362,203	361,431	4,386,584

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: Crist 7 Flue Gas Conditioning
P.E. 1228
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	c Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Less: Accumulated Depreciation (C)	1,454,602	1,454,389	1,454,176	1,453,963	1,453,750	1,453,537	1,453,324	1,453,111	1,452,898	1,452,685	1,452,472	1,452,259	1,452,046	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	1,454,602	1,454,389	1,454,176	1,453,963	1,453,750	1,453,537	1,453,324	1,453,111	1,452,898	1,452,685	1,452,472	1,452,259	1,452,046	
6	Average Net Investment		1,454,496	1,454,283	1,454,070	1,453,857	1,453,644	1,453,431	1,453,218	1,453,005	1,452,792	1,452,579	1,452,366	1,452,153	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		7,848	7,847	7,846	7,845	7,844	7,843	7,842	7,840	7,839	7,838	7,837	7,836	94,106
	b Debt Component (Line 6 x Debt Component x 1/12)		2,300	2,299	2,299	2,299	2,298	2,298	2,298	2,297	2,297	2,297	2,296	2,296	27,572
8	Investment Expenses														
	a Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
	b Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Dismantlement		213	213	213	213	213	213	213	213	213	213	213	213	2,556
	d Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		10,361	10,360	10,358	10,357	10,355	10,354	10,352	10,351	10,349	10,348	10,346	10,345	124,234
	a Recoverable Costs Allocated to Energy		797	797	797	797	797	796	796	796	796	796	796	796	9,556
	b Recoverable Costs Allocated to Demand		9,564	9,563	9,561	9,560	9,559	9,557	9,556	9,554	9,553	9,552	9,550	9,549	114,678
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		772	772	773	774	774	775	775	774	774	773	771	770	9,277
13	Retail Demand-Related Recoverable Costs (I)		9,284	9,283	9,281	9,280	9,279	9,277	9,276	9,275	9,273	9,272	9,271	9,269	111,319
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		10,056	10,055	10,055	10,054	10,053	10,052	10,051	10,049	10,047	10,045	10,042	10,039	120,596

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: Low NOx Burners, Crist 6 & 7
P.E.s 1234, 1236, 1242, 1284
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	c Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	
3	Less: Accumulated Depreciation (C)	4,747,920	4,721,381	4,694,842	4,668,304	4,641,765	4,615,227	4,588,688	4,562,149	4,535,611	4,509,072	4,482,533	4,455,995	4,429,456	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	13,845,843	13,819,305	13,792,766	13,766,227	13,739,689	13,713,150	13,686,611	13,660,073	13,633,534	13,606,995	13,580,457	13,553,918	13,527,380	
6	Average Net Investment		13,832,574	13,806,035	13,779,497	13,752,958	13,726,419	13,699,881	13,673,342	13,646,803	13,620,265	13,593,726	13,567,188	13,540,649	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		74,641	74,497	74,354	74,211	74,068	73,925	73,781	73,638	73,495	73,352	73,209	73,065	886,235
	b Debt Component (Line 6 x Debt Component x 1/12)		21,869	21,827	21,785	21,743	21,701	21,660	21,618	21,576	21,534	21,492	21,450	21,408	259,662
8	Investment Expenses														
	a Depreciation (E)		26,539	26,539	26,539	26,539	26,539	26,539	26,539	26,539	26,539	26,539	26,539	26,539	318,464
	b Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
	d Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		123,049	122,863	122,678	122,493	122,308	122,123	121,938	121,752	121,567	121,382	121,197	121,012	1,464,362
	a Recoverable Costs Allocated to Energy		9,465	9,451	9,437	9,423	9,408	9,394	9,380	9,366	9,351	9,337	9,323	9,309	112,643
	b Recoverable Costs Allocated to Demand		113,583	113,412	113,241	113,070	112,900	112,729	112,558	112,387	112,216	112,045	111,874	111,703	1,351,718
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		9,173	9,157	9,159	9,150	9,145	9,138	9,126	9,105	9,090	9,066	9,032	9,005	109,346
13	Retail Demand-Related Recoverable Costs (I)		110,257	110,091	109,925	109,759	109,593	109,427	109,261	109,096	108,930	108,764	108,598	108,432	1,312,133
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		119,430	119,248	119,084	118,909	118,738	118,565	118,387	118,201	118,020	117,830	117,630	117,437	1,421,479

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: CEMS - Plants Crist, Scholz, Smith, & Daniel
P.E.s 1001, 1060, 1154, 1164, 1217, 1240, 1245, 1247, 1256, 1283, 1286, 1289, 1290, 1311, 1316, 1323, 1324, 1357, 1358, 1364, 1440, 1441, 1442, 1444, 1445, 1454, 1459, 1460, 1558, 1570, 1592, 1658, 1829, 1830
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	c Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	7,278,210	7,278,210	7,278,210	7,278,210	7,278,210	7,278,210	7,278,210	7,278,210	7,278,210	7,278,210	7,278,210	7,278,210	7,278,210	
3	Less: Accumulated Depreciation (C)	2,258,867	2,237,739	2,216,610	2,195,482	2,174,353	2,153,225	2,132,097	2,110,968	2,089,840	2,068,712	2,047,583	2,026,455	2,005,326	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	9,537,077	9,515,949	9,494,821	9,473,692	9,452,564	9,431,435	9,410,307	9,389,179	9,368,050	9,346,922	9,325,794	9,304,665	9,283,537	
6	Average Net Investment		9,526,513	9,505,385	9,484,256	9,463,128	9,442,000	9,420,871	9,399,743	9,378,615	9,357,486	9,336,358	9,315,229	9,294,101	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		51,405	51,291	51,177	51,063	50,949	50,835	50,721	50,607	50,493	50,379	50,265	50,151	609,336
	b Debt Component (Line 6 x Debt Component x 1/12)		15,061	15,028	14,995	14,961	14,928	14,894	14,861	14,828	14,794	14,761	14,727	14,694	178,532
8	Investment Expenses														
	a Depreciation (E)		21,033	21,033	21,033	21,033	21,033	21,033	21,033	21,033	21,033	21,033	21,033	21,033	252,392
	b Amortization (F)		96	96	96	96	96	96	96	96	96	96	96	96	1,149
	c Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
	d Property Taxes		1,132	1,132	1,132	1,132	1,132	1,132	1,132	1,132	1,132	1,132	1,132	1,132	13,584
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		88,727	88,579	88,432	88,285	88,137	87,990	87,842	87,695	87,548	87,400	87,253	87,105	1,054,993
	a Recoverable Costs Allocated to Energy		6,825	6,814	6,802	6,791	6,780	6,768	6,757	6,746	6,734	6,723	6,712	6,700	81,153
	b Recoverable Costs Allocated to Demand		81,902	81,766	81,630	81,493	81,357	81,221	81,085	80,949	80,813	80,677	80,541	80,405	973,840
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		6,614	6,602	6,602	6,595	6,590	6,584	6,574	6,558	6,546	6,528	6,502	6,482	78,778
13	Retail Demand-Related Recoverable Costs (I)		79,503	79,371	79,239	79,107	78,975	78,843	78,711	78,579	78,446	78,314	78,182	78,050	945,321
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		86,117	85,973	85,841	85,701	85,565	85,427	85,285	85,137	84,993	84,842	84,685	84,532	1,024,098

Notes:
(A) Description and reason for 'Other' adjustments to net investment for this project, if applicable.
(B) Beginning and Ending Balances: Crist $4,053,254; Smith $1,729,329; Daniel $584,373, Scholz $911,255.
(C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
(D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
(E) Crist 3.5%; Crist 1-3 CEMS 3.2%; Smith 3.3%; Scholz 4.1%; Daniel 2.8% annually.
(F) Part of PE 1283 has a 7 year amortization period. PEs 1364 & 1658 are fully amortized.
(G) Description and reason for "Other" adjustments to investment expenses for this project.
(H) Line 9a x Line 10 x 1.0015 line loss multiplier.
(I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: Substation Contamination Remediation
P.E.s 1007, 2859, 3400, 3412, 3477
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	c Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	1,961,179	1,961,179	1,961,179	1,961,179	1,961,179	1,961,179	1,961,179	1,961,179	1,961,179	1,961,179	1,961,179	1,961,179	1,961,179	
3	Less: Accumulated Depreciation (C)	(314,229)	(317,767)	(321,306)	(324,844)	(328,383)	(331,921)	(335,460)	(338,998)	(342,537)	(346,075)	(349,614)	(353,152)	(356,691)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	1,646,951	1,643,412	1,639,874	1,636,335	1,632,797	1,629,258	1,625,720	1,622,181	1,618,643	1,615,104	1,611,566	1,608,027	1,604,489	
6	Average Net Investment		1,645,182	1,641,643	1,638,105	1,634,566	1,631,028	1,627,489	1,623,950	1,620,412	1,616,873	1,613,335	1,609,796	1,606,258	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		8,877	8,858	8,839	8,820	8,801	8,782	8,763	8,744	8,725	8,706	8,686	8,667	105,269
	b Debt Component (Line 6 x Debt Component x 1/12)		2,601	2,595	2,590	2,584	2,579	2,573	2,567	2,562	2,556	2,551	2,545	2,539	30,843
8	Investment Expenses														
	a Depreciation (E)		3,539	3,539	3,539	3,539	3,539	3,539	3,539	3,539	3,539	3,539	3,539	3,539	42,462
	b Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
	d Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		15,017	14,992	14,968	14,943	14,918	14,894	14,869	14,844	14,819	14,795	14,770	14,745	178,574
	a Recoverable Costs Allocated to Energy		1,155	1,153	1,151	1,149	1,148	1,146	1,144	1,142	1,140	1,138	1,136	1,134	13,736
	b Recoverable Costs Allocated to Demand		13,862	13,839	13,816	13,793	13,771	13,748	13,725	13,702	13,679	13,657	13,634	13,611	164,837
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		1,119	1,117	1,117	1,116	1,115	1,114	1,113	1,110	1,108	1,105	1,101	1,097	13,334
13	Retail Demand-Related Recoverable Costs (I)		13,456	13,434	13,411	13,389	13,368	13,345	13,323	13,301	13,278	13,257	13,235	13,212	160,010
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		14,575	14,551	14,529	14,505	14,483	14,460	14,436	14,411	14,387	14,362	14,335	14,310	173,344

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: Raw Water Well Flowmeters - Plants Crist & Smith
P.E.s 1155 & 1606
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	c Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	242,973	242,973	242,973	242,973	242,973	242,973	242,973	242,973	242,973	242,973	242,973	242,973	242,973	
3	Less: Accumulated Depreciation (C)	(104,094)	(104,787)	(105,481)	(106,174)	(106,867)	(107,560)	(108,253)	(108,947)	(109,640)	(110,333)	(111,026)	(111,719)	(112,413)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	138,878	138,185	137,492	136,799	136,106	135,412	134,719	134,026	133,333	132,640	131,946	131,253	130,560	
6	Average Net Investment		138,532	137,839	137,145	136,452	135,759	135,066	134,373	133,679	132,986	132,293	131,600	130,906	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		748	744	740	736	733	729	725	721	718	714	710	706	8,723
	b Debt Component (Line 6 x Debt Component x 1/12)		219	218	217	216	215	214	212	211	210	209	208	207	2,556
8	Investment Expenses														
	a Depreciation (E)		693	693	693	693	693	693	693	693	693	693	693	693	8,319
	b Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
	d Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		1,660	1,655	1,650	1,645	1,640	1,636	1,631	1,626	1,621	1,616	1,611	1,607	19,598
	a Recoverable Costs Allocated to Energy		128	127	127	127	126	126	125	125	125	124	124	124	1,508
	b Recoverable Costs Allocated to Demand		1,532	1,528	1,523	1,519	1,514	1,510	1,505	1,501	1,496	1,492	1,487	1,483	18,090
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		124	123	123	123	123	122	122	122	121	121	120	120	1,463
13	Retail Demand-Related Recoverable Costs (I)		1,487	1,483	1,478	1,475	1,470	1,466	1,461	1,457	1,452	1,448	1,443	1,440	17,560
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		1,611	1,607	1,602	1,597	1,592	1,588	1,583	1,579	1,573	1,569	1,564	1,559	19,024

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: Crist Cooling Tower Cell
P.E. 1232
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	c Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Less: Accumulated Depreciation (C)	496,311	496,142	495,973	495,804	495,635	495,466	495,297	495,128	494,959	494,790	494,621	494,452	494,283	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	496,311	496,142	495,973	495,804	495,635	495,466	495,297	495,128	494,959	494,790	494,621	494,452	494,283	
6	Average Net Investment		496,227	496,058	495,889	495,720	495,551	495,382	495,213	495,044	494,875	494,706	494,537	494,368	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		2,678	2,677	2,676	2,675	2,674	2,673	2,672	2,671	2,670	2,669	2,669	2,668	32,071
	b Debt Component (Line 6 x Debt Component x 1/12)		785	784	784	784	783	783	783	783	782	782	782	782	9,397
8	Investment Expenses														
	a Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
	b Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Dismantlement		169	169	169	169	169	169	169	169	169	169	169	169	2,028
	d Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		3,631	3,630	3,629	3,628	3,626	3,625	3,624	3,623	3,622	3,621	3,619	3,618	43,496
	a Recoverable Costs Allocated to Energy		279	279	279	279	279	279	279	279	279	279	278	278	3,346
	b Recoverable Costs Allocated to Demand		3,352	3,351	3,350	3,349	3,347	3,346	3,345	3,344	3,343	3,342	3,341	3,340	40,150
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		271	271	271	271	271	271	271	271	271	270	270	269	3,248
13	Retail Demand-Related Recoverable Costs (I)		3,254	3,253	3,252	3,251	3,249	3,248	3,247	3,246	3,245	3,244	3,243	3,242	38,974
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		3,525	3,523	3,523	3,522	3,520	3,519	3,518	3,517	3,516	3,515	3,513	3,511	42,222

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: Crist Dechlorination System
P.E.s 1180 & 1248
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	c Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	381,885	381,885	381,885	381,885	381,885	381,885	381,885	381,885	381,885	381,885	381,885	381,885	381,885	
3	Less: Accumulated Depreciation (C)	(182,570)	(183,684)	(184,798)	(185,912)	(187,025)	(188,139)	(189,253)	(190,367)	(191,481)	(192,595)	(193,709)	(194,823)	(195,937)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	199,315	198,201	197,087	195,973	194,859	193,746	192,632	191,518	190,404	189,290	188,176	187,062	185,948	
6	Average Net Investment		198,758	197,644	196,530	195,416	194,303	193,189	192,075	190,961	189,847	188,733	187,619	186,505	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		1,073	1,066	1,060	1,054	1,048	1,042	1,036	1,030	1,024	1,018	1,012	1,006	12,473
	b Debt Component (Line 6 x Debt Component x 1/12)		314	312	311	309	307	305	304	302	300	298	297	295	3,655
8	Investment Expenses														
	a Depreciation (E)		1,114	1,114	1,114	1,114	1,114	1,114	1,114	1,114	1,114	1,114	1,114	1,114	13,368
	b Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
	d Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		2,501	2,493	2,485	2,477	2,470	2,462	2,454	2,446	2,439	2,431	2,423	2,415	29,495
	a Recoverable Costs Allocated to Energy		192	192	191	191	190	189	189	188	188	187	186	186	2,269
	b Recoverable Costs Allocated to Demand		2,308	2,301	2,294	2,287	2,280	2,272	2,265	2,258	2,251	2,244	2,237	2,229	27,226
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		186	186	186	185	185	184	184	183	182	182	181	180	2,202
13	Retail Demand-Related Recoverable Costs (I)		2,240	2,234	2,227	2,220	2,213	2,205	2,199	2,192	2,185	2,178	2,171	2,164	26,429
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		2,427	2,419	2,412	2,405	2,398	2,390	2,382	2,375	2,367	2,360	2,352	2,343	28,631

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: Crist Diesel Fuel Oil Remediation
P.E. 1270
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	c Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923	
3	Less: Accumulated Depreciation (C)	(38,480)	(38,681)	(38,882)	(39,084)	(39,285)	(39,486)	(39,687)	(39,888)	(40,089)	(40,290)	(40,491)	(40,692)	(40,893)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	30,443	30,242	30,041	29,840	29,638	29,437	29,236	29,035	28,834	28,633	28,432	28,231	28,030	
6	Average Net Investment		30,342	30,141	29,940	29,739	29,538	29,337	29,136	28,935	28,734	28,533	28,332	28,131	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		164	163	162	160	159	158	157	156	155	154	153	152	1,893
	b Debt Component (Line 6 x Debt Component x 1/12)		48	48	47	47	47	46	46	46	45	45	45	44	555
8	Investment Expenses														
	a Depreciation (E)		201	201	201	201	201	201	201	201	201	201	201	201	2,413
	b Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
	d Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		413	411	410	409	407	406	404	403	402	400	399	397	4,860
	a Recoverable Costs Allocated to Energy		32	32	32	31	31	31	31	31	31	31	31	31	374
	b Recoverable Costs Allocated to Demand		381	380	378	377	376	375	373	372	371	369	368	367	4,487
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		31	31	31	31	30	30	30	30	30	30	30	30	363
13	Retail Demand-Related Recoverable Costs (I)		370	369	367	366	365	364	362	361	360	358	357	356	4,356
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		401	400	398	396	395	394	392	391	390	388	387	386	4,719

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: Crist Bulk Tanker Unload Sec Contain Struc
P.E. 1271
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	c Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495	
3	Less: Accumulated Depreciation (C)	(65,878)	(66,175)	(66,471)	(66,767)	(67,063)	(67,359)	(67,655)	(67,951)	(68,247)	(68,543)	(68,839)	(69,135)	(69,431)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	35,617	35,321	35,024	34,728	34,432	34,136	33,840	33,544	33,248	32,952	32,656	32,360	32,064	
6	Average Net Investment		35,469	35,173	34,876	34,580	34,284	33,988	33,692	33,396	33,100	32,804	32,508	32,212	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		191	190	188	187	185	183	182	180	179	177	175	174	2,191
	b Debt Component (Line 6 x Debt Component x 1/12)		56	56	55	55	54	54	53	53	52	52	51	51	642
8	Investment Expenses														
	a Depreciation (E)		296	296	296	296	296	296	296	296	296	296	296	296	3,553
	b Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
	d Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		544	541	539	537	535	533	531	529	527	525	523	521	6,386
	a Recoverable Costs Allocated to Energy		42	42	41	41	41	41	41	41	41	40	40	40	491
	b Recoverable Costs Allocated to Demand		502	500	498	496	494	492	490	488	486	485	483	481	5,895
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		41	40	40	40	40	40	40	40	39	39	39	39	477
13	Retail Demand-Related Recoverable Costs (I)		487	485	483	481	480	478	476	474	472	471	469	467	5,722
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		528	526	524	522	520	517	515	513	511	510	508	506	6,199

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: Crist IWW Sampling System
P.E. 1275
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	c Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543	
3	Less: Accumulated Depreciation (C)	(38,966)	(39,140)	(39,314)	(39,487)	(39,661)	(39,835)	(40,008)	(40,182)	(40,356)	(40,529)	(40,703)	(40,877)	(41,051)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	20,577	20,403	20,229	20,055	19,882	19,708	19,534	19,361	19,187	19,013	18,840	18,666	18,492	
6	Average Net Investment		20,490	20,316	20,142	19,969	19,795	19,621	19,448	19,274	19,100	18,926	18,753	18,579	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		111	110	109	108	107	106	105	104	103	102	101	100	1,265
	b Debt Component (Line 6 x Debt Component x 1/12)		32	32	32	32	31	31	31	30	30	30	30	29	371
8	Investment Expenses														
	a Depreciation (E)		174	174	174	174	174	174	174	174	174	174	174	174	2,084
	b Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
	d Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		317	315	314	313	312	311	309	308	307	306	305	303	3,720
	a Recoverable Costs Allocated to Energy		24	24	24	24	24	24	24	24	24	24	23	23	286
	b Recoverable Costs Allocated to Demand		292	291	290	289	288	287	286	284	283	282	281	280	3,433
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		24	24	23	23	23	23	23	23	23	23	23	23	278
13	Retail Demand-Related Recoverable Costs (I)		283	282	282	281	280	279	278	276	275	274	273	272	3,332
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		307	306	305	304	303	302	301	299	298	297	295	294	3,610

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: Sodium Injection System
P.E.s 1214 & 1413
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	c Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	391,119	391,119	391,119	391,119	391,119	391,119	391,119	391,119	391,119	391,119	391,119	391,119	391,119	
3	Less: Accumulated Depreciation (C)	(125,671)	(126,794)	(127,918)	(129,041)	(130,164)	(131,287)	(132,410)	(133,533)	(134,656)	(135,779)	(136,902)	(138,026)	(139,149)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	265,448	264,325	263,201	262,078	260,955	259,832	258,709	257,586	256,463	255,340	254,217	253,093	251,970	
6	Average Net Investment		264,886	263,763	262,640	261,517	260,394	259,271	258,147	257,024	255,901	254,778	253,655	252,532	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		1,429	1,423	1,417	1,411	1,405	1,399	1,393	1,387	1,381	1,375	1,369	1,363	16,752
	b Debt Component (Line 6 x Debt Component x 1/12)		419	417	415	413	412	410	408	406	405	403	401	399	4,908
8	Investment Expenses														
	a Depreciation (E)		1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	13,477
	b Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
	d Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		2,971	2,963	2,956	2,948	2,940	2,932	2,924	2,916	2,909	2,901	2,893	2,885	35,137
	a Recoverable Costs Allocated to Energy		229	228	227	227	226	226	225	224	224	223	223	222	2,703
	b Recoverable Costs Allocated to Demand		2,743	2,735	2,728	2,721	2,714	2,706	2,699	2,692	2,685	2,678	2,670	2,663	32,435
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		221	221	221	220	220	219	219	218	217	217	216	215	2,624
13	Retail Demand-Related Recoverable Costs (I)		2,662	2,655	2,648	2,641	2,634	2,627	2,620	2,613	2,606	2,599	2,592	2,585	31,485
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		2,884	2,876	2,869	2,861	2,854	2,847	2,839	2,831	2,824	2,816	2,808	2,800	34,108

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: Smith Stormwater Collection System
P.E. 1446
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	c Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	
3	Less: Accumulated Depreciation (C)	(1,579,928)	(1,587,580)	(1,595,232)	(1,602,884)	(1,610,536)	(1,618,189)	(1,625,841)	(1,633,493)	(1,641,145)	(1,648,797)	(1,656,449)	(1,664,102)	(1,671,754)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	1,202,672	1,195,020	1,187,368	1,179,716	1,172,064	1,164,412	1,156,759	1,149,107	1,141,455	1,133,803	1,126,151	1,118,499	1,110,847	
6	Average Net Investment		1,198,846	1,191,194	1,183,542	1,175,890	1,168,238	1,160,586	1,152,933	1,145,281	1,137,629	1,129,977	1,122,325	1,114,673	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		6,469	6,428	6,386	6,345	6,304	6,263	6,221	6,180	6,139	6,097	6,056	6,015	74,902
	b Debt Component (Line 6 x Debt Component x 1/12)		1,895	1,883	1,871	1,859	1,847	1,835	1,823	1,811	1,799	1,786	1,774	1,762	21,946
8	Investment Expenses														
	a Depreciation (E)		7,652	7,652	7,652	7,652	7,652	7,652	7,652	7,652	7,652	7,652	7,652	7,652	91,826
	b Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
	d Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		16,017	15,963	15,910	15,856	15,803	15,750	15,696	15,643	15,589	15,536	15,483	15,429	188,674
	a Recoverable Costs Allocated to Energy		1,232	1,228	1,224	1,220	1,216	1,212	1,207	1,203	1,199	1,195	1,191	1,187	14,513
	b Recoverable Costs Allocated to Demand		14,784	14,735	14,686	14,637	14,587	14,538	14,489	14,439	14,390	14,341	14,292	14,242	174,160
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		1,194	1,190	1,188	1,184	1,182	1,178	1,175	1,170	1,166	1,160	1,154	1,148	14,089
13	Retail Demand-Related Recoverable Costs (I)		14,351	14,303	14,256	14,208	14,160	14,112	14,065	14,016	13,969	13,921	13,873	13,825	169,060
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		15,545	15,493	15,444	15,393	15,341	15,291	15,239	15,186	15,134	15,081	15,027	14,973	183,148

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: Smith Waste Water Treatment Facility
P.E.s 1466 & 1643
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	c Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	178,962	178,962	178,962	178,962	178,962	178,962	178,962	178,962	178,962	178,962	178,962	178,962	178,962	
3	Less: Accumulated Depreciation (C)	71,906	71,414	70,922	70,430	69,938	69,445	68,953	68,461	67,969	67,477	66,985	66,492	66,000	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	250,868	250,376	249,884	249,392	248,899	248,407	247,915	247,423	246,931	246,439	245,947	245,454	244,962	
6	Average Net Investment		250,622	250,130	249,638	249,146	248,653	248,161	247,669	247,177	246,685	246,193	245,700	245,208	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		1,352	1,350	1,347	1,344	1,342	1,339	1,336	1,334	1,331	1,328	1,326	1,323	16,053
	b Debt Component (Line 6 x Debt Component x 1/12)		396	395	395	394	393	392	392	391	390	389	388	388	4,703
8	Investment Expenses														
	a Depreciation (E)		492	492	492	492	492	492	492	492	492	492	492	492	5,906
	b Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
	d Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		2,241	2,237	2,234	2,230	2,227	2,224	2,220	2,217	2,213	2,210	2,206	2,203	26,662
	a Recoverable Costs Allocated to Energy		172	172	172	172	171	171	171	171	170	170	170	169	2,051
	b Recoverable Costs Allocated to Demand		2,068	2,065	2,062	2,059	2,056	2,053	2,049	2,046	2,043	2,040	2,037	2,034	24,612
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		167	167	167	167	167	166	166	166	165	165	164	164	1,991
13	Retail Demand-Related Recoverable Costs (I)		2,007	2,005	2,002	1,999	1,996	1,993	1,989	1,986	1,983	1,980	1,977	1,974	23,891
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		2,174	2,171	2,168	2,165	2,162	2,159	2,155	2,152	2,149	2,145	2,142	2,138	25,882

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: Daniel Ash Management Project
P.E.s 1501, 1535, 1555, & 1819
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	c Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	14,950,124	14,950,124	14,950,124	14,950,124	14,950,124	14,950,124	14,950,124	14,950,124	14,950,124	14,950,124	14,950,124	14,950,124	14,950,124	
3	Less: Accumulated Depreciation (C)	(6,221,798)	(6,265,673)	(6,309,548)	(6,353,422)	(6,397,297)	(6,441,171)	(6,485,046)	(6,528,921)	(6,572,795)	(6,616,670)	(6,660,545)	(6,704,419)	(6,748,294)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	8,728,326	8,684,451	8,640,576	8,596,702	8,552,827	8,508,953	8,465,078	8,421,203	8,377,329	8,333,454	8,289,579	8,245,705	8,201,830	
6	Average Net Investment		8,706,388	8,662,514	8,618,639	8,574,765	8,530,890	8,487,015	8,443,141	8,399,266	8,355,391	8,311,517	8,267,642	8,223,767	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		46,980	46,743	46,506	46,269	46,033	45,796	45,559	45,322	45,086	44,849	44,612	44,375	548,131
	b Debt Component (Line 6 x Debt Component x 1/12)		13,765	13,695	13,626	13,557	13,487	13,418	13,349	13,279	13,210	13,141	13,071	13,002	160,599
8	Investment Expenses														
	a Depreciation (E)		34,879	34,879	34,879	34,879	34,879	34,879	34,879	34,879	34,879	34,879	34,879	34,879	418,544
	b Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Dismantlement		8,996	8,996	8,996	8,996	8,996	8,996	8,996	8,996	8,996	8,996	8,996	8,996	107,952
	d Property Taxes		24,519	24,519	24,519	24,519	24,519	24,519	24,519	24,519	24,519	24,519	24,519	24,519	294,228
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		129,138	128,832	128,526	128,220	127,914	127,608	127,301	126,995	126,689	126,383	126,077	125,771	1,529,454
	a Recoverable Costs Allocated to Energy		9,934	9,910	9,887	9,863	9,840	9,816	9,792	9,769	9,745	9,722	9,698	9,675	117,650
	b Recoverable Costs Allocated to Demand		119,204	118,922	118,639	118,357	118,074	117,792	117,509	117,226	116,944	116,661	116,379	116,096	1,411,803
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		9,627	9,602	9,595	9,578	9,564	9,548	9,527	9,497	9,473	9,440	9,396	9,359	114,206
13	Retail Demand-Related Recoverable Costs (I)		115,713	115,439	115,165	114,891	114,616	114,342	114,068	113,793	113,519	113,245	112,971	112,696	1,370,458
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		125,340	125,041	124,760	124,468	124,180	123,891	123,595	123,290	122,993	122,684	122,367	122,055	1,484,664

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: Smith Water Conservation
P.E.s 1601, 1620 & 1638
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		733,333	733,333	733,333	733,333	733,333	733,333	733,333	733,333	733,333	733,333	733,333	733,333	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	c Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	134,134	134,134	134,134	134,134	134,134	134,134	134,134	134,134	134,134	134,134	134,134	134,134	134,134	
3	Less: Accumulated Depreciation (C)	(39,626)	(39,995)	(40,364)	(40,733)	(41,101)	(41,470)	(41,839)	(42,208)	(42,577)	(42,946)	(43,315)	(43,683)	(44,052)	
4	CWIP - Non Interest Bearing	7,448,000	8,181,333	8,914,667	9,648,000	10,381,333	11,114,667	11,848,000	12,581,333	13,314,667	14,048,000	14,781,333	15,514,667	16,248,000	
5	Net Investment (Lines 2 + 3 + 4) (A)	7,542,508	8,275,473	9,008,437	9,741,402	10,474,366	11,207,331	11,940,295	12,673,260	13,406,224	14,139,188	14,872,153	15,605,117	16,338,082	
6	Average Net Investment		7,908,991	8,641,955	9,374,919	10,107,884	10,840,848	11,573,813	12,306,777	13,039,742	13,772,706	14,505,671	15,238,635	15,971,600	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		42,677	46,632	50,587	54,542	58,497	62,452	66,407	70,362	74,318	78,273	82,228	86,183	773,158
	b Debt Component (Line 6 x Debt Component x 1/12)		12,504	13,663	14,822	15,981	17,139	18,298	19,457	20,616	21,775	22,933	24,092	25,251	226,531
8	Investment Expenses														
	a Depreciation (E)		369	369	369	369	369	369	369	369	369	369	369	369	4,426
	b Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
	d Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		55,550	60,664	65,778	70,892	76,005	81,119	86,233	91,347	96,461	101,575	106,689	111,803	1,004,116
	a Recoverable Costs Allocated to Energy		4,273	4,666	5,060	5,453	5,847	6,240	6,633	7,027	7,420	7,813	8,207	8,600	77,240
	b Recoverable Costs Allocated to Demand		51,277	55,997	60,718	65,438	70,159	74,879	79,600	84,320	89,041	93,761	98,482	103,203	926,875
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		4,141	4,521	4,911	5,295	5,683	6,070	6,454	6,831	7,213	7,587	7,951	8,320	74,976
13	Retail Demand-Related Recoverable Costs (I)		49,775	54,357	58,940	63,522	68,104	72,686	77,269	81,851	86,433	91,015	95,598	100,181	899,731
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		53,916	58,878	63,851	68,817	73,787	78,756	83,723	88,682	93,646	98,602	103,549	108,500	974,707

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: Underground Fuel Tank Replacement
P.E. 4397
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	c Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Less: Accumulated Depreciation (C)	0	0	0	0	0	0	0	0	0	0	0	0	0	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	0	0	0	0	0	0	0	0	0	0	0	0	0	
6	Average Net Investment		0	0	0	0	0	0	0	0	0	0	0	0	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
	b Debt Component (Line 6 x Debt Component x 1/12)		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
	a Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
	b Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
	d Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		0	0	0	0	0	0	0	0	0	0	0	0	0
	a Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		0	0	0	0	0	0	0	0	0	0	0	0	0

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: Crist FDEP Agreement for Ozone Attainment
P.E.s 1031, 1158, 1167, 1199, 1250, 1287
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		0	0	0	0	0	0	0	0	273,107	546,215	546,218	273,109	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	1,638,649	
	c Retirements		0	0	0	0	0	0	0	0	0	0	1,552,008	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	61,351	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	(61,000)	0	
2	Plant-in-Service/Depreciation Base (B)	117,971,004	117,971,004	117,971,004	117,971,004	117,971,004	117,971,004	117,971,004	117,971,004	117,971,004	117,971,004	117,971,004	116,418,996	118,057,645	
3	Less: Accumulated Depreciation (C)	(20,955,648)	(21,332,049)	(21,708,451)	(22,084,852)	(22,461,253)	(22,837,655)	(23,214,056)	(23,590,458)	(23,966,859)	(24,281,909)	(24,658,311)	(23,421,704)	(23,793,578)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	273,107	819,322	1,365,540	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	97,015,357	96,638,955	96,262,554	95,886,152	95,509,751	95,133,350	94,756,948	94,380,547	94,004,145	93,962,202	94,132,016	94,362,832	94,264,067	
6	Average Net Investment		96,827,156	96,450,755	96,074,353	95,697,952	95,321,550	94,945,149	94,568,748	94,192,346	93,983,174	94,047,109	94,247,424	94,313,450	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		522,479	520,448	518,417	516,386	514,355	512,324	510,293	508,262	507,133	507,478	508,559	508,915	6,155,051
	b Debt Component (Line 6 x Debt Component x 1/12)		153,084	152,489	151,894	151,298	150,703	150,108	149,513	148,918	148,587	148,688	149,005	149,110	1,803,398
8	Investment Expenses														
	a Depreciation (E)		343,504	343,504	343,504	343,504	343,504	343,504	343,504	343,504	343,504	343,504	343,504	338,977	4,117,524
	b Amortization (F)		227	227	227	227	227	227	227	227	227	227	227	227	2,726
	c Dismantlement		32,670	32,670	32,670	32,670	32,670	32,670	32,670	32,670	32,670	32,670	32,670	32,670	392,040
	d Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		1,051,964	1,049,338	1,046,712	1,044,086	1,041,460	1,038,834	1,036,208	1,033,581	1,032,122	1,032,568	1,033,966	1,029,899	12,470,738
	a Recoverable Costs Allocated to Energy		80,920	80,718	80,516	80,314	80,112	79,910	79,708	79,506	79,394	79,428	79,536	79,223	959,288
	b Recoverable Costs Allocated to Demand		971,044	968,620	966,196	963,772	961,348	958,923	956,499	954,075	952,728	953,140	954,430	950,676	11,511,451
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		78,419	78,208	78,143	77,989	77,868	77,732	77,551	77,296	77,178	77,123	77,055	76,640	931,202
13	Retail Demand-Related Recoverable Costs (I)		942,607	940,254	937,900	935,547	933,194	930,841	928,488	926,135	924,827	925,227	926,479	922,835	11,174,333
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		1,021,026	1,018,461	1,016,043	1,013,537	1,011,062	1,008,573	1,006,039	1,003,430	1,002,005	1,002,350	1,003,534	999,475	12,105,535

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: SPCC Compliance
P.E.s 1272, 1404, & 1628
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	c Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	934,730	934,730	934,730	934,730	934,730	934,730	934,730	934,730	934,730	934,730	934,730	934,730	934,730	
3	Less: Accumulated Depreciation (C)	(219,862)	(222,586)	(225,311)	(228,035)	(230,759)	(233,483)	(236,207)	(238,931)	(241,655)	(244,379)	(247,103)	(249,828)	(252,552)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	714,868	712,144	709,420	706,696	703,971	701,247	698,523	695,799	693,075	690,351	687,627	684,903	682,178	
6	Average Net Investment		713,506	710,782	708,058	705,333	702,609	699,885	697,161	694,437	691,713	688,989	686,265	683,541	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		3,850	3,835	3,821	3,806	3,791	3,777	3,762	3,747	3,732	3,718	3,703	3,688	45,231
	b Debt Component (Line 6 x Debt Component x 1/12)		1,128	1,124	1,119	1,115	1,111	1,107	1,102	1,098	1,094	1,089	1,085	1,081	13,252
8	Investment Expenses														
	a Depreciation (E)		2,724	2,724	2,724	2,724	2,724	2,724	2,724	2,724	2,724	2,724	2,724	2,724	32,689
	b Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
	d Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		7,702	7,683	7,664	7,645	7,626	7,607	7,588	7,569	7,550	7,531	7,512	7,493	91,173
	a Recoverable Costs Allocated to Energy		592	591	590	588	587	585	584	582	581	579	578	576	7,013
	b Recoverable Costs Allocated to Demand		7,110	7,092	7,075	7,057	7,040	7,022	7,005	6,987	6,969	6,952	6,934	6,917	84,160
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		574	573	572	571	570	569	568	566	565	563	560	558	6,808
13	Retail Demand-Related Recoverable Costs (I)		6,902	6,884	6,868	6,850	6,834	6,816	6,800	6,782	6,765	6,748	6,731	6,714	81,695
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		7,476	7,457	7,440	7,421	7,404	7,386	7,368	7,348	7,329	7,311	7,291	7,272	88,503

Notes:
(A) Description and reason for 'Other' adjustments to net investment for this project, if applicable.
(B) Beginning and Ending Balances: Crist $919,836; Smith $14,895.
(C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
(D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
(E) Crist 3.5%; Smith 3.3% annually.
(F) Applicable amortization period.
(G) Description and reason for "Other" adjustments to investment expenses for this project.
(H) Line 9a x Line 10 x 1.0015 line loss multiplier.
(I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: Crist Common FTIR Monitor
P.E. 1297
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	c Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	62,870	62,870	62,870	62,870	62,870	62,870	62,870	62,870	62,870	62,870	62,870	62,870	62,870	
3	Less: Accumulated Depreciation (C)	(20,722)	(20,905)	(21,089)	(21,272)	(21,456)	(21,639)	(21,822)	(22,006)	(22,189)	(22,373)	(22,556)	(22,739)	(22,923)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	42,148	41,965	41,782	41,598	41,415	41,231	41,048	40,865	40,681	40,498	40,314	40,131	39,948	
6	Average Net Investment		42,057	41,873	41,690	41,506	41,323	41,140	40,956	40,773	40,590	40,406	40,223	40,039	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		227	226	225	224	223	222	221	220	219	218	217	216	2,658
	b Debt Component (Line 6 x Debt Component x 1/12)		66	66	66	66	65	65	65	64	64	64	64	63	779
8	Investment Expenses														
	a Depreciation (E)		183	183	183	183	183	183	183	183	183	183	183	183	2,201
	b Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
	d Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		477	476	474	473	472	470	469	468	467	465	464	463	5,637
	a Recoverable Costs Allocated to Energy		37	37	36	36	36	36	36	36	36	36	36	36	434
	b Recoverable Costs Allocated to Demand		440	439	438	437	435	434	433	432	431	430	428	427	5,204
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		36	35	35	35	35	35	35	35	35	35	35	34	421
13	Retail Demand-Related Recoverable Costs (I)		427	426	425	424	423	422	420	419	418	417	416	415	5,051
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		463	462	460	459	458	457	455	454	453	452	450	449	5,472

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: Precipitator Upgrades for CAM Compliance
P.E.s 1175, 1191, 1305, 1330, 1461, 1462
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	c Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	
3	Less: Accumulated Depreciation (C)	(6,348,520)	(6,433,001)	(6,517,483)	(6,601,964)	(6,686,445)	(6,770,926)	(6,855,408)	(6,939,889)	(7,024,370)	(7,108,852)	(7,193,333)	(7,277,814)	(7,362,296)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	23,491,158	23,406,677	23,322,195	23,237,714	23,153,233	23,068,751	22,984,270	22,899,789	22,815,308	22,730,826	22,646,345	22,561,864	22,477,382	
6	Average Net Investment		23,448,917	23,364,436	23,279,955	23,195,473	23,110,992	23,026,511	22,942,030	22,857,548	22,773,067	22,688,586	22,604,104	22,519,623	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		126,530	126,074	125,619	125,163	124,707	124,251	123,795	123,339	122,883	122,428	121,972	121,516	1,488,277
	b Debt Component (Line 6 x Debt Component x 1/12)		37,073	36,939	36,806	36,672	36,538	36,405	36,271	36,138	36,004	35,871	35,737	35,604	436,058
8	Investment Expenses														
	a Depreciation (E)		84,481	84,481	84,481	84,481	84,481	84,481	84,481	84,481	84,481	84,481	84,481	84,481	1,013,776
	b Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
	d Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		248,084	247,495	246,906	246,316	245,727	245,137	244,548	243,958	243,369	242,780	242,190	241,601	2,938,111
	a Recoverable Costs Allocated to Energy		19,083	19,038	18,993	18,947	18,902	18,857	18,811	18,766	18,721	18,675	18,630	18,585	226,009
	b Recoverable Costs Allocated to Demand		229,001	228,457	227,913	227,369	226,825	226,281	225,736	225,192	224,648	224,104	223,560	223,016	2,712,102
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		18,494	18,446	18,433	18,399	18,372	18,343	18,302	18,244	18,198	18,133	18,049	17,979	219,392
13	Retail Demand-Related Recoverable Costs (I)		222,295	221,766	221,238	220,710	220,182	219,654	219,126	218,598	218,069	217,541	217,013	216,485	2,632,677
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		240,788	240,212	239,671	239,109	238,554	237,996	237,428	236,842	236,268	235,675	235,062	234,464	2,852,069

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: Plant Groundwater Investigation
P.E.s 1218 & 1361
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	c Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Less: Accumulated Depreciation (C)	0	0	0	0	0	0	0	0	0	0	0	0	0	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	0	0	0	0	0	0	0	0	0	0	0	0	0	
6	Average Net Investment		0	0	0	0	0	0	0	0	0	0	0	0	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
	b Debt Component (Line 6 x Debt Component x 1/12)		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
	a Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
	b Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
	d Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		0	0	0	0	0	0	0	0	0	0	0	0	0
	a Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		0	0	0	0	0	0	0	0	0	0	0	0	0

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: Plant Crist Water Conservation Project
P.E.s 1178, 1227 & 1298
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	c Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	20,025,602	20,025,602	20,025,602	20,025,602	20,025,602	20,025,602	20,025,602	20,025,602	20,025,602	20,025,602	20,025,602	20,025,602	20,025,602	
3	Less: Accumulated Depreciation (C)	(2,590,907)	(2,649,322)	(2,707,736)	(2,766,151)	(2,824,566)	(2,882,980)	(2,941,395)	(2,999,810)	(3,058,224)	(3,116,639)	(3,175,054)	(3,233,469)	(3,291,883)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	17,434,695	17,376,280	17,317,865	17,259,451	17,201,036	17,142,621	17,084,206	17,025,792	16,967,377	16,908,962	16,850,548	16,792,133	16,733,718	
6	Average Net Investment		17,405,487	17,347,073	17,288,658	17,230,243	17,171,829	17,113,414	17,054,999	16,996,584	16,938,170	16,879,755	16,821,340	16,762,926	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		93,920	93,605	93,290	92,974	92,659	92,344	92,029	91,714	91,398	91,083	90,768	90,453	1,106,237
	b Debt Component (Line 6 x Debt Component x 1/12)		27,518	27,426	27,333	27,241	27,149	27,056	26,964	26,872	26,779	26,687	26,595	26,502	324,122
8	Investment Expenses														
	a Depreciation (E)		58,415	58,415	58,415	58,415	58,415	58,415	58,415	58,415	58,415	58,415	58,415	58,415	700,976
	b Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
	d Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		179,853	179,445	179,038	178,630	178,223	177,815	177,407	177,000	176,592	176,185	175,777	175,370	2,131,334
	a Recoverable Costs Allocated to Energy		13,835	13,803	13,772	13,741	13,709	13,678	13,647	13,615	13,584	13,553	13,521	13,490	163,949
	b Recoverable Costs Allocated to Demand		166,018	165,642	165,266	164,889	164,513	164,137	163,761	163,384	163,008	162,632	162,256	161,880	1,967,386
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		13,407	13,374	13,366	13,343	13,325	13,305	13,277	13,237	13,205	13,159	13,100	13,050	159,149
13	Retail Demand-Related Recoverable Costs (I)		161,156	160,791	160,426	160,060	159,695	159,330	158,965	158,599	158,234	157,869	157,504	157,139	1,909,770
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		174,563	174,165	173,792	173,403	173,021	172,635	172,243	171,836	171,439	171,029	170,604	170,189	2,068,919

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: Plant NPDES Permit Compliance Projects
P.E.s 1204 & 1299
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	c Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	6,153,268	6,153,268	6,153,268	6,153,268	6,153,268	6,153,268	6,153,268	6,153,268	6,153,268	6,153,268	6,153,268	6,153,268	6,153,268	
3	Less: Accumulated Depreciation (C)	(1,537,833)	(1,555,782)	(1,573,731)	(1,591,680)	(1,609,629)	(1,627,578)	(1,645,527)	(1,663,476)	(1,681,425)	(1,699,374)	(1,717,323)	(1,735,273)	(1,753,222)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	4,615,436	4,597,486	4,579,537	4,561,588	4,543,639	4,525,690	4,507,741	4,489,792	4,471,843	4,453,894	4,435,945	4,417,996	4,400,047	
6	Average Net Investment		4,606,461	4,588,512	4,570,563	4,552,614	4,534,665	4,516,716	4,498,766	4,480,817	4,462,868	4,444,919	4,426,970	4,409,021	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		24,856	24,760	24,663	24,566	24,469	24,372	24,275	24,178	24,082	23,985	23,888	23,791	291,885
	b Debt Component (Line 6 x Debt Component x 1/12)		7,283	7,254	7,226	7,198	7,169	7,141	7,113	7,084	7,056	7,027	6,999	6,971	85,521
8	Investment Expenses														
	a Depreciation (E)		17,949	17,949	17,949	17,949	17,949	17,949	17,949	17,949	17,949	17,949	17,949	17,949	215,389
	b Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
	d Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		50,088	49,963	49,838	49,713	49,587	49,462	49,337	49,212	49,087	48,961	48,836	48,711	592,795
	a Recoverable Costs Allocated to Energy		3,853	3,843	3,834	3,824	3,814	3,805	3,795	3,786	3,776	3,766	3,757	3,747	45,600
	b Recoverable Costs Allocated to Demand		46,235	46,120	46,004	45,889	45,773	45,657	45,542	45,426	45,311	45,195	45,079	44,964	547,195
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		3,734	3,724	3,721	3,713	3,708	3,701	3,692	3,680	3,670	3,657	3,639	3,625	44,265
13	Retail Demand-Related Recoverable Costs (I)		44,881	44,769	44,657	44,545	44,433	44,320	44,208	44,096	43,984	43,871	43,759	43,647	531,170
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		48,615	48,493	48,377	48,258	48,140	48,021	47,901	47,776	47,655	47,528	47,398	47,272	575,435

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: CAIR/NAAQS/MATS/CAVR Compliance
P.E.s 1034, 1035, 1036, 1037, 1067, 1095, 1168, 1188, 1222, 1233, 1279, 1362, 1468, 1469, 1505, 1508, 1512, 1513, 1517, 1551, 1552, 1646, 1647, 1684, 1809, 1810, 1824, 1826, 1909, 1911, 1950
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		429,310	204,610	207,645	518,710	560,447	1,235,651	673,551	750,769	934,588	936,177	961,181	1,226,860	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	634,373	
	c Retirements		0	0	0	0	0	0	0	0	0	286,568	0	500,000	
	d Cost of Removal		0	0	0	0	0	0	0	0	5,000	5,000	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	(10,000)	
2	Plant-in-Service/Depreciation Base (B)	799,071,544	799,071,544	799,071,544	799,071,544	799,071,544	799,071,544	799,071,544	799,071,544	799,071,544	799,071,544	798,784,976	798,784,976	798,919,349	
3	Less: Accumulated Depreciation (C)	(113,326,079)	(115,974,775)	(118,623,470)	(121,272,166)	(123,920,862)	(126,569,558)	(129,218,254)	(131,866,949)	(134,515,645)	(137,159,341)	(139,516,469)	(142,164,328)	(144,302,188)	
4	CWIP - Non Interest Bearing	0	429,310	633,920	841,565	1,360,275	1,920,722	3,156,373	3,829,924	4,580,693	5,515,281	6,451,458	7,412,639	8,005,126	
5	Net Investment (Lines 2 + 3 + 4) (A)	685,745,465	683,526,079	681,081,994	678,640,943	676,510,957	674,422,708	673,009,664	671,034,519	669,136,592	667,427,484	665,719,966	664,033,287	662,622,287	
6	Average Net Investment		684,635,772	682,304,037	679,861,468	677,575,950	675,466,833	673,716,186	672,022,091	670,085,555	668,282,038	666,573,725	664,876,626	663,327,787	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		3,694,295	3,681,713	3,668,532	3,656,200	3,644,819	3,635,373	3,626,231	3,615,782	3,606,050	3,596,832	3,587,674	3,579,317	43,592,817
	b Debt Component (Line 6 x Debt Component x 1/12)		1,082,409	1,078,723	1,074,861	1,071,248	1,067,913	1,065,145	1,062,467	1,059,405	1,056,554	1,053,853	1,051,170	1,048,721	12,772,469
8	Investment Expenses														
	a Depreciation (E)		2,316,226	2,316,226	2,316,226	2,316,226	2,316,226	2,316,226	2,316,226	2,316,226	2,316,226	2,316,226	2,315,390	2,315,390	27,793,037
	b Amortization (F)		17,573	17,573	17,573	17,573	17,573	17,573	17,573	17,573	17,573	17,573	17,573	17,573	210,876
	c Dismantlement		314,897	314,897	314,897	314,897	314,897	314,897	314,897	314,897	314,897	314,897	314,897	314,897	3,778,764
	d Property Taxes		129,304	129,304	129,304	129,304	129,304	129,304	129,304	129,304	129,304	129,304	129,304	129,304	1,551,648
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		7,554,704	7,538,435	7,521,393	7,505,447	7,490,732	7,478,518	7,466,698	7,453,187	7,440,604	7,428,685	7,416,008	7,405,202	89,699,611
	a Recoverable Costs Allocated to Energy		581,131	579,880	578,569	577,342	576,210	575,271	574,361	573,322	572,354	571,437	570,462	569,631	6,899,970
	b Recoverable Costs Allocated to Demand		6,973,573	6,958,555	6,942,825	6,928,105	6,914,522	6,903,247	6,892,337	6,879,865	6,868,249	6,857,247	6,845,546	6,835,571	82,799,642
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		563,168	561,842	561,514	560,630	560,067	559,588	558,818	557,381	556,379	554,851	552,672	551,056	6,697,967
13	Retail Demand-Related Recoverable Costs (I)		6,769,349	6,754,771	6,739,502	6,725,213	6,712,027	6,701,083	6,690,492	6,678,385	6,667,110	6,656,430	6,645,071	6,635,389	80,374,821
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		7,332,517	7,316,613	7,301,015	7,285,842	7,272,094	7,260,670	7,249,310	7,235,767	7,223,489	7,211,281	7,197,744	7,186,444	87,072,788

Notes:
(A) Description and reason for 'Other' adjustments to net Investment for this project, if applicable
(B) Beginning Balances: Crist $779,360,930; Smith $12,931,385; Daniel $6,772,129, Scholz $7,099."Ending Balances: Crist $779,208,735; Smith $12,931,385; Daniel $6,772,129, Scholz $7,099.
(C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
(D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
(E) Crist 3.5%; Smith 3.3%; Smith CT 3.6%; Daniel 2.8%; Scholz 4.1%. Portions of PE 1222 are transmission: 2.0%, 2.3%, 3.6%, and 2.5%.
(F) Portions of PE 1222 and 1233 have a 7 year amortization period. PE 1279 amortization began in 2013.
(G) Description and reason for "Other" adjustments to investment expenses for this project.
(H) Line 9a x Line 10 x 1.0015 line loss multiplier.
(I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Capital Investments, Depreciation and Taxes
For Project: General Water Quality
P.E.1280
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	
	b Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	
	c Retirements		0	0	0	0	0	0	0	0	0	0	0	0	
	d Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	
	e Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	32,021	32,021	32,021	32,021	32,021	32,021	32,021	32,021	32,021	32,021	32,021	32,021	32,021	
3	Less: Accumulated Depreciation (C)	(32,021)	(32,021)	(32,021)	(32,021)	(32,021)	(32,021)	(32,021)	(32,021)	(32,021)	(32,021)	(32,021)	(32,021)	(32,021)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (A)	0	0	0	0	0	0	0	0	0	0	0	0	0	
6	Average Net Investment		0	0	0	0	0	0	0	0	0	0	0	0	
7	Return on Average Net Investment														
	a Equity Component (Line 6 x Equity Component x 1/12) (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
	b Debt Component (Line 6 x Debt Component x 1/12)		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
	a Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
	b Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
	d Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
	e Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		0	0	0	0	0	0	0	0	0	0	0	0	0
	a Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (H)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		0	0	0	0	0	0	0	0	0	0	0	0	0

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Working Capital, Mercury Allowance Expenses
For Project: Mercury Allowances
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Purchases/Transfers		0	0	0	0	0	0	0	0	0	0	0	0	
	b Sales/Transfers		0	0	0	0	0	0	0	0	0	0	0	0	
	c Auction Proceeds/Other		0	0	0	0	0	0	0	0	0	0	0	0	
2	Working Capital														
	a FERC 158.1 Allowance Inventory	0	0	0	0	0	0	0	0	0	0	0	0	0	
	b FERC 158.2 Allowances Withheld	0	0	0	0	0	0	0	0	0	0	0	0	0	
	c FERC 182.3 Other Regl. Assets - Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	
	d FERC 254 Regulatory Liabilities - Gains	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Total Working Capital Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	
4	Average Net Working Capital Balance		0	0	0	0	0	0	0	0	0	0	0	0	
5	Return on Average Net Working Capital Balance														
	a Equity Component (Line 4 x Equity Component x 1/12) (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
	b Debt Component (Line 4 x Debt Component x 1/12)		0	0	0	0	0	0	0	0	0	0	0	0	0
6	Total Return Component (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
7	Expenses														
	a Gains		0	0	0	0	0	0	0	0	0	0	0	0	0
	b Losses		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Mercury Allowance Expense		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Net Expenses (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 6 + 8)		0	0	0	0	0	0	0	0	0	0	0	0	0
	a Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
	b Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (B)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (C)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		0	0	0	0	0	0	0	0	0	0	0	0	0

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Working Capital, Annual NOx Expenses
For Project: Annual Nox Allowances
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Purchases/Transfers		0	0	0	0	0	0	0	0	0	0	0	0	
	b Sales/Transfers		0	0	0	0	0	0	0	0	0	0	0	0	
	c Auction Proceeds/Other		0	0	0	0	0	0	0	0	0	0	0	0	
2	Working Capital														
	a FERC 158.1 Allowance Inventory	634,065	614,811	602,181	588,362	576,620	560,859	545,534	525,196	500,493	483,211	470,415	460,645	449,671	
	b FERC 158.2 Allowances Withheld	0	0	0	0	0	0	0	0	0	0	0	0	0	
	c FERC 182.3 Other Regl. Assets - Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	
	d FERC 254 Regulatory Liabilities - Gains	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Total Working Capital Balance	634,065	614,811	602,181	588,362	576,620	560,859	545,534	525,196	500,493	483,211	470,415	460,645	449,671	
4	Average Net Working Capital Balance		624,438	608,496	595,272	582,491	568,740	553,197	535,365	512,845	491,852	476,813	465,530	455,158	
5	Return on Average Net Working Capital Balance														
	a Equity Component (Line 4 x Equity Component x 1/12) (A)		3,369	3,283	3,212	3,143	3,069	2,985	2,889	2,767	2,654	2,573	2,512	2,456	34,913
	b Debt Component (Line 4 x Debt Component x 1/12)		987	962	941	921	899	875	846	811	778	754	736	720	10,229
6	Total Return Component (D)		4,357	4,245	4,153	4,064	3,968	3,860	3,735	3,578	3,432	3,327	3,248	3,176	45,142
7	Expenses														
	a Gains		0	0	0	0	0	0	0	0	0	0	0	0	0
	b Losses		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Annual Nox Allowance Expense		19,254	12,630	13,819	11,742	15,761	15,325	20,338	24,703	17,282	12,796	9,770	10,974	184,394
8	Net Expenses (E)		19,254	12,630	13,819	11,742	15,761	15,325	20,338	24,703	17,282	12,796	9,770	10,974	184,394
9	Total System Recoverable Expenses (Lines 6 + 8)		23,611	16,875	17,972	15,806	19,729	19,185	24,073	28,281	20,714	16,123	13,018	14,150	229,536
	a Recoverable Costs Allocated to Energy		19,589	12,957	14,138	12,055	16,066	15,622	20,625	24,978	17,546	13,052	10,020	11,218	187,867
	b Recoverable Costs Allocated to Demand		4,022	3,918	3,834	3,751	3,663	3,563	3,448	3,303	3,168	3,071	2,998	2,932	41,670
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (B)		18,984	12,554	13,722	11,706	15,616	15,196	20,067	24,284	17,056	12,673	9,707	10,852	182,417
13	Retail Demand-Related Recoverable Costs (C)		3,904	3,804	3,721	3,642	3,556	3,459	3,347	3,206	3,075	2,981	2,910	2,846	40,451
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		22,888	16,358	17,443	15,348	19,172	18,655	23,414	27,490	20,131	15,654	12,617	13,698	222,868

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Working Capital, Seasonal NOx Expenses
For Project: Seasonal Nox Allowances
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Purchases/Transfers		0	0	0	0	0	0	0	0	0	0	0	0	
	b Sales/Transfers		0	0	0	0	0	0	0	0	0	0	0	0	
	c Auction Proceeds/Other		0	0	0	0	0	0	0	0	0	0	0	0	
2	Working Capital														
	a FERC 158.1 Allowance Inventory	3	3	3	3	3	3	3	2	2	2	2	2	2	
	b FERC 158.2 Allowances Withheld	0	0	0	0	0	0	0	0	0	0	0	0	0	
	c FERC 182.3 Other Regl. Assets - Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	
	d FERC 254 Regulatory Liabilities - Gains	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Total Working Capital Balance	3	3	3	3	3	3	3	2	2	2	2	2	2	
4	Average Net Working Capital Balance		3	3	3	3	3	3	3	2	2	2	2	2	
5	Return on Average Net Working Capital Balance														
	a Equity Component (Line 4 x Equity Component x 1/12) (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
	b Debt Component (Line 4 x Debt Component x 1/12)		0	0	0	0	0	0	0	0	0	0	0	0	0
6	Total Return Component (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
7	Expenses														
	a Gains		0	0	0	0	0	0	0	0	0	0	0	0	0
	b Losses		0	0	0	0	0	0	0	0	0	0	0	0	0
	c Seasonal NOx Allowance Expense		0	0	0	0	0	0	0	0	0	0	0	0	1
8	Net Expenses (E)		0	0	0	0	0	0	0	0	0	0	0	0	1
9	Total System Recoverable Expenses (Lines 6 + 8)		0	0	0	0	0	0	0	0	0	0	0	0	1
	a Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	1
	b Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (B)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (C)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		0	0	0	0	0	0	0	0	0	0	0	0	0

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014
Return on Working Capital, SO2 Expenses
For Project: SO2 Allowances
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
	a Purchases/Transfers		0	0	0	0	0	0	0	0	0	0	0	0	
	b Sales/Transfers		0	0	0	0	0	0	0	0	0	0	0	0	
	c Auction Proceeds/Other		0	0	0	0	0	0	0	0	0	0	0	0	
2	Working Capital														
	a FERC 158.1 Allowance Inventory	7,302,813	7,215,161	7,157,052	7,095,259	7,039,579	6,972,184	6,904,767	6,812,726	6,699,535	6,624,194	6,567,896	6,524,784	6,476,260	
	b FERC 158.2 Allowances Withheld	0	0	0	0	0	0	0	0	0	0	0	0	0	
	c FERC 182.3 Other Regl. Assets - Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	
	d FERC 254 Regulatory Liabilities - Gains	(289,672)	(275,363)	(261,053)	(246,744)	(232,434)	(218,124)	(203,815)	(189,505)	(175,195)	(160,886)	(146,576)	(132,267)	(117,957)	
3	Total Working Capital Balance	7,013,141	6,939,798	6,895,999	6,848,516	6,807,145	6,754,059	6,700,952	6,623,221	6,524,339	6,463,308	6,421,320	6,392,517	6,358,303	
4	Average Net Working Capital Balance		6,976,470	6,917,899	6,872,258	6,827,831	6,780,602	6,727,506	6,662,087	6,573,780	6,493,824	6,442,314	6,406,919	6,375,410	
5	Return on Average Net Working Capital Balance														
	a Equity Component (Line 4 x Equity Component x 1/12) (A)		37,645	37,329	37,083	36,843	36,588	36,302	35,949	35,472	35,041	34,763	34,572	34,402	431,987
	b Debt Component (Line 4 x Debt Component x 1/12)		11,030	10,937	10,865	10,795	10,720	10,636	10,533	10,393	10,267	10,185	10,129	10,080	126,570
6	Total Return Component (D)		48,675	48,266	47,948	47,638	47,308	46,938	46,481	45,865	45,307	44,948	44,701	44,481	558,557
7	Expenses														
	a Gains		(14,310)	(14,310)	(14,310)	(14,310)	(14,310)	(14,310)	(14,310)	(14,310)	(14,310)	(14,310)	(14,310)	(14,310)	(171,715)
	b Losses		0	0	0	0	0	0	0	0	0	0	0	0	0
	c SO2 Allowance Expense		87,652	58,108	61,793	55,680	67,395	67,417	92,040	113,192	75,341	56,298	43,113	48,523	826,553
8	Net Expenses (E)		73,343	43,799	47,484	41,370	53,086	53,107	77,731	98,882	61,031	41,988	28,803	34,213	654,837
9	Total System Recoverable Expenses (Lines 6 + 8)		122,018	92,065	95,432	89,008	100,394	100,045	124,212	144,747	106,338	86,936	73,504	78,694	1,213,394
	a Recoverable Costs Allocated to Energy		77,087	47,511	51,172	45,035	56,725	56,718	81,306	102,410	64,516	45,446	32,242	37,635	697,803
	b Recoverable Costs Allocated to Demand		44,931	44,553	44,260	43,974	43,669	43,327	42,906	42,337	41,822	41,490	41,262	41,059	515,590
10	Energy Jurisdictional Factor		0.9676381	0.9674437	0.9690685	0.9695986	0.9705278	0.9712814	0.9714813	0.9707397	0.9706336	0.9695208	0.9673640	0.9659417	
11	Demand Jurisdictional Factor		0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	0.9707146	
12	Retail Energy-Related Recoverable Costs (B)		74,704	46,034	49,664	43,731	55,136	55,172	79,106	99,563	62,715	44,127	31,236	36,408	677,596
13	Retail Demand-Related Recoverable Costs (C)		43,615	43,248	42,964	42,686	42,390	42,059	41,649	41,097	40,597	40,275	40,054	39,857	500,491
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		118,319	89,282	92,628	86,417	97,526	97,231	120,755	140,660	103,312	84,402	71,290	76,265	1,178,087

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

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

Title: Air Quality Assurance Testing
PEs 1006 and 1244

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

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

Accomplishments:
The RATA test trailer CEM system was replaced during the 2002-2003 recovery period. The CEMS trailer was also replaced in 2010. These replacements provide Gulf with the accuracy and reliability needed to accurately measure SO_2, NOx, and CO_2 and to further maintain compliance with CAAA requirements.

Project-to-Date: Plant-in-service of $350,812 projected at December 2014.

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

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

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

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

Accomplishments:
The precipitators have successfully reduced particulate emissions while burning low sulfur coal. The upgraded Crist Unit 7 precipitator was placed in service during 2004 as part of the FDEP agreement. The Plant Crist Unit 6 precipitator upgrade was placed in service in April 2012.

Project-to-Date: Plant-in-service of $33,557,253 projected at December 2014.

Progress Summary: In Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

Title: Crist 7 Flue Gas Conditioning
PE 1228

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

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

Accomplishments:
The system enhanced particulate removal in the precipitator.

Project-to-Date: $0

Progress Summary: Retired

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

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

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

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

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

Project-to-Date: Plant-in-service of $9,097,924 projected at December 2014.

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

Title: CEMs – Plant Crist, Scholz, Smith, and Daniel
PEs 1001, 1060, 1154, 1164, 1217, 1240, 1245, 1247, 1256, 1283, 1286, 1289, 1290, 1311, 1316, 1323, 1324, 1357, 1358, 1364, 1440, 1441, 1442, 1444, 1445, 1454, 1459, 1460, 1558, 1570, 1592, 1658, 1829, and 1830

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

Description:
The Continuous Emission Monitoring (CEM) line item includes dilution extraction emission monitors that measure the concentrations of sulfur dioxide (SO_2), carbon dioxide (CO_2) and nitrogen oxides (NO_x) in the flue gas. Opacity and flow monitors were also installed under this line item. All CEMs monitors were installed pursuant to the 1990 Clean Air Act Amendments (CAAA).

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

Project-to-Date: Plant-in-service of $7,278,210 projected at December 2014.

Progress Summary:
The Plant Scholz Units 1 & 2 CEMS analyzer replacements and the Smith Unit 1 gas analyzers and opacity monitor replacements were completed in 2001 and 2002. The Plant Crist Unit 6 & 7 and the Plant Scholz Units 1&2 flow monitors were replaced during 2005. The Plant Daniel Units 1&2 gas analyzers were also replaced during 2005 and the flow monitors were replaced during 2007. During 2008, the opacity, flow, and gas monitors at Plant Smith and opacity and gas monitors at Plant Scholz were replaced. During the 2009 recovery period, the CEMS project included replacement of opacity monitors at Plant Crist on Units 4 through 7 and the installation of CEMs equipment for the new Plant Crist scrubber stack to monitor SO_2, NOx, CO_2 and flow. Plant Crist completed the installation of two CEMS bypass monitoring systems for Units 4 through 7 in the 2011-2012 timeframe.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

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

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

Description:
Three groundwater treatment systems were purchased for the treatment of contaminated groundwater at substation sites. Capital components of substation soil remediation projects are also included in the line.

Accomplishments:
Systems have proven effective in groundwater remediation.

Project-to-Date: Plant-in-service of $1,961,179 projected at December 2014.

Progress Summary: The Highlwand City substation soil remediation project is projected to be completed in September of 2013.

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

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

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

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

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

Project-to-Date: Plant-in-service of $242,973 projected at December 2014.

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

Title: Crist Cooling Tower Cell
PE 1232

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

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

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

Project-to-Date: $0

Progress Summary: Retired

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

Title: Crist Dechlorination System
PE 1248 and PE 1180

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

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

Accomplishments:
During 2011-2012 Plant Crist replaced the existing sodium bisulfate storage tank and installed a new dechlorination system for the Unit 6 and Unit 7 cooling tower blowdowns and the ECUA return water pit. These systems are necessary in order to dechlorinate the industrial wastewater prior to discharge. The system has been effective in maintaining chlorine discharge limits.

Project-to-Date: Plant-in-service of $381,885 projected at December 2014.

Progress Summary: In service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

Title: Crist Diesel Fuel Oil Remediation
PE 1270

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

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

Accomplishments: Monitoring wells and an impervious cap were installed.

Project-to-Date: Plant-in-service of $68,923 projected at December 2014.

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

Title: Crist Bulk Tanker Unloading Secondary Containment
PE 1271

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

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

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

Project-to-Date: Plant-in-service of $101,495 projected at December 2014.

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

Title: Crist IWW Sampling System
PE 1275

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

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

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

Project-to-Date: Plant-in-service of $59,543 projected at December 2014.

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

Title: Sodium Injection System
PEs 1214 and 1413

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

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

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

Project-to-Date: Plant-in-service of $391,119 projected at December 2014.

Progress Summary: In Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

Title: Smith Stormwater Collection System
PE 1446

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

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

Accomplishments:
No unpermitted discharges have occurred since system installation.

Project-to-Date: Plant-in-service of $2,782,600 projected at December 2014.

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

Title: Smith Waste Water Treatment Facility
PEs 1466 and 1643

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

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

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

Project-to-Date: Plant-in-service of $178,962 projected at December 2014.

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

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

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

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

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

Project-to-Date: Plant-in-service of $14,950,124 projected at December 2014.

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

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

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

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

Gulf has been conducting an engineering evaluation and testing to determine whether the existing Plant Smith site properties make it feasible for injection of used reclaimed water. Both the test injection well and monitoring well required by the Florida Department of Environmental Protection (FDEP) have been permitted and installed. Gulf conducted testing of the existing well and found that it is feasible to inject water into the injection well system. We are currently in phase two of the permitting process for converting the initial injection well (IW-1) into a Class I injection well as well as permitting for up to four additional wells. During the latter part of 2013 and into 2014, Gulf anticipates conducting further testing of the existing well, designing a pump system, installing additional injection wells and conducting testing of the injection well system.

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

Project-to-Date: Plant-in-service of $134,134 projected at December 2014.

Progress Summary: See Accomplishments

Projections: Costs reflected in the 2014 projection filing for this line item are $8.8 million.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

Title: Underground Fuel Tank Replacement
PE 4397

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

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

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

Project-to-Date: $0

Progress Summary: See Accomplishments

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

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

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

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

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

Project-to-Date: Plant-in-service of $118,057,645 projected at December 2014.

Progress Summary: In-Service.

Projections: Gulf plans to replace one layer of the Plant Crist Unit 7 SCR catalyst during 2014. The projected 2014 expenditures for this line item are $1.6 million.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

Title: SPCC Compliance
PEs 1272, 1404, and 1628

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

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

Accomplishments: The 2006 SPCC project at Plant Crist routed stormwater from the switchyard drains to the new oil skimming sump where any potential spill could be captured, preventing the oil from reaching surface water. During 2009, Plant Smith installed secondary containment for a padmount transformer located along the ash pond discharge canal. During 2012, Plant Smith installed a secondary containment system for the diesel emergency sump pump system.

Project-to-Date: Plant-in-service of $934,730 projected at December 2014.

Progress Summary: In-service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

Title: Crist Common FTIR Monitor
PE 1297

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

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

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

Project-to-Date: Plant-in-service of $62,870 projected at December 2014

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

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

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

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

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

Project-to-Date: Plant-in-service of $29,839,678 projected at December 2014.

Progress Summary: See Accomplishments

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

Title: Plant Groundwater Investigation
PEs 1218 and 1361

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

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

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

Project-to-Date: $0

Progress Summary: See Accomplishments

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

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

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

Description:
This project is part of the Plant Crist water conservation and consumptive use efficiency program to reduce the demand for groundwater and surface water withdrawals. Specific Condition six of the Northwest Florida Water Management District Individual Water Use Permit Number19850074 issued January 27, 2005 requires Plant Crist to implement measures to increase water conservation and efficiency at the facility. The first Plant Crist Water Conservation project was placed in service during 2006. This project included installing automatic level controls on the fire water tanks to reduce groundwater usage. The second phase of the project involves utilizing reclaimed water from ECUA's proposed wastewater treatment to reduce the demand for groundwater and surface water withdrawals at Plant Crist. The Northwest Florida Water Management District has agreed that this is a valid project to pursue for continued implementation of the water conservation effort.

Accomplishments: Level controls were installed on the fire tank system during 2006. Portions of the plant Crist reclaimed water project were placed in-service in 2009 and 2010. Gulf began receiving reclaimed water from ECUA in November 2010. During the 2011-2012 timeframe Gulf installed defoam and acid injection systems for the Units 6-7 cooling towers to treat scaling and foam associated with reclaimed water usage.

Project-to-Date: Plant-in-service of $20,025,602 projected at December 2014.

Progress Summary: See Accomplishments

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

Title: NPDES Permit Compliance Projects
PE 1204 and 1299

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

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

Accomplishments: Plant Crist installed stainless steel condenser tubes on Unit 6 during June 2006 in an effort to meet the revised water quality standards during times of lower hardness in the river water. During 2008 Plant Crist completed the second phase of the project which involved installing a chemical treatment system in the ash pond. During 2010, Gulf completed the third phase of the project that included installing an aeration system in the ash pond. During 2011-2012 Plant Crist completed installation of a new caustic tank and a sulfuric acid tank as part of the ash pond chemical treatment system.

Project-to-Date: Plant-in-service of $6,153,268 projected at December 2014.

Progress Summary: See Accomplishments

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

Title: CAIR /NAAQS/ MATS/ CAVR Compliance
PEs 1034, 1035, 1036, 1037, 1067, 1095, 1188, 1222, 1233, 1279, 1362, 1468, 1469, 1505, 1508, 1512, 1513, 1517, 1551, 1552, 1646, 1647, 1684, 1809, 1810, 1824, 1826, 1909, 1911, and 1950

FPSC Approval: Order No. PSC-06-0972-FOF-EI
Description: This line item includes the prudently incurred costs for compliance with Gulf's Clean Air Interstate Rule (CAIR), the National Ambient Air Quality Standards (NAAQS), the Mercury and Air Toxics Standards (MATS) rule, and the Clean Air Visibility Rule (CAVR).

Accomplishments: The Plant Smith Unit 1 and Unit 2 SNCRs were placed in service during May 2009 and December 2008, respectively. The Crist Units 4 -7 scrubber project was placed in-service December of 2009 and the Crist Unit 6 hydrated lime injection system was placed in-service in 2011. The Plant Crist Unit 6 SCR was placed-in-service in April of 2012. The Crist Unit 6 SNCR was retired when the Crist Unit 6 SCR was placed in-service. The Plant Crist Unit 6 SCR was placed in-service during April 2012.

Project-to-Date: Plant-in-service of $798,919,349 projected at December 2014.

Progress Summary: Gulf plans to add an additional catalyst layer to the Plant Crist Unit 6 SCR during 2014. The 2014 projected cost for this line item is $557,000. Two Plant Crist scrubber retrofit projects, the scrubber controls upgrade and the scrubber raw water pumps, will be completed in 2014. The projected cost for the retrofit projects is $634,373.

Projections: Gulf Power will begin installing mercury monitoring systems at Plant Crist and Plant Daniel in 2014 in order to comply with the MATS rule. The projected cost for the mercury monitoring systems is $2.72 million. The Plant Daniel and Plant Crist mercury monitors were two of the 10 specific components of Gulf's program that were agreed to as part of a stipulation approved on August 14, 2007.

Gulf Power has determined that bromine injection upstream of the precipitator with activated carbon injection (ACI) will be required at Plant Daniel to comply with the MATS mercury standards. The ACI and bromine injection projects were included in Gulf's third supplemental petition regarding Gulf's environmental compliance program that was filed on April 1, 2013. The projected 2014 cost for Gulf's ownership portion of the Plant Daniel ACI and bromine injection projects is approximately $4.72 million.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

Title: General Water Quality
PE 1280

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

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

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

Project-to-Date: Plant-in-service of $32,021 projected at December 2014.

Progress Summary: In-Service

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

Title: Mercury Allowances

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

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

Accomplishments: N/A

Project-to-Date: N/A

Progress Summary: N/A

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

Title: Annual NO_x Allowances

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

Description:
Although the retrofit installations set forth in Gulf's CAIR/NAAQS/MATS/CAVR Compliance Program significantly reduce emissions, they will not result in Gulf achieving CAIR / CAVR compliance levels without the purchase of some emission allowances. Thus, Gulf's Compliance Program called for the purchase of allowances. The purchase of allowances in conjunction with the retrofit projects comprises the most reasonable, cost-effective means for Gulf to meet CAIR requirements.

Accomplishments: N/A

Project-to-Date: N/A

Progress Summary:

Gulf began surrendering annual NOx allowances during 2009.

Projections: Gulf is not projecting the need to purchase additional annual NOx allowances during 2014. The projected 2014 O&M Annual NOx allowance expenses are $184,394.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

Title: Seasonal NO_x Allowances

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

Description:
Although the retrofit installations set forth in Gulf's CAIR/NAAQS/MATS/CAVR Compliance Program significantly reduce emissions, they will not result in Gulf achieving CAIR/CAVR compliance levels without the purchase of some emission allowances. Thus, Gulf's Compliance Program called for the purchase of allowances. The purchase of allowances in conjunction with the retrofit projects comprises the most reasonable, cost-effective means for Gulf to meet CAIR requirements.

Accomplishments: N/A

Project-to-Date: N/A

Progress Summary:

Gulf began surrendering seasonal NOx allowances during 2009.

Projections: Gulf is not currently projecting the need to purchase additional seasonal NOx allowances during 2014.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

Description and Progress Report of
Environmental Compliance Activities and Projects

Title: SO_2 Allowances

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

Description:
Part of Gulf's strategy to comply with the Acid Rain Program under the Clean Air Act Amendments of 1990 was to bring several of Gulf's Phase II generating units into compliance early and bank the SO_2 allowances associated with those units. SO_2 reductions under the CAIR program utilize this program requiring an increased rate of surrender beginning in 2010. Gulf's bank has slowly been drawn down over the years due to more allowances being consumed than are allocated to Gulf by EPA. Gulf proposed to meet this shortfall by executing forward contracts to secure allowances supplemented with forward contracts, swaps, and spot market purchases of allowances as prices dictate.

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

Project-to-Date: N/A

Progress Summary: See Accomplishments

Projections: Gulf is not projecting the need to purchase any additional SO_2 allowances during 2014. The projected 2014 O&M SO_2 allowance expenses are $654,837.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

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

Title: Sulfur

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

Description:
The Crist Unit 7 sulfur trioxide (SO_3) flue gas system allowed for the injection of SO_3 into the flue gas stream. The addition of sulfur trioxide to the flue gas improved the collection efficiency of the precipitator when burning a low sulfur coal. Sulfur trioxide agglomerated the particles which in turn enhanced the collection efficiency of the precipitator.

Accomplishments:
The flue gas injection system was retired during 2005.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

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

Title: Air Emission Fees

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

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

Accomplishments:
Fees have been paid by due dates.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: $471,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

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

Title: Title V

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

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

Accomplishments:
During 2009, the Title V renewal applications were submitted for Plants Crist, Smith, and Scholz and the Pea Ridge Generating Facility. The final permits for Crist, Smith, and Scholz were issued in December 2009 and the Pea Ridge permit was subsequently issued in March 2010. An application to revise the Plant Crist Title V permit to incorporate new operating conditions for the Crist FGD scrubber was submitted in June, 2010 and was subsequently issued in November, 2010. The initial Title V permit for the Perdido Landfill Gas-to-Energy Facility was issued in March, 2012. An application to revise the Plant Smith Title V permit to incorporate new operating conditions for the Smith Combined Cycle units was submitted in June 2012 and the permit was issued in October, 2012. Title V permit revisions for Plant Crist, Plant Smith and Plant Scholz to incorporate new Acid Rain Title IV permits were completed in December, 2012. Additionally during 2012, a Title V revision application was submitted for Plant Crist to incorporate new operating conditions from several air construction permits that included the installation and operation of the Unit 6 SCR, the Unit 6 ESP project, and a fuel flexibility project for Units 4, 5, 6 & 7. The revised Title V permit for Plant Crist was issued in June, 2013.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: $135,771

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

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

Title: Asbestos Fees

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

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

Accomplishments:
Fees are paid as required by FDEP.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: $1,500

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

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

Title: Emission Monitoring

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

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

Accomplishments:
All systems are in compliance.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: $673,160

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

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

Title: General Water Quality

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

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

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

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: The 2014 projected costs for this line item are $3,273,413. The projected cost includes approximately $1.8 million for dredging the Plant Crist ash pond in order to increase retention time and $680,000 for the Cooling Water Intake program 316(b) studies at Plant Crist and Smith.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

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

Title: Groundwater Contamination Investigation

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

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

Accomplishments:
The Florida Department of Environmental Protection has issued a No Further Action (NFA) letter or Site Rehabilitation Completion Order for 87 sites.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: $2,645,818

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

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

Title: State NPDES Administration

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

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

Accomplishments:
Gulf has complied with the NPDES program administration fee submittal schedule.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: $57,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

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

Title: Lead & Copper Rule

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

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

Accomplishments:
Gulf has complied with all sampling and analytical protocols.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: $16,476

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

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

Title: Environmental Auditing/Assessment

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

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

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

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: $7,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

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

Title: General Solid and Hazardous Waste

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

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

Accomplishments:
Gulf has complied with all hazardous and solid waste regulations.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: $582,573

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

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

Title: Above Ground Storage Tanks

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

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

Accomplishments:
Gulf has complied with all applicable storage tank requirements.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: $144,613

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

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

Title: Low NO_x

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

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

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

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

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

Title: Ash Pond Diversion Curtains

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

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

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

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

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

Title: Mercury Emissions

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

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

Accomplishments:
Coal shipments were analyzed as required during 1999. Sampling and analytical requirements are not expected during 2014.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

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

Title: Sodium Injection

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

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

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

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: $40,000

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

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

Title: Gulf Coast Ozone Study (GCOS)

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

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

Accomplishments: The GCOS project was completed during 2006.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

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

Title: SPCC Substation Project

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

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

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

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: N/A

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

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

Title: FDEP NO_x Reduction Agreement

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

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

Accomplishments: The Crist Unit 7 SCR and the Crist Units 4 and 5 SNCRs are fully operational. The Crist Unit 6 SNCR was retired when the Crist Unit 6 SCR was placed in-service during the Spring of 2012. The Crist Unit 6 SCR was installed as part of the CAIR/NAAQS/MATS/CAVR Compliance Program.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: $2,862,061

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

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

Title: CAIR/NAAQS/MATS/CAVR Compliance Program

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

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

Accomplishments: The Scholz mercury monitoring system, the first Compliance Plan capital project, was placed in-service during August 2008. The Plant Smith Unit 1 and Unit 2 SNCRs were placed in service during May 2009 and December 2008, respectively. The Crist Units 4 -7 scrubber project was placed in-service December of 2009 and the Crist Unit 6 hydrated lime injection system was placed in-service in 2011. The Plant Crist Unit 6 SCR was placed-in-service in April of 2012. The Crist Unit 6 SNCR was retired when the Crist Unit 6 SCR was placed in-service. Gulf will be incurring O&M expenses associated with these projects during 2014.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: $15,941,266

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

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

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

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

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

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

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: $0

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
January 2014-December 2014

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

Title: Crist Water Conservation

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

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

Accomplishments:
Gulfs began receiving reclaimed water from ECUA during November 2010.

Fiscal Expenditures: N/A

Progress Summary: See Accomplishments

Projections: $297,430

Schedule 6P

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Energy & Demand Allocation % By Rate Class
January 2014 - December 2014

Rate Class	(1) Average 12 CP Load Factor at Meter (%)	(2) Jan - Dec. 2014 Projected Sales at Meter (KWH)	(3) Projected Avg 12 CP at Meter (KW)	(4) Demand Loss Expansion Factor	(5) Energy Loss Expansion Factor	(6) Projected Sales at Generation (KWH)	(7) Projected Avg 12 CP at Generation (KW)	(8) Percentage of KWH Sales at Generation (%)	(9) Percentage of 12 CP Demand at Generation (%)
RS, RSVP	57.025261%	5,264,442,000	1,053,855	1.00820508	1.00777864	5,305,392,199	1,062,502	47.58292%	56.58285%
GS	65.082883%	291,284,000	51,091	1.00820395	1.00777656	293,549,188	51,510	2.63278%	2.74315%
GSD, GSDT, GSTOU	75.900487%	2,733,688,000	411,150	1.00800263	1.00762887	2,754,542,950	414,440	24.70491%	22.07074%
LP, LPT	85.148219%	1,233,654,000	165,392	0.97344897	0.98364378	1,213,476,084	161,000	10.88341%	8.57397%
PX, PXT, RTP, SBS	88.430490%	1,477,617,000	190,746	0.95247952	0.96644352	1,428,033,375	181,682	12.80773%	9.67534%
OS-I/II	782.722832%	109,296,000	1,594	1.00802086	1.00777465	110,145,738	1,607	0.98787%	0.08557%
OS-III	101.182319%	44,297,000	4,998	1.00838359	1.00778595	44,641,894	5,040	0.40038%	0.26838%
TOTAL		11,154,278,000	1,878,826			11,149,781,428	1,877,781	100.00000%	100.00000%

Notes:
(1) Average 12 CP load factor based on actual 2012 load research data
(2) Projected KWH sales for the period January 2014 - December 2014
(3) Calculated: (Col 2) / (8,760 x Col 1), (8,760 hours = the # of hours in 1 year)
(4) Based on demand losses identified in Docket No. 110138-EI
(5) Based on energy losses identified in Docket No. 110138-EI
(6) Col 2 x Col 5
(7) Col 3 x Col 4
(8) Col 6 / total for Col 6
(9) Col 7 / total for Col 7

Schedule 7P

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Energy & Demand Allocation % By Rate Class
January 2014 - December 2014

Rate Class	(1) Percentage of KWH Sales at Generation (%)	(2) Percentage of 12 CP Demand at Generation (%)	(3) Energy-Related Costs	(4) Demand-Related Costs	(5) Total Environmental Costs	(6) Projected Sales at Meter (KWH)	(7) Environmental Cost Recovery Factors (¢/KWH)
RS, RSVP	47.58292%	56.58285%	17,389,360	64,413,024	81,802,383	5,264,442,000	1.554
GS	2.63278%	2.74315%	962,160	3,122,759	4,084,919	291,284,000	1.402
GSD, GSDT, GSTOU	24.70491%	22.07074%	9,028,504	25,124,983	34,153,487	2,733,688,000	1.249
LP, LPT	10.88341%	8.57397%	3,977,384	9,760,472	13,737,856	1,233,654,000	1.114
PX, PXT, RTP, SBS	12.80773%	9.67534%	4,680,634	11,014,255	15,694,889	1,477,617,000	1.062
OS-I, OS-II	0.98787%	0.08557%	361,021	97,412	458,433	109,296,000	0.419
OS-III	0.40038%	0.26838%	146,320	305,520	451,840	44,297,000	1.020
TOTAL	100.00000%	100.00000%	$36,545,383	$113,838,425	150,383,807	11,154,278,000	1.348

Notes:
(1) From Schedule 6P, Col 8
(2) From Schedule 6P, Col 9
(3) Col 1 x Total Energy $ from Schedule 1P, line 5
(4) Col 2 x Total Demand $ from Schedule 1P, line 5
(5) Col 3 + Col 4
(6) Projected KWH sales for the period January 2014 - December 2014
(7) Col 5 x 100 / Col 6

Schedule 8P

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2014 - December 2014

FPSC Capital Structure and Cost Rates

Line	Capital Component	(1) Jurisdictional Amount ($000s)	(2) Ratio %	(3) Cost Rate %	(4) Weighted Cost Rate %	(5) Revenue Requirement Rate %	(6) Monthly Revenue Requirement Rate %
1	Bonds	679,381	37.9719	4.86	1.8459	1.8459	
2	Short-Term Debt	45,467	2.5412	0.39	0.0099	0.0099	
3	Preferred Stock	54,427	3.0420	6.33	0.1925	0.3134	
4	Common Stock	659,268	36.8478	10.25	3.7769	6.1488	
5	Customer Deposits	22,074	1.2337	3.09	0.0381	0.0381	
6	Deferred Taxes	325,735	18.2060				
7	Investment Tax Credit	2,815	0.1574	7.47	0.0118	0.0167	
8	Total	1,789,167	100.0000		5.8751	8.3728	0.6977
	ITC Component:						
9	Debt	679,381	48.7684	4.86	2.3708	0.0037	
10	Equity-Preferred	54,427	3.9070	6.33	0.2473	0.0006	
11	-Common	659,268	47.3246	10.25	4.8508	0.0124	
12		1,393,076	100.0000		7.4689	0.0167	
	Breakdown of Revenue Requirement Rate of Return between Debt and Equity						
13	Total Debt Component (Lines 1, 2, 5, and 9)					1.8976	0.1581
14	Total Equity Component (Lines 3, 4, 10, and 11)					6.4752	0.5396
15	Total Revenue Requirement Rate of Return					8.3728	0.6977

Column:
(1) Based on the May 2013 Surveillance Report, Schedule 4.
(2) Column (1) / Total Column (1)
(3) Based on the May 2013 Surveillance Report, Schedule 4.
(4) Column (2) x Column (3)
(5) For equity components: Column (4) / (1-.38575); 38.575% = effective income tax rate
For debt components: Column (4)
(6) Column (5) / 12

Gulf Power Company
Typical Monthly Bills

Rate Class	kW	kWh	Present Rates	Present Rates w/ Projected 2014 ECRC Factors and **Proposed Allocation Methodology**	Present Rates w/ Projected 2014 ECRC Factors and **Historical Allocation Methodology**	Difference
RS		1,000	$118.88	$121.96	$120.19	$1.77
GS		1,500	$181.69	$184.12	$183.54	$0.58
GSD	25	11,000	$1,007.54	$1,009.34	$1,020.40	($11.06)
LP	500	288,000	$23,713.83	$23,474.56	$24,032.85	($558.29)
RTP		2,555,000	$186,165.00	$183,413.41	$189,047.62	($5,634.21)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No.: **130007-EI**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing was furnished via hand delivery to the Commission Clerk and to all counsel of record as indicated below via U.S. mail this 30th day of August, 2013:

Ausley Law Firm
James D. Beasley
J. Jeffry Wahlen
Post Office Box 391
Tallahassee, FL 32302
jbeasley@ausley.com

PCS Phosphate – White Springs
c/o Brickfield Law Firm
James W. Brew/F. Alvin Taylor
Eighth Floor, West Tower
1025 Thomas Jefferson St, NW
Washington, DC 20007
jbrew@bbrslaw.com

Florida Power & Light Company
Kenneth Hoffman
215 South Monroe Street, Suite 810
Tallahassee, FL 32301-1858
Ken.Hoffman@fpl.com

Florida Industrial Power Users Group
c/o Moyle Law Firm
Jon C. Moyle, Jr.
118 North Gadsden Street
Tallahassee, FL 32301
jmoyle@moylelaw.com

Florida Power & Light Company
John T. Butler
700 Universe Boulevard
Juno Beach, FL 33408-0420
John.Butler@fpl.com

Hopping Law Firm
Gary V. Perko
P. O. Box 6526
Tallahassee, FL 32314
gperko@hgslaw.com

Office of Public Counsel
J. R. Kelly
P. Christensen
C. Rehwinkel
c/o The Florida Legislature
111 W. Madison Street, Room 812
Tallahassee, FL 32399-1400
Christensen.patty@leg.state.fl.us

Duke Energy Florida, Inc.
John T. Burnett
106 East College Avenue, Suite 800
Tallahassee, FL 32301
john.burnett@duke-energy.com

Duke Energy Florida, Inc.
John T. Burnett
Dianne M. Triplett
Post Office Box 14042
St. Petersburg, FL 33733
John.burnett@pgnmail.com

Tampa Electric Company
Ms. Paula K. Brown
Regulatory Affairs
P. O. Box 111
Tampa, FL 33601-0111
Regdept@tecoenergy.com

Office of the General Counsel
Charles Murphy
2540 Shumard Oak Blvd
Tallahassee, FL 32399-0850
cmurphy@psc.state.fl.us

JEFFREY A. STONE
Florida Bar No. 325953
RUSSELL A. BADDERS
Florida Bar No. 007455
STEVEN R. GRIFFIN
Florida Bar No. 0627569
BEGGS & LANE
P. O. Box 12950
Pensacola FL 32591-2950
(850) 432-2451
Attorneys for Gulf Power